POCKETMAIL GROUP LIMITED

ABN 96 008 719 015

HALF YEAR REPORT

31 DECEMBER 2006

This financial report covers the consolidated entity consisting of Pocketmail Group Limited and controlled entities.

This Interim Financial Report should be read in conjunction with the company's annual report for the period ended 30 June 2006.

CORPORATE DIRECTORY

Directors
Richard Poole (Chairman)
Roger Steinepreis
Philip Suriano

Secretary
David Macarthur

Registered Office
Level 14
14-19 Bent Street
SYDNEY NSW 2000

Telephone +(612) 8257-6500
Facsimile +(612) 8257-6501

Share Registry
Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000

Auditor
Robert Nielson Partners
Level 7, 280 George St
Sydney NSW 2000

Stock Exchange
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

ASX Code
PKT (fully paid ordinary shares)

The directors of Pocketmail Group Limited submit herewith the financial report for the half year ended 31 December 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the half year and up to the date of this report are:

Mr RJ Poole (Chairman)
Mr R Steinepreis
Mr P Suriano

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the Company during the financial year was the sale and marketing of Pocketmail mobile E-mail devices and the provision of the Pocketmail mobile e-mail service. There were no significant changes in the nature of the activities during the course of the half year.

Dividends

No dividends were paid or declared for payment during the financial year.

Review of Operations

The net loss from ordinary activities after income tax for the half year ended 31 December 2006 was $175,682 (December 2005 profit: $223K).

The loss from ordinary activities before income tax expense includes the following revenues whose disclosure is relevant in explaining the financial performance of the entity:

	Half Year Ended 31 Dec 2006 $000's	Half Year Ended 31 Dec 2005 $000's
Revenues from ordinary Activities		
Revenue from services	158,440	2,162,000,
Revenue from use of Pocketmail Technology	-	3,000
Interest	24,657	-
Other revenue from ordinary activities	98,000	1,000
Total revenue	281,097	2,165,000

The reduction in revenues reflects:

1. the sale on 26th May 2006 of Pocketmail Inc, the US operating subsidiary, and
2. the continued decline in the customer base of the Pocketmail technology in Australia, and the corresponding subscriber revenues applicable to that customer base.

- During the half year, there was a loss of $175,682 (December 2005 profit of $223K).

THE RESULT FOR THE HALF-YEAR IS IN LINE WITH MANAGEMENT AND BOARD EXPECTATIONS.

After balance date events

On 22 January 2007, the company announced that it had agreed to acquire 100% of uranium exploration company - Adavale Minerals Pty Ltd (Adavale Minerals), subject to shareholder approval.

Adavale Minerals has the right to acquire two regional uranium projects, the Lake Surprise project in South Australia and the Springvale Project in Queensland.

The Lake Surprise Project in South Australia consists of 3 leases totalling an area of 2705km2 and is located 550km north of Adelaide. The targets are surficial uranium ore bodies in a number of suitable host rocks, and roll front style ore bodies developed in both Tertiary and Mesozoic host rocks.

The Springvale Project consists of 10 leases (applications) totalling an area of 3000km2 and is located between Boulia and Bedourie in South West Queensland. The targets are tabular style ore bodies developed in and adjacent to the weathered Toolebuc Formation, and in the channel sediments of the Georgina-Hamilton river system. The Toolebuc Formation is enriched in uranium, vanadium, molybdenum and various other metals.

The consideration for the acquisition, subject to shareholder approval, is the issue of 75,000,000 fully paid ordinary shares in the capital of Pocketmail. In addition, Pocketmail has agreed to issue 35,000,000 performance shares which upon the achievement of the relevant performance hurdle will convert into 1 ordinary share for each performance share held.

For the performance hurdle to be met:

(a) an inferred resource of a minimum of 5,000 tonnes of U308 equivalent including molybdenum and vanadium credits counting as U308 equivalents at the spot prices for these commodities as at 22 January 2007 must be delineated in respect of the Tenements; and

(b) the minimum resource referred to in paragraph (a) shall have a U308 grade of a minimum of 0.03% including molybdenum and vanadium credits counting as U308 equivalents at the spot prices for these commodities as at 22 January 2007.

The acquisition of Adavale Minerals is subject to a number of conditions precedent including completion of due diligence, shareholder approval and the completion of a capital raising of not less than $1,000,000 by the issue of 50,000,000 fully paid ordinary shares at a price of 2 cents each.

Apart from the above matter, no matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Audit and non-audit services (continued)

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on Page 7.

Signed in accordance with a resolution of directors.

On behalf of the Directors

RJ Poole
Chairman
Sydney,
26th February 2007

AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF POCKETMAIL GROUP LIMITED

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2006 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit

Robert Nielson Partners

Robert Nielson
Level 7 280 George Street
Sydney NSW 2000

Date : 26 February 2007

INCOME STATEMENT

for the half year ended 31 December 2006

	Note	Consolidated 31 Dec 2006	Consolidated 31 Dec 2005
Revenue from the sale of goods		-	239,000
Revenue from the provision of services		158,440	1,923,000
Revenue from use of Pocketmail technology		-	3,000
Interest received		24,657	
Expense recoupments		98,000	1,000
Total Revenue		281,097	2,166,000
Advertising		217	111,000
Borrowing cost		-	329,000
Cost of Goods Sold		-	273,000
Depreciation and amortization expense		-	24,000
Directors/related parties		122,500	-
Employment Expense		183,893	1,105,000
Insurance		-	63,000
Legal		8,606	10,000
Merchant fees		622	81,000
Other expenses from ordinary activities		74,117	173,000
Premises		21,611	93,000
Telecommunication expenses		45,213	319,000
Travel		-	24,000
Adjustment to fair value		-	(662,000)
Total expenses		456,779	1,943,000
Profit / (Loss) from ordinary activities before income tax expense		(175,682)	223,000
Income tax expense relating to ordinary activities		-	-
Profit / (Net Loss) from ordinary activities after related income tax		(175,682)	223,000
Earnings Per Share:			
Basic (cents per share)	3	($0.0006)	0.001
Diluted (cents per share)	3	($0.0005)	0.001

The above Income Statement should be read in conjunction with the accompanying Notes

POCKETMAIL GROUP LIMITED
BALANCE SHEET
as at 31 December 2006

	Note	Consolidated 31 Dec 2006	Consolidated 30 June 2006
CURRENT ASSETS			
Cash assets		1,101,764	1,291,489
Receivables		26,316	57,527
TOTAL CURRENT ASSETS		1,128,080	1,349,016
TOTAL ASSETS		1,128,080	1,349,016
CURRENT LIABILITIES			
Payables		110,022	155,276
TOTAL CURRENT LIABILITIES		110,022	155,276
TOTAL LIABILITIES		110,022	155,276
NET ASSETS		1,018,058	1,193,740
EQUITY			
Contributed equity	4	26,252,737	26,252,737
Retained profits		(25,234,679)	(25,058,998)
TOTAL EQUITY		1,018,058	1,193,740

The above Balance Sheet should be read in conjunction with the accompanying notes

POCKETMAIL GROUP LIMITED

CASH FLOW STATEMENT

for the half year ended 31 December 2006

	Note	Consolidated 31 Dec 2006 $'000's	Consolidated 31 Dec 2005 $'000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		158,440	2,373,000
Payments to suppliers and employees		(372,822)	(2,382,000)
Interest received		24,657	1,000
Income taxes paid			-
NET CASH FLOWS FROM OPERATING ACTIVITIES		(189,725)	(8,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity securities		-	36,000
Payment for share issue costs		-	-
Repayment of borrowings		-	-
Finance lease payments		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	36,000
NET INCREASE/(DECREASE) IN CASH ASSETS HELD		(189,725)	28,000
Cash assets at the beginning of the half year		1,291,489	39,000
Effects of exchange rate fluctuations on the balances of cash Held in foreign currencies			(2,000)
CASH ASSETS AT THE END OF THE HALF YEAR		1,101,764	65,000

This Cash Flow Statement should be read in conjunction with the accompanying notes

POCKETMAIL GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2006

	Note	Share Capital $	Retained Profits $	Options Reserves $	Total $
Balance at 1 July 2005		24,303,000	(29,386,000)	(15,000)	(5,099,000)
Profit/(loss) attributable to members of the entity			222,000	(2,000)	220,000
Proceeds on issue of shares		36,000	-	-	36,000
Balance at 31 December 2005		24,339,000	(29,164,000)	(17,000)	(4,843,000)
Balance at 1 July 2006		26,252,737	(25,098,998)	-	1,193,740
Profit (Loss) attributable to members of the entity		-	(175,682)	-	(175,682)
Proceeds on issue of shares		-	-	-	
Balance at 31 December 2006		26,252,737	(25,234,679)	-	1,018,058

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

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, Accounting Standard AASB 134: Interim Financial Reportingm Urgent Issues Group 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 2006 and any public announcements made by Pocketmail Group 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 economic entity and are consistent with those applied in the 30 June 2006 annual report, with the exception of the additional policy outlined below in respect of inventory.

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

2. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There are no contingent liabilities or contingent assets of the company at 31 December 2006.

3. Segment Reporting

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

North America comprises America and United Kingdom.

Each segment offers similar services and products in relation to the delivery of Pocketmail mobile email services and devices.

Half year ended 31 December 2006

Primary Reporting – Geographical Segments	**Australia**	**North America**	**Eliminations**	**Consolidated**
External Segment Revenue	281,097	-	-	281,097
Segment Result	(175,682)	-	-	(175,682)
Net Interest Expense				-
Profit from ordinary activities before income tax				(175,682)
Profit from ordinary activities after income tax				(175,682)

Half year ended 31 December 2005

Primary Reporting – Geographical Segments	**Australia**	**North America**	**Eliminations**	**Consolidated**
External Segment Revenue	271,000	1,895,000		2,166,000
Internal Segment Revenue	695,000		(695,000)	271,000
Total Revenue	966,000	1,895,000	(695,000)	2,166,000
Segment Result	650,000	(98,000)	-	552,000
Net Interest Expense				(329,000)
Profit from ordinary activities before income tax				223,000
Profit from ordinary activities after income tax				223,000

All segment assets are located in Australia.

4. SUBSEQUENT EVENTS

On 22 January 2007, the company announced that it had agreed to acquire 100% of uranium exploration company - Adavale Minerals Pty Ltd (Adavale Minerals), subject to shareholder approval.

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The Lake Surprise Project in South Australia consists of 3 leases totalling an area of 2705km2 and is located 550km north of Adelaide. The targets are surficial uranium ore bodies in a number of suitable host rocks, and roll front style ore bodies developed in both Tertiary and Mesozoic host rocks.

The Springvale Project consists of 10 leases (applications) totalling an area of 3000km2 and is located between Boulia and Bedourie in South West Queensland. The targets are tabular style ore bodies developed in and adjacent to the weathered Toolebuc Formation, and in the channel sediments of the Georgina-Hamilton river system. The Toolebuc Formation is enriched in uranium, vanadium, molybdenum and various other metals.

The consideration for the acquisition, subject to shareholder approval, is the issue of 75,000,000 fully paid ordinary shares in the capital of Pocketmail. In addition, Pocketmail has agreed to issue 35,000,000 performance shares which upon the achievement of the relevant performance hurdle will convert into 1 ordinary share for each performance share held.

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(b) the minimum resource referred to in paragraph (a) shall have a U308 grade of a minimum of 0.03% including molybdenum and vanadium credits counting as U308 equivalents at the spot prices for these commodities as at 22 January 2007.

The acquisition of Adavale Minerals is subject to a number of conditions precedent including completion of due diligence, shareholder approval and the completion of a capital raising of not less than $1,000,000 by the issue of 50,000,000 fully paid ordinary shares at a price of 2 cents each.

Apart from the above matter, no matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

POCKETMAIL GROUP LIMITED

DIRECTORS' DECLARATION

for the half year ended 31 December 2006

The directors declare that:

(a) the attached financial statements and notes thereto comply with AASB 134 Interim Reporting;

(b) the attached financial statements and notes thereto give a true and fair view of the financial position as at 31 December 2006 and the performance of the company for the half year ended on that date;

In the directors' opinion:

(a) the attached financial statements and the notes thereto are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

RJ Poole
Chairman

Sydney, 26th February 2007

POCKETMAIL GROUP LIMITED

INDEPENDENT REVIEW REPORT

to the members of Pocketmail Group Limited

Scope

We have reviewed the financial report of Pocketmail Group Limited for the half-year ended 31 December 2006 as set out on pages 4 to 15. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investment Commission/ Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

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 Pocketmail Group Limited is not in accordance with:-

(a) The Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Robert Nielson

Robert Nielson Partners
Level 7 280 George Street
SYDNEY NSW

Dated :26 February 2007

APPENDIX 4D

FULL REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Name of Entity	Pocketmail Group Limited
ABN	96 008 719 015
Half year ended	31 December 2006
Previous corresponding period	31 December 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$
Revenue from ordinary activities	Down	87%	To	281,097
Loss from ordinary activities after tax attributable to members	Down	178%	To	175,682
Net profit for the period attributable to members	Down	178%	To	175,682

No interim dividend was paid and it is not proposed to pay any dividends.

Explanation of Revenue

The Loss from ordinary activities before income tax expense includes the following revenues whose disclosure is relevant in explaining the financial performance of the entity:

	Half Year Ended 31 December 2006 $	Half Year Ended 31 December 2005 $
Revenues from ordinary Activities	281,097	2,166,139

Explanation of Net Loss

The reduction in revenues reflects:

1. the sale on 26th May 2006 of Pocketmail Inc, the US operating subsidiary, and
2. the continued decline in the customer base of the Pocketmail technology in Australia, and the corresponding subscriber revenues applicable to that customer base.

The result for the half-year is in line with management and Board expectations.

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary security	$0.001	$0.001

Other matters

There have been no entities over which control has been gained or lost during the period.