



FINANCIAL REPORT

HALF-YEAR ENDED

31 DECEMBER 2009

ABN 48 119 978 013

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URANIUMSA LIMITED

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated group for the half-year ended 31 December 2009.

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

Company Secretary

Craig Walford Gooden.

Review of Operations

During the half-year ended 31 December 2009 the consolidated group incurred a loss after tax of \$1,253,540 (2008: \$356,726).

The following summary lists the operational activities for the half-year ended 31 December 2009:

- Regional and infill rotary mud drilling programs continued across the 100% owned Mullaquana 'greenfields' uranium discovery following the announcement of the maiden Inferred Mineral Resource at the Blackbush Prospect within the Mullaquana Uranium Project.
- Advancement to field insitu leach testing of the Blackbush Prospect in the Mullaquana Uranium Project continues to be the primary exploration objective.
- Joint Ventures were signed with Stella Resources (EL 4242) and Australasia Gold (EL 3542) to extend the exploration over the prospective area to the south of the Mullaquana Project.

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 2009.

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

Tom Phillips AM



Chairman
Adelaide

Dated this 17th day of February 2010

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 for the half-year ended 31 December 2009, 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 17th day of February 2010

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URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
HALF-YEAR ENDED 31 DECEMBER 2009

| | Note | Consolidated Group | |
|--|------|--------------------|------------------|
| | | 31-Dec 2009 | 31-Dec 2008 |
| | | \$ | \$ |
| REVENUE | | | |
| Interest received from other parties | | 62,097 | 68,135 |
| Consulting and serviced office revenues | | 13,000 | 13,500 |
| EXPENSES FROM ORDINARY ACTIVITIES | | | |
| Finance costs | | (161) | (2,242) |
| Depreciation and amortisation expense | | (12,572) | (12,237) |
| Impairment - exploration expense | | (508,671) | (1,936) |
| Employee benefits expense | | (493,953) | (231,261) |
| Occupancy expense | | (21,989) | (20,927) |
| Consulting expense | | - | (4,711) |
| ASX listing and share registry expense | | (78,449) | (43,008) |
| Other expenses from ordinary activities | | (149,377) | (122,039) |
| LOSS BEFORE INCOME TAX EXPENSE | | (1,190,075) | (356,726) |
| Income tax expense | 2 | (63,465) | - |
| LOSS FOR PERIOD | | (1,253,540) | (356,726) |
| LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY | | (1,253,540) | (356,726) |
| OTHER COMPREHENSIVE INCOME | | | |
| Available for sale financial asset – fair value movement | | 140,000 | (85,000) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | (1,113,540) | (441,726) |
| | | Cents | Cents |
| Basic loss per share | | (1.4) | (0.6) |

The accompanying notes form part of the financial statements

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

| | Note | Consolidated Group | |
|--|------|--------------------|-------------|
| | | 31-Dec 2009 | 30-Jun 2009 |
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 5,207,382 | 2,136,048 |
| Trade and other receivables | | 106,106 | 206,353 |
| Other current assets | | 50,681 | 37,464 |
| TOTAL CURRENT ASSETS | | 5,364,169 | 2,379,865 |
| NON-CURRENT ASSETS | | | |
| Financial assets | 3 | 300,000 | 160,000 |
| Property, plant and equipment | | 740,168 | 791,217 |
| Exploration and evaluation expenditure | | 6,009,755 | 5,591,505 |
| TOTAL NON-CURRENT ASSETS | | 7,049,923 | 6,542,722 |
| TOTAL ASSETS | | 12,414,092 | 8,922,587 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 402,546 | 212,722 |
| Financial liabilities | | 25,814 | 64,419 |
| Short-term provisions | | 37,047 | 23,000 |
| TOTAL CURRENT LIABILITIES | | 465,407 | 300,141 |
| NET ASSETS | | 11,948,685 | 8,622,446 |
| EQUITY | | | |
| Issued capital | 4 | 15,991,123 | 12,067,082 |
| Reserves | | 784,801 | 129,063 |
| Retained earnings | | (4,827,239) | (3,573,699) |
| TOTAL EQUITY | | 11,948,685 | 8,622,446 |

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2009

| | Issued Capital | Available For Sale Reserve | Share Option Reserve | Retained Earnings | Total |
|---|---------------------------|---|-------------------------------------|------------------------------|--------------|
| | \$ | | \$ | \$ | \$ |
| Balance at 1 July 2008 | 10,630,546 | - | 89,043 | (1,048,462) | 9,671,127 |
| Fair value of options issued | - | - | 12,032 | - | 12,032 |
| Total comprehensive income for the period | - | (85,000) | - | (356,726) | (441,726) |
| Balance at 31 December 2008 | 10,630,546 | (85,000) | 101,075 | (1,405,188) | 9,241,433 |
| Balance at 1 July 2009 | 12,067,082 | (40,000) | 169,063 | (3,573,699) | 8,622,446 |
| Shares issued during the period | 4,272,416 | - | - | - | 4,272,416 |
| Transaction costs (net of tax) | (348,375) | - | - | - | (348,375) |
| Fair value of options issued | - | - | 515,738 | - | 515,738 |
| Total comprehensive income for the period | - | 140,000 | - | (1,253,540) | (1,113,540) |
| Balance at 31 December 2009 | 15,991,123 | 100,000 | 684,801 | (4,827,239) | 11,948,685 |

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 31 DECEMBER 2009

| | Consolidated Group | |
|--|---------------------------|--------------------|
| | 31-Dec 2009 | 31-Dec 2008 |
| CASH FLOWS FROM OPERATING ACTIVITIES | \$ | \$ |
| Receipts from customers | 13,500 | 13,500 |
| Payments to suppliers and employees | (572,260) | (352,432) |
| Interest received | 45,673 | 67,312 |
| Research and Development tax concession refund | 176,267 | - |
| Finance costs | (2,438) | (2,438) |
| | <hr/> | <hr/> |
| NET CASH (USED IN) OPERATING ACTIVITIES | (339,258) | (274,058) |
| | <hr/> | <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for exploration expenditure | (536,766) | (768,631) |
| Payments for property, plant and equipment | (44,075) | (55,627) |
| | <hr/> | <hr/> |
| NET CASH (USED IN) INVESTING ACTIVITIES | (580,841) | (824,258) |
| | <hr/> | <hr/> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from the issue of ordinary shares | 4,272,416 | - |
| Cost to raise capital | (242,380) | - |
| Proceeds from borrowings | - | 54,027 |
| Repayment of borrowings | (38,603) | (47,205) |
| | <hr/> | <hr/> |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 3,991,433 | 6,822 |
| | <hr/> | <hr/> |
| Net decrease in cash held | 3,071,334 | (1,091,494) |
| Cash at beginning of period | 2,136,048 | 2,440,723 |
| | <hr/> | <hr/> |
| Cash at 31 December 2009 | 5,207,382 | 1,349,229 |
| | <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 2009**

NOTE 1 - BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of UraniumSA Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- The replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- The adoption of the separate income statement/single statement approach to the presentation of the Statement of Comprehensive Income;
- Other financial statements are renamed in accordance with the Standard; and
- Presentation of a third Statement of Financial Position as at the beginning of a comparative financial year where relevant amount have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 January 2009, operating segments are to be identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the group's chief operating decision maker which, for the Group, is the Board of Directors.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1 - BASIS OF PREPARATION (cont.)

Change in Accounting Estimate

During the period the depreciation rates have been reduced on certain items of plant and equipment to reflect the increased estimated useful life of those items. This change reduced the depreciation charge by \$10,813. Depreciation for field plant and equipment is capitalised to the exploration licences based on use on each exploration licence. Other than the depreciation rate change, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised accounting standards.

NOTE 2 - INCOME TAX

There was an income tax expense for the half-year ended 31 December 2009. In accordance with AASB 112 - Income Tax, the consolidated entity has written off the deferred tax asset of \$63,465 at 31 December 2009 resulting from capital raising costs incurred during the half-year ended 31 December 2009. It was the Directors opinion that the deferred tax asset did not meet the criteria for recognition.

NOTE 3 – FINANCIAL ASSETS

Available for sale investment

Included in available for sale financial assets at 31 December 2009 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 investment has been revalued to market value 31 December 2009 of \$300,000 (2008:\$ 115,000).

NOTE 4 - ISSUED CAPITAL

| | Consolidated Group | | |
|--|--------------------|--------------------|-------------------|
| | Date Issued | Ordinary Shares | \$ |
| Balance 1 July 2008 | | 62,195,382 | 10,630,546 |
| No shares were issued during the period | - | - | - |
| Balance at 31 December 2008 | | 62,195,382 | 10,630,546 |
| Balance 1 July 2009 | | 84,242,964 | 12,067,082 |
| Shares issued from placement | 7 July 09 | 3,300,000 | 231,000 |
| Shares issued in lieu of salaries and fees | 21 August 09 | 344,229 | 31,326 |
| Shares issued from placement – Tranche 1 | 28 October 09 | 5,000,000 | 1,000,000 |
| Shares issued from placement – Tranche 2 | 24 November 09 | 15,000,000 | 3,000,000 |
| Shares issued as listed options exercised | Various dates | 41,100 | 10,090 |
| Transaction costs (net of tax) | | | (348,375) |
| Balance at 31 December 2009 | | 107,928,293 | 15,991,123 |

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 5 – SHARE BASED PAYMENTS

On 18 November 2009 a grant of share options was made to Directors and the Company Secretary following shareholder approval. The terms and conditions of the grant made during the six months ended 31 December 2009 are as follows:

2009

| Grant date | Grant date Number of instruments | Vesting conditions | Contractual life of options |
|-------------------|---|-------------------------------|--|
| 18 November 2009 | 2,500,000 | On issue | 1,094 days |

Fair value of share options and assumptions used in determining fair value:

| | |
|--------------------------|-------------------|
| Fair value at grant date | \$0.12 per option |
| Share price | \$0.22 |
| Exercise price | \$0.30 |
| Expected volatility | 94% |
| Option life | 1,094 days |
| Risk-free interest rate | 4.15% |

On 11 December 2009 a grant of share options was made to a financial advisor in relation to a share placement that was successfully completed in November 2009. The terms and conditions of the grant made during the six months ended 31 December 2009 are as follows:

| Grant date | Grant date Number of instruments | Vesting conditions | Contractual life of options |
|-------------------|---|-------------------------------|--|
| 11 December 2009 | 2,500,000 | On issue | 765 days |

Fair value of share options and assumptions used in determining fair value:

| | |
|--------------------------|--------------------|
| Fair value at grant date | \$0.078 per option |
| Share price | \$0.19 |
| Exercise price | \$0.30 |
| Expected volatility | 94% |
| Option life | 765 days |
| Risk-free interest rate | 4.15% |

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 5 – SHARE BASED PAYMENTS (cont.)

2008

No share options were issued in the half-year ended 31st December 2008. During the period, 286,500 options previously issued at an exercise price of \$0.20 were cancelled.

NOTE 6 – OPERATING SEGMENTS

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Group remains focused on mineral exploration over areas of interest solely in South 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 area may be relinquished.

NOTE 8 - EVENTS SUBSEQUENT TO REPORTING DATE

There has been no material event subsequent to the half-year ended 31 December 2009 other than the exercise of 3,256,501 listed share options raising \$799,471 in share capital prior to the expiry date of 18 January 2010.

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 3 and 10, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard AASB 134 Interim Financial Reporting, and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 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 17th day of February 2010

INDEPENDENT AUDITOR'S REVIEW REPORT



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

We have reviewed the accompanying half-year financial report of UraniumSA Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the 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 controls 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 the Auditing Standard on Review Engagements, ASRE 2410: Review of 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 2009 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 AUDITOR'S 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 2009 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 17th day of February 2010

CORPORATE DIRECTORY

DIRECTORS

Tom Phillips AM – Non-executive Chairman

Russel Bluck – Managing Director

Alice McCleary – Non-executive Director

COMPANY SECRETARY

Craig Gooden

REGISTERED OFFICE

32 Beulah Road

Norwood SA 5067

SHARE REGISTRY

Computershare Investor Services Pty Ltd

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115 Grenfell Street

Adelaide SA 5000

AUDITORS

Grant Thornton South Australian Partnership

Level 1

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Wayville SA 5034

SOLICITOR

Hunt & Hunt

Level 12, 26 Flinders Street

Adelaide SA 5000

BANKERS

National Australia Bank Limited

Level 1

22 King William Street

Adelaide SA 5000

AUSTRALIAN SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange

ASX CODE: USA

UraniumSA

