

URANIUMSA LIMITED

ACN 119 978 013

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

DATE AND TIME OF MEETING:

Wednesday, 22 June 2016 at 10:00am (CST)

PLACE OF MEETING:

**Level 1, 67 Greenhill Road
Wayville, South Australia**

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, or any part of it, you should consult your professional advisors.

URANIUMSA LIMITED

ACN 119 978 013

Dear Shareholder

On behalf of the Board I am pleased to invite you to attend an Extraordinary General Meeting (**EGM**) of UraniumSA Limited. The following information is enclosed:

- Notice of General Meeting
- Explanatory Memorandum
- Proxy Form; and
- Reply paid envelope for lodging your Proxy Form and/or sending any written instructions to UraniumSA Limited before the EGM.

EGM

The EGM will be held on Wednesday 22 June 2016 at 10:00am (CST) at Level 1, 67 Greenhill Road, Wayville, South Australia 5034. You are invited to join the Board for refreshments after the Meeting.

Business of the EGM

The business of the EGM is to consider the Demerger of the Samphire Project Uranium Assets from the Company as first announced by the Company on 06 April 2016. Further detailed information is set out in the Notice of Extraordinary Meeting and Explanatory Memorandum. The Notice sets out important information in relation to the Demerger to be considered by Shareholders at the Meeting, and I encourage you to read those materials carefully.

Attendance

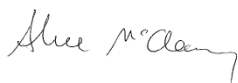
If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the Meeting in your place. Please refer to the Notice and Proxy Form regarding the appointment of a proxy.

Shareholder questions

Shareholders attending the EGM will have the opportunity to ask questions at the EGM.

I look forward to seeing as many Shareholders as possible at the EGM.

Yours sincerely



Alice McCleary

Chairman, UraniumSA Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (**EGM**) of Shareholders of UraniumSA Limited (**the Company**) will be held:

Date Wednesday, 22 June 2016

Time 10:00am (CST)

Venue Level 1, 67 Greenhill Road, Wayville, South Australia, 5034.

The Explanatory Memorandum accompanying this Notice of EGM provides additional information on matters to be considered at the EGM. Capitalised terms are defined in Schedule 6 or where the relevant term is first used.

The Notice of EGM should be read in its entirety together with the Explanatory Memorandum and Proxy Form. The Explanatory Memorandum and Proxy Form are part of the Notice of General Meeting.

AGENDA

RESOLUTION 1 – APPROVAL OF DEMERGER

Brief Explanation

The purpose of resolution 1 is for Shareholders to approve the demerger of the Company's wholly owned subsidiary Samphire Uranium Limited (**SUL**), holder of the Company's Samphire Project Uranium Assets. If the resolution is approved the Demerger will be implemented by distributing all of the shares the Company holds in SUL to Shareholders on a 1 for 1 basis.

On implementation of the Demerger, Shareholders will hold shares in both the Company and SUL. Further details on resolution 1 and its effect are set out in the attached Explanatory Memorandum which should be read carefully by Shareholders.

Resolution

To consider and if thought fit, pass the following ordinary resolution:

"That for the purposes of section 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be equally reduced by the Company making a pro rata distribution in specie of the entire share capital of SUL to Eligible Shareholders based on their holdings as at the Record Date, and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting."

Under section 256B of the Act, a company can reduce its share capital if the reduction satisfies three key requirements:

- that the reduction is fair and reasonable to the company's shareholders as a whole; and
- does not materially prejudice the company's ability to pay its creditors; and
- the reduction must be approved by shareholders under section 256C of the Corporations Act.

The reduction is an equal reduction as it relates only to ordinary shares; it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold; and the terms of the reduction are the same for each holder of ordinary shares. The reduction must be approved by a resolution passed at a general meeting of the company.

The passing of resolution 1 is conditional upon, and subject to, resolution 2 being approved by Shareholders. Accordingly, if you intend to vote in favour of resolution 1, you should also vote in favour of resolution 2.

RESOLUTION 2 – AMENDMENT OF CONSTITUTION

Brief Explanation

The purpose of resolution 2 is for Shareholders to approve an amendment to the Company's constitution to facilitate the implementation of the Demerger by ensuring that Shareholders consent to becoming a member of SUL.

Resolution

To consider and if thought fit, pass the following special resolution:

"That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company is amended by deleting rule 15.2 and replacing it with the following:

"15.2 Power to Reduce Capital

15.2.1 Subject to the Law and the Listing Rules, the Company may reduce its share capital, including without limitation, its paid up capital, asset revaluation reserves and any other reserve account in any manner including, but not limited to, distributing securities of any other body corporate to Shareholders

15.2.2 Where the Company reduces its share capital by way of a distribution of shares or other securities in another body corporate:

- (a) the Shareholders are deemed to have agreed to become members of that corporation and are bound by the constitution of that body corporate; and*
- (b) Each of the Shareholders appoints the Company or any of the Directors as its agent to execute any transfer of shares or other securities, or other document required to give effect to the distribution of shares or other securities to that Shareholder."*

RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES UP TO \$1 MILLION

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of fully paid ordinary Shares in the Company up to the value of \$1,000,000 to sophisticated and professional investors on the terms and conditions set out in the accompanying Explanatory Memorandum."

Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue, and who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if resolution 3 is passed, and any associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

RESOLUTION 4 – APPROVAL TO ISSUE SHARES UP TO \$300,000

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of fully paid ordinary Shares in the Company up to the value of \$300,000 to the Facility provider on the terms and conditions set out in the accompanying Explanatory Memorandum."

Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue, and who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if resolution 4 is passed, and any associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 588,235 SHARES

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders approve and ratify the issue and allotment of 588,235 fully paid ordinary shares to Lindsay Carthew on 3 March 2016, in accordance with the terms and conditions as set out in the accompanying Explanatory Memorandum.”

Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

RESOLUTION 6 – ISSUE OF SHARES TO DAVID PATERSON IN LIEU OF UNPAID EXECUTIVE FEES OWING

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of the Corporations Act and Listing Rule 10.11 and all other purposes, approval is given for the issue of up to \$48,000 in ordinary fully paid shares to David Paterson, a director of the Company or his nominee(s), on the terms and conditions which are set out in the accompanying Explanatory Memorandum.”

Note: If shareholder approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1 (ASX Listing Rule 7.2, Exception 14).

Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 6 by David Paterson and his associates. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the person who is the chair of the Meeting to exercise the proxy. However, the member or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution or by a person who is the chair of the Meeting at which the resolution is voted on and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By Order of the Board



Damien Connor
Company Secretary
12 May 2016

ENTITLEMENT TO VOTE

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001(Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00 pm CST on 20 June 2016 will be entitled to attend and vote at the EGM as a Shareholder.

If more than one joint holder of shares is present at the EGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a Shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Act to exercise its powers as proxy at the EGM.

A proxy need not be a Shareholder of the Company.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 10:00am CST on 20 June 2016. Proxies must be received before that time by one of the following methods:

By Post: c/- Computershare Investor Services Pty Ltd,
GPO Box 242,
Melbourne VIC 3001
Australia

By Facsimile: 1800 783 447 (within Australia) and +613 9473 2555 (outside Australia)

Custodian Voting: for Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner. A Proxy Form accompanies this Notice of General Meeting.

Voting by Attorney

A Proxy Form and the original power of attorney (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company by no later than 10:00am CST on 20 June 2016, being 48 hours before the EGM.

Corporate Representatives

A body corporate who is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the EGM. The appointment of the representative must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the EGM a properly executed letter or other document confirming its authority to act as the company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting at the Meeting

It is anticipated that all resolutions at this Meeting will be voted on by a show of hands unless a poll is demanded. On a show of hands shareholders entitled to vote who are present in person or by proxy, corporate representative or attorney will have only one vote per person.

Upon a poll, every shareholder entitled to vote who is present in person or by proxy, corporate representative or attorney will have one vote for each Share held by that shareholder.

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in UraniumSA Limited (**UraniumSA** or the **Company**) in relation to the business to be conducted at the Company's Extraordinary General Meeting to be held on Wednesday 22 June 2016 at 10:00am (CST) at Level 1, 67 Greenhill Road, Wayville, South Australia 5034.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that they may reasonably require to decide how to vote upon the Capital Reduction Resolution which will give effect to the Demerger.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolution. Shareholders should read the full text of this Explanatory Memorandum. This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. If you are in doubt about what to do in relation to the Capital Reduction Resolution or any of the other resolutions, you should consult your financial or other professional adviser.

The information contained in this Explanatory Memorandum has been prepared by the Company and is the responsibility of the Company.

Terms and abbreviations used in this Explanatory Memorandum are defined in Schedule 6.

RESOLUTION 1 – APPROVAL OF DEMERGER

1 OVERVIEW OF THE PROPOSED DEMERGER

1.1 Background to the Demerger

For a number of years UraniumSA has progressed exploration and evaluations on its Blackbush and Plumbush uranium deposits comprising the Samphire project which is located 20 km south of Whyalla in South Australia. Previously published resources are:

Blackbush deposit

Blackbush deposit has been re-estimated to comply with JORC Code 2012 (ASX 27 September 2013):

- at a 100ppm eU₃O₈ cut-off a headline estimated inferred resource 64.5 million tonnes of mineralisation at a bulk grade of 230ppm containing 14,850 tonnes eU₃O₈.
- at a 200ppm eU₃O₈ cut-off grade, an estimated inferred resource 19.5 million tonnes of mineralisation at a bulk grade of 460ppm containing 8,900 tonnes eU₃O₈.
- at a 500ppm eU₃O₈ cut-off grade, an estimated inferred resource 4.5 million tonnes of mineralisation at a bulk grade of 960ppm containing 4,500 tonnes eU₃O₈.

Plumbush deposit

Plumbush deposit has an estimated inferred resource 21.8 million tonnes of mineralisation at a bulk grade of 292ppm containing 6,300 tonnes eU₃O₈ at a 100ppm eU₃O₈ cut-off grade (ASX 8 April 2011), no new data, estimate is to JORC 2004).

The uranium price continues at or near a 5 year low and investor sentiment and financial support for small uranium exploration and development businesses remains at a low ebb. The recent retreat of the uranium price to below US\$30 has not helped and was one of the catalysts for the proposed Demerger.

UraniumSA directors have for some time considered a demerger of the Samphire Project Uranium Assets. More recently in discussions with its advisers and market participants the strategy focus has moved to the demerger option. UraniumSA believes that a demerger transaction is now the best means of maintaining the value of the Samphire Project Uranium Assets at a reduced cost inside an unlisted public company to be called Samphire Uranium Limited (**SUL**). This will leave the listed entity, UraniumSA, to continue its other exploration initiatives and pursue other value adding activities.

The Board is positive about the medium to long term opportunity that the Samphire Project Uranium Assets offer in the new structure.

UraniumSA will continue to hold EL4694 Muckanippie which is prospective for base metals and gold. In addition it holds 3 exploration licence applications prospective for uranium and other minerals. (refer ASX releases 12 and 13 February 2014 and ASX Quarterly Activity Reports - September and December 2015).

UraniumSA has for many quarters indicated that it was seeking and evaluating other opportunities in the energy and wider resources sector. This process continues and has been extended to businesses outside the resources sector. In early April 2016 the Company mandated Taylor Collison to assist with identifying opportunities referred to above. In addition to the funds raised from the Share Purchase Plan, the mandate with Taylor Collison is anticipated to bring up to \$1.0 million in new UraniumSA equity – post the proposed Demerger.

All Shareholders will hold the same number of shares in UraniumSA immediately after the Demerger as they held immediately before the Demerger. The Demerger will not affect either the total number of UraniumSA shares on issue or the number of UraniumSA shares held by each shareholder.

Subject to shareholder approval, shareholders in UraniumSA will receive a pro-rata in-specie distribution of shares in a restructured unlisted public company, SUL.

1.2 Funding of the Demerger and ongoing operations of UraniumSA and Samphire Uranium Limited

The Company is progressing two capital raising initiatives to ensure that the ongoing entities have sufficient funds and operational flexibility to support their ongoing activities.

Share Purchase Plan (SPP)

On 15 April 2016 UraniumSA released full details of a SPP focused on raising approximately \$400,000. Each Shareholder will be entitled to subscribe for additional shares in the Company to a maximum value of \$15,000 at a price of 1.7 cents per share. The closing date of this SPP is 12 May 2016.

UraniumSA Placement – post Demerger

UraniumSA has for many quarters indicated that it was seeking and evaluating other opportunities in the energy and wider resources sector. This process continues and has been extended to businesses outside the resources sector. In early April 2016 the Company mandated Taylor Collison to assist with identifying opportunities referred to above. In addition to the funds raised from the Share Purchase Plan, the mandate with Taylor Collison is anticipated to bring up to \$1.0 million in new UraniumSA equity – post the proposed Demerger.

Secured Convertible Debt facility

On 1 March 2016 UraniumSA advised that it had reached agreement with its \$300,000 secured convertible debt facility (“Facility”) lender to extend the term of the Facility by 18 months from 4 November 2016. The Facility maturity date is now 3 May 2018.

Under the terms of the Facility the Company may repay some or all of the drawn down amount which now stands at \$300,000. The Facility provider also has the opportunity to convert some or all of the drawn down amount to UraniumSA shares (at the lesser amount of 2.0 cents or a 15% discount to the 5 day VWAP prior to conversion). It is anticipated that the Facility will be extinguished shortly after the EGM if Shareholders approve the Demerger.

A pro-forma balance sheet for UraniumSA and SUL post Demerger is provided in schedule 2. The restructure proposal anticipates both UraniumSA and SUL will be debt free (other than trade payables in the ordinary course of business) and with estimated cash balances of \$750,000 and \$250,000 respectively. This is subject to the success of the two capital raising initiatives discussed above.

1.3 Samphire Project Uranium Assets

The Samphire project tenements cover the on-shore portion of the Hiltaba age Samphire granite which is the source of the Eocene sediment-hosted uranium in the Blackbush and Plumbush deposits. (refer resource details above) While our primary task has been the investigation and development of the known sediment hosted mineralisation, this work is increasingly highlighting the exploration potential of the granite itself. It is clear that the Samphire granite has significant internal compositional variation, alteration, mineralisation and that each of these is associated with variations in uranium content which, in the right combination of circumstances, may approach economic grades.

Work in recent years has added significantly to the development of a “system model” which could account for all of the mineralisation styles known from within Blackbush and the Samphire project. In July 2014 the Company summarised its understandings and postulations regarding the potential for high grade mineralisation at the Eocene unconformity below the Blackbush deposit using comparisons with uranium deposits in the Athabasca Basin in Canada (ASX 25 July 2014).

Modelling of the Blackbush mineralisation indicates there is clear potential for the discovery of high grade mineralisation (>1% U3O8) within basement below the basal unconformity in the western zone. Ongoing interpretation and modelling continues to map out alteration/structural settings in basement below the mineralised unconformity. The geological model indicates these are feeder structures for the unconformity mineralisation and they may themselves contain high grade material.

SAMPHIRE EXPLORATION ASSETS – assets of SUL post Demerger approval

Exploration interests which are owned by SUPL (a wholly owned subsidiary of UraniumSA) comprise:

- **MULLAQUANA - EL 4979** 100%. Covers the Blackbush and Plumbush sediment-hosted uranium deposits and other named and un-named uranium and base metal prospects.
- **MURNINNIE - EL 5440** 100%. Covers a prospective portion of the western margin of the Pirie Basin.
- **MIDGEE - EL 5426** in joint venture with Stellar Resources Limited (ASX: SRZ), 73% interest. Covers the southern extensions of the Plumbush deposit which remains open and undrilled to the south and west.
- **WILD HORSE PLAIN - EL 4693** in joint venture with Archer Exploration Limited (ASX: AXE) 100% of uranium only. The title covers the Ben Buy and Boothby unconformity style uranium prospects.

Refer schedule 4 – Location Diagram

SUPL also owns Pastoral Leases within EL 4979 with a book value of \$695,000 as at 31 December 2015. The Blackbush deposit is located within the pastoral leases.

All these tenements, and the Pastoral Leases, will remain assets of Samphire Uranium Limited after demerger.

1.4 Valuation of the Samphire Project Uranium Assets

UraniumSA has not and is not required to undertake a formal valuation of the Samphire Project Uranium Assets as part of the proposed Demerger process. The Demerger for which shareholder approval is being sought results in no substantive change to a Shareholder's overall investment.

The Company has sought independent advice regarding the relative valuation methodology that may be used to establish an apportionment of individual shareholder's tax cost base to the going forward entities post a Demerger.

Refer Section 2.17 – Tax Consequences

1.5 UraniumSA Limited – remaining exploration assets (post Demerger)

- **MUCKANIPPIE - EL 4694** is owned 100% by Fatjack Pty Ltd, a wholly owned subsidiary of UraniumSA. The tenure covers the Wigetty prospect which is an ilmenite-magnetite-apatite deposit, the historic Malbooma gold working and other un-named gold prospects, and various base metal and rare earth element prospects. UraniumSA has also progressed exploration on prospects referred to as Satisfaction Bore and White Nose Bore.
- **WHYMLET - ELA 2015/00126** was made by Boston Minerals Pty Ltd (Boston), a wholly owned subsidiary of UraniumSA. The area has been offered and negotiations with the regulator to accept a reduced area are progressing. The area covers basement complex and cover sequence targets which are prospective for IOCGU, black-shale hosted and unconformity styles of mineralisation.
- **SHEOAK HILL and LOCK - ELA's 2015/00113 and 2015/00114** were made by Boston. Negotiations with the regulator to reduce the application areas and amalgamate the applications continue. The area covers the Driver River airborne radiometric anomaly and the titles are prospective for unconformity style uranium mineralisation.

Refer schedule 4 – Location Diagram

1.6 Competent Persons Statement

The exploration results and mineral resources reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Russel Bluck a director of UraniumSA Limited and Member of the Australian Institute of Geoscientists with sufficient experience relevant to the style of mineralisation and type of deposits being considered, and to the activity which is reported to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 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.

1.7 Restructure

Samphire Uranium Pty Ltd (**SUPL**) was incorporated on 22 September 2005 as a wholly owned subsidiary. SUPL is the owner of the Samphire Project Uranium Assets. (refer Section 1.3)

After the EGM SUPL will be converted to an unlisted public company

Subject to the Shareholders approving the Capital Reduction Resolution at the EGM, the Company will distribute all of the shares it will own in SUL to Shareholders. That is, Shareholders will receive an in-specie Return of Capital by way of a distribution (for no consideration) of SUL in proportion to their UraniumSA Shares held by Shareholders on the basis of their Entitlements (to be determined as set out in Section 2.6(c) below). Shareholders will retain direct ownership of the Company, and receive direct ownership of SUL.

The Company will not of itself retain any shareholding in SUL. SUL will be a separate standalone unlisted public company.

The organizational structures before and after the Demerger are shown in Schedule 3.

1.8 Advantages and disadvantages of the Demerger

The Directors are of the view that the following non-exhaustive list of advantages and disadvantages may be relevant to a Shareholder's decision on how to vote on the Capital Reduction Resolution.

The Board considers that the advantages of the Demerger outweigh the disadvantages.

Advantages

The Directors believe the principal advantages of the Demerger are that:

- (a) Shareholders will retain their current shareholding in the Company and also receive a proportional share in SUL.
- (b) The Company will continue its business of mineral exploration, as well as seeking and evaluating other opportunities both in and outside of the resources and energy sectors, while SUL will be able to focus on protection of and value-add to the Samphire Project Uranium Assets.
- (c) SUL will have a board and a management team skilled and focused on developing and adding value to the Samphire Project Uranium Assets. It will be able to operate on a low overhead as an unlisted entity.
- (d) SUL is considered the most effective lower cost model to preserve the value of the Samphire Project Uranium Assets for shareholders.
- (e) The Demerger presents an opportunity to extinguish the Facility referred to in section 1.2 above.

Disadvantages

The Directors believe the principal disadvantages of the Demerger are:

- (a) Following the Demerger, SUL will be an unlisted company and consequently, unless and until its shares are listed on the ASX, may not be easily sold. While every effort will be made to unlock the value of the Samphire Project Uranium Assets and establish liquidity in SUL's shares, there is no guarantee that this will be achieved.
- (b) the Demerger will result in two separate companies, each with their own running costs and management, resulting in some additional costs. However, the cost of running an unlisted public company (being SUL) is less than a listed entity. It is anticipated that there will be sharing of administrative and corporate resources in the short-term.
- (c) Ongoing contact and disclosure of information to SUL shareholders will be less effective given its unlisted status.
- (d) SUL will not be subject to the protections of the ASX listing rules.

1.9 Future of the Company if the Demerger is approved

Following completion of the Demerger, the Company will focus initially on the following:

- (a) Assisting its adviser, Taylor Collison to raise up to \$1.0 million in new UraniumSA equity – post Demerger.
- (b) Advancing evaluations on the 3 ELA's held by subsidiary Boston
- (c) Seeking joint venture partners to assist further exploration on the Company's exploration titles.
- (d) In conjunction with Taylor Collison seeking new business investment opportunities.

The Company is not able to comment further on the possible future acquisitions.

Subject to compliance with the ASX listing rules the Company will retain its listed status.

The number of Board members of the Company will be reduced to 3 with the anticipated resignation of director Russel Bluck. He will remain as Geoscience Manager of UraniumSA in the near term.

1.10 Future of the Company if the Demerger is not approved

In the event Shareholders do not approve the Demerger, the Company will continue to meet the tenement rental commitments and other operating costs and remain an ASX listed entity. It is likely to incur minimal expenditure on exploration and development until such time as the general sentiment and investment in the uranium sector improves.

There will be little immediate impact on the Company's Samphire project tenements if the Demerger is not approved however in the medium term some reduction in title areas may be required by the regulator if minimum tenement rental commitments are not met.

If the Demerger is not approved the mandate with Taylor Collison will be lost and with it the opportunity to raise up to \$1 million in new UraniumSA equity. It is also anticipated that the Company will not be able to extinguish the Facility referred to in Section 1.2 above.

1.11 Future of Samphire Uranium Limited if the Demerger is approved

Following the completion of the Demerger, ongoing activities of SUL are likely to be:

- (a) Preserving and upgrading the value of the Blackbush and Plumbush uranium deposits;
- (b) Attention to cash reserves and minimizing costs where possible;
- (c) Where appropriate, update the JORC mineral resource statements using existing exploration data;
- (d) A focus will also be to identifying potential partners to explore part of SUL's tenement package; and
- (e) The SUL Board will be looking to put in place cost effective shareholder communications.

1.12 Board Recommendation

After considering all relevant factors, the Directors unanimously recommend that Shareholders vote **IN FAVOUR** of the Capital Reduction Resolution 1, for the following reasons:

- (a) After a full and proper assessment of all available information they believe that the proposed Demerger of the Samphire Project Uranium Assets is in the best interests of the Shareholders and the Company;
- (b) In the opinion of the Directors, the advantages of the Demerger outweigh its disadvantages as set out in Section 1.8; and
- (c) The Directors are satisfied that the Demerger is the best option available to maintain value of the Samphire Project Uranium Assets and move ahead with UraniumSA in the current circumstances and market conditions facing the Company.

2 APPROVAL OF EQUAL REDUCTION IN CAPITAL

2.1 General (Overview of the Demerger)

The Company has 187,859,273 Shares on issue as at 09 May 2016. Any shares issued as a result of the SPP or resolutions contained within this Notice or the exercise of any options, will increase the number of shares on issue at the Record Date.

UraniumSA has unlisted Options on issue at the date of this Notice as detailed in the table immediately below. All the Options have been 'out of the money' for more than 12 months. The holders of Options control exercise and hence the exact number of UraniumSA Shares on issue for the purpose of the Return of Capital cannot be determined before the Record Date.

UraniumSA unlisted Options		
Number	Exercise Price \$	Expiry Date
5,000,000	0.20	05 Oct 2016
4,000,000	0.06	12 Sept 2016
650,000	0.06	25 Nov 2017

UraniumSA has a secured convertible debt facility (Facility) which is fully drawn at \$300,000. Under the terms of the Facility the Company may repay some or all of the drawn down amount. The Facility provider also has the opportunity to convert some or all of the drawn down amount into UraniumSA shares (at the lesser amount of 2.0 cents or a 15% discount of to 5 day VWAP). It is anticipated that the Facility will be extinguished shortly after the EGM if Shareholders approve the de-merger. The Facility provider controls any conversion scenario and hence the exact number of UraniumSA Shares on issue for the purpose of the Return of Capital cannot be determined before the Record Date.

Any conversion of the drawn down amount into shares by the Facility provider is expected to occur prior to the Record Date and as such will increase the Facility providers holding in the Company at the Record Date. The Facility provider will be entitled to a distribution of SUL shares on a pro-rata basis, in the same manner as all other eligible shareholders will be entitled to at the Record Date.

Resolutions in this Notice include approval to issue UraniumSA Shares to a Director in respect of unpaid executive fees (see resolution 6). The number of shares cannot be determined before the EGM and hence the exact number of UraniumSA Shares on issue for the purpose of the Return of Capital cannot be determined before the Record Date.

Immediately following UraniumSA Shareholders approving the Demerger, the Company will:

- (a) Issue UraniumSA Shares to the Facility holder as required.
- (b) Issue shares to a Director as approved by Shareholders.
- (c) UraniumSA will loan \$250,000 cash to SUL.
- (d) Capitalise all pre-demerger intercompany loan balances between UraniumSA Limited and SUPL and distribute that amount as equity at demerger, including the \$250,000 loan mentioned at (c).
- (e) Change status of SUPL to a public company.

The number of UraniumSA Shares on issue will, subject to Shareholder approvals where required, increase by the Record Date and it is not possible to calculate the final number at Record Date at this time. It is however proposed and planned to reconstruct the capital of SUL so it has exactly the same number of shares on issue as does UraniumSA at the Record Date.

Entitlements pursuant to the Demerger will be one SUL share for each UraniumSA share and in order to affect a Demerger, the UraniumSA board have resolved to undertake an equal capital reduction by way of an In Specie Distribution of SUL shares.

UraniumSA Shareholders will be entitled to receive the same number of SUL Shares based on their Shareholdings in UraniumSA as at the Record Date.

Further particulars in relation to determining Entitlements are set out in Section 2.6(c).

The proposed Demerger will result in UraniumSA Shareholders owning 100% of the issued capital of SUL and therefore they will own 100% of the Samphire Project Uranium Assets.

Relevant general information in respect of the Demerger is set out in Section 1. In addition, the following specific information is provided.

2.2 Timetable

The anticipated timetable for the capital reduction and In Specie Distribution is set out below:

Dispatch of Notice of EGM to approve the capital reduction	20 May 2016
EGM to approve the capital reduction Company notifies the ASX that the Shareholders have approved the resolution	22 June 2016
Ex-date for the capital reduction -the date on which Shares commence trading without the entitlement to participate in the distribution.	24 June 2016
Record Date for capital reduction	27 June 2016
Completion of Demerger including In Specie Distribution of SUL Shares to Shareholders	30 June 2016

The timetable above (other than the date of the EGM) is indicative only, and may be changed at the discretion of the Directors (subject to the Listing Rules) or as required by ASX.

2.3 Samphire Uranium Limited Shares not listed

Samphire Uranium Limited will be an unlisted Australian public company. Accordingly, whilst the SUL Board may seek a listing in the future, the SUL Shares will not be listed on the ASX or any other securities exchange as part of the Demerger.

2.4 Requirements under section 256B and section 256C of the Corporations Act

The in-specie distribution of the SUL Shares to Eligible Shareholders by way of capital reduction is an equal reduction of capital under the Corporations Act. Under section 256C of the Corporations Act, an equal reduction must be approved by an ordinary resolution passed at a general meeting of the Company.

Section 256B of the Corporations Act provides that the Company may only reduce its share capital if the reduction:

- (a) is fair and reasonable to the Shareholders as a whole; and
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders under section 256C of the Corporations Act.

For the reasons set out in this Explanatory Memorandum, the Directors are of the view that the proposed capital reduction is fair and reasonable to Shareholders and that the reduction of capital will not prejudice the Company's ability to pay its creditors.

2.5 The effect of the proposed equal reduction of capital on the Company

The Company has 187,859,273 Shares on issue as at 09 May 2016. Any shares issued as a result of the SPP or resolutions contained within this Notice or the exercise of any options, will increase the number of shares on issue at the Record Date.

No additional Shares will be issued as a result of the Demerger.

If the Demerger is approved, the net assets and total contributed equity of the Company will be reduced by approximately \$14,253,721.

A pro-forma balance sheet of the Company as at 31 March 2016 is contained in Schedule 2 of this Notice, which shows the financial impact of the capital reduction on the Company.

2.6 The effect of the proposed equal reduction of capital on Shareholders

- (a) SUL Shareholdings

The SUL Shares will be distributed to Eligible Shareholders on a pro-rata basis. Eligible Shareholders will not be required to pay any additional consideration for the SUL Shares. The terms of the capital reduction are the same for each Eligible Shareholder (subject to section 2.7 of this Notice).

The Directors propose to distribute Eligible Shareholders with the same number of SUL shares as they hold in UraniumSA shares at the Record Date, with Entitlements to be determined as set out in section 2.6(c) below.

- (b) UraniumSA Shareholding

The number of Shares held by Shareholders will not change, and Shareholders will retain their current percentage shareholding interest in the Company, after the Demerger. However, if the Demerger is implemented, the book value of the Shares will be less than the book value of the Shares held prior to the Demerger because, after the Demerger, UraniumSA will not retain an interest in the Samphire Project Uranium Assets.

The rights attaching to Shares will not be altered by the Demerger.

Given the capital reduction is equal and the Company will still have positive net assets following the Demerger the Directors consider the capital reduction is fair and reasonable to Shareholders as a whole.

- (c) Entitlements to SUL Shares

The number of SUL Shares to which each Eligible Shareholder will be entitled to receive is to be determined as at the Record Date, based on Shareholdings at that time. Any shares that may be issued as a result of the SPP or any other resolutions contained within this Notice, will add further shares as at the Record Date.

As at the date of this Notice it is not possible for the Company to determine these Entitlements given that the Company presently has various parcels of Options on issue with exercise prices higher than most recent share prices and higher than the last closing price of Shares on 12 May 2016 (being the last trading day immediately preceding the date of this Notice).

Further, as the Share price may fluctuate between the date of this Notice and the Record Date, there is a chance that some or all of the Options are exercised on or before the Record Date.

The Board believes that it is unlikely that any of the holders of UraniumSA unlisted Options will exercise them before the Record Date. If any of the unlisted Options in the Company are exercised prior to the Record Date, this simply means a larger number of SUL shares will be distributed pro-rata to Eligible Shareholders.

2.7 The effect of the proposed equal reduction of capital on Option holders

In order to receive SUL Shares pursuant to the Demerger, Option holders must exercise their Options and be registered on the Company's share register on the Record Date.

For convenience, an Option exercise notice has been separately provided to each of the Option holders as at the date of this Notice of General Meeting. There are currently 9 Option holders holding 4,650,000 Options with an exercise price of 6 cents per Option and 1 Option holder with 5,000,000 Options exercisable at 20 cents per Option. Instructions on how to complete and return an exercise notice in time to be registered at the Record Date have been provided.

In accordance with Listing Rule 7.22.3, the number of Options on issue following the Demerger will remain the same, but the exercise price of each Option will be reduced by the amount of capital returned in relation to each Share. The table below shows the likely reduced exercise price of the Options following the Demerger, calculated in accordance with Listing Rule 7.22.3:

Number of options	Current Exercise Price	Post Demerger Exercise Price	UraniumSA Options
4,650,000	6 cents	0 cents	12 September 2016
650,000	6 cents	0 cents	25 November 2017
5,000,000	20 cents	13.69 cents	05 October 2016

2.8 Capital Structure of the Company

As set out in Section 2.6(c) above, the Entitlements of Shareholders to receive SUL Shares will be determined based on their Shareholdings as at the Record Date, proportional to the total Shares on issue at that time. This may be impacted by the number of Options exercised between the date of this Notice and the Record Date (if any). Given there are no Options which are presently, or close to being, "in the money" it is reasonable to assume that no Options will be exercised between the date of this Notice and the Record Date.

Below is a table showing UraniumSA's capital structure pre and post Demerger (assuming none of the Options are exercised).

	UraniumSA Shares	UraniumSA Options
Balance at the date of this Notice	187,859,273*	9,650,000 Unlisted
Balance immediately following completion of the Demerger	187,859,273*	9,650,000 Unlisted

** Shares on issue are as at 9th May 2016. Any shares issued as a result of the SPP or resolutions contained within this Notice will increase the number of shares on issue at the Record Date. Assumes that no Options are exercised prior to the Record Date.*

Below is a table showing UraniumSA's capital structure pre and post Demerger (assuming all of the Options are exercised).

	UraniumSA Shares	UraniumSA Options
Balance at the date of this Notice	197,509,273*	Nil
Balance immediately following completion of the Demerger	197,509,273*	Nil

** Shares on issue are as at 9th May 2016. Any shares issued as a result of the SPP or resolutions contained within this Notice, will increase the number of shares on issue at the Record Date.*

2.9 Capital Structure of SUL

Below is a table showing SUPL/SUL's capital structure pre and post Demerger.

	SUPL/SUL Shares	SUPL/SUL Options
Balance at the date of this Notice	2 (held by UraniumSA)	Nil
Balance immediately following completion of the Demerger, assuming no UraniumSA options are exercised.	187,859,273 * (held by the UraniumSA Shareholders according to their Entitlements)	Nil

** Shares on issue are as at 9th May 2016. Any shares issued as a result of the SPP or resolutions contained within this Notice will increase the number of shares on issue at the Record Date. Assumes that no Options are exercised prior to the Record Date.*

2.10 Overseas Shareholders

Distribution of the SUL Shares to Shareholders under the Demerger will be subject to legal and regulatory requirements in the relevant jurisdictions. If the requirements of any jurisdiction where a Shareholder is resident restricts or prohibits the distribution of the SUL Shares as proposed or would impose on the Company, in its reasonable opinion, an undue obligation or burden, the SUL Shares to which the relevant Shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the implementation of the Demerger and the Company will then account to the Shareholder for the net proceeds of sale after deducting costs and expenses of the sale.

As the Demerger is being represented and satisfied by the distribution to Shareholders of SUL Shares, and the price of SUL Shares may vary from time to time (assuming a liquid market is available), the net proceeds of sale may be more or less than the notional value of the Demerger identified in this Explanatory Memorandum.

It will be the responsibility of each Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

2.11 Board of the Company

It is planned that Russel Bluck will resign as a Director shortly after the Demerger becomes effective. He will remain Geoscience Manager of UraniumSA Limited.

The board of UraniumSA currently comprises the following directors:

Alice McCleary (Chairman)

Alice McCleary is a Chartered Accountant. She is a director of Archer Exploration Limited (ASX listed). She is a member of the South Australian Government's Minerals and Energy Advisory Council, and a councillor of the South Australian Chamber of Mines and Energy (SACOME). She is a former director of Benefund Ltd and former director of Forestry Corporation of South Australia, a former member of the Corporations and Markets Advisory Committee (CAMAC). Previous leadership roles include Vice-President of the South Australian Chamber of Mines and Energy (SACOME), Deputy Chancellor of the University of South Australia and National President of the Taxation Institute of Australia. Alice's professional interests include financial management and corporate governance. Alice is a member of UraniumSA's Audit & Risk Management Committee.

David Paterson (Executive Director)

Appointed 03 December 2011. David began his career as a geologist. He has diverse experience in the Australian minerals industry. David was a Member of Australian Stock Exchange Ltd and brings over 20 years' experience in stockbroking, capital markets and finance to the Company. David has significant experience in all facets of running a mineral exploration company. He is currently Chairman of ASX listed Bulletproof Group Limited. He is a Fellow of Financial Services Institute of Australia and a Member of the Australasian Institute of Mining and Metallurgy. David is a Chairman of UraniumSA's Audit & Risk Committee.

Russel Bluck (Executive Director)

Appointed 31 May 2006. Russel is a director of UraniumSA and is the Company's Geoscience Manager leading the development strategy for the Blackbush and Plumbush uranium discoveries. He was Managing Director from before UraniumSA's listing on the ASX in October 2006 until stepping down in March 2013 under the Company's planned succession strategy. Russel has worked in the mineral exploration industry for over 45 years providing geotechnical and corporate consulting services and involved in the formation and listing of junior mining sector companies on the ASX and Canadian stock exchange.

Martin Janes (Non-Executive Director)

Appointed 02 October 2014. Martin has a Bachelor of Economics, and is a member and graduate of the Australian Institute of Company Directors. Martin is currently Chief Executive Officer of Terramin Australia Limited a position he commenced in June 2013 having been that company's CFO from August 2006 to December 2010. He is also non-executive director of ASX listed Resource Base Limited. Most recent past employment was with ASX listed uranium company Toro Energy Ltd (May 2011 to October 2012) where he held the position of General Manager – Marketing & Project Finance. Martin has a strong finance background and specialty covering equity, debt & related project financing tools and commodity off-take negotiation. While employed by Newmont Australia (previously Normandy Mining) his major responsibilities included corporate & project finance, treasury management, asset sales and product contract management.

2.12 Board of SUL

The board of UraniumSA has considered the appropriate board composition for SUL post Demerger. Russel Bluck, Martin Janes and David Paterson are currently directors of SUPL and will remain directors of SUL after the Demerger. It is planned that Alice McCleary will resign as a director of SUPL after the EGM. The directors of UraniumSA have agreed that additional independence between the UraniumSA and SUPL boards is desirable. Shareholders of SUL can expect the appointment of an independent director with substantive uranium industry experience post the Demerger.

2.13 Directors' Interests

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Notice and the SUL Shares that they are likely to receive if the Capital Reduction Resolution is passed:

Director	UraniumSA Shares*	UraniumSA Unlisted Options	SUL Shares (Upper Limit)	SUL Shares (Lower Limit)
Ms Alice McCleary	6,864,456	-	6,864,456	6,864,456
Mr David Paterson	4,401,434	-	4,401,434	4,401,434
Mr Russel Bluck	7,323,016	5,000,000**	12,323,016	7,323,016
Mr Martin Janes	3,477,777	666,667 ***	4,144,444	3,477,777

* Shares on issue are as at 9th May 2016. Any shares issued as a result of the SPP or resolutions contained within this Notice will increase the number of shares on issue at Record Date. Assumes that no Options are exercised prior to the Record Date.

** Each exercisable at 20 cents on or before 05 October 2016.

*** Each exercisable at 6 cents on or before 12 September 2016.

2.14 Samphire Uranium Limited Directors' Remuneration

The Non-Executive Directors of SUL will receive nominal director's fees of not more than \$500 per director per month for the remainder of the calendar year. Any executive director of SUL may receive director's fees of not more than \$1,500 per month for the remainder of the calendar year. The board of SUL will determine any subsequent level of fees for all directors which will be in accordance with SUL's constitution. Director's fees may be paid by way of the issue of shares in SUL.

2.15 Rights attaching to SUL Shares

Refer to Schedule 4 of this Notice, for a summary of the rights attaching to SUL Shares.

2.16 Risk factors

On completion of the Demerger, the Company's Shareholders will become direct shareholders in SUL and should be aware of the general and specific risks that may affect SUL and the value of its securities. These risk factors are outlined in Schedule 5 of the Notice of General Meeting.

2.17 Tax Implications of the Demerger

Introduction and Scope

This section outlines the likely Australian income tax implications for certain Shareholders of the Demerger.

The information outlined in this section is limited solely to the Australian income tax implications of the Demerger for Australian residents who hold their Shares on capital account. This section does not provide information relevant to:

- Shareholders who hold their Shares on revenue account (for example, Shareholders who are share traders and certain institutional investors);
- Shareholders who are not the beneficial owners of their Shares;
- Shareholders who are not residents of Australia for income tax purposes-

The information outlined in this section is based on the income tax law at the date of this Notice of Meeting. Any changes in the tax law or interpretation of the tax law subsequent to the date of this Notice of Meeting may alter the information contained in this section.

This information is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for Shareholders. Accordingly the income tax implications for a particular Shareholder may differ from those detailed in this section, depending on their individual circumstances. Shareholders should not rely on the information outlined in this section as it is only general in nature.

It is recommended that all Shareholders should, in considering the implications to them of the Demerger, obtain independent tax advice regarding the income tax implications specific to their circumstances.

Summary of transactions

Shareholders are being asked to approve the Demerger. Under the Demerger, Shareholders will:

- keep their existing Shares; and
- receive 1 SUL Share for every 1 UraniumSA Limited Share they own on the Record Date.

The Demerger will be implemented by way of an in-specie distribution of the SUL Shares to Eligible Shareholders being an equal capital reduction under the Corporations Act.

The Company considers that the distribution to be received by Shareholders should not be taxed as a dividend, but as a capital payment by way of shares. The Company has no retained profits from which to make the distribution, and is intending to debit the distribution to share capital. As such it should not be a dividend under the ordinary definition.

The Company believes that Shareholders should be able to elect capital gains tax rollover under Division 125 of the Income Tax Assessment Act to the distribution, so that there would be no immediate tax liability arising at the time of the Demerger. The rollover would result in the Shareholder's cost base for the UraniumSA shares being split between the UraniumSA shares and their new SUL shares. The split is based on the respective market value of the two parcels of shares, and will be advised to shareholders immediately after the Demerger.

If no rollover relief is elected, and the value of the SUL shares exceeds the cost base of the UraniumSA shares, a taxable gain may arise – which will be eligible for CGT discount in the hands of individual, trust or superannuation fund shareholders if the UraniumSA shares have been held for more than 12 months. In addition, the cost base of the UraniumSA shares will still be split between the USA and the SUL shares on the same basis as if a rollover has been chosen.

The Company does not intend to apply for a class ruling from the Australian Taxation Office (ATO) on the Demerger.

The Company considers the circumstances relating to the Demerger do not support a conclusion that the distribution can be deemed a dividend in whole or part, if the Demerger is approved by Shareholders.

Notwithstanding this view, Shareholders are advised of the potential for the ATO to make such a determination.

Stamp duty and brokerage

There will be no stamp duty or brokerage payable by Shareholders as a result of the receipt of SUL Shares.

2.18 Lodgment with ASIC

The Company has lodged with the ASIC a copy of this Notice of General Meeting and the Explanatory Memorandum in accordance with section 256C(5) of the Corporations Act.

The ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

2.19 Disclosure to the ASX and ASIC

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

2.20 Other Material Information

There is no information material to the making of a decision by Shareholders whether or not to approve the resolution (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Memorandum.

2.21 Other Legal Requirements

Under ASIC Regulatory Guide 188, an invitation to Shareholders to vote on the resolution for the In Specie Distribution of SUL Shares to Shareholders constitutes an offer of securities under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies.

The Company has applied for and has received in-principle relief from the requirement to issue a prospectus in connection with the distribution of SUL Shares as outlined in this Notice of General Meeting

2.22 Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of resolution 1.

The Chairman intends to vote undirected proxies **IN FAVOUR** of resolution 1.

SCHEDULE 1- URANIUM TENEMENTS

The following table lists the tenements which comprise the Samphire Project Uranium Assets.

Tenement Number	Project I Tenement Name	Location	Group Ownership %
EL4979	Mullaquana	South Australia	100%
EL5426	Midgee (JV Hiltaba)	South Australia	73%
EL5440	Murninnie	South Australia	100%
EL4693	Wild Horse Plain (JV Pirie Resources)	South Australia	100% (JV interest for 100% Uranium)
MC 4280	Blackbush	South Australia	100%

SCHEDULE 2- FINANCIAL INFORMATION OF URANIUMSA LIMITED

If the Capital Reduction Resolution is approved, the Demerger will have the effect of reducing the Company's net assets and contributed equity by \$14,253,721. To illustrate the effect of the Return of Capital on the financial position of the Company, the Pro Forma Statement of Financial Position (unaudited) set out below has been based on the Company's management financial statements as at 31 March 2016 adjusted to reflect the impact of the Demerger, the distribution of SUL shares to the shareholders and the accounting deconsolidation of SUL.

This Pro Forma Statement of Financial Position also illustrates the effect of the Demerger on SUL.

Statement Of Financial Position as at 31 March 2016		Post Demerger	
	UraniumSA Consolidated (unaudited)	UraniumSA Consolidated (unaudited)	Samphire Uranium Limited Consolidated (unaudited)
	31 Mar	31 Mar	31 Mar
	2016	2016	2016
	\$	\$	\$
Current assets			
Cash and cash equivalents*	136,026	90,000	250,000
Trade and other receivables	5,433	5,433	0
Other Assets	23,092	23,092	0
Total current assets	164,551	118,525	250,000
Non-current assets			
Exploration expenditure	14,394,058	594,892	13,799,166
Land – Nonowie Pastoral Leases	695,000	0	695,000
Property, plant and equipment	13,529	0	13,529
Total non-current assets	15,102,587	594,892	14,507,695
Total assets	15,267,138	713,417	14,757,695
Current liabilities			
Trade and other payables	108,889	108,889	0
Borrowings	300,000	0	0
Provisions	67,081	67,081	0
Total current liabilities	475,970	175,970	0
Non-current liabilities			
Provisions	1,290	1,290	0
Borrowings			
Total non-current liabilities	1,290	1,290	0
Total liabilities	477,260	177,260	0
Net assets	14,789,878	536,157	14,757,695
Equity			
Issued capital	26,110,199	26,839,173	14,757,695
Reserves	265,183	265,183	0
Retained earnings/(losses)	(11,585,504)	(26,568,199)	0
Total equity attributable to equity holders	14,789,878	536,157	14,757,695

* Cash and cash equivalent figure post demerger assumes that \$400,000 cash is received from the Company's SPP offer which closes on the 12th May 2016.

Refer section 2.1 of this Notice to view commentary on other material assumptions which have been incorporated in the post-demerger pro-forma financial information above.

Basis of Preparation

The above Pro Forma Statement of Financial Position (unaudited) has been prepared in accordance with the ASIC Guide to Disclosing Pro Forma Financial Information and to provide Shareholders with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company (adjusted for the Demerger). The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

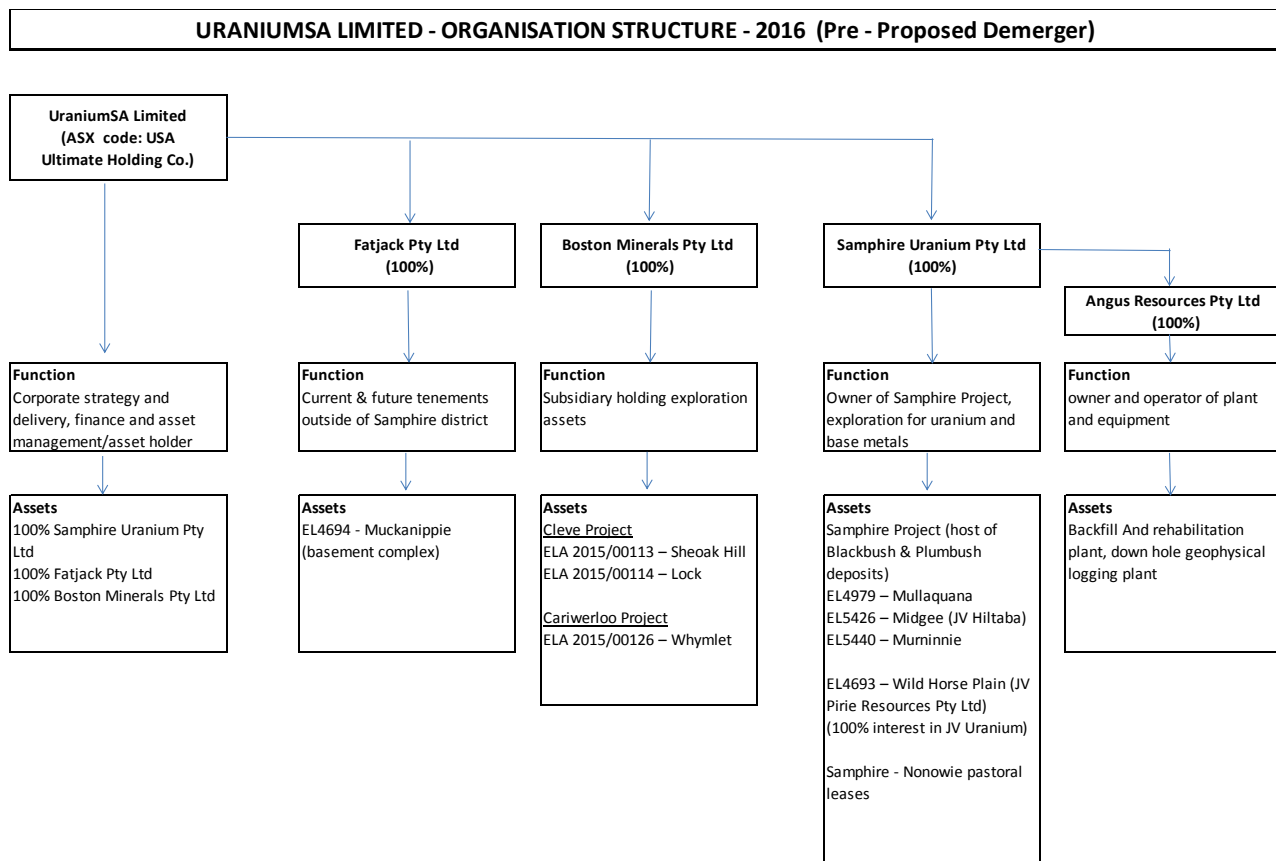
The Pro Forma Statement of Financial Position is based on the unaudited statement of financial position as at 31 March 2016.

Financial Information of SUL

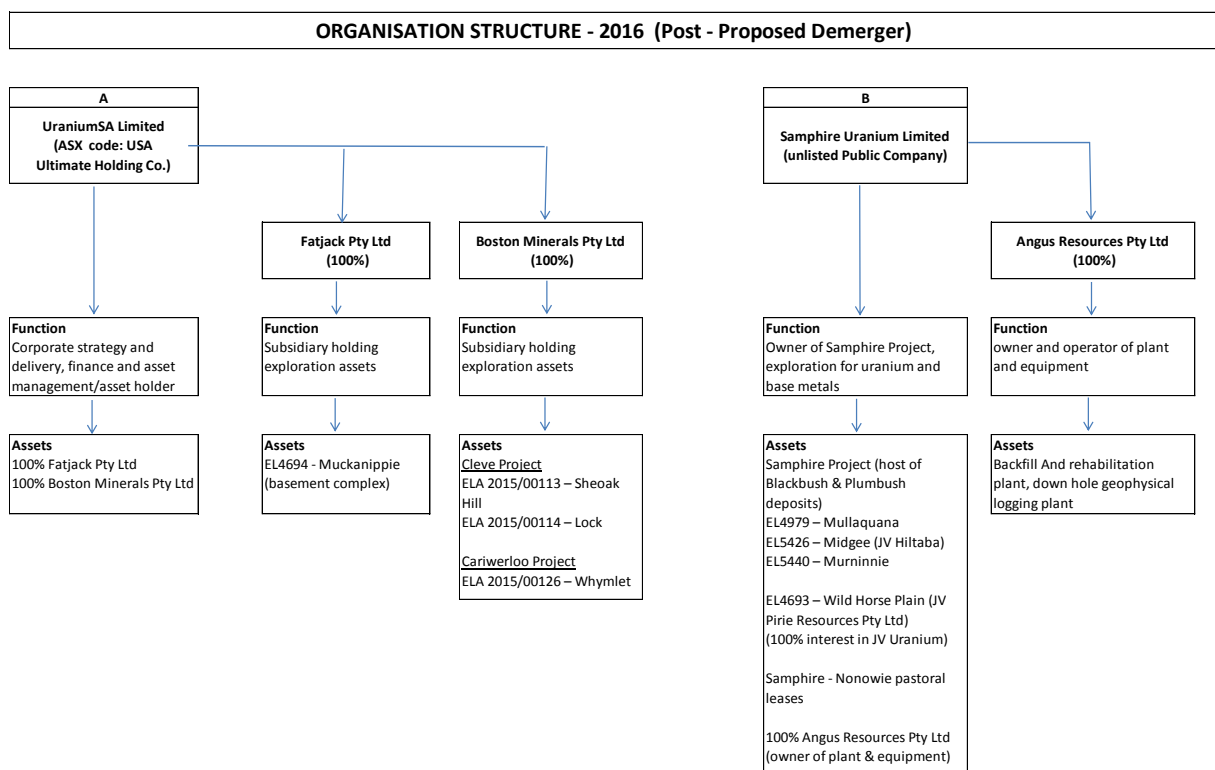
SUL will be an unlisted public company. Upon completion of the restructure, the assets of SUL will be the Samphire Project Uranium Assets. The unaudited pro forma consolidated balance sheet as at 31 March 2016 for SUL is set out above, assuming the Demerger is complete.

SCHEDULE 3- CORPORATE STRUCTURE – PRE AND POST DEMERGER

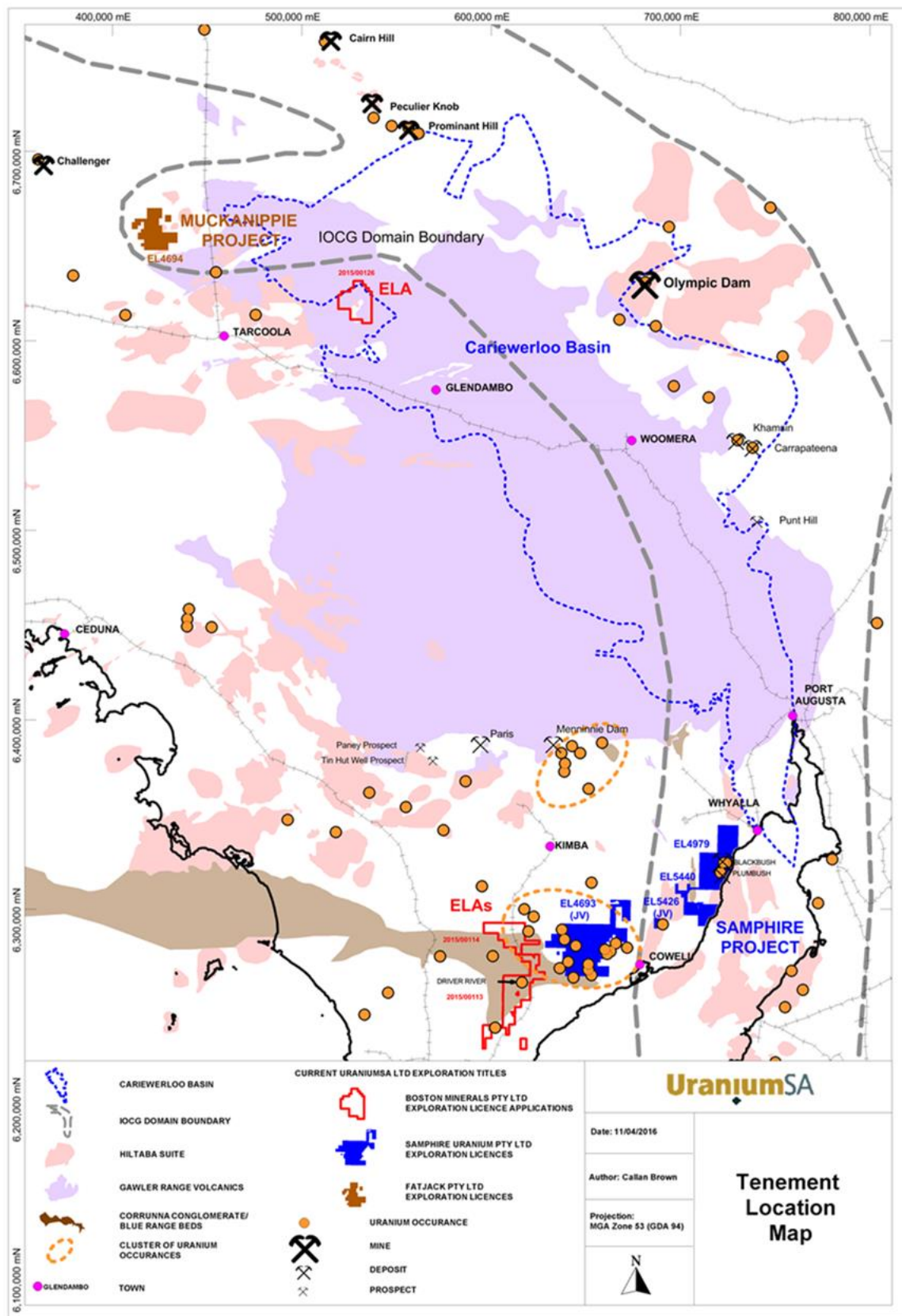
Pre-Demerger: all ownership 100%



Post-Demerger: all ownership 100%



SCHEDULE 4 – LOCATION DIAGRAM



SCHEDULE 5- RIGHTS ATTACHING TO SUL SHARES

SUL Shares proposed to be distributed to Shareholders will not be quoted on ASX and consequently Shareholders will not be able to be trade SUL Shares on ASX or any other public stock exchange. Once the SUL shares are distributed pursuant to the Demerger they may be sold off market. Where it can SUL will assist.

The following is a summary of the more significant rights and liabilities attaching to SUL Shares to be distributed to Shareholders. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders as shareholders of SUL. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to SUL Shares are set out in SUL's constitution, a copy of which is available to view at SUL's registered office, being Ground Floor, 28 Greenhill Road, Wayville, SA 5034.

General Meetings and Notices

SUL Shareholders are entitled to receive notice of, and be present in person, or by proxy, attorney or representative to attend and vote at general meetings of SUL. Shareholders may requisition meetings in accordance with the constitution of SUL.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of SUL Shares, at general meetings of shareholders or classes of shareholders:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

Dividend Rights

The directors of SUL may from time to time declare and pay or credit a dividend. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the share is to the total amount payable in respect of the shares. The directors of SUL may from time to time pay or credit to the shareholders such interim dividends as they may determine. Subject to the terms of issue of shares, SUL may pay a dividend on one class of shares to the exclusion of another class. A determination by the directors of SUL as to the profits of SUL shall be conclusive. No dividend shall carry interest as against SUL. The directors of SUL may from time to time grant to shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by SUL by subscribing for shares in SUL on such terms and conditions as the directors think fit. The directors of SUL may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any shares of SUL, that holders of such shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead some form of distribution or entitlement including an issue of shares on the terms and conditions of the constitution.

Capitalisation of profit

SUL may capitalise profits. Subject to the constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

Winding-Up

Subject to any rights or restrictions attached to a class of shares, if SUL is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of SUL, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the shareholders entitled as the liquidator thinks fit, but so that no shareholder is compelled to accept any property including shares or other securities in respect of which there is any liability.

Transfer of Shares

Generally, shares in SUL are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

Future Increase in Capital

The issue of any new shares is under the control of the directors of SUL. Subject to restrictions on the issue or grant of securities contained in the constitution of SUL and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the directors of SUL may issue shares as they shall, in their absolute discretion, determine.

Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not SUL is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

SCHEDULE 6- RISK FACTORS

Prior to the Demerger the Company has operated predominantly in the uranium exploration sector. Accordingly, the risks to SUL Shareholders (post the Demerger) will be similar to those that apply to the Company now.

Industry specific risks

(a) International Political Landscape

The uranium industry has experienced radical change over the last five years following the Fukushima disaster in March 2011, which as discussed below has had a significant impact on the price of uranium product. It should be noted some governments have taken decisions to close down the operation of nuclear power plants and to minimise and in some cases eliminate the reliance on nuclear power. The extent to which this reduction in demand will be offset by the significant ongoing capital investment by other Governments (eg China, India UK) in the development of new nuclear power plants is positive but uncertain.

(b) Uranium Product Price and Volatility

The demand for, and price of, uranium is dependent on a variety of factors, including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments in relation to climate change and other matters.

The market price for uranium products is not traded on an open market like many other commodities. Buyers and sellers negotiate prices privately making the price for uranium products even harder to predict.

The price for uranium product has reduced significantly over the last five years following the Fukushima disaster in March 2011. If the price of uranium should drop further and remain depressed, the economic prospects of uranium assets could be significantly reduced or rendered uneconomic. There is no assurance that, even if further significant quantities of uranium products are discovered, a profitable market will exist for their sale.

The marketability of uranium is also affected by numerous other factors beyond the control of SUL. These include government regulations relating to royalties, allowable production and importing and exporting of uranium products, the effect of which cannot be accurately predicted and fall outside the control of SUL.

SUL's focus and operations will likely continue in the State of South Australia which is in the top bracket of worldwide jurisdictions supportive of uranium exploration and development.

(c) Resource Exploration and Development Risk

Uranium exploration by its nature contains elements of significant risk. The success of SUL depends on the further discovery and delineation of economically viable energy reserves and resources within the Samphire Project Uranium Assets. Success may be impacted by access to required development capital, movement in the price of commodities, securing and maintaining title to SUL's exploration areas and in future production tenements and lastly obtaining all consents and approvals necessary for the conduct of its exploration or future uranium production activities.

Whilst exploration results in relation to the Samphire Project Uranium Assets are significant and prospective there is no guarantee that the tenements will deliver commercially viable uranium.

(d) Commercialisation of Discoveries

It may not always be possible for SUL to participate in the exploitation of successful discoveries made in any areas in which SUL has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as SUL. Such further work may require SUL to meet or commit to financing obligations for which it may not have planned.

(e) Other incidents beyond the control of SUL

The operations of SUL may be disrupted by a variety of risks and hazards which are beyond the control of SUL, including geological conditions, environmental hazards, technical and equipment failures and extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents beyond the control of SUL.

Although SUL believes that it will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances SUL's insurance may not cover, or be adequate to cover, the consequence of such events. In addition, SUL may be subject to liability for pollution, blow-outs or other hazards against which SUL does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(f) Competition

SUL will compete with other companies, including major uranium mining companies. Some of these companies have greater financial and other resources than SUL and, as a result, may be in a better position to compete for future business opportunities.

(g) Regulation- General

Tenements in which SUL has an interest are subject to the relevant conditions applying to those tenements. Failure to comply with those conditions may render the licences liable to forfeiture.

All of the projects in which SUL has an interest will be subject to application for renewal from time to time. Renewal of the term of each tenement is subject to applicable legislation. SUL directors are not aware of any reason why renewal of a term of an existing tenement would not be granted.

(h) Regulation- Exploration and Production

Uranium exploration, production and related operations are subject to extensive rules and regulations promulgated by legislative agencies. Failure to comply with such rules and regulations can result in penalties. The regulatory burden on the uranium industry increases the cost of doing business and can impact profitability.

There are various legislative regulations regarding closure of uranium mines, which can impose substantial rehabilitation obligations and these may have a material adverse effect on SUL's financial performance.

SUL specific risks

(a) Operating in South Australia

All of SUL's projects are located in South Australia and there are no current plans to operate in other states or overseas.

There can be no assurance that economic or political conditions in South Australia will continue as they are at present.

Given the current support of the uranium industry by the State of South Australia there is no immediate risk to SUL's projects.

(b) Key Personnel

SUL's business is reliant on the performance and expertise of key personnel, including its board. There is a risk that SUL may fail to attract, retain or develop key employees or consultants. This is not seen as a significant risk based on the current exploration and mining industry environment.

(c) Funding SUL

SUL will be funded by the Company as part of the Demerger process. There is a risk that once the initial cash balance has been fully utilised, SUL will be unable to raise further equity or debt capital on commercially acceptable terms. This risk is mitigated by the freehold Pastoral Leases that SUL will own post Demerger and it is anticipated there will be some support from major shareholders.

(d) Liquidity

Liquidity risk arises from the financial liabilities and a company's ability to meet obligations to repay its financial liabilities as and when they fall due. Directors will monitor cash flow at least monthly and will formulate plans to replenish cash resources as required and maintain cost reduction efforts to reduce cash expenditure.

The limited liquidity of the SUL Shares may affect SUL's ability to raise funds.

General Risks

Factors such as inflation, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, natural disasters, social upheaval and war may have an impact on prices, operating costs and market conditions generally. Accordingly, SUL's future possible revenue and operations can be affected by these factors, which are beyond the control of SUL.

General movements in local and international stock markets, uranium prices and economic conditions could all affect the value of the assets held and implied value of SUL's Shares.

(a) Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs and commodity prices. SUL's future possible revenue and share value can be affected by these factors, which are beyond the control of SUL and its directors.

(b) Government Policy Changes

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of SUL and may affect industry profitability.

The list of risk factors above ought not to be taken as exhaustive of the risks faced by SUL or by investors in SUL. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of SUL and the value of the SUL Shares.

The SUL Shares carry no guarantee with respect to the payment of dividends, return of capital or their realisable value.

Background

Under the Corporations Act, a member must give consent to becoming a member of a company. So, in order to give effect to the Demerger, each Shareholder must give its consent to becoming a member of the demerged company, namely, SUL. The Constitution, as presently drafted, does not contain this express consent.

Accordingly, approval is sought from Shareholders for the replacement of rule 15.2 of the constitution so that where the Company reduces its share capital by way of a distribution of shares or other securities in another body corporate (as it is doing under the Demerger):

- (a) Shareholders are deemed to have agreed to become members of that corporation and are bound by the constitution of that body corporate; and
- (b) each of the Shareholders appoints the Company or any of the Directors as its agent to execute any transfer of shares or other securities, or other document required to give effect to the distribution of shares or other securities to that Shareholder.

Consenting to become a member of SUL does not impose any specific liabilities upon a Shareholder, nor does it prohibit a Shareholder from subsequently selling or otherwise dealing with the Demerger shares to be received under the Demerger. A copy of the SUL constitution is available on request from the Company Secretary.

No other changes are being made to the constitution.

Demerger Conditional on Amendment

Resolution 1 (to affect the Demerger) is conditional on Shareholders approving resolution 2 (to amend the Constitution). This means that in order to implement the Demerger, Shareholders need to approve both resolution 1 and resolution 2.

Special Resolution

Resolution 2 is a special resolution, and therefore requires approval of at least 75% of the votes cast by Shareholders entitled to vote (in person, by proxy, by attorney or corporate representative) on the resolution.

Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of resolution 2.

The Chairman intends to vote undirected proxies **IN FAVOUR** of resolution 2.

RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES UP TO \$1 MILLION

Background to resolution 3

The Board seeks Shareholder approval to issue fully paid ordinary shares in the Company to professional and sophisticated investors up to a value of \$1,000,000 as part of a Share Placement.

Listing Rule Requirements

The Company seeks to have the flexibility to issue securities as part of a Share Placement and to allow the number of securities not to be included in the calculation under Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities pursuant to resolution 3 during the 3 months after the Meeting without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12 month period that aggregate more than 15% in number of the existing ordinary shares in the capital of the Company (15% Rule)

Listing Rule Disclosure Requirements

Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- a) The number of shares the Company is seeking approval to issue will be determined by the following formula:

$$PS = \$1,000,000 / IP$$

Where:

PS is the number of Shares to be issued and allotted (the **Placement Shares**); and

IP at least 80% of the volume weighted average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the 5 days on which sales of Shares are recorded before the date of the prospectus (the **Issue Price**).

- b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- c) The Shares will be issued at a price that is at least 80% of the volume weighted average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the 5 days on which sales of Shares are recorded before the date of the prospectus. That is, the shares may be issued at no more than a 20% discount to the relevant 5 day VWAP.
- d) The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known. The Company intends (but without limitation) to issue the Shares to institutional, sophisticated and professional investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act. The Shares will not be issued to Directors or other related parties.
- e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.
- f) The Company intends to use the funds raised from the issue of the Shares to fund continued evaluation of its remaining exploration assets, seek out and evaluate new business opportunities and for general working capital.
- g) It is intended that the Shares will be allotted on several dates during the 3 month period specified in paragraph (b) above.

Effect of Shareholder approval of Resolution 3

If Shareholders approve resolution 3, then the Company will then have the flexibility to issue more securities during the 3 month period after the Meeting if an opportunity arises which the Board believes is in the best interests of the Company. For the purpose of Listing Rule 7.1, the issue of these Shares would not make up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities.

If Resolution 3 is not approved

If Shareholders do not approve resolution 3, then the Company's ability to issue further securities in the 3 month period following the EGM, without Shareholder approval, will be reduced. However, the Company may still issue further Shares within the limit of the existing 15% capacity within Listing Rule 7.1 and additional 10% capacity within Listing Rule 7.1A, without seeking shareholder approval.

Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of resolution 3, for the granting of authority to issue Placement Shares as outlined above.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of resolution 3.

RESOLUTION 4 – APPROVAL TO ISSUE SHARES UP TO \$300,000

Background to Resolution 4

The Board seeks Shareholder approval to issue fully paid ordinary shares in the Company to the Lender up to a value of \$300,000 to enable the outstanding Facility amount to be settled by the conversion into fully paid ordinary Shares in the Company.

Listing Rule Requirements

The Company seeks to have the flexibility to issue securities to settle the outstanding Facility amount of \$300,000 and to allow the number of securities not to be included in the calculation under Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities during the 3 months after the Meeting without the requirement to obtain prior Shareholder approval.

Details about the Listing Rule requirements regarding Listing Rule 7.1 were previously set out in resolution 3.

Listing Rule Disclosure Requirements

Listing Rule 7.3 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- a) The number of shares the Company is seeking approval to issue will be determined by the following formula:

$$N = (A+B)/C$$

Where:

N is the number of Shares to be issued and allotted; and

A means the Drawing amount subject of the Conversion Notice.

B means the accrued but unpaid interest on the Drawing the subject of the Conversion Notice upto and including the Conversion Date.

C is the lesser of 2.0 cents per Share or 85% of the volume weighted average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded (5 day VWAP) immediately prior to (but not including) the date of a Conversion Notice. .

- b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- c) The Shares will be issued at a price that is the lesser of 2.0 cents per Share or 85% of the volume weighted average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded (5 day VWAP) immediately prior to (but not including) the date of a Conversion Notice. That is, the shares will be issued at the lower of 2.0 cents or a 15% discount to the relevant 5 day VWAP.
- d) Shares will be issue to the provider of the Facility.
- e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.
- f) No funds will be raised from the issue of shares.
- g) It is intended that the Shares will be allotted on several dates during the 3 month period specified in paragraph (b) above.

Effect of Shareholder approval of Resolution 4

If Shareholders approve the resolution 4, then the Company will then have the flexibility to issue more securities during the 3 month period after the Meeting if an opportunity arises which the Board believes is in the best interests of the Company. For the purpose of Listing Rule 7.1, the issue of these Shares would not make up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities.

If Resolution 4 is not approved

If Shareholders do not approve resolution 4, then the Company's ability to issue further securities in the 3 month period following the EGM, without Shareholder approval, will be reduced. However, the Company may still issue further Shares within the limit of the existing 15% capacity within Listing Rule 7.1 and additional 10% capacity within Listing Rule 7.1A, without seeking shareholder approval.

Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of resolution 4, for the granting of authority to issue Shares to the Facility provider as outlined above.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of resolution 4.

RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 588,235 SHARES

ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12 month period that aggregate more than 15% in number of the existing ordinary shares in the capital of the Company (15% Rule).

ASX Listing Rule 7.4 allows a company in a general meeting to subsequently approve an issue of securities for the purposes of Listing Rule 7.1. If approval is granted, the issue of securities is treated as having been made with approval.

Resolution 5 seeks ratification of the allotment and issue by the Company of 588,235 shares to Lindsay Carthew. The shares were issued within the Company's existing capacity under ASX Listing Rule 7.1. Refer to the Company's Appendix 3B lodged with the ASX on 03 March 2016.

If such approval is given, the Company's capacity to issue up to 15% of the ordinary issued securities of the Company, if required, in the next 12 months, without shareholder approval, will be replenished.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders in relation to the issue of Shares subject of this resolution

Number to be issued:	588,235 Shares
Issue Price/Consideration:	\$0.017 per Share / \$10,000
Person(s) issued to:	Shares issued Lindsay Carthew (Lender) in respect a fee payable to the Lender for an 18 month extension of the term of the existing funding Facility.
Terms of Issue:	Shares issued are fully paid ordinary shares in the capital of the Company and are issued on the same terms and conditions as existing Shares.
Voting Exclusion:	A voting exclusion statement has been included in this Notice of General Meeting.
Use of Funds:	No funds were received under the share issue.

Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of resolution 5.

The Chairman intends to vote undirected proxies **IN FAVOUR** of resolution 5.

RESOLUTION 6 – ISSUE OF SHARES TO DAVID PATERSON IN LIEU OF UNPAID EXECUTIVE FEES OWING

Background

During the year ended 30 June 2016 Acting CEO, David Paterson, voluntarily offered to receive reduced cash payments for a period of time to conserve the Company's cash flow.

Mr Paterson is owed \$48,000 by the Company, of which no cash has been paid (or is not expected to be paid) to him in respect of his executive services to the Company during the 12 month period to 30 June 2016 and to which the Company seeks shareholder approval under resolution 6 to issue an equivalent amount of fully paid shares in lieu of cash.

Reasons for seeking Shareholder Approval

The purpose of resolution 6 is to give Mr Paterson the opportunity to be paid for his executive services to the Company in fully paid ordinary shares in the Company, up to the equivalent value of \$48,000.

The Company seeks shareholder approval under resolution 6 to issue an equivalent amount of fully paid ordinary shares in lieu of cash to Mr Paterson for services performed for the Company, as described above and on the terms described below:

ASX Listing Rule 10.11 provides that a company must not issue or agree to issue securities to particular parties, without first obtaining the approval of members.

Given the issue price of the securities is not defined, the Company has sought an ASX waiver to rule 10.13.5 to allow the securities issue price to be based on a formula including a future security price. If a waiver is not granted by ASX, or approval of resolution 6 is not received, the Company, subject to future Board approval, will pay the amounts in cash.

For this purpose ASX Listing Rule 10.13 provides that the following information must be provided to shareholders:

Number to be issued:	Under resolution 6 the maximum number of securities that may be issued to Mr Paterson is \$48,000 of fully paid ordinary shares, but will not exceed a maximum of 2,823,529 shares.
Issue Price:	Fully paid ordinary shares, subject of resolution 6 will be issued at the VWAP price for the 5 trading days on which trades were recorded immediately prior to the date of issue, which will be as soon as practicable after this Meeting and in any event no later than one month after the date of the EGM. Shares will not be issued at a price less than \$0.017 per share.
Terms of Issue:	The shares issued will be fully paid ordinary shares in the Company. The shares will be issued on the same terms as the Company's other fully paid ordinary shares. Each share issued pursuant to resolution 6 will rank pari passu with all existing ordinary fully paid shares of the Company.
Issue Date:	Fully paid ordinary shares, subject of resolution 6 will be issued as soon as practicable after this Meeting and in any event no later than one month after the date of the EGM.
Voting Exclusion:	A voting exclusion statement has been included in this Notice of General Meeting.
Use of Funds:	No funds will be raised by the issue of the fully paid ordinary shares as it will be payment for executive services in lieu of cash.

For illustrative purposes, the outstanding amounts, in aggregate, owing to Mr Paterson for past services to the Company, as detailed above, will be paid in shares at a price, which will be calculated as follows:

$$X = \$48,000 / \text{VWAP 5}$$

Where:

- X = the number of shares to be issued in aggregate to David Paterson (Director Shares) and
- VWAP 5 = volume weighted average trading price of the Company's shares on ASX in the 5 trading days on which trades were recorded immediately preceding the issue date, but not less than \$0.017 per share.

The table below provides details of the number of Shares to be issued to Mr Paterson based on a VWAP 5 equal to \$0.018 (closing price as at 05 May 2016), \$0.02 and \$0.017 .

VWAP 5 (examples)	Total number of Director Shares, in aggregate to be issued to Director Paterson	Total number of shares issued as a percentage of share capital*
\$0.017 per share	2,823,529 shares	1.50%
\$0.018 per share	2,666,667 shares	1.42%
\$0.02 per share	2,400,000 shares	1.27%

* calculation is based on shares on issue as at 09 May 2016.

The number of shares to be issued to Director Paterson will not exceed a maximum of 2,823,529 shares.

Qualifications and Experience

David Paterson
BAppSc, GradDip BusAdmin, AusIMM
Director since December 2011

David is a Chairman of UraniumSA's Audit & Risk Committee. David began his career as a geologist. He has diverse experience in the Australian minerals industry. David was a Member of Australian Stock Exchange Ltd and brings over 20 years' experience in stockbroking, capital markets and finance to the Company. David has significant experience in all facets of running a mineral exploration company. He is currently Chairman of ASX listed Bulletproof Group Limited. He is a Fellow of Financial Services Institute of Australia and a Member of the Australasian Institute of Mining and Metallurgy.

Board Recommendation

The Directors (other than David Paterson, who is not entitled to make, and does not make a recommendation) recommend that Shareholders vote **IN FAVOUR** of resolution 6 for the approval to issue up to \$48,000 of fully paid ordinary shares to David Paterson as payment for executive services provided to the Company.

The Chairman intends to vote undirected proxies **IN FAVOUR** of resolution 6.

SCHEDULE 6 – DEFINITIONS

In this Explanatory Memorandum, the Notice of Extraordinary General Meeting and Proxy Form:

ASIC means Australian Securities and Investments Commission.

ASX means ASX Ltd as operator of the Australian Securities Exchange Limited.

ASX Listing Rules or Listing Rules means the Listing Rules of ASX.

Board means the board of the Company's directors (refer to Section 2.11 of this Notice) unless the context indicates otherwise.

Capital Reduction Resolution means the equal reduction of capital of the Company proposed to be satisfied by the In Specie Distribution and transfer to Eligible Company Shareholders (on a one for one basis and in direct proportion to their holdings of Company Shares) of SUL Shares held by UraniumSA.

Company means UraniumSA Limited ACN 119 978 013.

Constitution means the Company's constitution.

Conversion Date means 5 business days after the Lender has provided the Company with a Conversion Notice.

Conversion Notice means a notice issued by the Lender to the Borrower to convert all or part of any Drawing (but excluding any interest due) under the Facility into Shares.

Corporations Act means the Corporations Act 2001(Cth).

Demerger has the meaning given to it in Section 2.1 of this Notice.

Demerger Date means the date on which the Restructure and the transfer of the SUL Shares (to effect the capital reduction and In Specie Distribution) will be completed, being on or about 30 June 2016 (refer to the indicative timetable at Section 2.2 of this Notice).

Director means a director of the Company.

Dollar or \$ means Australian Dollars.

Drawing means the outstanding principal amount of a drawdown made under the Facility.

EGM means the Extraordinary General Meeting convened by this Notice.

Eligible Shareholders means a holder of Company Shares as at the Record Date.

Entitlement has the meaning given by Section 2.6(c) of this Notice.

Explanatory Memorandum means the explanatory Memorandum accompanying the Notice.

Valuation means the director's valuation of UraniumSA post the Demerger to determine the value of the capital reduction and Entitlements for the purposes of the In Specie Distribution to affect the Demerger.

In Specie Distribution means, as part of the Demerger, the Capital Reduction by way of in specie distribution of SUL Shares to Eligible Shareholders based on their Entitlements, for which approval is being sought pursuant to the Capital Reduction Resolution of this Notice of General Meeting.

JORC Code means the Joint Ore Reserve Committee Code which is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.

Lender means the provider of the \$300,000 secured convertible debt facility (the 'Facility') as described in Section 1.2 of this Notice.

Listing Rules means the official listing rules of ASX.

Meeting means the Extraordinary General Meeting convened by the Notice of Meeting.

Notice or Notice of Extraordinary General Meeting or Notice of General Meeting means this notice of general meeting including the Explanatory Memorandum and the Proxy Form.

Options mean unlisted options to subscribe for Shares in the Company.

Pastoral Leases means Crown Leases 1195 folios 35, 36, 37 and 38 within the Hundreds of Batchelor and Poynton located south of Whyalla in South Australia.

Proxy Form means the proxy form attached to the Notice of General Meeting.

Record date means the record date to determine Shareholders entitled to participate in the In Specie Distribution listed in the timetable in section 2.2 of this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

SPP means Share Purchase Plan pursuant to the Offer Document released to shareholders and ASX on 15 April 2016.

SUL means Samphire Uranium Ltd following change of status from Samphire Uranium Pty Ltd.

SUL Board means the board of directors of SUL (refer to Section 2.12).

SUL Constitution means SUL's constitution at the date of this document.

SUL Share means a fully paid ordinary share in the capital of SUL.

SUL Shareholder means a holder of one or more SUL Shares.

Samphire Project Uranium Assets means those assets detailed in Section 1.3 of this Notice.

Taylor Collison means Taylor Collison Limited ACN 008 172 450

Uranium SA means UraniumSA Limited ACN 119 978 013

UraniumSA Board means the board of directors of UraniumSA

UraniumSA

URANIUMSA LIMITED
ACN 119 978 013

USA

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 652 178
(outside Australia) +61 3 9415 4000

Proxy Form

XX

For your vote to be effective it must be received by 10:00am on Monday 20 June 2016 (ACST)

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of UraniumSA Limited hereby appoint

☐ the Chairman
of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of UraniumSA Limited to be held at Level 1, 67 Greenhill Road, Wayville, South Australia on Wednesday, 22 June 2016 at 10:00am (ACST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 6** (except where I/we have indicated a different voting intention below) even though **Item 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 6** by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval of Demerger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue Placement Shares up to \$1 Million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Issue Shares up to \$300,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Prior Issue of 588,235 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Shares to David Paterson in Lieu of Unpaid Executive Fees Owing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

USA

999999A

Computershare +