



# **FINANCIAL REPORT**

**HALF-YEAR ENDED**

**31 DECEMBER 2007**

**ABN 48 119 978 013**

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# URANIUMSA LIMITED

## DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2007.

### 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 2007 the consolidated entity incurred a loss after income tax expense of \$362,809. Income tax expense of \$4,810 included in the loss for the half-year is the deferred tax asset associated with capital raising costs being written off during the period. As there is no certainty the deferred tax asset will be realised, it has been expensed in the half-year ended 31 December 2007.

The following summary lists the operational activities for the half year ended. 31 December 2007.

A new uranium mineralisation discovery was made a Mullaquana south of Whyalla in South Australia. It occurs within the Kanaka Beds of the Pirie Basin, in an area with no previous history of uranium exploration. The site is geographically isolated from any other occurrences of sediment-hosted mineralisation.

Heritage Clearance surveys of the Muckanippie project and substantial portions of the Tarcoola and Kingoonya projects were completed with the Antakirinja Matu-Yankunytjatjara Native Title Claimants. Documentation is being finalised.

Commenced drilling with the Company owned rig which was imported from the United States and totally refurbished prior to commencing field operations. The Company owned rig will provide continuous drilling capability as well as anticipated cost savings.

Reconnaissance air-core drilling of airborne electromagnetic targets (AEM) in the Kingoonya Palaeodrainage System project, intersected anomalous uranium in the Muckanippie and Kingoonya project areas.

### 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 2007.

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

Tom Phillips AM

Chairman  
Adelaide



Dated this 13<sup>th</sup> day of February 2008

# AUDITOR'S INDEPENDENCE DECLARATION

Grant Thornton 

Chartered Accountants and Business Advisers

## 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 2007, 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



**S J GRAY**  
Partner

Signed at Adelaide this 13 day of February 2008

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**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES**  
**CONSOLIDATED INCOME STATEMENT**  
**THE HALF-YEAR ENDED 31 December 2007**

	<b>Consolidated Entity</b>	
	<b>31-Dec 2007</b>	<b>31-Dec 006</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Revenues from ordinary activities</b>		
Interest received from other parties	134,374	117,123
Consulting and serviced offices	25,514	-
<b>Expenses from ordinary activities</b>		
Finance costs	(6,682)	-
Depreciation and amortisation expense	(42,144)	(1,288)
Employee benefits expenses	(261,644)	(91,518)
Occupancy expense	(20,351)	(1,536)
Consulting expense	(24,000)	(39,405)
ASX listing and share registry expense	(48,226)	(76,390)
Other expenses from ordinary activities	(114,840)	(149,492)
<b>Loss before income tax expense</b>	<u>(357,999)</u>	<u>(242,506)</u>
Income tax expense	<b>2</b> (4,810)	(118,060)
<b>Loss for the period</b>	<u>(362,809)</u>	<u>(360,566)</u>
<b>Loss attributable to members of the parent entity</b>	<u>(362,809)</u>	<u>(360,566)</u>
<b>Overall Operations</b>	<b>Cents</b>	<b>Cents</b>
<b>Basic loss per share</b>	(0.6)	(0.6)

The accompanying notes form part of the financial statements.

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2007**

		<b>Consolidated Entity</b>	
	Note	31-Dec 2007	30-Jun 2007
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,570,273	4,644,660
Trade and other receivables		58,000	227,296
Other current assets		21,754	22,113
<b>TOTAL CURRENT ASSETS</b>		<b>3,650,027</b>	<b>4,894,069</b>
<b>NON-CURRENT ASSETS</b>			
Available for sale assets		200,000	200,000
Plant and equipment		657,012	410,179
Land and buildings		11,054	-
Exploration and evaluation expenditure		5,737,892	4,951,910
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,605,958</b>	<b>5,562,089</b>
<b>TOTAL ASSETS</b>		<b>10,255,985</b>	<b>10,456,158</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		210,373	147,912
Financial liabilities		51,076	51,076
Short-term provisions		25,843	7,668
<b>TOTAL CURRENT LIABILITIES</b>		<b>287,292</b>	<b>206,656</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities		86,342	111,323
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>86,342</b>	<b>111,323</b>
<b>TOTAL LIABILITIES</b>		<b>373,634</b>	<b>317,979</b>
<b>NET ASSETS</b>		<b>9,882,351</b>	<b>10,138,179</b>
<b>EQUITY</b>			
Issued capital	3	10,629,921	10,622,924
Share option reserve		132,484	32,500
Accumulated losses		(880,054)	(517,245)
<b>TOTAL EQUITY</b>		<b>9,882,351</b>	<b>10,138,179</b>

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 2007**

	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Share Option Reserve</b>	<b>Total</b>
	\$	\$		\$
<b>Balance at 1 July 2006</b>	2,939	-	-	2,939
Shares issued during the period	11,112,591	-	-	11,112,591
Transaction costs	(794,280)	-	-	(794,280)
Recognition of tax benefit on transaction costs	118,806	-	-	118,806
Loss attributable to the members of parent entity	-	(360,566)	-	(360,566)
<b>Balance at 31 December 2006</b>	<b>10,440,056</b>	<b>(360,566)</b>	<b>-</b>	<b>10,079,490</b>
<b>Balance at 1 July 2007</b>	<b>10,622,924</b>	<b>(517,245)</b>	<b>32,500</b>	<b>10,138,179</b>
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 option reserve	-	-	99,984	99,984
Loss attributable to the members of parent entity	-	(362,809)	-	(362,809)
<b>Balance at 31 December 2007</b>	<b>10,629,921</b>	<b>(880,054)</b>	<b>132,484</b>	<b>9,882,351</b>

The accompanying notes form part of the financial statements.

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**HALF-YEAR ENDED 31 December 2007**

	<b>Consolidated Entity</b>	
<b>Note</b>	<b>31-Dec 2007</b>	<b>31-Dec 2006</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	25,514	-
Payments to suppliers and employees	(308,154)	(467,151)
Interest received	274,483	88,623
Finance costs	(6,682)	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(14,839)</b>	<b>(378,528)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration expenditure	(752,759)	(113,045)
Payments for plant and equipment	(300,031)	(38,374)
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(1,052,790)</b>	<b>(151,419)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the Issue of Ordinary Shares	18,221	6,552,939
Payments for transaction cost associated with capital raisings	-	(393,535)
Repayment of hire purchase loans	(24,979)	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(6,758)</b>	<b>6,159,404</b>
	<hr/>	<hr/>
Net increase/(decrease) in cash held	(1,074,387)	5,629,457
Cash on hand on acquisition of subsidiaries	4,644,660	975
Cash at 31 December 2007	<hr/> <b>3,570,273</b> <hr/>	<hr/> <b>5,630,432</b> <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 2007**

**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 2007 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 2007 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**

In accordance with AASB 112 - Income Tax, the consolidated entity has written off the deferred tax asset of \$4,810 resulting from capital raising costs incurred during the half-year ended 31 December 2007. It is the Directors opinion that the deferred tax asset does not meet the criteria for recognition.

**NOTE 3 - ISSUED CAPITAL**

	<b>Consolidated Entity</b>		
	<b>Date Issued</b>	<b>Ordinary Shares</b>	<b>\$</b>
<b>Balance 30 June 2007</b>		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)
<b>Balance at 31 December 2007</b>		<b>62,192,882</b>	<b>10,629,921</b>

**URANIUMSA LIMITED ABN 48 119 978 013 AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

**NOTE 4 – 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

<b>Grant date</b>	<b>Grant date Number of instruments</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
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	\$0.25
Expected volatility	72%
Option life	1,277 days
Risk-free interest rate	6.46%

**NOTE 5 - SEGMENT REPORTING**

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

**NOTE 6 - CONTINGENT LIABILITIES**

The consolidated entities have minimum expenditure commitments on exploration licenses totaling \$1,066,000 to be spent during the second year of the exploration licences. If the minimum expenditure on each licence is not met, part of the licence may have to be relinquished.

**NOTE 7 - EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no material event subsequent to the half-year ended 31 December 2007.

**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 8:
  - a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b) give a true and fair view of the economic entity's financial position as at 31 December 2007 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.



**Tom Phillips AM**  
**Chairman**  
**Adelaide**

Dated this 13<sup>th</sup> day of February 2008

# INDEPENDENT REVIEW REPORT



Chartered Accountants and Business Advisers

## 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 the entities it controlled (the consolidated entity), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of Accounting policies, and other selected explanatory notes.

### Directors' responsibility for the half-year financial report

The directors of UraniumSA Limited 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: *Review of an Interim 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 UraniumSA Limited's financial position as at 31 December 2007 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.

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.

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# INDEPENDENT REVIEW REPORT (CONT)



## 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 UraniumSA Limited's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
- (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 black ink, appearing to read 'S J Gray', written over a horizontal line.

**S J GRAY**  
Partner

Signed at Adelaide this 13 day of February 2008

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Tom Phillips AM - Chairman  
Russel Bluck – Managing Director  
Alice McCleary – Director  
XU Gang – Director

### **COMPANY SECRETARY**

Craig Gooden

### **REGISTERED OFFICE**

32 Beulah Road  
Norwood SA 5067

### **SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 5  
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### **AUDITORS**

Grant Thornton  
Level 1  
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Wayville SA 5034

### **SOLICITOR**

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North Adelaide SA 5006

### **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 AND USAO**

**Uranium**SA

