



FINANCIAL REPORT

**HALF-YEAR ENDED
31 DECEMBER 2011
ABN 48 119 978 013**

CONTENTS

Page

DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7
DIRECTORS' DECLARATION	13
INDEPENDENT AUDITOR'S REVIEW REPORT	14
CORPORATE DIRECTORY	16

URANIUMSA LIMITED

DIRECTORS' REPORT

Your Directors present this report on UraniumSA Limited and its consolidated entities (Group) for the half-year ended 31 December 2011.

Directors

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

Alice McCleary

Russel Bluck

Thomas Phillips AM

David Paterson (appointed 3 December 2011)

Company Secretary

Damien Connor (appointed 1 November 2011)

Craig Walford Gooden (resigned 30 November 2011)

Review of Operations

The loss of the Group for the half-year ended 31 December 2011 after providing for income tax of nil was \$786,731 (2010: \$584,636).

The following summary lists the operational activities for the half-year ended 31 December 2011:

- a) The land covering the area of the Blackbush deposit was purchased by Samphire Uranium Pty Ltd.
- b) The responses to the application for a Retention Lease for the purpose of a field trial of in-situ recovery (ISR) mining at the Blackbush deposit was lodged with the regulators in December 2011.
- c) Design and tasking for a field leach trial in 2012 was commenced.
- d) Metallurgical test work was progressed with the evaluation of saline tolerant resins and completion of column leach trials on samples of Blackbush mineralisation.
- e) Initial financial models for an ISR operation were released to ASX.
- f) The potential economic significance of uranium mineralisation in granite basement below the Blackbush resource of sediment-hosted mineralisation was recognised and the push towards ISR production as soon as practicable was suspended.
- g) Geosolutions Pty Ltd was contacted to fly a detailed airborne magnetic survey of the Samphire project area for delivery in January 2012.
- h) Drilling of pre-collars for subsequent completion and logging with a Prompt Fission Neutron (PFN) tool was carried out on the Samphire project area.

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 2011.

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



Alice McCleary

Chairman

Signed Dated this 13th day of February 2012

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 2011, 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

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants


J L Humphrey
Partner

Adelaide, 13th February 2012

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URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

STATEMENT OF COMPREHENSIVE INCOME
HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Group	
	31-Dec 2011	31-Dec 2010
Note	\$	\$
REVENUE		
Interest received from other parties	176,330	108,038
Consulting and serviced office revenues	12,000	16,731
EXPENSES FROM ORDINARY ACTIVITIES		
Depreciation and amortisation expense	(21,484)	(18,046)
Exploration expensed	(25,359)	-
Employee benefits expense	(666,106)	(293,852)
Occupancy expense	(27,648)	(22,668)
Consulting expense	(41,839)	(10,153)
ASX listing and share registry expense	(49,339)	(67,414)
Other expenses from ordinary activities	(143,286)	(215,377)
LOSS BEFORE INCOME TAX EXPENSE	<u>(786,731)</u>	<u>(502,741)</u>
Income tax expense	2	-
LOSS FOR PERIOD	<u>(786,731)</u>	<u>(584,636)</u>
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	<u>(786,731)</u>	<u>(584,636)</u>
OTHER COMPREHENSIVE INCOME		
Available for sale financial asset – fair value movement	(40,000)	140,000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(826,731)</u>	<u>(444,636)</u>
	Cents	Cents
Basic loss per share	(0.5)	(0.5)

The accompanying notes form part of the financial statements

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

		Consolidated Group	
	Note	31-Dec 2011	30-Jun 2011
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,642,146	7,482,607
Trade and other receivables		87,891	359,789
Other current assets		49,711	125,847
TOTAL CURRENT ASSETS		<u>4,779,748</u>	<u>7,968,243</u>
NON-CURRENT ASSETS			
Financial assets	3	230,000	270,000
Property, plant and equipment		2,037,771	844,809
Exploration and evaluation expenditure		13,038,974	11,298,104
TOTAL NON-CURRENT ASSETS		<u>15,306,745</u>	<u>12,412,913</u>
TOTAL ASSETS		<u>20,086,493</u>	<u>20,381,156</u>
CURRENT LIABILITIES			
Trade and other payables		361,210	282,621
Short-term provisions		129,652	177,066
TOTAL CURRENT LIABILITIES		<u>490,862</u>	<u>459,687</u>
NON-CURRENT LIABILITIES			
Long-term provisions		63,716	38,455
TOTAL NON-CURRENT LIABILITIES		<u>63,716</u>	<u>38,455</u>
TOTAL LIABILITIES		<u>554,578</u>	<u>498,142</u>
NET ASSETS		<u>19,531,915</u>	<u>19,883,014</u>
EQUITY			
Issued capital	4	25,285,141	25,125,709
Reserves		1,213,159	936,959
Retained earnings		(6,966,385)	(6,179,654)
TOTAL EQUITY		<u>19,531,915</u>	<u>19,883,014</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 2011

	Issued Capital	Available For Sale Reserve	Share Option Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2010	16,790,594	-	705,539	(5,622,149)	11,873,984
Shares issued during the period	5,061,096	-	-	-	5,061,096
Transaction costs (net of tax)	(191,089)	-	-	-	(191,089)
Fair value of options issued	-	-	53,730	-	53,730
Total comprehensive income for the period	-	140,000	-	(584,636)	(444,636)
Balance at 31 December 2010	21,660,601	140,000	759,269	(6,206,785)	16,353,085
Balance at 1 July 2011	25,125,709	70,000	866,959	(6,179,654)	19,883,014
Shares issued during the period	159,432	-	-	-	159,432
Fair value of options issued	-	-	316,200	-	316,200
Total comprehensive income for the period	-	(40,000)	-	(786,731)	(826,731)
Balance at 31 December 2011	25,285,141	30,000	1,183,159	(6,966,385)	19,531,915

The accompanying notes form part of the financial statements.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

**STATEMENT OF CASH FLOWS
HALF-YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group	
	31-Dec 2011	31-Dec 2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	12,000	16,731
Payments to suppliers and employees	(640,921)	(511,040)
Interest received	244,930	118,968
Research and Development tax concession refund	-	139,052
	<hr/>	<hr/>
NET CASH (USED IN) OPERATING ACTIVITIES	(383,991)	(236,289)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(1,385,302)	(2,042,587)
Payments for property, plant and equipment	(1,230,600)	(260,438)
	<hr/>	<hr/>
NET CASH (USED IN) INVESTING ACTIVITIES	(2,615,902)	(2,303,025)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of ordinary shares	159,432	5,061,097
Cost to raise capital	-	(256,250)
	<hr/>	<hr/>
NET CASH PROVIDED BY FINANCING ACTIVITIES	159,432	4,804,847
Net decrease in cash held	(2,840,461)	2,265,533
Cash at beginning of period	7,482,607	4,018,485
Cash at 31 December 2011	<hr/> <hr/>	<hr/> <hr/>
	4,642,146	6,284,018

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 2011

NOTE 1 - BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 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 2011, together with any public announcements made during the half-year in accordance with the continuing disclosure requirements arising under the Australian Securities Exchange rules and the Corporations Act 2001.

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.

The interim financial statements have been approved and authorised for issue by the Board on the 13th February 2012.

NOTE 2 - INCOME TAX

There was no income tax expense for the half-year ended 31 December 2011 (2010: \$81,895).

NOTE 3 – FINANCIAL ASSETS

Available for sale investment

Included in available for sale financial assets at 31 December 2011 is an investment in Archer Exploration Limited (an ASX listed company). The investment consists of 2,000,000 ordinary fully paid shares. The investment has been revalued to market value at 31 December 2011 of \$230,000 (30 June 2011:\$ 270,000).

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 4 - ISSUED CAPITAL

	Consolidated Group		
	Date Issued	Ordinary Shares	\$
Balance 1 July 2010		111,184,794	16,790,594
Shares issued as listed options exercised	Various dates	356,250	61,095
Shares issued from placement	3 Dec 10	20,000,000	5,000,000
Transaction costs (net of tax)		-	(191,088)
Balance 31 December 2010		131,541,044	21,660,601
Balance 1 July 2011		146,434,756	25,125,709
Shares issued as listed options exercised	Various dates	840,000	159,432
Transaction costs (net of tax)		-	-
Balance 31 December 2011		147,274,756	25,285,141

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 5 – SHARE BASED PAYMENTS

On 6 July 2011 a grant of share options was made to an employee. The terms and conditions of the grant made during the six months ended 31 December 2011 are as follows:

2011

Grant date	Number of instruments	Vesting conditions	Contractual life of options
6 July	150,000	One third on issue, one third on 6 Jul 2012 and one third on 6 Jul 2013	1,094 days

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

Fair value at grant date	\$0.03 per option
Share price	\$0.18
Exercise price	\$0.29
Expected volatility	39.1%
Option life	1,094 days
Risk-free interest rate	4.73%

On 5 October 2011 a grant of share options was made to the Managing Director following shareholder approval. The terms and conditions of the grant made during the six months ended 31 December 2011 are as follows:

Grant date	Number of instruments	Vesting conditions	Contractual life of options
5 October	5,000,000	On issue	1,824 days

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

Fair value at grant date	\$0.05 per option
Share price	\$0.14
Exercise price	\$0.20
Expected volatility	53.0%
Option life	1,824 days
Risk-free interest rate	3.64%

During the half year period to 31 December 2011 8,654,500 options were cancelled and 840,000 were exercised.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

On 14 October 2010 a grant of share options was made to employees. The terms and conditions of the grant made during the six months ended 31 December 2010 are as follows:

2010

Grant date	Number of instruments	Vesting conditions	Contractual life of options
14 October	250,000	One third on issue, one third on 14 Oct 2011 and one third on 14 Oct 2012	1,094 days

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

Fair value at grant date	\$0.11 per option
Share price	\$0.23
Exercise price	\$0.30
Expected volatility	76%
Option life	1,094 days
Risk-free interest rate	5.13%

On 23 November 2010 a grant of share options was made to an employee. The terms and conditions of the grant made during the six months ended 31 December 2010 are as follows:

Grant date	Number of instruments	Vesting conditions	Contractual life of options
23 November	500,000	One third on issue, one third on 23 Nov 2011 and one third on Nov 2012	1,094 days

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

Fair value at grant date	\$0.16 per option
Share price	\$0.31
Exercise price	\$0.30
Expected volatility	75%
Option life	1,094 days
Risk-free interest rate	5.13%

During the half year period to 31 December 2010 28,800 options were cancelled and 356,250 options were exercised.

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 6 – SEGMENT INFORMATION

Segment Performance	TENEMENTS				TOTAL	
	JORC Compliant Resource Mullaquana		Other		31 Dec 2011	31 Dec 2010
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010		
	\$	\$	\$	\$	\$	\$
Segment results before income tax	-	-	(25,359)	-	(25,359)	-
Reconciliation of segment results to Group net loss before tax	-	-	(25,359)	-	(25,359)	-
<i>Unallocated income and expenses</i>						
Interest and other income					188,330	124,769
Depreciation					(21,484)	(18,046)
Corporate overheads					(928,218)	(609,464)
(Loss) before tax					(786,731)	(502,741)
	TENEMENTS				TOTAL	
	JORC Compliant Resource Mullaquana		Other		31 Dec 2011	30 Jun 2011
	31 Dec 2011	30 Jun 2011	31 Dec 2011	30 Jun 2011		
	\$	\$	\$	\$	\$	\$
Segment assets	8,814,616	7,550,863	4,224,358	3,747,241	13,038,974	11,298,104
Segment asset increase for the year						
- exploration expenditure capitalised	1,263,753	3,929,547	451,758	294,153		
- expensed during the year	-	-	(25,359)	-		
Total corporate and unallocated assets					7,047,519	9,083,052
Total Group assets					20,086,493	20,381,156

URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

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

As per ASX release on the 10th of February 2012, the company has issued 1,425,000 options to 7 employees and 2 consultants under the UraniumSA Limited Employee Share Option Plan. The options were issued with an exercise price of 20c and expire on the 9th February 2015. The fair value of options issued was \$58,140.

Other than those contained within this report, there has been no further material events subsequent to the half-year ended 31 December 2011.

COMPETENT PERSON STATEMENT

The exploration results and mineral resources reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Russel Bluck, Managing Director, UraniumSA Limited who is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposits being considered, and to the activity which is reported to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr. Bluck consents to the inclusion in the report of matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 3 and 12, 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 2011 and of its performance for the half-year ended on that date.
2. In the Directors' 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.



Alice McCleary
Chairman

Dated this 13th day of February 2012

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 ("Entity"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, 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 Entity 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 Entity 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 a Financial Report 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 2011 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



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 2011 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

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

J L Humphrey
Partner

Adelaide, 13th February 2012

CORPORATE DIRECTORY

DIRECTORS

Alice McCleary – Chairman

Russel Bluck – Managing Director

Tom Phillips AM – Non-executive Director

David Paterson – Non-executive Director

COMPANY SECRETARY

Damien Connor

AUDIT COMMITTEE

David Paterson – Chairman

Alice McCleary

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