



Date: 9<sup>th</sup> October 2008

## WA uranium exploration commences with airborne survey

- **Magnetic/radiometric survey near Three Springs 300km north of Perth**
- **Beverley-style uranium targeted around groundwater uranium anomalies**
- **Initiates Southern Uranium's exploration in Western Australia**

**Southern Uranium Limited (ASX: SNU) has commenced uranium exploration in Western Australia. An airborne magnetic and radiometric survey will start this week at the Three Springs project, located 300km north of Perth, to identify targets for drilling in 2009.**

The project area was chosen as prospective for uranium and joint ventured with Uranium Equities Limited well ahead of the recent change of government in WA.

Contractor Fugro Airborne Surveys this week will begin flying 200m spaced survey lines over the entire 1,374km<sup>2</sup> of tenements located in the Three Springs and Mingenew districts (Figure 2).

Previous uranium exploration in the project area sampled water from water bores and springs. Testing of the water reportedly returned uranium values of between 28 and 360 parts per billion (ppb) against a usual background of approximately 1ppb uranium.

Managing Director John Anderson said: *"One of the reasons we are targeting the Three Springs area is our belief that a Beverley style deposit, if discovered, could lead to faster, lower cost and less invasive development of a uranium resource. The uranium at the Beverley deposit in South Australia is currently being extracted by in situ recovery that does not require the traditional mining methods of open pits and large mill infrastructure."*

Southern Uranium considers the three geological ingredients required to form a Beverley style sandstone-hosted deposit are present in the project area; a uranium source, transporting fluid and sediment traps.

Elevated uranium in the groundwater is likely to be derived by the dissolving of uranium out of the Yilgarn gneiss and granite rocks that form the hills to the east of major fault escarpments.

The younger Yarragadee Formation to the west of the hills is a relatively flat-lying sandstone aquifer enabling the westerly flow of the uranium-anomalous groundwater down from the escarpments to the coastal plain. The formation contains lenses of coal and conglomerate that can change the chemistry of the groundwater so the uranium may be precipitated and concentrated into the sediment traps.

Other sedimentary and structural contacts between the Archaean gneiss and the surrounding Proterozoic rocks on the east side of the project provide another prospective setting for uranium deposits that will also be investigated by the survey. There is also potential for calcrete-style uranium deposits as occur elsewhere in the Yilgarn region.

The duration of the airborne survey is expected to be a few days depending on weather. Processing and interpretation of the new airborne data will take about two months.

The magnetic and radiometric survey results will be used to identify lithological boundaries and structures as prospective trap sites for follow-up investigation and drilling during 2009.

The Three Springs tenements (E70/3034, E70/3035, E70/3036 & E70/3037) are held by Uranium Equities Limited (ASX:UEQ). The Joint Venture commenced in July for Southern Uranium to manage and farm into the project. (Refer to SNU ASX announcement 23 July 2008 for further details). Tenement applications covering an additional 322km<sup>2</sup> area were recently lodged and become subject to the Joint Venture.

The Three Springs program and the recently announced work in Queensland at Pandanus West build on Southern Uranium's aggressive exploration program which includes the foundation projects in SA and the NT (Figure 1).

The Company will continue to review joint venture opportunities and seek to make best advantage of its cash position and the improving availability of prospects and drill rigs to advance its uranium portfolio.

**For further information contact:**

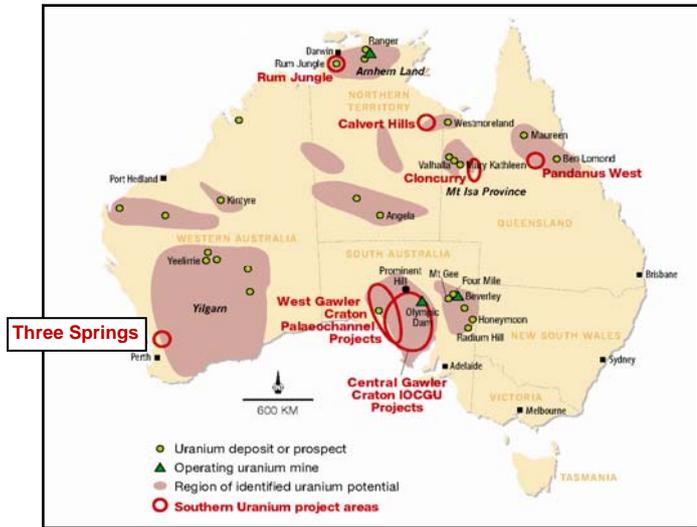
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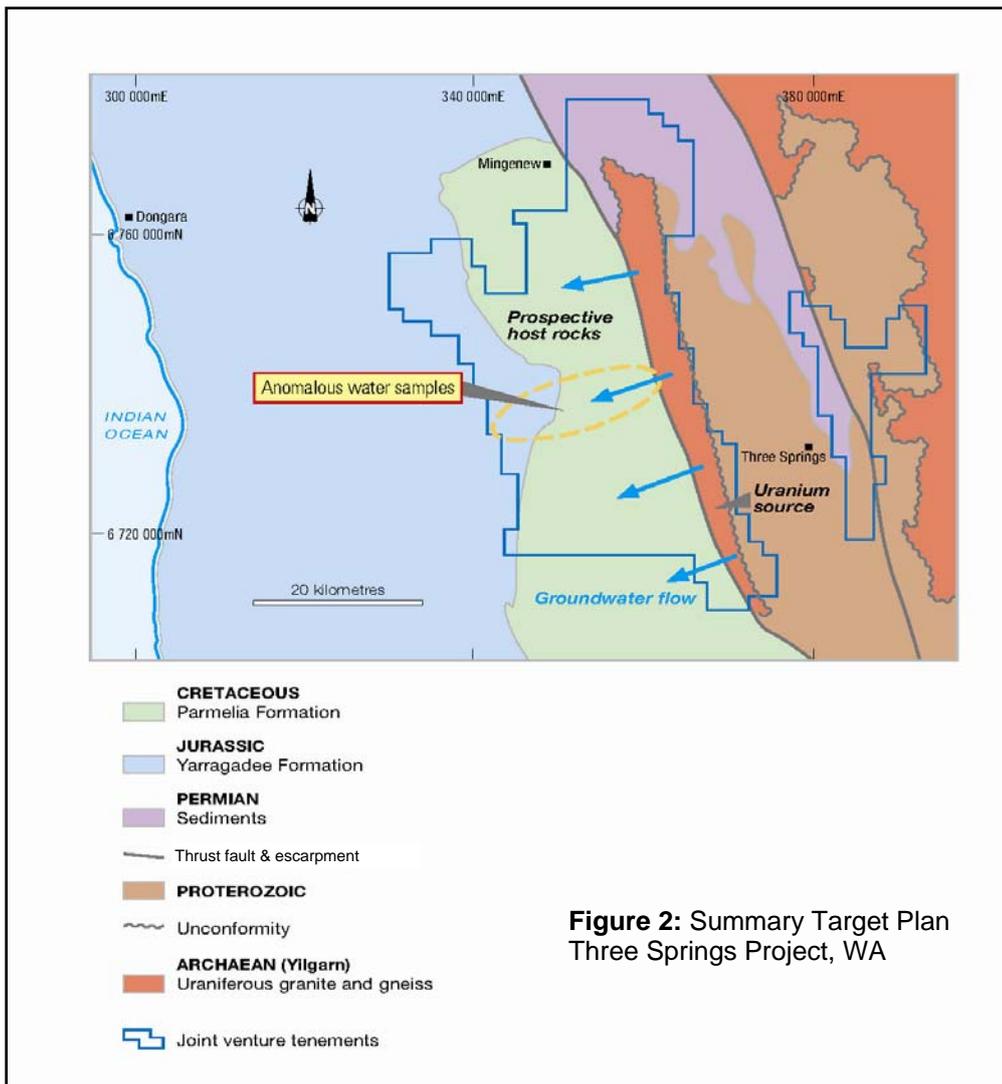
**Competent Person Statement:** *The information in this report that relates to Exploration Results is based on information compiled by John Anderson (BSc(Hons)Geol) who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. Mr Anderson is a full-time employee of Southern Uranium Limited. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

***Southern Uranium Limited is a uranium-focussed resources company with a strong platform of active exploration properties and drill targets in the highly prospective Gawler Craton and is developing uranium exploration projects elsewhere in Australia. The Company aims to grow into a major uranium explorer and developer by seeking uranium opportunities globally.***

**Figure 1: Location of Australian Project Areas**



Magnetics and radiometrics survey plane similar to that being used near Three Springs (photo courtesy of Fugro)



**Figure 2: Summary Target Plan Three Springs Project, WA**