



UrAmerica Acquires Large, Highly Prospective Area Surrounding CNEA's Cerro Solo Uranium Deposit Chubut Province, Patagonia, Argentina

UrAmerica Ltd. (UrA) is pleased to announce entering into a joint venture agreement (JV) for 100% of the rights of Patagonia Resources Ltd. (PRL). As a result, UrAmerica now controls a large, highly prospective area surrounding the Argentine National Commission of Atomic Energy's (CNEA) Cerro Solo uranium deposit and Los Adobes open pit located in the Chubut Province of Argentina (Figure 1),

Patagonia Resources Ltd. (PRL) acquired these extensive properties from United Energy Metals S.A. (UEM) in February, 2010. UEM was a wholly owned subsidiary of UREX Energy Corp and the first private uranium company to be awarded permits for uranium exploration in the Chubut Province, enabling them to secure some of the most prospective ground in Argentina.

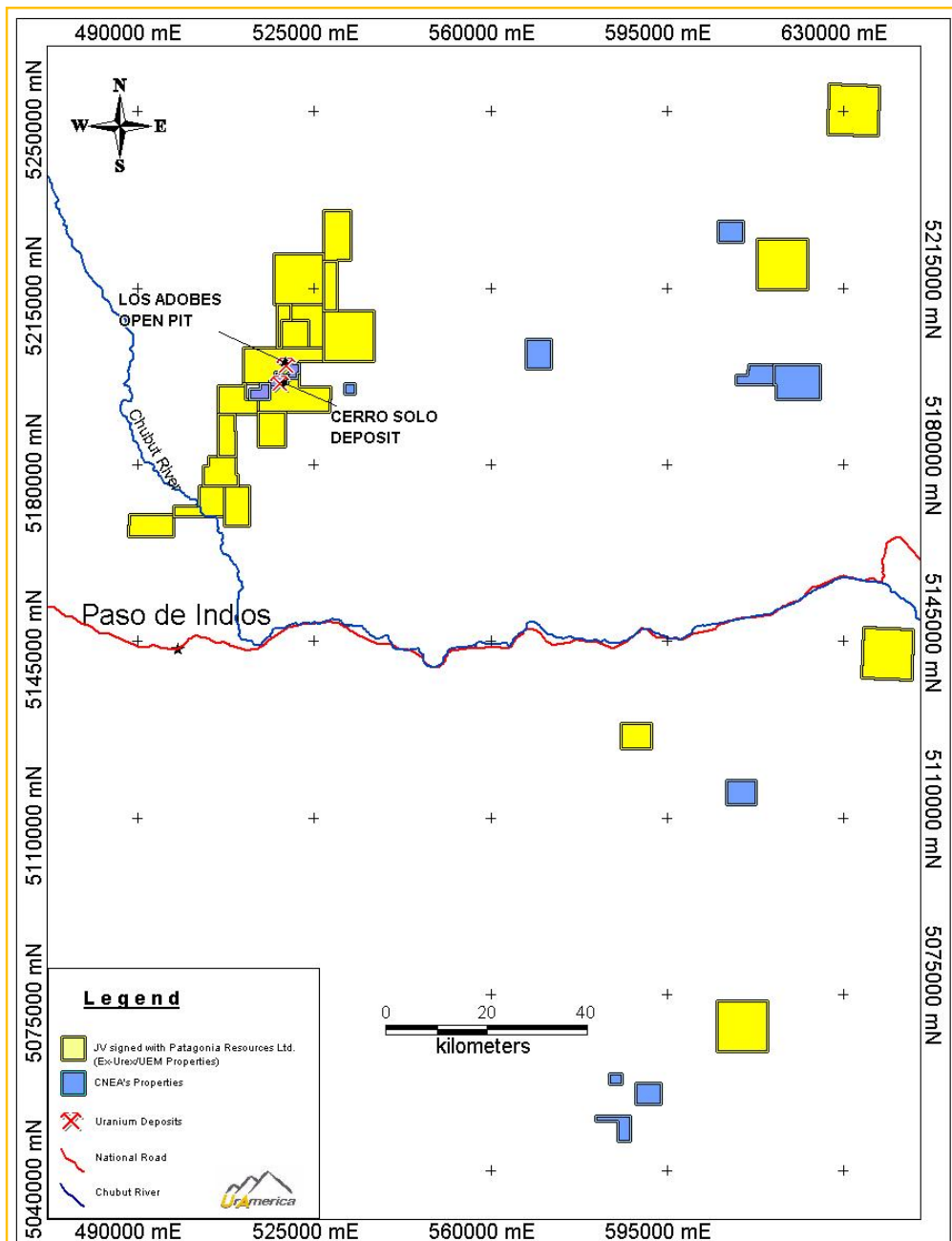


Figure 1. Exploration Permits Acquired from JV with PRL



The area obtained by UrAmerica in the PRL/UEM deal consists of a contiguous block of 26 exploration permits, covering 135,000 ha directly adjacent to and surrounding CNEA's Cerro Solo uranium deposit and the Los Adobes open pit. When combined with UrAmerica's previously acquired ground in Chubut Province, UrA now controls 48 exploration permits, either wholly owned or through joint venture agreements covering over 313,000 ha within the highly prospective San Jorge Basin, including over 153,000 ha directly surrounding the Cerro Solo deposit (Figure 2 & 3).

CNEA's Cerro Solo Uranium Deposit

The San Jorge Basin, which is largely composed of Jurassic and Cretaceous continental sediments and volcanics, covers over 180,000 km² and is at an average elevation of 800m. This important geologic basin hosts many significant oil, gas, uranium, and precious metal resources, including the largest and highest grade sedimentary hosted uranium deposit in Argentina, CNEA's Cerro Solo deposit.

The Cerro Solo uranium deposit was discovered by CNEA in 1979 and is currently estimated to contain 15.4 million lbs U₃O₈ at an average grade of approximately 0.47% eU₃O₈. There are numerous zones of mineralization within CNEA's Cerro Solo property, but most of the high grade resources are located in two adjacent ore bodies, designated as Sectors B and C, which are adjacent to UrAmerica's property (Figure 6).

The CNEA recently announced their intention to begin open pit mining at Cerro Solo in 2012. They have been drilling there since last year, presumably to increase confidence in the existing resource in order to complete a feasibility study prior to commencing mining operations.

UrAmerica's Roll Front Exploration Model

CNEA's Cerro Solo deposit is described as a series of tabular shaped ore bodies containing abundant carbonaceous material and surrounded by oxidized sediments. UrA's exploration model considers the Cerro Solo deposit to be part of a roll front system very similar in origin to the roll front deposits in Wyoming and the Grants, New Mexico Mineral Belt.

CNEA's Cerro Solo deposit is hosted within sandstones and conglomerates of the Cretaceous Los Adobes Formation, which were laid down within a major northeast-southwest trending paleochannel (Figures 3, 4, 5 & 6). These sediments are interbedded with acidic volcanics and contain abundant carbonaceous material and pyrite. Following the deposition of the Los Adobes Formation and approximately 250 m of the overlying Cerro Barcino volcanics (Figure 3), oxidizing ground water penetrated the paleochannel aquifer and mobilized the uranium originally associated with the volcanics. The uranium was transported by these oxidizing solutions down the hydrologic gradient somewhere to the southwest of CNEA's Cerro Solo deposit and onto UrAmerica's property.

The Cerro Solo deposit is considered by UrAmerica to be a remnant uranium deposit preserved by the carbonaceous material within the oxidized portion of a major roll front system. It is believed the Cerro Solo deposit only represents residual uranium mineralization left behind by a formerly active roll front system, which mobilized and deposited uranium along the oxidized/reduced interface towards the southwest (Figure 4).



Drilling Surrounding the CNEA's Cerro Solo Deposit

Very limited drilling has been conducted on the ground surrounding the CNEA's Cerro Solo permit area. In the 1970's, CNEA only conducted wide spaced drilling south of the Los Adobes open pit where the mineralized Los Adobes Formation is exposed. This drill program resulted in the blind discovery of the Cerro Solo deposit. Once the discovery at Cerro Solo was made, CNEA limited their exploration drilling to resource delineation on 100 m centers, eventually decreasing the drill hole spacing to the present day 12.5 to 25 m offsets. The roll front model was never tested by the CNEA through regional reconnaissance drilling.

During 2008, UEM drilled 88 boreholes, some of which can be seen in Figure 6, for a total of 7,624 m. The drilling demonstrated that the uranium mineralization on CNEA's property clearly continues off their ground and onto the properties UrA now controls. Uranium was intersected in a number of areas including immediately south of the Cerro Solo deposit. According to an independent consulting geologist, the UEM drilling defined an inferred resource approaching 1 million lbs at an average grade of .08 % eU₃O₈ in an area immediately south of the CNEA's Cerro Solo Sectors B and C ore deposits (Figure 6).

UrA is currently conducting a reverse circulation drilling program, which is intended to evaluate the roll front concept while also defining the extensions of Sectors B and C mineralization onto UrA's property. Additional drilling is planned for October 2010 as part of a 40,000 m, 2 year, 3 phase drilling plan.

UrAmerica's Goal

UrAmerica's goal is to establish a 15 to 20 million pound U₃O₈ resource at an average grade of a minimum 0.1% U₃O₈ over the next 18 to 24 months with the planned 40,000 meter drilling program.

CNEA's Cerro Solo deposit is believed to be one of a series of high grade, remnant uranium deposits yet to be discovered within the Los Adobes paleochannel. Additionally, it is believed that the geologic environment is excellent for discovering high grade uranium deposits along the contact between oxidized and reduced ground within roll front type deposits located on UrAmerica's properties southwest of CNEA's Cerro Solo property.

UrAmerica controls the extensions of the highly prospective Los Adobes paleochannel that could host a major district containing over 100 million pounds of high grade uranium.

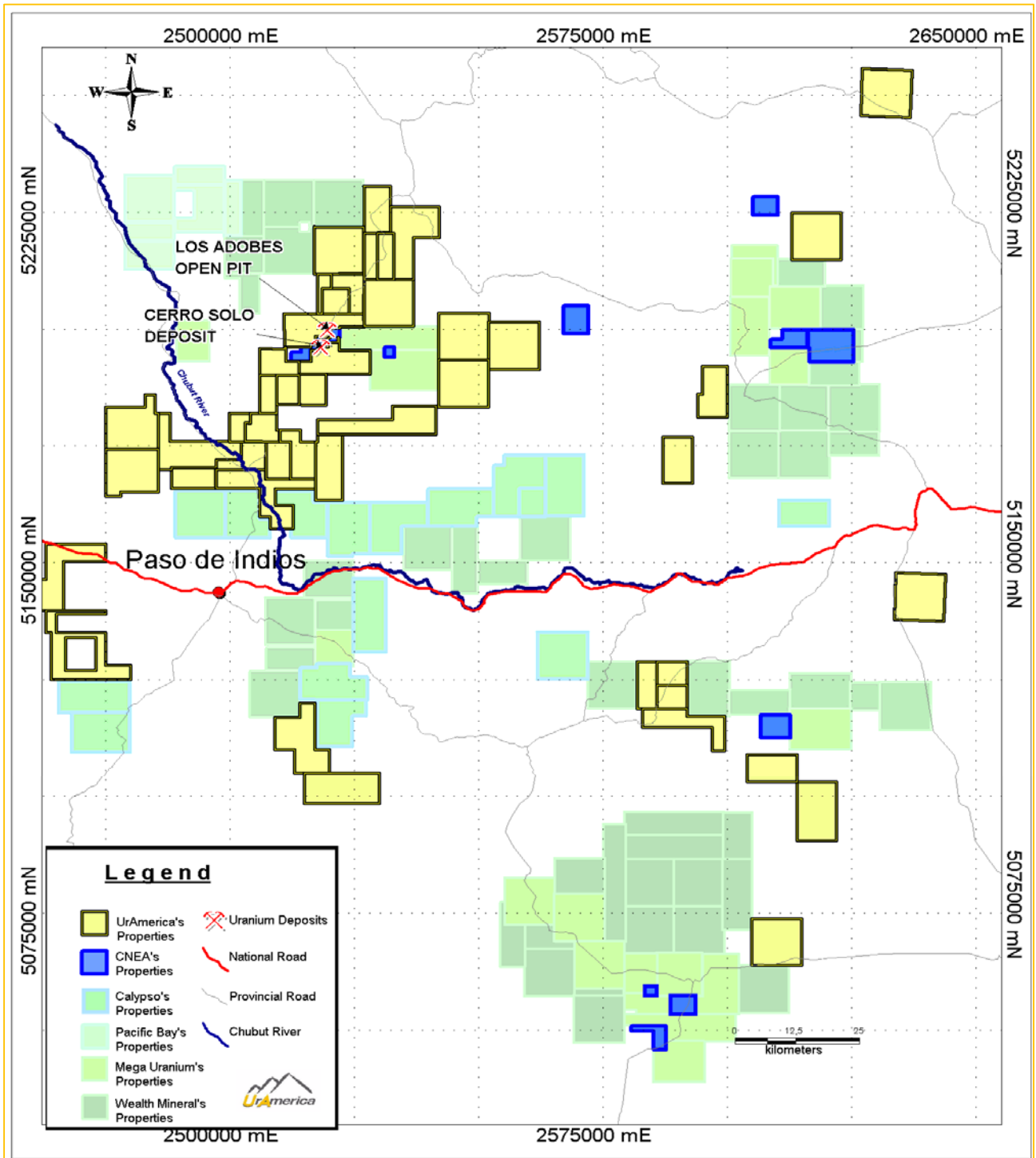


Figure 2. UrAmerica's Permits in Chubut Province - Argentina

Geologic Map Showing the UrAmerica's and CNEA's Properties Cerro Solo Area Chubut Province, Argentina

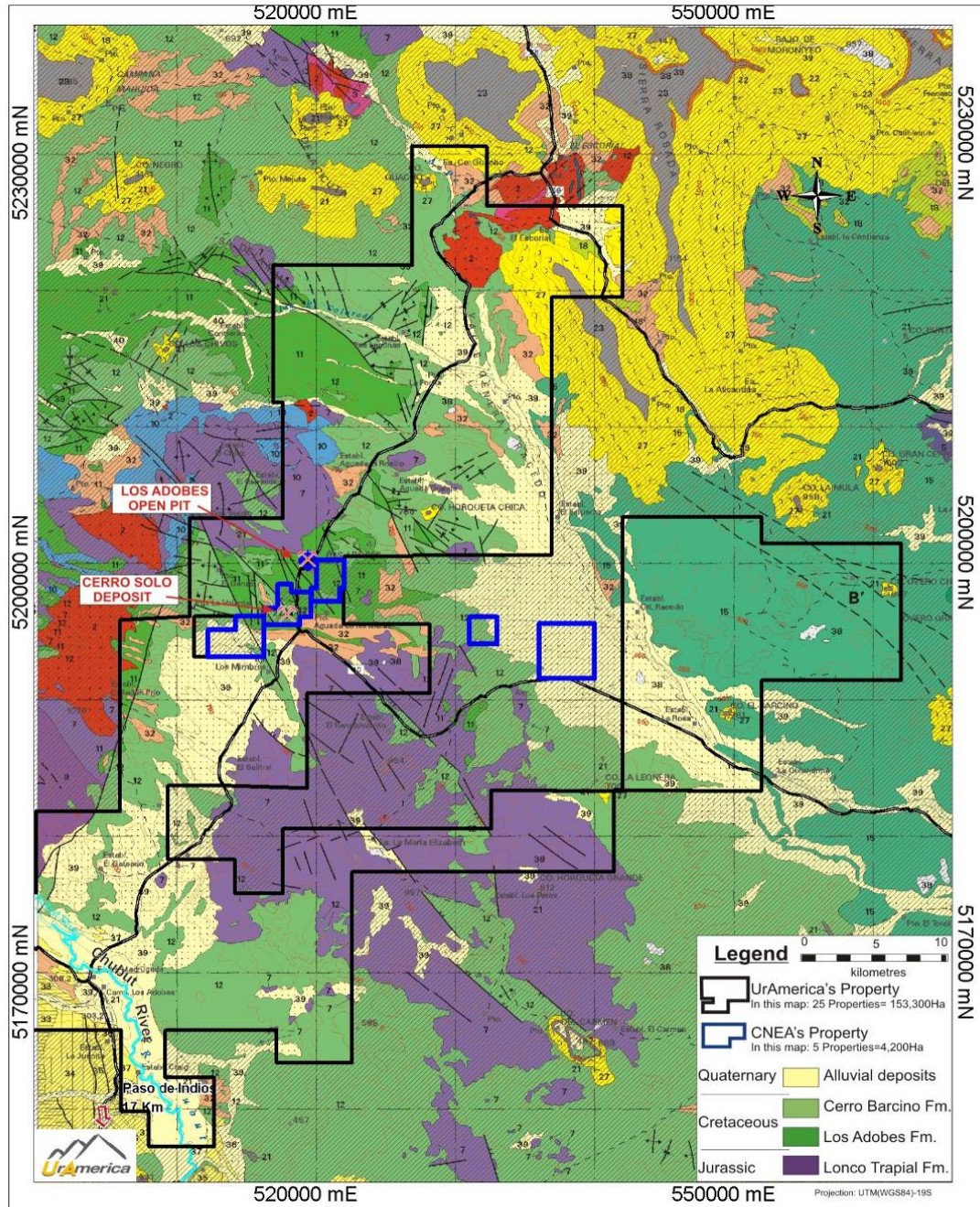


Figure 3. UrAmerica's properties completely surround the National Commission of Atomic Energy (CNEA) Cerro Solo Deposit (15.4M lbs U₃O₈ at an average grade of 0.47% eU₃O₈) and Los Adobes Open Pit, and completely cover the northeast and southwest extension of the favorable uranium bearing Cretaceous Los Adobes Formation.

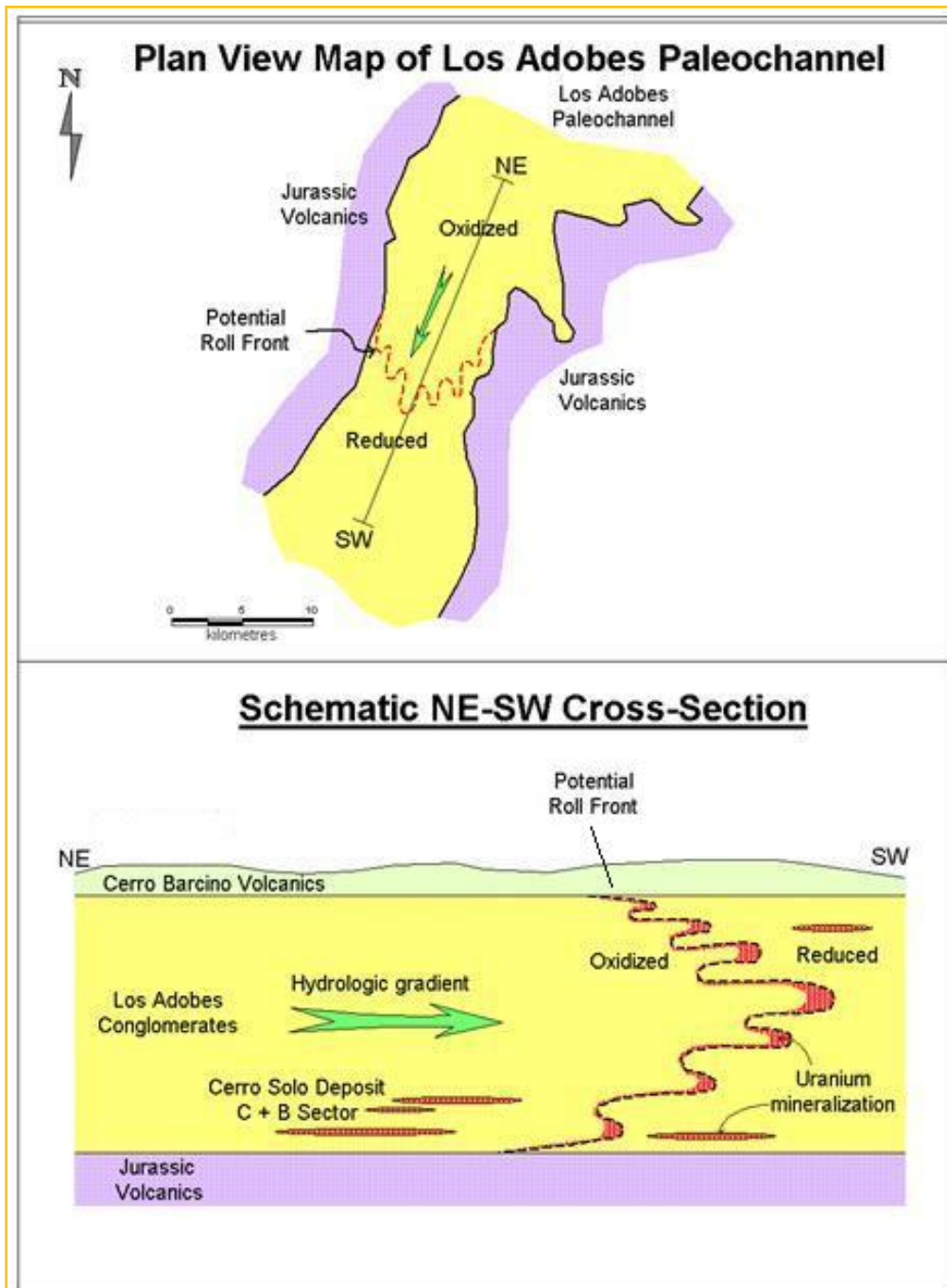


Figure 4. The location of potential uranium roll fronts in the Los Adobes paleochannel is shown on the plan view map and cross section. *CNEA's Cerro Solo Uranium Deposit* is a tabular shaped uranium deposit located in oxidized carbonaceous sandstones and conglomerates of the Los Adobes Formation. Potential roll front uranium deposits will occur at the contact between oxidized and reduced sediments located down the hydrologic gradient to the southwest of *CNEA* property. These deposits are believed to be located somewhere to the southwest of *CNEA's Cerro Solo Deposit* on *UrAmerica's* property.

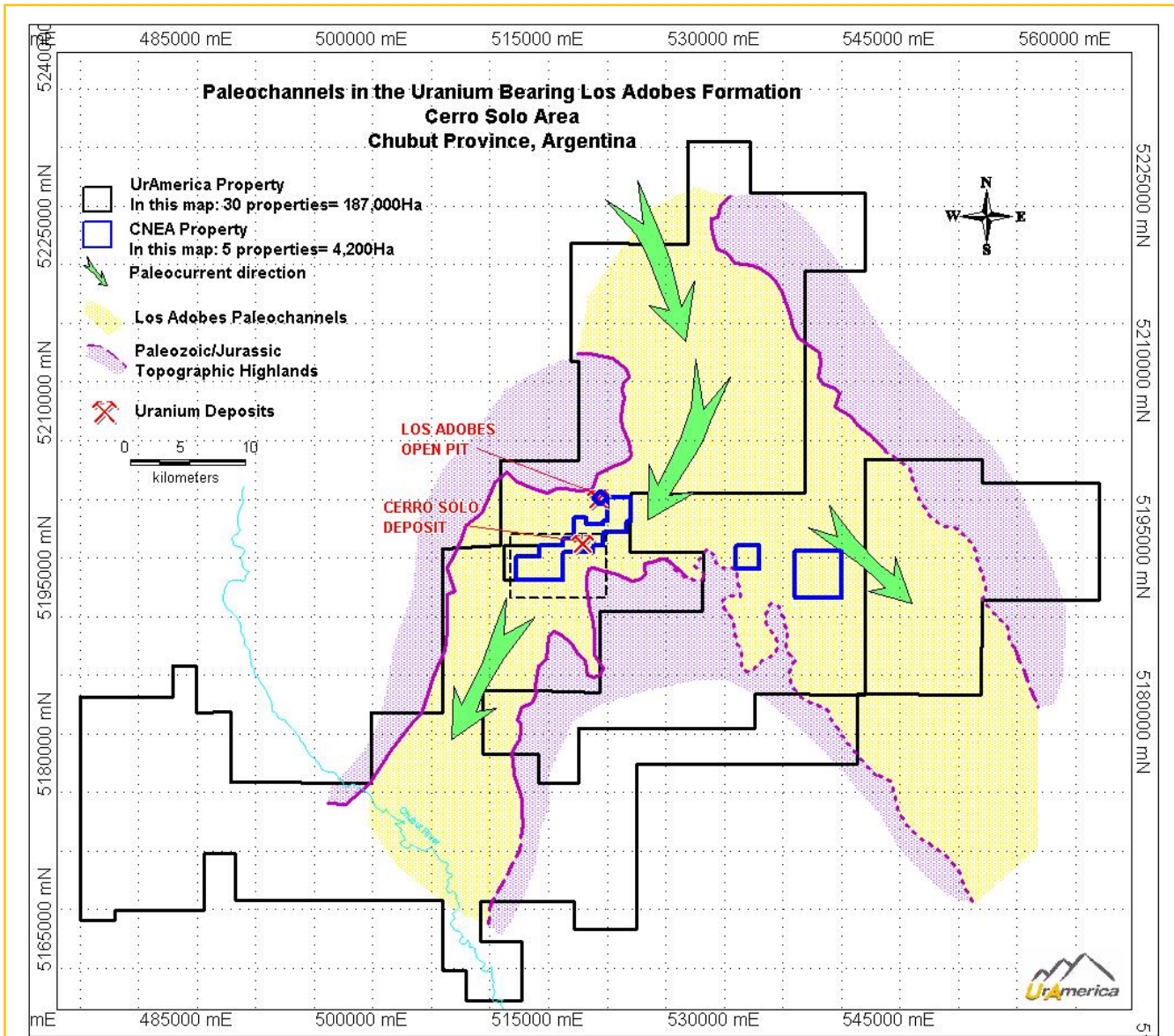


Figure 5. Map illustrating the location of the *Los Adobes* paleochannels depositing the stream sediments of the uranium bearing *Los Adobes Formation*. Paleochannel deposition of the *Los Adobes* sediments was confined to the low areas between the Paleozoic/Jurassic topographic highlands.

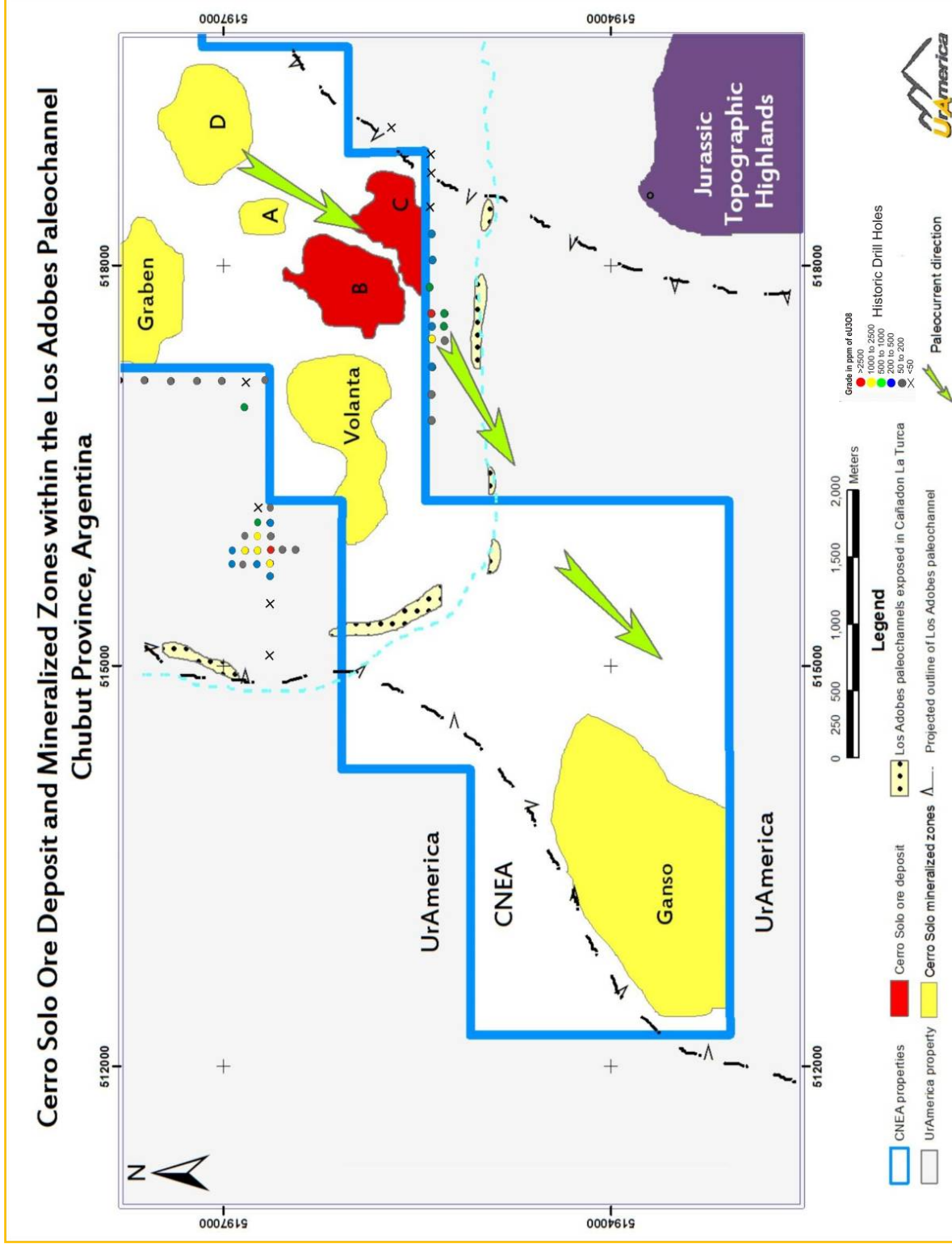


Figure 6. The map shows the locations of the various *Cerro Solo* ore and mineralized zones within the *Los Adobes* paleochannel on the *CNEA* property. The tabular shaped mineralization from the B and C ore zones and the Ganso mineralized zone is open and expected to trend onto *UrAmerica's* ground.



Image 1. Panoramic view of the *Cerro Solo* area. It is a sparsely vegetated, remote landscape of gently rolling topography. The area has very few local inhabitants and its sole activity is sheep farming. There is easy year round access to the project area, which is considered to be an ideal location for a mining project.



Image 2. Outcrop of mineralized Los Adobes sandstone and conglomerates in CNEA's *Los Adobes Open Pit*, which produced approximately 120 tonnes of uranium in the 1970's. Note the cross bedding and the coarse grain conglomerates with pervasive hematite alteration. The mineralization is associated with the more reduced zones in the Los Adobes Formation.



Image 3. Strong hematite and limonite alteration within the Los Adobes sandstone and conglomerates exposed on *UrAmerica's Cerro Solo Property*.



Image 4. Close up view of the above photo showing the Los Adobes conglomerate displaying purple-red hematite alteration characteristic of sediments within the oxidized portion of a roll front system.