

# ASX/Media Release



Southern Uranium

Date 10<sup>th</sup> September 2009

## New SA Joint Venture with Adelaide Resources

- **New Yalanda Hill Joint Venture expands Southern Uranium's activities in the emerging Eyre Peninsula, South Australia.**
- **Opportunity to apply innovative exploration techniques to another 758 sq km of uranium prospective ground.**
- **Southern Uranium will manage the project with the right to earn a 60% interest.**

Southern Uranium Limited (ASX Code: SNU) ("Southern Uranium") is pleased to announce the signing of a farm-in and joint venture agreement with Eyre Energy Pty Limited ("Eyre Energy"), a wholly-owned subsidiary of Adelaide Resources Limited (ASX: ADN) to explore for mineral deposits on the eastern Eyre Peninsula, South Australia.

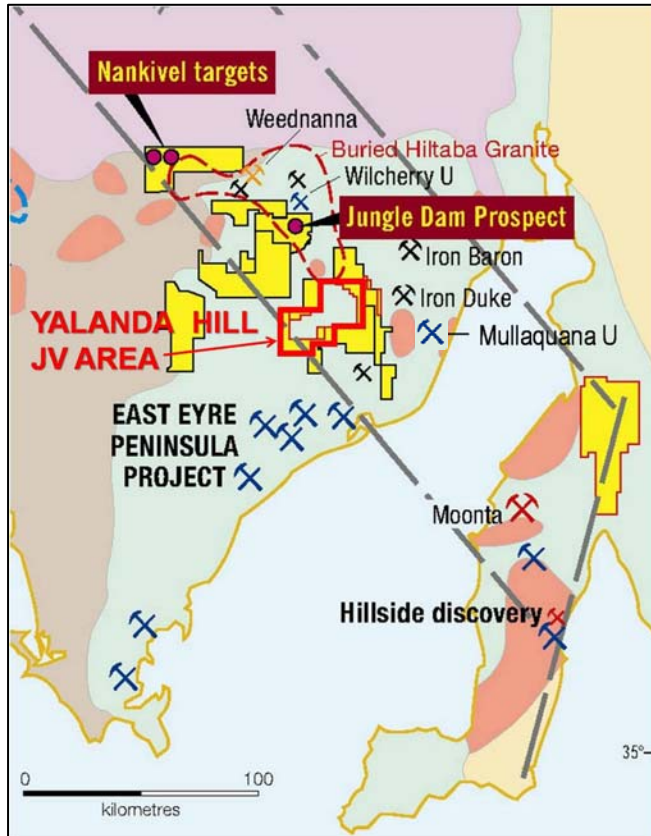
Both companies are contributing contiguous mineral tenements in the Yalanda Hill area to the joint venture. Exploration Licence 3473 is held by Eyre Energy, while Southern Uranium has Exploration Licence Applications 116/09 and 144/09.

The joint venture area, totalling 758 sq km, covers a partially exposed part of the Gawler Craton (Figure 1) and shows some of the strongest airborne radiometric responses in the region. Initial prospecting and drilling by Adelaide Resources established the widespread presence of uranium mineralisation including a maximum rock chip assay of 0.23% uranium.

Southern Uranium intends to extend its regional coverage of partial leach soil geochemistry and gravity surveying to the new joint venture ground. The surveying has already delineated a number of uranium and multi-metal anomalies in the region including some that abut the joint venture tenements.

Managing Director John Anderson said: "Participation in this ground within a key part of the prospective Moonta Corridor is important to Southern Uranium and we welcome the mutually beneficial joint venture with a partner of Adelaide Resources' calibre. The Eyre Peninsula is emerging as a new exploration destination with the resurgence in iron ore potential and new uranium discoveries at Mullaquana and Wilcherry. We believe our exploration approach is a step change for exploration on Eyre Peninsula. So we look forward to commencing the soil sampling and gravity surveying on the new joint venture area in the near future."

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**Figure 1:**

Location of Yalanda Hill Joint Venture area within the northwest Moonta Corridor and in relation to Southern Uranium's tenements including the uranium-anomalous prospects at Jungle Dam and Nankivel.

The principal terms of the Yalanda Hill joint venture are:

- The initial joint venture equity interests are Eyre Energy 60% and Southern Uranium 40%.
- Southern Uranium can increase its equity interest to 60% through the expenditure of A\$250,000 over two years.
- Once Southern Uranium has earned 60% equity, each party may contribute to on-going expenditure in accordance with its equity, or else elect to dilute.
- Southern Uranium may withdraw from the joint venture prior to spending A\$250,000 as long as it has met the minimum statutory expenditure requirements. Upon withdrawal, Eyre Energy would acquire 100% of the three joint venture tenements.
- Southern Uranium will act as joint venture manager, and will plan and execute all exploration programs during the farm-in stage.

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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 pedigree belts of Australia.***

***The Company aims to grow into a major explorer and developer by discovering new large resources that will compete for the anticipated gap in uranium supply as more countries move to nuclear power as a secure and clean source of electricity.***

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