



## ASX ANNOUNCEMENT

Monday 31 July 2006

### FOURTH QUARTER 2006 ACTIVITY REPORT

#### HIGHLIGHTS

- **Maiden drilling program commenced**
- **First diamond drill hole finds anomalous silver at Sloanes Hill Prospect, SA**
- **Subsequent holes also indicate shallow silver anomalies at Sloanes Hill**
- **Second drilling programme to step out Sloanes Hill and finalise depth testing of uranium anomalies on all SA ELs**
- **All Native Title agreements in South Australia completed**

#### SOUTH AUSTRALIA

Uranium Exploration Australia's (ASX:UXA) maiden drill program commenced during the June 2006 quarter on four of its seven Exploration Licences (ELs) in South Australia, targeting anomalies previously identified by UXA including potential uranium, gold, copper and other base metals.

The first diamond drill hole (SH-1) at the Sloanes Hill prospect, located 30km south of Prominent Hill, encountered anomalous silver which is consistent with previous spot geochemical sampling results that pointed towards the presence of a shallow silver mineralisation system.

This silver mineralisation is contained in near surface horizontal dolomitic sands and silts of Cretaceous Age and appears to continue along an east - west structure. In subsequent holes anomalous silver values are located in older, non-dolomitic rocks.

#### AUGUST 2006 DRILLING FOCUS

Completion of the maiden drill program was hampered by mechanical problems affecting the drill rig's capability.

A more powerful drill rig is being sourced to complete the drilling of the uranium anomalies identified by the airborne geophysics and ground chemical surveys.

In addition to testing existing uranium anomalies, the second drilling programme at Sloanes Hill will also target confirmation of previous silver anomaly findings.

Drilling is expected to recommence in the September 2006 quarter. The second program is planned to include two holes 3km and 6km west of the original diamond drilling discovery hole (SH-1) where geology and hydrothermal alteration at surface appear to share similar settings at surface to SH-1.

#### NEW EXPLORATION GROUND ACQUIRED

Encouraged by data derived from UXA's exploration program, UXA has applied for and was granted an additional Exploration Licence Application (ELA) named Sloanes Hill North East, ELA 320/06 totalling 72 km<sup>2</sup>.

This ELA covers the area immediately adjacent to and to the north east of UXA's Sloanes Hill Prospect on UXA's Prominent Hill South Exploration Licence (EL 3429).

UXA's seven South Australian ELs and two ELAs are all contained within the same *'mineralised corridor'* that hosts major resource discoveries such as BHP Billiton's Olympic Dam, Oxiana's Prominent Hill, and the recently discovered Carrapateena project. UXA's tenements are all located within the highly prospective Gawler Craton region in South Australia.

## **NEW SOUTH WALES**

Analysis of preliminary field survey data continued at EL 6498 near Gulgong.

## **WESTERN AUSTRALIA**

Analysis of the geophysical data collected to date on UXA's tenements at Yeelirrie South East (E36/546) and Angelo River North (E52/1835) progressed during the quarter. Native Title access agreements have been signed for Yeelirrie SE (E36/546), with an additional Restricted Access and Insurance Agreement reached with an electricity company supplying power lines across the ELA.

An exploration budget detailing the proposed field exploration programme at Yeelirrie South East (E36/546) will be submitted for board approval during the December 2006 quarter.

UXA has completed an agreement with the Traditional Owners of Angelo River North (E52/1835) to allow access during the December 2006 quarter.

## **NORTHERN TERRITORY**

UXA has obtained Ministerial consent and satisfied other legal requirements to commence negotiating terms of an access agreement with the Traditional Owners and the Northern Land Council in respect of each of five ELAs, pursuant to the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth). The first round of discussions with the Traditional Owners and the Northern Land Council was held in early July in relation to the Pandanus West ELA (ELA 24565).

A sixth tenement (EL 24566) required no such consent and has been granted.

UXA expects to be able to initiate a field exploration on the latter tenement during the second half of 2007.

## **GENERAL**

UXA has continued to receive approaches in connection with opportunities in Australia and overseas. While its priority will continue to be on Australian projects, as discussed in the Prospectus, it will review such opportunities on their merits and advise Shareholders when appropriate.

For further information, contact.



Neill F Arthur  
Executive Chairman.  
URANIUM EXPLORATION AUSTRALIA LIMITED

Tel: +61 (02) 99592347 Email: [info@uxa.com.au](mailto:info@uxa.com.au)  
Or visit the website: [www.uxa.com.au](http://www.uxa.com.au)

## **ABOUT UXA**

### **Strategy and Focus**

***UXA's focus is on securing and exploring tenements in Australia that have the potential to yield commercial deposits of uranium, gold, silver and copper.***

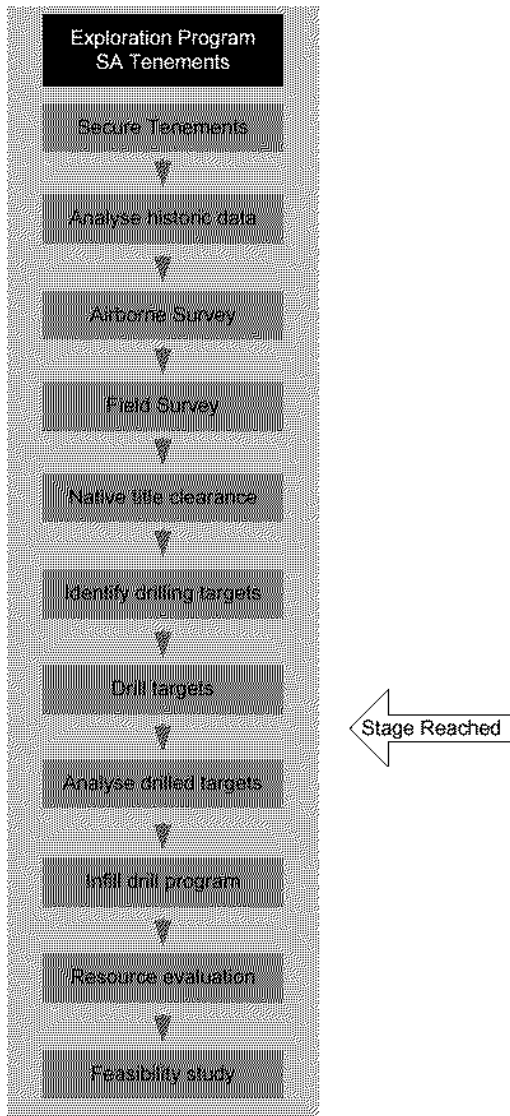
*UXA lodged 18 Exploration Licence Applications (ELAs) in areas prospective for uranium and /or associated precious and base metals in South Australia, Western Australia, the Northern Territory and New South Wales. Of these ELAs,*

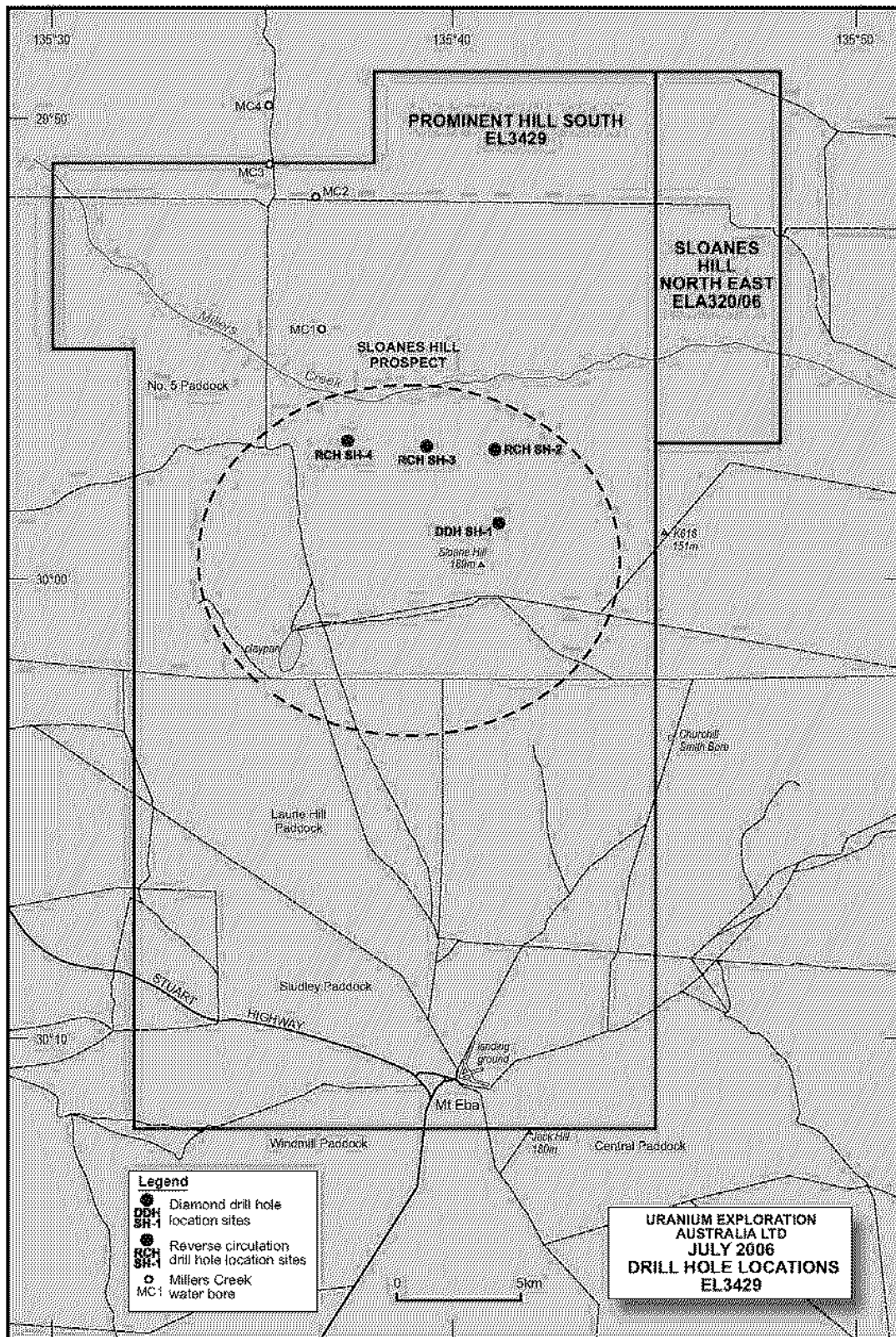
- *Seven ELs have already been granted pursuant to the relevant ELAs in South Australia. Applications were made to the South Australian Government (PIRSA) for two additional ELAs.*
- *The seven South Australia ELs and two ELAs are proximate to the world's largest known uranium, copper and gold deposit at Olympic Dam, South Australia.*
- *Four of the nine South Australian tenements are close to the recent gold/copper discoveries at Prominent Hill and Carrapateena, South Australia.*
- *Two ELAs contain previously drilled uranium mineralisation.*
- *Five ELAs and one EL are in the Northern Territory. The EL is on land in which Native Title may still exist. No objections were lodged by any Native Title Claimant under the Native Title Act 1993 (Cth) to the grant of that EL.*
- *An EL has been granted pursuant to the New South Wales ELA. That tenement is now known as EL 6498. This area is prospective for gold, copper and rare earths.*
- *Previous drilling by other parties has revealed uranium mineralisation at UXA's ELAs of Yeelirree South East WA, and Katherine North, NT. UXA plans to conduct further exploration to better define this mineralisation at the earliest possible date consistent with UXA's geologists being able to access the ground once ELs are granted and other access agreements are implemented.*

#### ***JORC Compliance Statement***

*Technical information in this report is based on information compiled by Mr. David Hawley who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hawley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC"). Mr. Hawley consents to the inclusion in this release of the information developed by him in the form and context in which it appears.*

**Table A: Timetable of key events for Uranium Exploration Australia Limited**





**Details of All Tenements Currently Held**  
**URANIUM EXPLORATION AUSTRALIA LTD ("UXA")**

<i>Tenement</i>			<i>Status</i>	<i>Date</i>			<i>Area (km<sup>2</sup>)</i>
<i>Number</i>	<i>State</i>	<i>Name</i>		<i>Application</i>	<i>Granted</i>	<i>Expiry</i>	
EL 6498	New South Wales	Gulgong / Ulan South	Granted	21/03/2005	4/01/2006	3/01/2008	270
EL 24564	Northern Territory	Nabarlek West	Application	2/02/2005	-	-	83.88
EL 24565	Northern Territory	Pandanus West	Application	2/02/2005	-	-	988
EL 24566	Northern Territory	Ngalia Thrust	Granted	2/02/2005	21/10/2005	20/10/2011	241.50
EL 24577	Northern Territory	Katherine North	Application	2/02/2005	-	-	222.70
EL 24586	Northern Territory	Rum Jungle North East	Application	14/02/2005	-	-	35
EL 24868	Northern Territory	Nabarlek North	Application	19/08/2005	-	-	224.40
EL 3428	South Australia	Roxby Downs West	Granted	21/02/2005	20/10/2005	19/10/2006	348
EL 3429	South Australia	Prominent Hill South	Granted	14/04/2005	20/10/2005	19/10/2006	876
EL 3430	South Australia	Playford	Granted	14/04/2005	20/10/2005	19/10/2006	285
EL 3431	South Australia	Griffen Well	Granted	19/04/2005	20/10/2005	19/10/2006	622
EL 3432	South Australia	Winjabbie	Granted	19/04/2005	20/10/2005	19/10/2006	539
EL 3470	South Australia	Glenside	Granted	23/06/2005	5/12/2005	4/12/2006	354
EL 3494	South Australia	Oak Dam North East	Granted	2/03/2005	18/01/2006	17/01/2007	792
ELA 002/06	South Australia	Mt Vivian	Withdrawn	4/01/2006	-	-	730
ELA 123/06	South Australia	Playford South East	Application	15/03/2006	-	-	477
ELA 168/06	South Australia	Parakylia	Withdrawn	31/03/2006	-	-	1289
ELA 320/06	South Australia	Sloane's Hill North East	Application	28/06/2006	-	-	72
E36/546	Western Australia	Yeelirrie South East	Application	4/02/2005	-	-	170.55
E52/1835	Western Australia	Angelo River North	Application	16/02/2005	-	-	188.60