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AUSTRALIAN SECURITIES EXCHANGE LIMITED
COMPANY ANNOUNCEMENTS PLATFORM
ASX CODE USA

ACTIVITIES REPORT
3 MONTHS ENDED 30th JUNE 2008

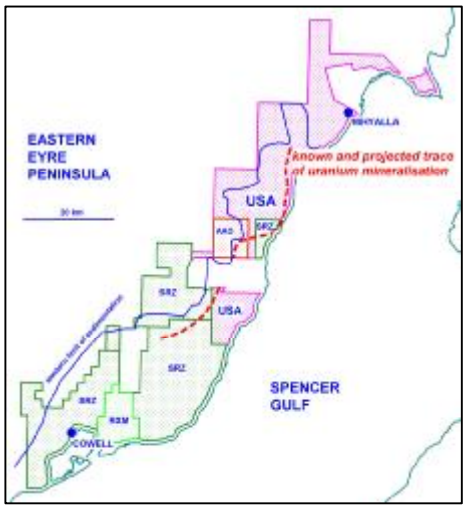
Please refer to the maps and images at the end of this release for project locations.

Exploration overview

1. Mullaquana project

Eastern Eyre Peninsula Joint Ventures. The Company has optimised its first-mover advantage in this new uranium district by consolidating control of the southern extensions of the prospective stratigraphy through Joint Venture. UraniumSA has agreement in principle to Joint Venture with Australasia Gold Limited (AAO), Rex Minerals Limited (RXM) and Stellar Resources Limited (SRZ) over tenements which these companies own that cover the southern extensions of the host sequence to the Mullaquana discovery.

The terms of all three agreements will be generally similar and provide for UraniumSA to earn a 70% interest in the sequences that are host to the Mullaquana style uranium mineralisation, with AAO, SRZ and RXM each retaining a 30% free carried interest in the cover sequence and a 100% interest in all mineralisation in bedrock. Each of the individual Joint Venture agreements will contain provisions specific to the tenements and parties, and will be subject to Ministerial consents. The general area of the Joint Venture is shown in the attached figure; specific details of the tenements and agreements will be released to the market when documentation is completed.



Eastern Eyre Peninsula
Joint Venture ground

Exploration Licence Holders
USA – UraniumSA Ltd
AAO - Australasia Gold Ltd
SRZ - Stellar Resources Ltd
RXM - Rex Minerals Ltd

Airborne electromagnetic survey. The Company is negotiating with Geosolutions Pty Ltd to fly the RepTEM system over the Mullaquana project to assist in understanding the location and shape of the target Eocene sub-basins that influence the distribution of uranium mineralisation. A contract has been agreed subject to confirmation of the timing of the survey, which is dependent on the completion of existing work obligations in Western Australia.

2. Kingoonya Palaeodrainage System

Drilling. The Company drill plant has been working continuously on the Kingoonya Palaeodrainage System project areas since mobilising into the Tarcoola Project area on 29th February 2008. The plant has been working continuously since then and a total of 73 holes were completed with the crew often encountering difficult drilling conditions and frequently very difficult access.

Most of this drilling has been in areas without any significant prior exploration and the results have been extremely valuable in building a more complete picture of our target palaeodrainage system. Critically for our exploration success, we are mapping out the gross distribution of oxidised and reduced environments within the system, and have obtained anomalous radiometric responses in several holes which have intersected mixed oxidised/reduced sections. The holes are located along existing access tracks with holes irregularly spaced at intervals of ~1km and on sections which are several kilometres apart.

In the **Tarcoola Project** area 57 holes were completed testing a variety of targets and generating data to assist in the interpretation of AEM data.

At the Peela Swamp uranium prospect (a historic discovery of uranium in thin lake sediments and silcrete) drilling intersected predominantly fine grained, oxidised, palaeochannel sediments; significant uranium mineralisation was not detected. The occurrence is related to recent-modern surface run-off and deposition from the adjacent radiogenic granite. While the occurrence confirms that there is significant uranium in the granite, and that uranium is mobile in the modern weathering systems, it does not represent an exploration target in its own right.

In the central western portions of the Tarcoola Project area, the majority of shallow AEM response is attributable to deeply weathered basement and relatively few holes intersected palaeodrainage materials. In the north of the area, several deep palaeochannel sections comprising clean, coarse grained sands and gravels were intersected. Overall, the Tarcoola drilling has intersected fine grained sections representing fully oxidised, overbank facies with a relatively narrow active channels characterised by very mature sand facies with mixed oxidising and reducing sections. Anomalous intervals have been intersected, but due to drilling problems no holes have yet tested the basal unconformity within the palaeodrainage thalwag.

The drilling plant moved into the **Kingoonya Project** area on 19th May 2008. Very difficult access and drilling conditions have been encountered with 16 holes completed. The majority of these intersected thin palaeodrainage sections with a narrow, sinuous, channel incised into a basement of deeply weathered Algebuckina Sandstone. At the end of the period several holes intersected significantly thicker sections dominated by lignitic and coarse fluvial materials and with anomalous radiometric responses. As a result, the drill plant will remain working on the Kingoonya Project for a further rotation.

The rig will move to the **Muckanippie Project** area on completion of the next rotation at Kingoonya. Anticipated date for mobilisation to Muckanippie is 18th August 2008.

3. Native Title

A Native Title Mining Agreement for Exploration has been signed with the Far West Coast Native Title Claim Group for land forming part of the Tarcoola project Area. We look forward to a long and mutually beneficial relationship with the Claimants.

While the form of land title which exists across the majority of the Mullaquana Project has extinguished Native Title, UraniumSA has negotiated and signed a Native Title Mining Agreement for Exploration with the Barngarla Native Title Claim Group, principally for Heritage Clearance surveys.

Projected activity to 30th September 2008

1. Mullaquana

The Mullaquana Project and its sediment hosted uranium discovery is the focus of the Company exploration activity. Over the third quarter of 2008;

a) it is anticipated that Joint Ventures will be signed with Stellar resources Limited, Australasia Gold Limited and Rex Minerals Limited.

b) an airborne electromagnetic survey will be flown using the RepTEM system which we used in 2007 to map the extent of the Kingoonya Palaeodrainage System. Subject to finalisation of the contractors obligations in Western Australia, this work could commence towards the end of August 2008. The objective of the survey is to map out the extent and structural detail of the Eocene basins which are host to the sediment hosted uranium mineralisation. This information will be used to target drilling to determine the limits of mineralisation and to locate higher grade "sweet spots" within the mineralised envelope.

c) drilling plant will mobilise to Mullaquana 8th September after the completion of work on the Muckanippie Project (Kingoonya Palaeodrainage System). A second drill plant will commence work at Mullaquana as soon as a refurbishment and equipment build is completed – presently anticipated for 12th September, but this may be delayed by the supply of parts and equipment.

The two rigs will be drilling at Mullaquana until the end of the first quarter 2009 when one will move back to work on the Kingoonya Palaeodrainage System. While both rigs are at Mullaquana, one rig will work exclusively on the drill out of the known mineralisation, and the second will rotate between regional exploration for new mineralisation and the drill out program

2. Kingoonya Palaeodrainage System

Tarcoola, Kingoonya and Muckanippie Projects.

Over the third quarter of 2008 it is anticipated that;

a) a final round of drilling will be carried out at Kingoonya to follow-up the favourable environments found in the recent drilling. The rig will then mobilise 18th August to the Muckanippie project where it will work for one rotation investigating the Bradman Outstation uranium prospect. On completion of this work the rig will mobilise south to commence working at Mullaquana.

b) the geological and geophysical data generated by the drilling since work commenced in February 2008 will be the basis for a comprehensive re-interpretation of the Kingoonya Palaeodrainage System. The outcome of this work will be a new model for the KPS and the identification of a range of specific drill targets.

3. Plant and Equipment

a) Very difficult access and drilling conditions have been encountered by the drill crew working on the Kingoonya Palaeodrainage System and equipment modifications are in progress to manage the problems which have arisen. The Mayhew 1000 series rig which the Company purchased from the United States in 2007 has been taken off its a 6x4 White Constructor truck, extensively rebuilt and remounted to a 6x6 UD truck. This will produce a significantly lighter, more mobile and more capable drilling rig – informally named "Ugly Dog" after the truck it is mounted on. This work will be completed shortly, with the rig scheduled to mobilise to Muckanippie 18th August 2008.

b) A second Mayhew 1000 series was purchased from Queensland and was mobilised to work on the Kingoonya Palaeodrainage Project while the rebuild of Ugly Dog was carried out. This second rig – Leister - will form the nucleus of a second drill plant (comprising the rig, a 6x6

water truck, backhoe, 4x4 service truck and 4x4 down-hole logging unit) which is scheduled to mobilise to Mullaquana mid September 2008.

Trevor Orr, UraniumSA Maintenance Manager, unmounting the Mayhew 1000 series drill rig platform and mast from the 6x4 drive White Constructor truck.

Preparing the UD 6x6 chassis to mount the Mayhew 1000 series rig platform.

Mayhew 1000 series drill rig remounted to UD 6x6 truck base. Hydraulic levelling jacks and other equipment still to be fitted.

About UraniumSA Limited

UraniumSA is an Adelaide-based uranium-only explorer specialising in sediment-hosted and unconformity styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation at Mullaquana. Two uranium mineralised trends have been identified and partially drilled out – they remain open along strike.

The Kingoonya Palaeodrainage System is the focus of the tenement portfolio. It hosts the Warrior and Ealbara uranium prospects in adjoining tenements. AEM surveys by USA have mapped out the architecture of the palaeodrainage system. Systematic exploration drilling of the palaeodrainage has commenced and will continue for the foreseeable future.

UraniumSA owns and operates its own Mayhew 1000 rotary mud drill rig, associated drilling plant and a down hole logging unit. This enables the Company to maintain a continuous program of drill testing of its exploration tenure.

Russel Bluck
Managing Director
UraniumSA Limited

The exploration results reported herein, insofar as they relate to mineralisation, are based on information complied by Mr. Russel Bluck a Member of the Australian Institute of Geoscience and an employee of UraniumSA Limited. Mr Bluck has sufficient experience relevant to the style of mineralisation and type of deposits being considered and to the activity, which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Bluck consents to the inclusion in the report of matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.