

6 April 2016

## UraniumSA Limited ("UraniumSA")

ASX Code: USA

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### BOARD OF DIRECTORS

**Alice McCleary** Chairman  
**Martin Janes** Director  
**Russel Bluck** Director &  
Geoscience Manager  
**David Paterson** Director &  
Acting CEO

### PROJECTS

#### South Australia

Samphire ELs 4979, 5426 (JV)  
Murninnie EL 5440  
Wild Horse Plains EL 4693 (JV)  
Muckanippie EL 4694

### ISSUED CAPITAL

6 April 2016  
Shares on Issue: 187,859,273  
Quoted shares: 187,859,273  
Unlisted Options: 9,650,000

### INVESTOR INQUIRIES

[executive@uraniumsa.com.au](mailto:executive@uraniumsa.com.au)

**Inquiries regarding this report  
and company business may be  
directed to:**

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**+61 417 823 654**

### VISIT OUR WEBSITE

[www.uraniumsa.com.au](http://www.uraniumsa.com.au)

## SHARE PURCHASE PLAN

### DEMERGER OF SAMPHIRE PROJECT URANIUM ASSETS

#### UraniumSA PLACEMENT – post demerger

UraniumSA advises that its directors propose a significant restructure of the company to protect and support the existing uranium assets comprising the Samphire Project located 20 km south of Whyalla in South Australia.

The plan involves the demerger of a restructured Samphire Uranium Pty Ltd (SUPL) to Samphire Uranium Limited ('SUL') as a separate standalone unlisted public company. SUPL is and will remain the owner of the Samphire Project Uranium Assets. (refer Appendix 3)

The restructure will include the completion of two capital raisings to provide working capital to ensure that the ongoing entities have sufficient funds, management structures and operational flexibility to support their ongoing activities.

The elements of the proposal are detailed below and will require shareholder approval at a general meeting (refer pages 2 - 6 for additional detail including an indicative timetable).

#### Share Purchase Plan (SPP)

UraniumSA will shortly release full details of a SPP focussed 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.

Taylor Collison have been appointed broker to the SPP.

#### Demerger of Samphire Project Uranium Assets

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

The proposed assets of SUL are detailed below. It is anticipated SUL will benefit from a recovery of the uranium market.

#### 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.

UraniumSA will continue its business of minerals exploration.

UraniumSA has appointed Taylor Collison to assist with identifying opportunities referred to above. In addition to the funds raised from the SPP, the mandate with Taylor Collison is anticipated to bring up to \$1.0 million in new UraniumSA equity – post the proposed demerger.

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules may be required depending upon the nature and scale of any acquisition subsequently progressed by UraniumSA.

### **Share Purchase Plan (SPP)**

Shareholders who were registered as holders of fully paid ordinary shares in UraniumSA (Company) at 7.00pm CST on 5 April 2016 (Record Date) with a registered address in Australia or New Zealand will be eligible to participate in the SPP.

Under the SPP, eligible shareholders will be entitled to subscribe for up to \$15,000 worth of new fully paid ordinary shares in the Company at an issue price of \$0.017 (1.7 cents per share), without brokerage, commission or other transaction costs.

Taylor Collison have agreed to be Broker to the SPP. The SPP is not underwritten.

The Company is focussed on raising \$400,000 from the SPP. Allocation of shares will likely be on a “first come, first served basis”. The Company reserves the right to scale back applications to ensure regulatory compliance and may close the SPP before the indicative closing date.

Directors of UraniumSA intend participating in the SPP.

Full details and terms of the SPP and related documentation will be released on ASX on or about 15 April 2016.

### **Demerger of Samphire Project Uranium Assets**

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. This release details the key elements of transactions which your directors believe are in the best interest of all shareholders. More detailed information will be provided in a Notice of Meeting which will be despatched to all shareholders in coming weeks.

The formation of SUL and demerger from UraniumSA constitutes the divestiture of UraniumSA’s major asset. This requires shareholder approval at an extraordinary general meeting (EGM) of the company and ongoing compliance with ASX Listing Rules. All eligible shareholders in UraniumSA will participate in the demerger on a pro-rata basis.

Resolutions for shareholder approval at the EGM will include:

1. Amendments if required to UraniumSA constitution to facilitate the demerger.
2. Approval of the demerger of SUL from UraniumSA.
3. Approval of the UraniumSA placement to be conducted by Taylor Collison post demerger re LR 7.1
4. Approval of issue of shares to various directors in lieu of fees and entitlements outstanding re LR 10.11

Pre and Post diagrams of organisational structure appears as Appendix 3.

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.

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 base metals, uranium and other minerals. (refer ASX releases 12 and 13 February 2014 and ASX Quarterly Activity Reports - September and December 2015)

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.

### UraniumSA Placement - post demerger

In addition to the funds raised from the SPP, the mandate with Taylor Collison is anticipated to bring up to \$1.0 million in new UraniumSA equity – post the proposed demerger. A resolution will be put to shareholders at the EGM seeking approval of this placement and ensuring compliance with Listing Rule 7.1.

The placement price will not be set until after the SUL demerger. Participants will be sophisticated and / or institutional investor clients of Taylor Collison.

### **Appendix 1 Indicative Timetable** – subject to change at discretion of the Company

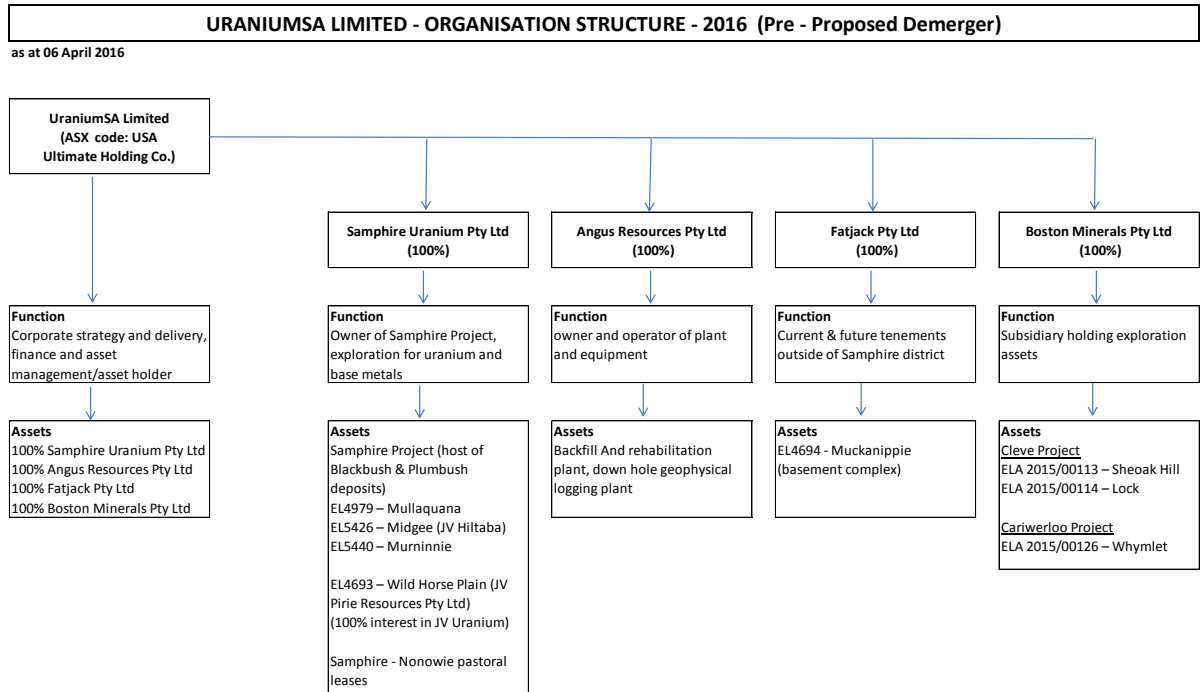
<i>Corporate Action</i>		<i>Indicative date</i>
<b>Share Purchase Plan (SPP)</b>	Record Date	5 April 2016
	SPP Document Despatch	15 April 2016
	Offer open	15 April 2016
	Offer Close	5 May 2016
	Allotment of SPP shares	12 May 2016
<b>Samphire Uranium (SUL) Demerger</b>	Notice of Meeting Despatch	13 May 2016
	Shareholder EGM	15 June 2016
	Record Date	2 days post EGM
	Distribution of SUL shares	7 days post record date
<b>Placement</b>	Record date	Not applicable
	Completion announcement	12 July 2016

**Appendix 2** indicative pro-forma balance sheets for UraniumSA and Samphire Uranium Limited post demerger

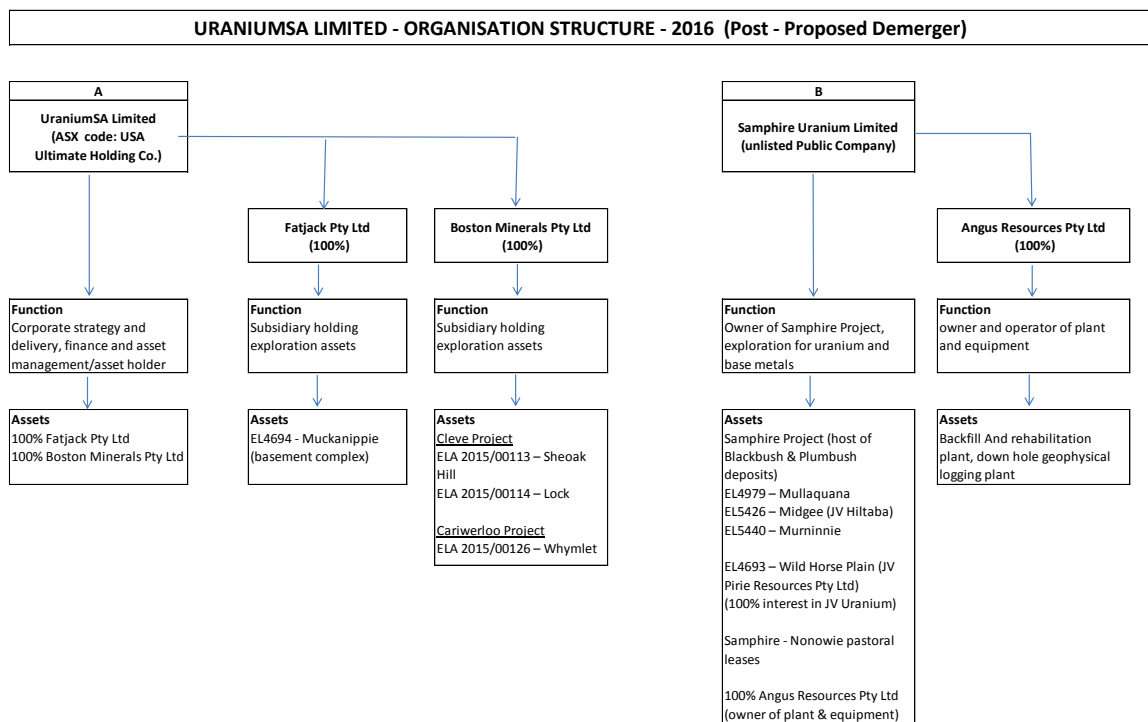
	UraniumSA As at 31 Dec 2015 \$	UraniumSA As at 31 Mar 2016 \$	UraniumSA Pro Forma Post Demerger \$	Samphire Uranium Ltd (SUL) Pro Forma Post Demerger \$
<b>Current assets</b>				
Cash and cash equivalents	128,115	136,026	90,000	250,000
Trade and other receivables	11,563	5,433	5,433	-
Other Assets	30,466	23,092	23,092	-
<b>Total current assets</b>	<b>170,873</b>	<b>164,551</b>	<b>118,525</b>	<b>250,000</b>
<b>Non-current assets</b>				
Exploration expenditure	14,382,314	14,394,058	594,892	13,799,166
Land - Nonowie	695,000	695,000	-	695,000
Property, plant and equipment	18,130	13,529	-	13,529
<b>Total non-current assets</b>	<b>15,095,444</b>	<b>15,102,587</b>	<b>594,892</b>	<b>14,507,695</b>
<b>Total assets</b>	<b>15,266,317</b>	<b>15,267,138</b>	<b>713,417</b>	<b>14,757,695</b>
<b>Current liabilities</b>				
Trade and other payables	141,750	108,889	108,889	-
Borrowings	200,000	300,000	-	-
Provisions	67,081	67,081	67,081	-
<b>Total current liabilities</b>	<b>408,831</b>	<b>475,970</b>	<b>175,970</b>	<b>-</b>
<b>Non-current liabilities</b>				
Provisions	1,290	1,290	1,290	-
Borrowings				
<b>Total non-current liabilities</b>	<b>1,290</b>	<b>1,290</b>	<b>1,290</b>	<b>-</b>
<b>Total liabilities</b>	<b>410,121</b>	<b>477,260</b>	<b>177,260</b>	<b>-</b>
<b>Net assets</b>	<b>14,856,196</b>	<b>14,789,878</b>	<b>536,157</b>	<b>14,757,695</b>
<b>Equity</b>				
Issued capital	26,058,199	26,110,199	26,839,173	14,757,695
Reserves	265,183	265,183	265,183	-
Retained earnings/(losses)	(11,467,186)	(11,585,504)	(26,568,199)	-
<b>Total equity attributable to equity holders</b>	<b>14,856,196</b>	<b>14,789,878</b>	<b>536,157</b>	<b>14,757,695</b>

### Appendix 3 UraniumSA & Samphire Uranium Limited corporate structures pre and post proposed demerger

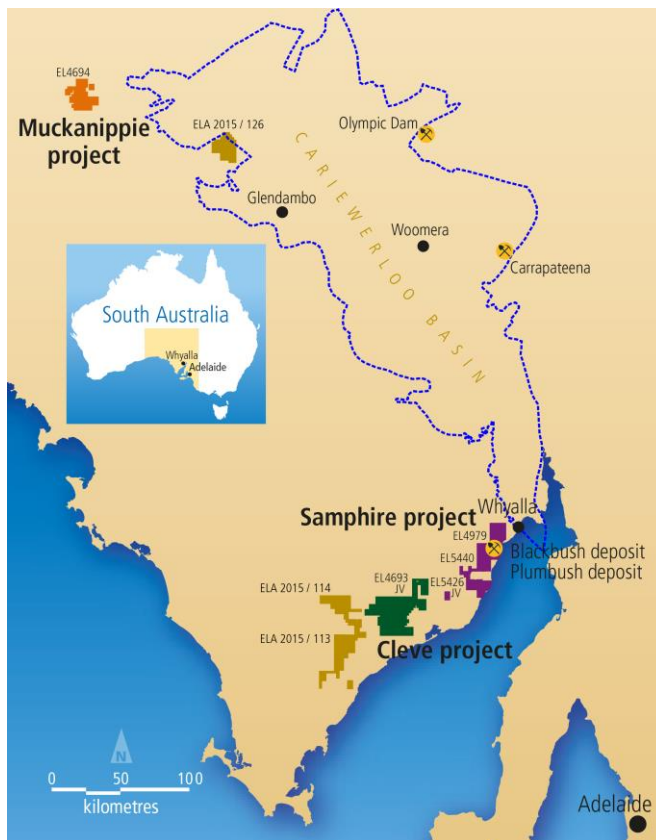
#### Current structure



#### Structure post demerger



## About UraniumSA Limited



UraniumSA is an Adelaide based explorer specialising in uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation within Exploration Licence 4979, Samphire, which is located 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula in South Australia. The exploration Licence is owned and operated by Samphire Uranium Pty Ltd, a wholly owned subsidiary of UraniumSA Limited.

The Samphire project contains the:

**Blackbush deposit** with an estimated inferred resource 64.5 million tonnes of mineralisation at a bulk grade of 230ppm containing 14,850 tonnes  $U_3O_8$  at a 100ppm  $eU_3O_8$  cut-off grade (JORC 2012).

**Plumbush deposit** with an estimated inferred resource 21.8 million tonnes of mineralisation at a bulk grade of 292ppm containing 6,300 tonnes  $U_3O_8$  at a 100ppm  $eU_3O_8$  cut-off grade (JORC 2004).

The estimated mineralisation is predominantly sediment hosted in Eocene age Kanaka Beds. Exploration has discovered uranium mineralisation in other geological settings and exploration is continuing.

An evaluation of mining methods to optimise the recovery of uranium from the identified resources of mineralisation is in progress. Application has been made for a Retention Lease for an in-situ recovery field trial at the Blackbush deposit. Consideration of open cut options for the sediment-hosted and granite basement hosted uranium mineralisation is underway.

Through its own tenure and by joint venture UraniumSA has exploration control over what it considers the most prospective portions of the Pirie Basin. The Board has continued its diversification of UraniumSA's exploration efforts into commodities and opportunities other than uranium. Work on the Blackbush deposit within the Samphire project will continue at a rate which reflects the current global uranium market, production opportunities and investor sentiment.

David Paterson  
Acting Chief Executive Officer  
UraniumSA Limited

*The exploration results 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. It should be noted that the abovementioned exploration results are preliminary.*