



FINANCIAL REPORT

**HALF-YEAR ENDED
31 DECEMBER 2008**

ABN 48 119 978 013

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URANIUMSA LIMITED

DIRECTOR'S REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2008.

Directors

The names of each person who has been a Director during this half-year to the date of this report are:

Thomas Robin Phillips AM

Russel George Bluck

Alice McCleary

XU Gang

Company Secretary

Craig Walford Gooden.

Review of Operations

During the half-year ended 31 December 2008 the consolidated entity incurred a loss after tax of \$356,726 (2007 \$362,809).

The following summary lists the operational activities for the half-year ended 31 December 2008.

Exploration drilling on the Joint Venture and wholly owned tenements which comprise the Kingoonya Palaeodrainage System project was continued during the half year with very broad spaced rotary mud holes drilled in the Kingoonya and Muckanippie areas. Isolated anomalous intersections were obtained and these will be followed up in due course.

Exploration of the Mullaquana uranium discovery continued with an airborne electromagnetic survey flown followed by a regional reconnaissance program of rotary mud drilling.

A new uranium prospective sub-basins was discovered at Mullaquana.

Documentation of the Joint Ventures to extend the area available for exploration south of the uranium discovery were ready for signing at the end of the half-year.

Auditor's Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2 for the half-year ended 31 December 2008.

This Report is signed in accordance with a resolution of the Board of Directors.

Tom Phillips AM



Chairman
Adelaide

Dated this 13th day of February 2009

AUDITOR'S INDEPENDENCE DECLARATION



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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF URANIUMSA LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of UraniumSA Limited Pty Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

A handwritten signature in blue ink, appearing to read "J.L. Humphrey".

J.L. Humphrey
Partner

Signed at Wayville on this 13th day of February 2009

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URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
INCOME STATEMENT
HALF-YEAR ENDED 31 DECEMBER 2008

	Consolidated Entity	
	31-Dec 2008	31-Dec 2007
Note	\$	\$
Revenues from ordinary activities		
Interest received from other parties	68,135	134,374
Consulting and serviced office revenues	13,500	25,514
Expenses from ordinary activities		
Finance costs	(2,242)	(6,682)
Depreciation and amortisation expense	(12,237)	(42,144)
Write off capitalised exploration expense	(1,936)	-
Employee benefits expense	(231,261)	(261,644)
Occupancy expense	(20,927)	(20,351)
Consulting expense	(4,711)	(24,000)
ASX listing and share registry expense	(43,008)	(48,226)
Other expenses from ordinary activities	(122,039)	(114,840)
Loss before income tax expense	<u>(356,726)</u>	<u>(357,999)</u>
Income tax expense	2	(4,810)
Loss for the period	<u>(356,726)</u>	<u>(362,809)</u>
Loss attributable to members of the parent entity	<u>(356,726)</u>	<u>(362,809)</u>
	Cents	Cents
Basic loss per share	(0.6)	(0.6)

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Note	Consolidated Entity	
		31-Dec 2008	30-Jun 2008
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,349,229	2,440,723
Trade and other receivables		43,128	39,148
Other current assets		62,388	33,706
TOTAL CURRENT ASSETS		<u>1,454,745</u>	<u>2,513,577</u>
NON-CURRENT ASSETS			
Available for sale assets	3	115,000	200,000
Property, plant and equipment		894,558	951,442
Exploration and evaluation expenditure		7,064,688	6,349,413
TOTAL NON-CURRENT ASSETS		<u>8,074,246</u>	<u>7,500,855</u>
TOTAL ASSETS		<u>9,528,991</u>	<u>10,014,432</u>
CURRENT LIABILITIES			
Trade and other payables		134,471	193,655
Financial liabilities		94,236	55,751
Short-term provisions		34,940	38,324
TOTAL CURRENT LIABILITIES		<u>263,647</u>	<u>287,730</u>
NON-CURRENT LIABILITIES			
Financial liabilities		23,911	55,575
TOTAL NON-CURRENT LIABILITIES		<u>23,911</u>	<u>55,575</u>
TOTAL LIABILITIES		<u>287,558</u>	<u>343,305</u>
NET ASSETS		<u>9,241,433</u>	<u>9,671,127</u>
EQUITY			
Issued capital	4	10,630,546	10,630,546
Reserves		16,075	89,043
Retained earnings		(1,405,188)	(1,048,462)
TOTAL EQUITY		<u>9,241,433</u>	<u>9,671,127</u>

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2008

	Share Capital	Available for Sale Reserve	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2007	10,622,924	-	32,500	(517,245)	10,138,179
Shares issued during the period	18,221	-	-	-	18,221
Transaction costs	(16,034)	-	-	-	(16,034)
Recognition of tax benefit on transaction costs	4,810	-	-	-	4,810
Share based payments	-	-	99,984	-	99,984
Loss attributable to the members of parent entity	-	-	-	(362,809)	(362,809)
Balance at 31 December 2007	10,629,921	-	132,484	(880,054)	9,882,351
Balance at 1 July 2008	10,630,546		89,043	(1,048,462)	9,671,127
Revaluation of available for sale asset	-	(85,000)	-	-	(85,000)
Share based payments	-	-	12,032	-	12,032
Loss attributable to the members of parent entity	-	-	-	(356,726)	(356,726)
Balance at 31 December 2008	10,630,546	(85,000)	101,075	(1,405,188)	9,241,433

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

CASH FLOW STATEMENT

HALF-YEAR ENDED 31 DECEMBER 2008

	Consolidated Entity	
	31-Dec 2008	31-Dec 2007
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$
Receipts from customers	13,500	25,514
Payments to suppliers and employees	(352,432)	(308,154)
Interest received	67,312	274,483
Finance costs	(2,438)	(6,682)
	<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	(274,058)	(14,839)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(768,631)	(752,759)
Payments for property, plant and equipment	(55,627)	(300,031)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(824,258)	(1,052,790)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of ordinary shares	-	18,221
Proceeds from borrowings	54,027	-
Repayment of borrowings	(47,205)	(24,979)
	<hr/>	<hr/>
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	6,822	(6,758)
	<hr/>	<hr/>
Net decrease in cash held	(1,091,494)	(1,074,387)
Cash at beginning of period	2,440,723	4,644,660
	<hr/>	<hr/>
Cash at 31 December 2008	1,349,229	3,570,273
	<hr/>	<hr/>

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by UraniumSA Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

REPORTING BASIS AND CONVENTIONS

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 2 - INCOME TAX

There was no income tax expense for the half-year ended 31 December 2008. In accordance with AASB 112 - Income Tax, the consolidated entity wrote off the deferred tax asset of \$4,810 at 31 December 2007 resulting from capital raising costs incurred during the half-year ended 31 December 2007. It was the Directors opinion that the deferred tax asset did not meet the criteria for recognition.

NOTE 3 - AVAILABLE FOR SALE INVESTMENT

Included in available for sale financial assets at 31 December 2008 is an investment in Archer Exploration Limited (an ASX listed company). The investment consists of 2,000,000 ordinary fully paid shares and 1,000,000 bonus options. The market value of these shares and options at 31 December 2008 was \$115,000 (2007:\$ 200,000).

The shares and options are in escrow until 14 August 2009 and at 30 June 2008 the Directors continued to recognise the investment at cost even though the market value at 30 June 2008 was \$316,000. As the value of the investment has fallen below cost, even though the shares and options are still in escrow, the directors have decided to revalue the investment to market value through Available for Sale Reserve.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 4 - ISSUED CAPITAL

	Consolidated Entity		
	Date Issued	Ordinary Shares	\$
Balance 1 July 2007		62,119,997	10,622,924
Issued on exercise of share options	Various dates during half-year	72,885	18,221
Transaction costs (net of tax)		-	(11,224)
Balance at 31 December 2007		62,192,882	10,629,921
Balance 1 July 2008		62,195,382	10,630,546
Shares issued during the period		-	-
Balance at 31 December 2008		62,195,382	10,630,546

NOTE 5 – SHARE BASED PAYMENTS

In November 2007 a grant of share options under the Company's Employee Share Option Plan was made to company personnel to purchase equity in the Company. The terms and conditions of the grant made during the six months ended 31 December 2007 are as follows:

2007

Grant date	Grant date Number of instruments	Vesting conditions	Contractual life of options
16 November 2007	1,398,450	On issue	1,277 days

Fair value of share options and assumptions for the six months ended 31 December 2007:

Fair value at grant date	\$0.073
Share price	\$0.15
Exercise price	\$0.20
Expected volatility	72%
Option life	1,277 days
Risk-free interest rate	6.46%

2008

No share options were issued in the half-year ended 31 December 2008.

In December 2008, 286,500 of the options issued at an exercise price of \$0.20 were cancelled.

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

NOTE 6 - SEGMENT REPORTING

The consolidated entities operate in the mineral exploration industry in Australia.

NOTE 7 - CONTINGENT LIABILITIES & COMMITMENTS

Since the last annual report there has been no material change to any contingent liabilities.

The consolidated entities have minimum expenditure commitments on exploration licenses as per the terms of the exploration licences. If the minimum expenditure on each licence is not met, part of the licence acreage may have to be relinquished.

NOTE 8 - EVENTS SUBSEQUENT TO REPORTING DATE

As approved at the Company's 2008 Annual General Meeting, post half-year end, 986,841 fully paid ordinary shares at 3.8 cents each have been issued to Directors in full satisfaction of fees and salary outstanding.

Other than the above there has been no material event subsequent to the half-year ended 31 December 2008.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
DIRECTOR'S DECLARATION

The directors of the Company declare that:

1. The Financial Statements and Notes as set out on pages 3 and 9:
 - a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

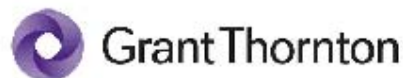
This declaration is made in accordance with a resolution of the Board of Directors.



Tom Phillips AM
Chairman
Adelaide

Dated this 13th day of February 2009

INDEPENDENT REVIEW REPORT



Grant Thornton South Australian
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF URANIUMSA LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of UraniumSA Limited (the Company) and consolidated entity, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled at the half-year's end or from time to time during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

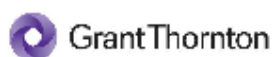
Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim and other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of UraniumSA Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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INDEPENDENT REVIEW REPORT (CONT)



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF URANIUMSA LIMITED (Cont)

Auditor's responsibility (Cont)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of UraniumSA Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

A handwritten signature in blue ink, appearing to read "J L Humphrey".

J L Humphrey
Partner

Signed at Wayville on this 13th day of February 2009

CORPORATE DIRECTORY

DIRECTORS

Tom Phillips AM - Chairman

Russel Bluck – Managing Director

Alice McCleary – Director

XU Gang – Director

COMPANY SECRETARY

Craig Gooden

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National Australia Bank Limited

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AUSTRALIAN SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange

ASX CODE: USA AND USAO

UraniumSA

