Annual Report 2012

UraniumSA

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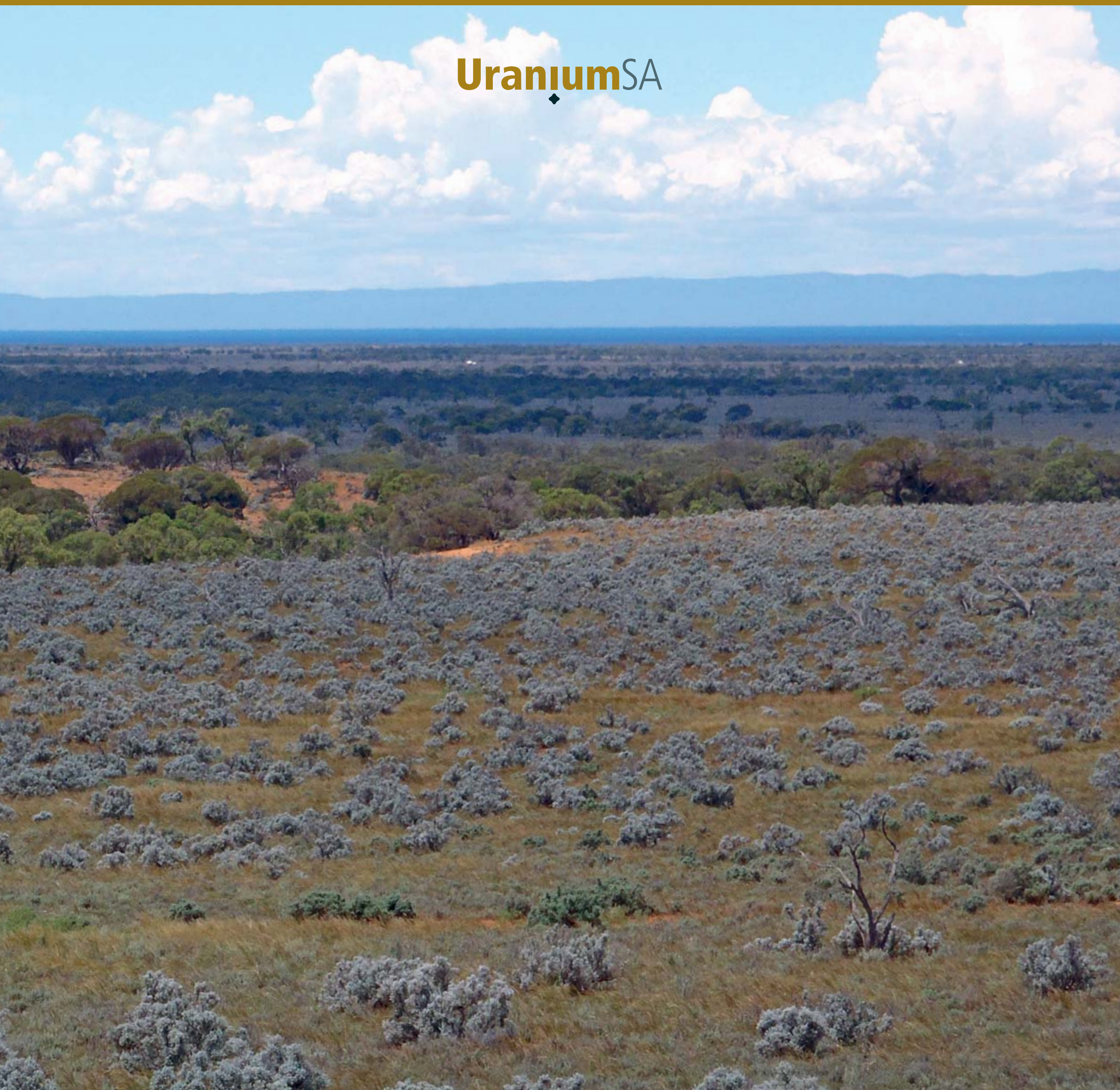
The reality of all minerals exploration is that genuine new discoveries are extremely rare.



Overview

UraniumSA continues to be a successful uranium explorer, a successful developer of uranium-focused metallurgical processes, and we are well positioned to continue to develop our assets of mineralisation south of Whyalla on the Eyre Peninsula in South Australia and advance them towards production.

UraniumSA discovered a new uranium district at its Samphire project in 2007 and since that time, year on year, we have been able to increase the amount of uranium mineralisation at the Samphire project which have been drilled out and estimated, and this year has seen the announcement of the discovery of significant high grade mineralisation. The aggregate resource of mineralisation in the Samphire project is 41 million pounds of uranium oxide (U_3O_8), comprising, in the:

Samphire project

Blackbush deposit

An Inferred Resource of 41.5Mt of mineralisation at a bulk grade of 289ppm eU_3O_8 containing 12,000t or 27Mlb U_3O_8 ,and comprising two separate zones;

• sediment hosted mineralisation	32Mt at 322ppm eU_3O_8 (10,300t or 23Mlb)
• granite hosted mineralisation	9.5Mt at 175ppm eU_3O_8 (1,700t or 4Mlb)

Plumbush deposit

Directly southwest of Blackbush within the Samphire project area and comprising an Inferred Resource of;

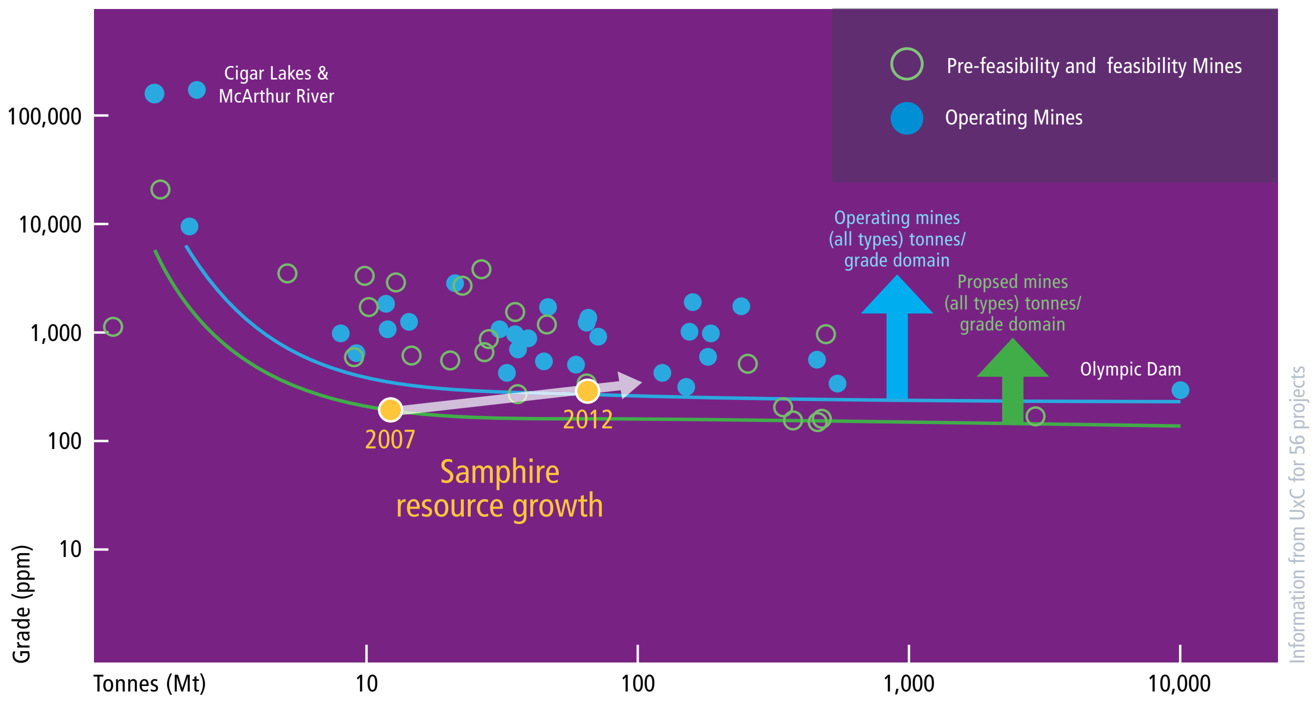
• sediment hosted mineralisation	21.8Mt at 292ppm eU_3O_8 (6,300t or 14Mlb)

Groundwater circulation trial - Blackbush deposit

These are real resources of mineralisation and underpin the value of the Company. As we have explored the Samphire project we have steadily increased the tonnes and bulk grade of our mineralisation and the aggregate now compares favourably with other uranium projects around the world that are either in production or planned for development. The discovery of high grade uranium within the Blackbush deposit during 2011–2012 has the potential to significantly change the tonne/grade profile of the project.

During 2012–2013 work will be focused on continuing to grow the tonnes of mineralisation in our existing Blackbush and Plumbush deposits, discovering more high grade and improving the bulk average grade, intensifying the investigation of mining/development options for the Blackbush deposit, and on discovering new deposits of uranium mineralisation within the Samphire project area.

International Uranium Projects: Grade v Tonnes



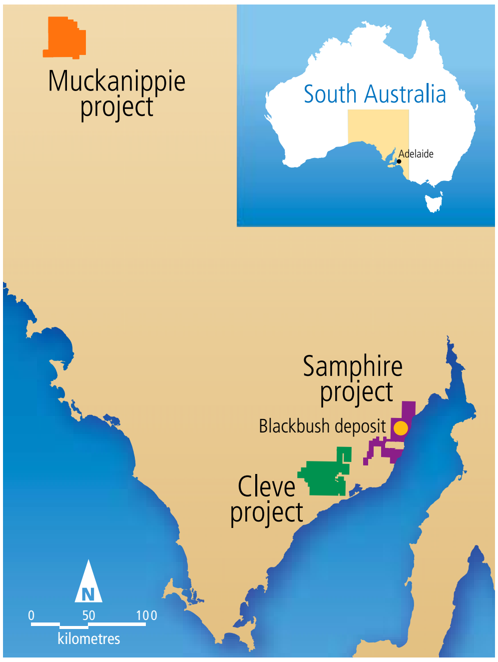
Samphire started as a 'blue sky' discovery and has grown to be a significant resource with real development potential.

Milestones

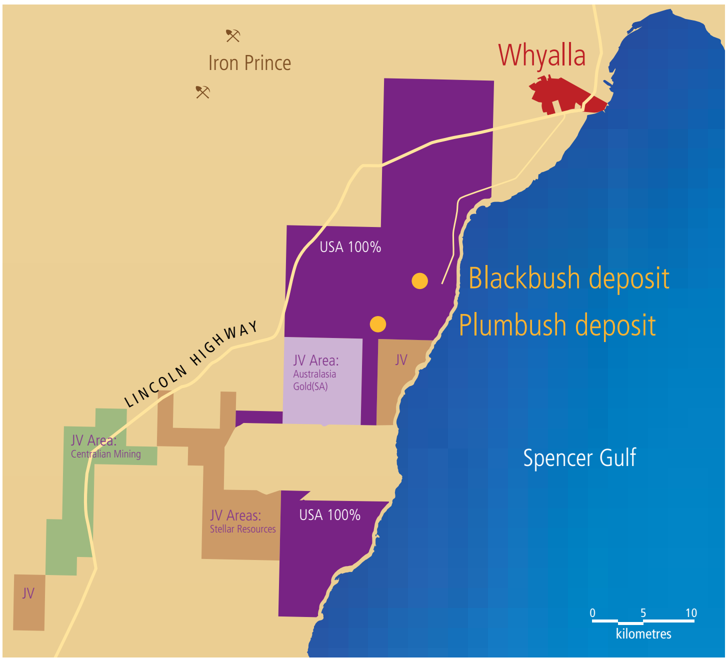
Selected ASX releases

- **Samphire** adopted as the name for the project and for the UraniumSA holding company. Replaced 'Mullaquana'.
- **Retention Lease Application** ASX Thursday 11 August 2011. Covering 225ha over the Blackbush deposit for the purposes of an ISR field trial.
- **Yellowcake precipitation** ASX Friday 12 August 2011, a uranium yellowcake product produced in the laboratory from mineralisation taken from the Blackbush deposit.
- **Column Leach Results** ASX Monday 29 August 2011, first column leach test indicate high uranium recovery (83% in 18 days) using acidified sea water.
- **Financial Models** ASX Monday 19 September 2011. Indicative financial models for an ISR operation at the Blackbush deposit.
- **Board Changes** ASX Monday 5 December 2011. Appointment of David Paterson as an Independent Director, subsequently appointed Executive Director, Corporate and Finance.
- **Technical Changes** ASX Monday 5 December 2011. Shift of exploration and development strategy from a singular focus on ISR to a consideration of other mining options.
- **Forward Strategy** for the exploration and development of the Samphire uranium project, ASX Wednesday 21 December 2011.
- **High grade uranium** below the Blackbush Uranium Resource. ASX Wednesday 21 March 2012, Tuesday 15 May 2012 and Tuesday 29 May 2012.

UraniumSA's projects



Samphire project: Regional map



The Samphire project area contains the individual Blackbush deposit and the Plumbush deposit where Inferred Resources of uranium mineralisation have been estimated, and a number of named and un-named prospects where uranium mineralisation is known but no estimates have been made.

Chairman's Message

As all shareholders will be aware, 2012 continued to be challenging for small companies. However, the Board maintains its great confidence in the future prospects of UraniumSA and we thank shareholders for your continued support.

Since its 2006 IPO, UraniumSA has consistently been able to achieve its strategic objectives, to increase the amount of uranium mineralisation within its tenements, and to mitigate the technical risks specific to the Samphire project. Much has been achieved over the last six years in a variety of market conditions, and our challenge now is to continue to achieve in the prevailing less favourable circumstances.

'UraniumSA has achieved great technical success ...'

Uranium is used for energy generation in proven and safe industrial processes that – stripped of emotion – have lower environmental footprints and higher sustainability than any competing established technology. Climate change is widely considered to be linked to the amount of carbon dioxide entering the atmosphere from human activities. Nuclear power currently provides ~30% of world base load power, and if carbon emissions are to be curtailed and reduced this contribution will have to increase. It is this reality that is driving countries to continue to operate and plan for the construction of new nuclear plants – a trend that is particularly evident in the developing world. Nuclear power provides more than 21% of electricity in OECD countries but only 1.8% in China, and that country and others such as India remain committed to its safe development and use. However, developed countries are also continuing to see nuclear energy – properly regulated – as an important part of their energy mix, with the UK recently announcing that four new reactors will be built.

As nuclear electricity generators continue to increase in efficiency, the disparity between low-environmental-impact uranium generation and the traditional energy sources will become greater and greater. For example, Generation IV nuclear reactors are now being developed which consume *100%* of the energy in the uranium fuel, plus the depleted uranium from the enrichment process – whereas the best current reactors only use about 1% of uranium's energy. These are exciting developments. As the world moves away from carbon-intensive energy sources, uranium's benefits will become more and more obvious to all.

However, the reality in the present markets is a little different, with uranium spot prices being lower than seems warranted, and the prices for long-term contracted supply not moving up as the commodity's prospects suggest it should. UraniumSA has the view that we will keep on doing what we do best – discovering new styles and deposits of uranium in our tenements, improving the grade of the mineralisation we have found by intensive drilling, and evolving our thinking about mining methods and metallurgical recovery as we learn more about the characteristics of the asset we have discovered. All this is being done while managing our cash resources responsibly and maintaining our commitment to working closely with the Whyalla community.

During the last year the Board has also followed through on the changes identified at the last AGM. As announced over the course of the year to the ASX:

- I have taken on the position of Chairman
- David Paterson was appointed to the Board as an Independent Director, and has subsequently accepted a position as Executive Director, Corporate and Finance. In accordance with the Constitution, David offers himself for re-election at the AGM. David's re-election has the unanimous support of the Board.
- Tom Phillips, the inaugural Chairman of the Company in its formative years after the IPO, has announced his retirement from the Board. Tom will step down immediately following the 2012 AGM. Tom's business acumen, national reputation and personal qualities have been of immense benefit to the company, and his contribution will be missed.

I thank shareholders for their past loyalty and support. UraniumSA has achieved great technical success and the challenge which confronts us now is to weather the present international economic storms as we translate this into commercial success.

Alice McCleary

Alice McCleary
Chairman

Review of Operations

Review of Operations

The 2011–2012 year continued the growth of the uranium assets in the Samphire project and the emphasis on driving towards production. Following the recognition of the potential economic implications of the uranium mineralisation discovered in granite below the Blackbush deposit (ASX Thursday 28 July 2011) there was a decision (ASX Monday 5 December 2011) to switch the emphasis back to exploration, and the consideration of mining options was expanded from simply considering ISR mining to include open cut and other mining methods.

Deposit	*Million tonnes mineralisation**	*Average grade ppm eU_3O_8*	*Estimated contained tonnes**	*Estimated contained million lb**
Blackbush deposit	41.5	289	12,000	27
Plumbush deposit	21.8	292	6,300	14
Aggregate	**63.3**	**290**	**18,300**	**41**

** Figures are rounded to the nearest significant number, see 'Background Information'. Data reported ASX 25 July 2012.*

Drill testing of models of mineralisation resulted in the discovery of percentage grade uranium mineralisation at and about the unconformity between the known sediment-hosted mineralisation and underlying mineralised granite. The intersections so far have been in individual drill holes distributed over some 1.5km of strike extent in the western zone at Blackbush. As the geology and geometry of these high grade intervals is understood and models of mineralisation developed and drill tested, there is the potential to transform the tonnage-grade profile of the project.

The Company reviewed its exploration assets in the context of the compelling results being obtained in the Samphire project from the discovery of high grade mineralisation at Blackbush and the potential for the extension of the Plumbush mineralisation into the adjoining Stellar Joint Venture area. As a result of that review the difficult decision was made to withdraw from the Tarcoola Joint Venture. The strategic decision has been that the highest return on capital will come from exploring in the area of the Samphire project to leverage local geological knowledge and lower operating costs.

Resource Growth – Blackbush deposit and the Samphire Project

In the first half of 2012 two infill drilling programs were contracted for the Blackbush deposit. Work focussed on three areas within the western zone of the Blackbush deposit and discovered high grade mineralisation localised along an intersection lineation formed between shallow east dipping mineralised structures in granite and the sub-horizontal unconformity with overlying sediments.

Following the completion of this drilling at Blackbush the Inferred Resource was re-estimated using the same methodology and similar assumptions as previously. This was to enable a direct comparison to be made between existing and the new estimation, but the uranium mineralisation was separated into sediment-hosted and granite-hosted mineralisation (ASX Wednesday 25 July 2012, post the formal reporting period). The resulting estimation of sediment hosted mineralisation is at the upper end of the confidence range for this classification of mineralisation – it is supported by good data density,


Blackbush


Plumbush

the estimated volumes of mineralisation changed in line with more precision in contact and margin determinations, and the overall consistency gives confidence in the robustness of the assumptions used. The estimation of granite hosted mineralisation is at the middle to lower end of the confidence range for this classification of mineralisation as it is based on a limited data set.

In summary, at the Blackbush deposit, the average grade of sediment-hosted mineralisation has increased significantly to 322ppm eU_3O_8. As our understanding of the geological controls on the location of high grade mineralisation at Blackbush improves there is a very real possibility that the tonnage/grade profile of the deposit will change significantly.

Following the updated estimate for Blackbush deposit, the Inferred Resources of uranium mineralisation within the Samphire project estimated in accordance with the JORC Code stand at:

Blackbush deposit Inferred Resource	*Million tonnes mineralisation**	*Average grade ppm eU_3O_8*	*Estimated contained tonnes**	*Estimated contained million lb**
Sediment hosted	32.0	322	10,300	23
Granite hosted	9.5	175	1,700	4
Aggregate	**41.5**	**289**	**12,000**	**27**

** Figures are rounded to the nearest significant number, see 'Background Information'. Data reported ASX 25 July 2012.*

Forward program – Samphire project

To achieve further growth in the asset of uranium mineralisation over the coming 2012 – 2013 year the Company will;

- At the Plumbush deposit the intention is to drill south of the Exploration Licence boundary which is the limit of the existing Inferred Resource and follow known mineralisation into the area of the Stellar Resources Limited Joint Venture.
- At the Blackbush deposit, continue to work on identifying the geological controls on the high grade mineralisation leading to the construction and drill testing of predictive models. This work has the potential to improve the tonnage/grade profile of the deposit.
- Within the Samphire granite, complete the appraisal of information on granite hosted mineralisation from within the confines of the Blackbush deposit and apply that information to the discovery of new prospects elsewhere in the Samphire project area. This work has the potential to discover new occurrences of the known shallow dipping structures with shoots of moderate to high grade mineralisation, and to identify occurrences of large tonnage moderate grade mineralisation.
- Away from the Samphire granite, continue the recently commenced exploration for uranium and base metal mineralisation hosted in basement structures. These targets were originally identified in the Prospectus issued at the IPO in 2006.

High grade uranium was discovered below the Blackbush Uranium deposit.


Samphire plant


From left: Julian Snook - Site Supervisor, Michael Moore - Rehabilitation Team Leader, Callan Brown - Field Geologist.

ISR investigations – Blackbush deposit

The rationale for the slow down of the ISR program is that the successful use of the process depends on mineralisation being contained in porous and permeable rock types (usually sandy sediments) and the granite-hosted mineralisation does not have these characteristics. The large expenditures inherent in the previous firm forward scheduling for a field leach trail and progression to production have been put on hold, the evaluation of the feasibility of ISR has continued.

At Blackbush, a seven-spot trial pattern has been drilled and screened within potential ore zones. A circulation trial using natural formation waters was completed during October - December 2011 to provide specific hydrogeological data for this particular well pattern and local geology. The work was satisfactorily completed and there is now sufficient information to finalise the design of a field trial involving the circulation of lixiviant, the loading and stripping of loaded resins, and precipitation of yellowcake product. A Retention Lease has been applied for specifically to enable this trial to be undertaken.

Metallurgical development – Samphire project

When UraniumSA discovered uranium in what is now the Samphire project it was quickly recognised that the natural saline formation waters would not allow the use of conventional resins for the extraction of uranium in an ISR mining operation. In-house research has been run in parallel with our successful exploration to first identify, and then prove, that there are commercial resins able to extract uranium from saline solution. This innovative and world leading research culminated during 2011-2012 with work at the Australian National Science and Technology Organisation (ANSTO) laboratories confirming that several resins have the ability to load uranium from sea-water solution at commercially feasible rates, and that they can be subsequently stripped of uranium and a high-purity yellowcake product precipitated.

More detail of the work completed during the year is available in ASX releases and Quarterly Reports, and a technical paper given at the ALTA Conference in Perth, May 2012, can be downloaded from the UraniumSA website. The research and laboratory work completed constitutes a comprehensive proof-of-concept and subsequent proof-of-process for the recovery of uranium in saline solution. Metallurgical process development for a uranium operation at Samphire is now in the domain of normal project development and process optimisation.

This has been an innovative and outstandingly successful project. The approach and outcome have far reaching implication for minerals processing in areas where saline waters are readily available, and fresh water is both scarce and expensive.

The work has been led by Simon Hall, UraniumSA's Metallurgical Manager, who received outstanding professional support and input from his numerous professional peers throughout the industry. The process and laboratory expertise of ANSTO in conducting resin evaluation, column leach tests, stripping and precipitation was crucial, and the contributions of URS Corporation, SGS Lakefield Oretest Pty Ltd, ALS/AMMTEC and IWRI contributed to the success of the project.

Without the collaboration of resin manufactures the project could not have been possible and UraniumSA gratefully acknowledges the engagement and active participation of DowChemical, Clean TeQ, Purolite, Lanxess, IBC Advanced Technologies and Clariant.

Samphire project - Drilling

To achieve its objectives for the year the Company contracted several drilling campaigns for various programs, and continued exploration drilling with its own rig. In total, 92 holes were drilled for a cumulative 8,136 metres.

The contracted drilling programs were carried out at the Blackbush deposit and were extremely successful in discovering high grade mineralisation. The results from this work and further infill drilling by the UraniumSA rig is enabling the development of a more complete understanding of the entire mineralised system – in the Eocene sediments at the basal unconformity and in underlying granites – and this is anticipated to result in more positive results for future drilling.

Russel Bluck (Managing Director), Callan Brown (Field Geologist), Juilan Snook (Site Supervisor), examining core samples at Blackbush deposit


Drilling at Blackbush deposit

Outside Exploration

The Samphire uranium project has been the focus of UraniumSA's financial and technical resources since its discovery in 2007. During 2011 – 2012 the Company reviewed its exploration assets in the context of the compelling results being obtained in the Samphire project from the discovery of high grade mineralisation at Blackbush and the potential for the extension of the Plumbush mineralisation into the adjoining Stellar Joint Venture area. As a result of that review the difficult decision was made to withdraw from the Tarcoola Joint Venture. The strategic decision has been that the highest return on capital will come from exploring in the area of the Samphire project to leverage local geological knowledge and lower operating costs.

Cleve Project

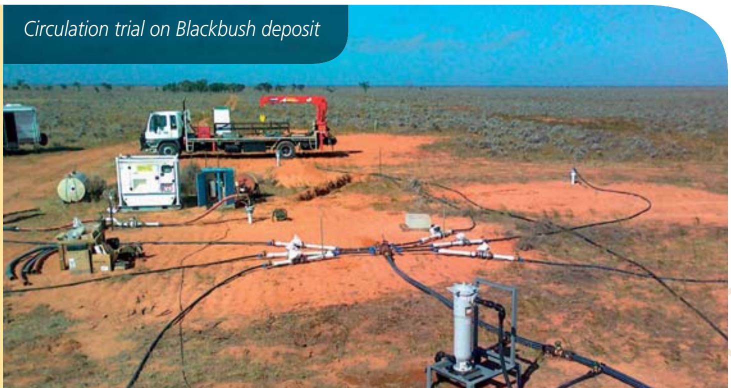
The Cleve project is located on Central Eyre Peninsula and is a joint venture with Archer Exploration Limited (ASX code AXE) with UraniumSA having 100% rights to all uranium. The tenement is in good standing due to the exploration activity being carried out by AXE. UraniumSA has been intending for some time to recommence its exploration of the Boothby prospect which comprises a coincident bedrock geochemical and induced polarisation anomaly occurring below the projected level of a basal Mesoproterozoic unconformity.

Muckanippie project

The Muckanippie project is located in the Central Gawler Craton approximately 260 kilometres west of Olympic Dam. The majority of the tenement covers an aeromagnetic signature associated with a body identified by PIRSA (now DMITRE) as the Muckanippie Layered Mafic Complex . The complex comprises a variety of mafic, ultramafic rock, intermediate and granitic rock types, and anomalous base metal chemistry has been reported associated with aeromagnetic anomalies. An airborne electromagnetic survey flown by the Company located anomalous responses associated with major structures and lithological contacts.

The Muckanippie Layered Mafic Complex is an attractive conceptual target for gold, platinum group elements and base metals, and the association of airborne magnetic survey anomalies with discreet structures and permissive rock types and is a good quality exploration play.


Narrow-leaf emubush


Circulation trial on Blackbush deposit

Land and Community

UraniumSA has continued to inform the broader Upper Spencer Gulf and Eyre Peninsula communities and landowners of our work-in-progress on the Samphire project. This protocol has at all times been transparent and ongoing, and forms, as it have for a number of years now, a fundamental component of our overall business strategy.

In the process leading up to the application for a Retention Lease at the Blackbush deposit within the Samphire project, a broad range of meetings were held with service organisations and community groups, culminating with structured community consultations. The Retention Lease application was lodged on 11 August 2011 and subsequently available by the Regulator for public comment. UraniumSA responded in December 2011 to questions raised during the public comment period and in June 2012, to final issues identified. It is anticipated that a decision regarding an offer of title, and with any attaching conditions, will be made in the second half of 2012.

In South Australia and throughout Australia, there is a dual use of land which is founded on political tradition and operates within an established body of law and regulation. This dual use of land – with landowners having rights of occupation and use of the surface and the State owning minerals under the ground – has traditionally attempted to balance the respective rights of land owners to operate their businesses with the obligation of the Sate to deliver to the community as a whole, the benefits from the minerals it owns. This balance of rights and obligation can be difficult to achieve. There is little doubt that there have been instances where outcomes have been in weighted in favour of the economic developments that can accompany minerals development. At the tail-end of what has been a major growth cycle in South Australia's minerals industry, it is quite correct that there should be an ongoing and vigorous debate between landowners, explorers, miners and governments to evolve the correct balance between individual entitlements and the right for the community at large to receive the benefits of the minerals which it owns. In this debate, it is the responsibility of the companies whom lease mineral rights from the State to ensure that they are responsible and considerate of ongoing land uses during exploration, and when exploration is successful, to propose developments which are well conceived and which will deliver appropriate economic, social and environmental outcomes.

UraniumSA employs a Community and Government Liaison Officer to ensure that we engage as positively as possible with landowners and to ensure that we are fully aware of, and meet, our corporate and social obligations. The Company has initiated this approach in recognition of the critical importance of these issues to affected landowners, to the local community seeking economic uplift, and to the Australian community which is entitled to see equitable outcomes from minerals exploration and development.

Regulation

All aspects of the uranium industry in Australia and internationally are subject to strong statutory and regulatory controls. The South Australian Government agencies have many years of experience with uranium projects and have developed and implement very effective administration, review and control processes. Within this South Australian best-practice regulatory framework, in August 2011 UraniumSA lodged an Application for a Retention Lease over the Blackbush deposit and this had been progressed to final consideration by the Regulator by the end of the 2011-2012 year. It is anticipated that advice of an offer with associated conditions will be received by UraniumSA in the second half of 2012.

UraniumSA conducts its exploration activities under the provisions of Exploration Licences issued by the South Australian Government, either in its own name or those of its Joint Venture partners. These Licences give the Company a right to explore for minerals subject to extensive directions and controls which are designed to protect the rights of landowners and ensure that work is conducted in an effective and environmentally aware manner. UraniumSA has developed its own operating practises and internal procedures and documentation to ensure that its operations in the field meet or exceed the statutory requirements. We are confident that our operations meet prevailing best practise.


Tobacco plant (wild)


Fence line to Balckbush deposit

Corporate

UraniumSA has a structure of wholly owned subsidiaries which conduct business activity under the governance of the UraniumSA Board. The Samphire uranium project and other sediment hosted uranium exploration assets are owned by Samphire Uranium Pty Ltd (formerly Gingertom Resources Pty Ltd). Other exploration assets are owned by Fatjack Resources Pty Ltd. The operating plant and equipment is owned and operated by Angus Resources Pty Ltd which also employs our field exploration staff. Professional staff and management are employed by UraniumSA Limited. The Group maintains a consistent strategy to ensure that corporate and technical standards are maintained, budget objectives are met, and shareholder value is enhanced.

Capital

UraniumSA's had a cash balance at the beginning of the year of $7,482,607, and during the year raised an additional $159,432 on the exercise of unlisted employee options. The Company's cash balance at the end of the year was $3,185,235 (refer note 7).

OH&S

The Group's corporate objective is to ensure that we maintain a safe and productive work environment. During the year there was a continuation of our review of documentation and operating systems to ensure compliance with the newly introduced Australia wide OH&S regime. The focus of the review is on our training, supervision and documentation of procedures to ensure that we were achieving a level of continuous improvement. The objective is to ensure that our employees are appropriately trained for the tasks they are engaged in, that they are competent to do the work they are engaged in, and that they plan for and manage the occupational and environmental risks associated with their work.

During 2011-2012 there was 1 incident on our work sites resulting in 2 days lost time (2010-2011 had 3 incidents for 8 days lost). No incidents have involved significant physical injury, and each has been investigated and changes have flowed through into the work place.

The main business of UraniumSA is uranium exploration and radiation safety and monitoring is a priority within the Group. The Company engages an external specialist consultant for advice and assistance and maintain a process of up-skilling and continuous improvement. During the year existing statute and regulation relating to radiation and radiation in the workforce was commenced.

The commitment of the Board and of the Company remains "zero harm, 24 hours a day, 7 days a week" across all of our work sites.

Competent Person

The exploration results and mineral resources reported herein are based on work and information compiled by Russel Bluck, a Member of the Australian Institute of Geoscience and employee of UraniumSA Limited. He has sufficient experience relevant to the style of mineralisation and type of deposits being considered and to the activity which they are undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Bluck has consented in writing to the inclusion in this report of matters based on their information in the form and context in which it appears.

Russel Bluck
Managing Director

Faith Gerhard (Development Geologist), examines core from MRC-843

Geotech trainee, Skye Benn

Directors' Report

Your Directors present this report on UraniumSA Limited and its consolidated entities (Group) for the financial year ended 30 June 2012.

Directors

The following directors were in office during the whole of the financial year, and up to the date of this report:

- *Alice McCleary*
- *Russel Bluck*
- *Tom Phillips AM*
- *David Paterson*

David Paterson was appointed a Director on 5 December 2011 and continued in the office at the date of this report. During the year Alice McCleary was appointed Chairman, replacing Russel Bluck in the role.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

- *Damien Connor*- Chartered Accountant.

Damien was appointed Company Secretary on 1 November 2011 holding the role jointly with Craig Gooden until Craig's resignation on 30 November 2011.

Damien has been a member of the Institute of Chartered Accountants in Australia since 2002 and has over 10 years finance and accounting experience including 6 years in the mining industry.

Principal Activities

The principal activity of the Group during the course of the year was the exploration for uranium on the Group's exploration licenses in South Australia. There has been no change to these activities during the financial year.

Operating Results

The loss of the Group after recognising a research and development tax concession of $436,756 was $2,992,465.

Dividends

No dividends were declared or paid during the financial year. No recommendation for payment of dividends has been made to the date of this report.

Review of Operations

UraniumSA has focused the majority of its technical, corporate and financial resources on the Samphire uranium project. During the year the emphasis was shifted from progressing to ISR production while the significance of uranium hosted in granite below the Blackbush deposit was evaluated. Drilling discovered significant intersections of high grade uranium and the size and potential economic importance of this mineralisation is being investigated.

A précis of the Group's operations and financial position is set out on pages 24 to 47.

Significant Changes in State of Affairs

There have been no significant changes in the Group's state of affairs during the year other than as disclosed elsewhere in this report.

Matters Subsequent to the End of the Financial Year

The Company is negotiating with two landowners regarding access and compensation.

Other than those disclosed no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future Developments, Prospects and Business Strategies

Over the next financial year UraniumSA will continue to focus on the Blackbush deposit working principally on the delineation and evaluation of the high grade uranium mineralisation which was discovered during the 2011-2012 year. Other exploration will be directed towards the further delineation of mineralisation at Plumbush and the investigation of new prospects in the Samphire project and elsewhere in the tenement portfolio. The Board has adopted a budget to pursue these objectives and is considering the options which are available for the future funding of the project.

Further information on likely development in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would result in unreasonable prejudice to the Group.

Health and Safety (OH&S)

UraniumSA has a sound occupational health and safety record, operating under Commonwealth and State regulations. Work and operating procedures are in place to minimise occupational health and safety risks.

Directors' Report

Information on Directors

Alice McCleary
DUniv, BEc FCA FTIA FAICD
Non-Executive Chairman

Experience
Alice is a Chartered Accountant. She is a director of Archer Exploration Ltd, Adelaide Community Healthcare Alliance Inc (ACHA), ForestrySA, a Councillor of the South Australian Chamber of Mines and Energy (SACOME), and a member of the International Ethics Standards Board for Accountants. She is a member of the Corporations and Markets Advisory Committee (CAMAC), and recently completed more than a decade of service on the Takeovers Panel. Alice is a member of UraniumSA's Audit committee.

Interest in Shares and Options
2,136,167 ordinary shares and 500,000 unlisted options to acquire further ordinary shares.

Tom Phillips AM
MBA FAICD
Non-Executive Director

Experience
Tom holds board positions with several not-for-profit organisations. Tom is the Chair of Safework Australia, Southern Adelaide Development Board, and Flinders Partners Pty Ltd. He is a Director of Archer Exploration Limited, Intercast and Forge Pty Ltd, and former Director of Australia Post.

Tom's extensive experience in Australian industry and his knowledge of international business is a significant asset to the Company.

Interest in Shares and Options
1,135,208 ordinary shares and 500,000 unlisted options to acquire ordinary shares.

Russel Bluck
BSc MSc MAIG
Managing Director

Experience
Russel is the Managing Director of UraniumSA and responsible for conceiving and delivering its successful exploration program, and is now leading the subsequent development strategy and associated work programs. He has worked in the mineral exploration industry for many years providing geotechnical and corporate consulting services. He was involved in the formation and listing of several junior mining sector companies on the ASX and Canadian stock exchange.

Interest in Shares and Options
5,059,234 ordinary shares and 6,051,000 unlisted options to acquire further ordinary shares.

David Paterson
BAppSc, GradDip BusAdmin, MAusIMM
Executive Director,
Chairman of Audit Committee

Experience
David began his career as a geologist. He has diverse experience in the Australian minerals industry.

David was a Member of Australian Stock Exchange Ltd and brings over 20 years experience in stockbroking, capital markets and finance to the Company. He was a senior consultant with wealth management group Prescott Securities Ltd and held the position of National Manager Research & Stockbroking for the parent company, WHK Group, from April 2003 to December 2005.

David has significant experience in all facets of running a mineral exploration company. He currently serves as Chairman of ASX listed Spencer Resources Limited.

He is a Fellow of Financial Services Institute of Australia and a Member of The Australasian Institute of Mining and Metallurgy.

Interest in Shares and Options
Nil

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of UraniumSA Limited and for the Key Management Personnel.

Remuneration Policy

The Board acts as the remuneration committee as a consequence of the size of the Board and the Group. The Board believes that individual salary negotiation is more appropriate than formal remuneration policies and external advice and market comparisons are sought where necessary. The Group discloses the fees and remuneration paid to all Directors as required by the Corporations Act 2001. The Board recognises that the attraction of high calibre executives is critical to generating shareholder value.

The Director and executives receive a superannuation guarantee contribution required by the government (which is currently 9%) and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation and/or elected to increase superannuation contributions a part of their salary package.

All remuneration paid to Directors and executives is valued at the cost to the Group and expensed, other than salary for the Managing Director when he is working on specific exploration tenements which is capitalised in accordance with Australian Accounting Standards.

Shares issued to Directors and executives are valued at the difference between the market price of those shares and the amount paid by the Director or executives. Options are valued using the Black-Scholes valuation methodolog y and recognised as remuneration in accordance with the attached vesting conditions.

The Board policy is to remunerate non-executive Directors at the market rates for time, commitment and responsibilities. The Board determines payments to non-executive Directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is not linked to the financial performance of the Consolidated Group. However, to align Director's interests with shareholder interests, the Directors are encouraged to hold shares in the Group.

Each member of the executive team has signed a formal contract at the time of their appointment covering a range of matters including duties, rights, responsibilities and any entitlements on termination.

The standard contract sets out the specific formal job description.

Remuneration

The elements of the Directors' and Group executives' remuneration which are dependent on performance conditions are:

Russel Bluck, Managing Director

Base salary, with annual review. Performance based on:

a) discharge of duties;
b) CPI movements; and
c) competitive salary rates for similar positions in the resources industry for small exploration companies.

Increases and bonus payments are at the discretion of the Board. A key performance indicator (KPI) based performance bonus is established by the Board on an annual basis which addresses key project and operational milestones of the Group. The Group has an Employee Share Option Plan and Russel Bluck is eligible to participate.

Alice McCleary, Chairman
Base remuneration.

Tom Phillips AM, Non-Executive Director
Base remuneration.

David Paterson, Executive Director
Base and hourly rate remuneration.

Options issued as part of Remuneration to Directors or Key Personnel for the year ended 30 June 2012

5,000,000 options with an exercise price of 20 cents were issued during the year to the Managing Director of the Company. The accounting fair value of these options was $262,000. Inputs utilised in determining the fair value of options are outlined in Note 22 to the financial statements.

The options were approved by shareholders at the 2011 Annual General Meeting held on the 6 October 2011. At balance date all Directors options have vested.

650,000 options were issued to Key Management Personnel as part of the Employee Share Option Plan during the year. 150,000 options were issued with an exercise price of 29.23 cents and a further 500,000 were issued with an exercise price of 20 cents. The options have attached vesting conditions. The accounting fair value of these options was $24,270. Inputs utilised in determining the fair value of options are outlined in Note 22 to the financial statements. At balance date one third of these options have vested.

Shares issued as part of Remuneration to Directors or Key Personnel for the year ended 30 June 2012

No shares were issued to Directors or Key Management Personnel as part of their remuneration during the year.

Voting and comments at the Company's 2011 Annual General Meeting

The Company received more than 96% of "yes" votes on its remuneration report for the 2011 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Key Management Personnel Remuneration for the year ended 30 June 2012

Directors	Salary and Fees $	Performance Bonus $	Superannuation Contributions $	Termination Benefit $	Share Based Payments-Options* $	Total $
R Bluck	385,000	34,650	37,769	-	262,000	719,419
A McCleary	71,101	-	6,399	-	-	77,500
T Phillips AM	45,872	-	4,128	-	-	50,000
D Paterson**	45,105	-	-	-	-	45,105
Subtotal	547,078	34,650	48,296	-	262,000	892,024
Key Management Personnel						
D Connor	147,625	-	13,286	-	7,275	168,186
A Muir***	90,835	-	-	150,387	19,067	260,289
C Gooden****	22,675	-	-	-	4,713	27,388
Total	**808,213**	**34,650**	**61,582**	**150,387**	**293,055**	**1,347,887**

* *The amount included as remuneration is not necessarily the benefit that individuals may ultimately realise if the options vest. At the date of this report the minimum exercise price of all relevant outstanding options is 20 cents which is considerably above the Company's share price.*

** *D Paterson joined the company on 3 December 2011.*

*** *A Muir's position was made redundant on 5 December 2011. All options were retained.*

******C Gooden resigned as Company Secretary on 30 November 2011.*

The percentage of cash and non-cash remuneration received as performance based payments were:

R Bluck 41.2%, C Gooden 17.2%, A Muir 7.3%, D Connor 4.3%

Details of Key Management Personnel Remuneration for the year ended 30 June 2011

Directors	Salary and Fees $	Performance Bonus $	Superannuation Contributions $	Termination Benefit $	Share Based Payments-Options* $	Total $
R Bluck	342,500	-	30,825	-	-	373,325
T Phillips AM	55,428	-	4,989	-	-	60,417
A McCleary	45,872	-	4,128	-	-	50,000
Subtotal	443,800	-	39,942	-	-	483,742
Key Management Personnel						
C Gooden	114,957	-	-	-	-	114,957
A Muir***	186,942	-	-	-	26,890	213,832
D Connor***	33,214	-	2,989	-	-	36,203
N Galloway Warland**	34,364	-	3,093	-	-	37,457
Total	**813,277**	**-**	**46,024**	**-**	**26,890**	**886,191**

* *The amount included as remuneration is not necessarily the benefit that individuals may ultimately realise if the options vest. At the date of this report the minimum exercise price of all relevant outstanding options is 20 cents which is above the Company's share price.*

** *N Galloway Warland resigned 30 September 2010.*

*** *A Muir and D Connor joined the Company on 19 July 2010 and 4 April 2011 respectively.*

The percentage of remuneration received as share based payments were:

A Muir 12.6%

Employment Contracts of Key Management Personnel

Name	Position	Duration of Contract	Period of Termination Notice	Termination Payment provided for under the Contract
R Bluck	Managing Director	2 years(1)	12 months	12 months
D Connor	Chief Financial Officer / Company Secretary	None(2)	1 month	None

Note (1) *R Bluck is employed on a two year contract which commenced 1 January 2011.*
(2) *D Connor commenced employment in 2011, without a prescribed term of employment.*

Shareholdings - Number of shares held by Directors and Key Management Personnel

Director and Key Management Personnel	Balance 1.7.11	Received as Compensation	Options Exercised	On Market Purchases/(Sales)	Balance 30.6.12
R Bluck	4,834,234	-	-	-	4,834,234
R Bluck*	225,000	-	-	-	225,000
A McCleary	1,546,167	-	490,000	100,000	2,136,167
T Phillips AM	785,208	-	350,000	-	1,135,208
D Paterson	-	-	-	-	-
D Connor	-	-	-	-	-
C Gooden	825,556	-	-	-	825,556
A Muir	145,000	-	-	(145,000)	-
Total	8,361,165	-	840,000	(45,000)	9,156,165

* *Indirect related party interests.*

Number of Listed Options held by Directors and Key Management Personnel

No Directors or Key Management Personnel held listed options during the year.

Number of Unlisted Options held by Directors and Key Management Personnel

Director and Key Management Personnel	Balance 1.7.11	Granted as Compensation	Options Exercised	Options Lapsed	Balance 30.6.12	Total Exercisable 30.6.12	Total Unexercisable 30.6.12
R Bluck	6,000,000	5,000,000	-	(5,000,000)	6,000,000	6,000,000	-
R Bluck*	51,000	-	-	-	51,000	34,000	17,000
A McCleary	990,000	-	(490,000)	-	500,000	500,000	-
T Phillips AM	1,000,000	-	(350,000)	(150,000)	500,000	500,000	-
D Paterson	-	-	-	-	-	-	-
D Connor	-	400,000	-	-	400,000	133,333	266,667
C Gooden	500,000	250,000	-	-	750,000	583,333	166,667
A Muir**	500,000	-	-	-	500,000	333,333	166,667
Total	**9,041,000**	**5,650,000**	**(840,000)**	**(5,150,000)**	**8,701,000**	**8,083,999**	**617,001**

* *Indirect related party interests.*

** *A Muir's position was made redundant on 5 December 2011. All options were retained.*

Meetings of Directors

During the financial year, 15 meetings of the Board of Directors were held. Attendances by each Director were as follows:

Director	Number of Director meetings whilst a Director	
	Held	Attended
A McCleary	15	15
R Bluck	15	15
T Phillips AM	15	15
D Paterson	7	7

The Audit Committee, comprising A McCleary , T Phillips AM, R Bluck and D Paterson, held two meetings during the year on 18 August 2011 and 10 February 2012. A McCleary and R Bluck attended both meetings. T Phillips and D Paterson both attended one meeting each. In December 2011 D Paterson replaced A McCleary as Chairman of the Committee.

As at the date of this report the Group has not formed a separate Remuneration Committee or Corporate Governance Committee. The Board as a whole considers these matters. The Board considers this appropriate given the size and nature of the Group.

Indemnifying Officers or Auditor

During or since the end of the financial year the Group has given an indemnity or entered into an agreement to indemnify, paid or agreed to pay insurance premiums as follows:

- The Group has paid premiums to insure each of the following Directors, officers and consultants against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or executive of the Group, other than conduct involving willful breach of duty in relation to the Group. The policy does not specify the individual premium for each officer covered:

A McCleary	*Chairman*
R Bluck	*Managing Director*
D Paterson	*Executive Director*
T Phillips AM	*Non-Executive Director*
D Connor	*Chief Financial Officer / Company Secretary*
C Gooden	*Company Secretary*

Options

The following options are unexercised at the date of this report:

Grant Date	Option Type	Number of shares subject to Options	Exercise Price	Expiry Date
17 November 2009	Unlisted	2,500,000	$0.2923	17 November 2012
14 October 2010	Unlisted	250,000	$0.2923	14 October 2013
23 November 2010	Unlisted	333,333	$0.2923	23 November 2013
17 January 2011	Unlisted	438,500	$0.68	17 January 2014
23 February 2011	Unlisted	150,000	$0.68	17 January 2014
28 April 2011	Unlisted	250,000	$0.42	28 April 2014
6 July 2011	Unlisted	150,000	$0.2923	6 July 2014
5 October 2011	Unlisted	5,000,000	$0.20	5 October 2016
10 February 2012	Unlisted	1,425,000	$0.20	9 February 2015
Total		**10,496,833**		

No option holder has any right under the options to participate in any other share issue of the Company or another entity.

Proceedings on Behalf of Group

No person has applied to the Court for leave to bring proceedings on behalf of the Group or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2012.

Taxation services	*$10,211*

Auditor's Independence Declaration

The lead auditor's independence for the year ended 30 June 2012 has been received and can be found on page 19 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors.

Alice M'Cleary

Alice McCleary
Chairman

Adelaide
Dated this 12th day of September 2012

Auditor's Independence Declaration

GrantThornton

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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 audit of UraniumSA Limited for the year ended 30 June 2012, 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 audit; and

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

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

J L Humphrey
Partner

Adelaide, 12 September 2012

Corporate Governance Statement

Corporate Governance Statement

A copy of the Group's Corporate Governance Manual and its Code of Conduct and Ethics may be found on the company's website, www.uraniumsa.com.au

These documents set out the principles of corporate governance which the Board, and all employees, are obliged to comply with:

Principle 1: Laying solid foundations for management and oversight

The Group's Corporate Governance Manual sets out the matters reserved for the Board's decision. The Board has established delegations to senior executives so that their authority and duties are clear. These relate to expenditure approvals, day-to-day decision-making, routine ASX disclosures, review of potential projects, OH&S, staffing, promotion of the Group and Board reporting. Details are set out in the Group's Corporate Governance Manual.

We also advise that a formal performance appraisal of the Managing Director was carried out during the year by the Board in accordance with our published policy. In addition, the Managing Director reviewed the performance of other key executives in accordance with the policy.

Principle 2: Structuring the board to add value

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, and their term of office, are detailed in the Directors' report.

The following Directors of the Group are independent:

A McCleary
T Phillips AM

Each holds less than 5% of the issued capital of the Group, and has no current or recent material business relationship with the Group other than as a Director. The Board considers its size and composition of Executive and Non-Executive Directors to be appropriate for the current size and structure of the Group and its operations.

The Group does not have a separate Nomination Committee. However, the Board considers the composition, size and skills of the Board as part of its Board evaluation process, when selecting and appointing new Directors, and at other relevant times, and considers that it does not presently require a Nomination Committee given the present size of both the Group and the Board.

The Corporate Governance Manual sets out the process for evaluating the effectiveness of the Board. The Board has followed this process in the 2012 year.

Board members are permitted to obtain independent professional advice at the expense of the Group, as set out in the Corporate Governance Manual.

Principle 3: Promote ethical and responsible decision-making

The Group's Code of Conduct and Ethics establishes the practices Directors and staff must follow to comply with the law, meet stakeholder expectations, maintain confidence in the Group's integrity and report unethical practices.

The Corporate Governance Manual outlines a clear policy applicable to all staff and Directors in relation to trading in the Group's shares. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities' prices. The policy was updated during the year.

The Group has not established a policy on diversity due to the current size of the Group and its operations. The Group values diversity and recognizes the benefits it can bring to the Group and its ability to meet its goals.

At 30 June 2012 the Board comprises of 25% women and 32% of the Group's overall workforce are women. Details are in the table below:

	Males	Females	Total
Board (Non-Executive)	1	1	2
Executives & Senior Management	3	-	3
Technical & Administration	9	5	14
Total	*13*	*6*	*19*

Principle 4: Safeguarding integrity in financial reporting

The Group has a separate Audit Committee. The Audit Committee has an approved charter and carries out its functions independently of monthly Board meetings. The Chair of the Audit Committee is Director D Paterson with Director A McCleary as member. The Board considers the size and structure of the Audit Committee to be appropriate given the current size of the Group and its operations.

The Group selects its external auditor on a merit basis and is currently satisfied with the audit services being provided. The current external auditor Grant Thornton has informed the Group that it is required by law to have an audit partner rotation following the audit of the year ended 30 June 2012. The Group is satisfied with the external audit service provided and has not otherwise had cause to consider auditor rotation or re-selection processes, but will base any such decisions on competency, independence and value for money.

Corporate Governance Statement

- **Principle 5: Making timely and balanced disclosure**

The Group's procedures for ensuring timely ASX disclosure are set out in the Corporate Governance Manual. The Managing Director and Company Secretary have day-to-day responsibility for compliance with ASX Listing Rules. All strategic disclosures to the ASX are approved by the Board. The functions of the Competent Person for the purposes of the JORC code are performed by the Managing Director.

- **Principle 6: Respecting the rights of shareholders**

The Group's shareholder communication policy is set out in the Corporate Governance Manual. The Group relies principally on ASX disclosure and AGM meeting notices to communicate with shareholders, which is considered adequate for the size of the Group and its operations.

- **Principle 7: Recognising and managing risk**

The Group's risk management policies are outlined in the Corporate Governance Manual. The Group has comprehensive policies in place to manage financial and operational risk, and these are being further developed and expanded as the Group's operations expand. The effectiveness of management of these risks is reported upon to the Board regularly. Broader corporate risks are reviewed by the Board as a whole on an ongoing basis, and risk minimisation strategies such as insurance are in place. The Board has conducted a formal risk assessment of its activities.

In relation to financial risks, the Group has internal controls in place and these are audited as part of the external audit function. The Group also received formal assurances from the Managing Director and Company Secretary as to the effectiveness of the Group's risk management and internal control environment, as required by s295A of the Corporations Act.

- **Principle 8: Remunerate fairly and responsibly**

The Group does not have a separate Remuneration Committee due to the current size of the Company and its operations. The Board as a whole has responsibility for the functions of a remuneration committee, including the performance evaluation and remuneration of the Non-Executive Chairman and Managing Director.

The amount of remuneration for all Directors and Executives, including all monetary and non-monetary components, are detailed in the Directors' Report. All remuneration is valued at the cost to the Group and expensed. There are no schemes for retirement benefits for Non-Executive Directors other than statutory superannuation.

The Group seeks to remunerate employees fairly in accordance with industry benchmarks and individual performance. Contracts of employment with senior executives may include base salary, superannuation and provision of a motor vehicle. The contracts allow for annual performance and remuneration reviews. All employees are also entitled to participate in the Group's Employee Share Option Plan. Employees are not permitted to use margin lending or similar facilities in relation to their shares in the Group.

Financial Information

Statement of Comprehensive Income for the year ended 30 June 2012

	Notes	Consolidated Group 2012 $	Consolidated Group 2011 $
Revenue	2	877,621	397,098
Depreciation and amortisation expense		(45,478)	(39,676)
Impairment - exploration assets		(2,641,399)	-
Employee benefits expense		(1,146,549)	(801,939)
Occupancy expense		(46,753)	(46,909)
Consultants expense		(58,942)	(157,506)
ASX listing and registry expense		(60,078)	(108,389)
Other corporate expenses from ordinary activities		(307,643)	(361,008)
Loss before income tax		**(3,429,221)**	**(1,118,329)**
Income tax benefit	3	436,756	560,824
Loss for year		**(2,992,465)**	**(557,505)**
Loss attributable to members of the parent entity		**(2,992,465)**	**(557,505)**
Other comprehensive income			
Available for sale financial assets - fair value movement		(70,000)	70,000
Total comprehensive income for the year		**(3,062,465)**	**(487,505)**
Total comprehensive income contributable to the members of the parent entity		**(3,062,465)**	**(487,505)**
Earnings per Share		*Cents*	*Cents*
Basic loss per share	6	(2.0)	(0.4)

The accompanying notes form part of the financial statements

Statement of Financial Position as at 30 June 2012

	Notes	Consolidated Group 2012 $	Consolidated Group 2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,185,235	7,482,607
Trade and other receivables	8	520,727	359,789
Other current assets	9	23,262	125,847
TOTAL CURRENT ASSETS		3,729,224	7,968,243
NON-CURRENT ASSETS			
Financial assets	10	-	270,000
Property, plant and equipment	12	1,902,280	844,809
Exploration and evaluation expenditure	13	12,084,410	11,298,104
TOTAL NON-CURRENT ASSETS		13,986,690	12,412,913
TOTAL ASSETS		17,715,914	20,381,156
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	184,376	282,621
Short-term provisions	15	95,259	177,066
TOTAL CURRENT LIABILITIES		279,635	459,687
NON-CURRENT LIABILITIES			
Long-term provisions	15	73,178	38,455
TOTAL NON-CURRENT LIABILITIES		73,178	38,455
TOTAL LIABILITIES		352,813	498,142
NET ASSETS		**17,363,101**	**19,883,014**
EQUITY			
Issued capital	16	25,285,141	25,125,709
Reserves	17	1,250,079	936,959
Retained earnings		(9,172,119)	(6,179,654)
TOTAL EQUITY		**17,363,101**	**19,883,014**

The accompanying notes form part of the financial statements

Statement of Change in Equity for the year ended 30 June 2012

	Issued Capital	Available for Sale Reserve	Share of Option Reserves	Retained Earnings	Total
	$	$	$	$	$
Consolidated Group					
Balance at 30 June 2010	**16,790,594**	**-**	**705,539**	**(5,622,149)**	**11,873,984**
Shares issued during the year	8,563,501	-	-	-	8,563,501
Transaction costs (net of tax)	(228,386)	-	-	-	(228,386)
Fair value of options issued	-	-	161,420	-	161,420
Total comprehensive income for year	-	70,000	-	(557,505)	(487,505)
Balance at 30 June 2011	**25,125,709**	**70,000**	**866,959**	**(6,179,654)**	**19,883,014**
Shares issued during the year	159,432	-	-	-	159,432
Fair value of options issued	-	-	383,120	-	383,120
Total comprehensive income for year	-	(70,000)	-	(2,992,465)	(3,062,465)
Balance at 30 June 2012	**25,285,141**	**-**	**1,250,079**	**(9,172,119)**	**17,363,101**

The accompanying notes form part of the financial statements

Statement of Cash Flows for the year ended 30 June 2012

	Notes	Consolidated Group 2012 $	Consolidated Group 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from consulting services		25,433	46,489
Payments to suppliers and employees		(1,228,415)	(1,143,162)
Interest received		355,978	280,747
Research & Development concessional tax refund		-	781,771
NET CASH (USED IN) OPERATING ACTIVITIES	21	**(847,004)**	**(34,155)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(3,150,056)	(4,388,543)
Proceeds from sale of available-for-sale financial asset		765,202	-
Payment for deposit on land		-	(117,014)
Payment for property, plant and equipment		(1,224,946)	(249,386)
NET CASH (USED IN) INVESTING ACTIVITIES		**(3,609,800)**	**(4,754,943)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		159,432	8,563,501
Payments for the costs of capital raisings		-	(310,281)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**159,432**	**8,253,220**
Net increase/(decrease) in cash held		**(4,297,372)**	**3,464,122**
Cash at the beginning of the financial year		**7,482,607**	**4,018,485**
Cash at the end of the financial year	7	**3,185,235**	**7,482,607**

The accompanying notes form part of the financial statements

Note 1- Statement Of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of UraniumSA Limited and controlled entities ('Consolidated Group' or 'Group').

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Principles of Consolidation

A controlled entity is any entity over which UraniumSA Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the Consolidated Group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-group balances and transactions between entities in the Consolidated Group, including any recognised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with those adopted by the parent entity.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The acquisition method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Any deferred consideration payable is discounted to present value using the equity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

b) Income Tax

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset recognised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the

Note 1- Statement Of Significant Accounting Policies continues

respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

UraniumSA Limited and its wholly-owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. The Group notified the Australian Tax Office that it had formed an income tax Consolidated Group to apply from 1 July 2006. The tax Consolidated Group has entered a tax funding arrangement whereby each company in the Group contributed to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities recognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

c) Property, Plant and Equipment

Property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, with the exception of land, are depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Non Current Asset	*Depreciation Rate*	*Basis of Depreciation*
Plant and equipment	*10 - 33%*	*Straight Line*
Buildings	*2%*	*Straight Line*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Note 1- Statement Of Significant Accounting Policies continues

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transactions costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i) *Financial assets at fair value through profit or loss*
Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv) *Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments.

v) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair Value is determined based on current bid prices for quoted instruments.

g) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Interests in Joint Ventures

The Consolidated Group's share of assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Consolidated Group's interest are shown in Note 18.

i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity - Settled Compensation

The Group has an Employee Share Option Plan. The bonus element over the exercise price of the employees services rendered in exchange for the grant of shares and options is recognised as an expense in the Statement of Comprehensive Income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or the option granted.

Note 1- Statement Of Significant Accounting Policies continues

j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

l) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the year in which they are incurred.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation of the current financial year.

p) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Group.

Key estimates

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment was recognised in respect of exploration and evaluation assets for the year ended 30 June 2012.

Available for sale investment
Included in the prior year was an available for sale financial asset for an investment in Archer Exploration Limited (an ASX listed company). The investment consists of 2,000,000 shares which were sold during the year.

Exploration and evaluation
The Group's policy for exploration and evaluation is discussed at Note 1(d). The application of this policy requires the directors to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, the directors conclude that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off though the statement of comprehensive income.

q) Change in Accounting Estimate

The same accounting policies and methods of computation have been followed in this financial report as were applied in the 2011 annual financial statements.

r) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australia Accounting Standards and Interpretations applicable to its operations which became mandatory.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

AASB 9 Financial Instruments (effective from 1 January 2013)
The AASB aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Note 1- Statement Of Significant Accounting Policies continues

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

Consolidation Standards

A package of consolidation standards are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 supersedes the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements (AASB 127) and Interpretation 112 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

AASB 11 Joint Arrangements (AASB 11)

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. It introduces two accounting categories (joint operations and joint ventures) whose applicability is determined based on the substance of the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method for joint ventures, which is currently used for investments in associates.

AASB 12 Disclosure of Interests in Other Entities (AASB 12)

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to AASB 127 Separate Financial Statements (AASB 127) and AASB 128 Investments in Associates and Joint Ventures (AASB 128)

AASB 127 Consolidated and Separate Financial Statements was amended to AASB 127 Separate Financial Statements which now deals only with separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

AASB 2011-9 Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Incomes (AASB 101 Amendments)

The AASB 101 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124 Amendments)

AASB 2011-4 makes amendments to AASB 124 Related Party Disclosures to remove individual key management personnel disclosure requirements, to achieve consistency with the international equivalent (which includes requirements to disclose aggregate (rather than individual) amounts of KMP compensation), and remove duplication with the Corporations Act 2011. The amendments are applicable for annual periods beginning on or after 1 July 2013. The Group's management have yet to assess the impact of these amendments.

AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 112 Inventories if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset). The interpretation is applicable for annual periods beginning on or after 1 January 2013. The interpretation will have no impact on the Group as it has no mining activities.

s) Carbon tax

At the date of this report the carbon tax legislation has passed through parliament, and the commencement date for the scheme is 1 July 2012. As the Group will not fall within the 'Top 500 Australian Polluters', the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. Directors expect that this will not have a significant impact upon the operating costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

The financial report was authorised for issue on 12 September 2012 by the Board of Directors.

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 2 - Revenue		
Operating activities		
- Serviced office and consulting fees	24,000	46,489
- Interest received	286,986	350,609
- Net gain on sale of available-for-sale financial assets	565,202	-
- Net gain on disposal of property, plant and equipment	1,433	-
Total Revenue	877,621	397,098

Serviced office space, management and consulting services represent amounts received from non related parties.

Note 3 - Income Tax Benefit

	2012 $	2011 $
a) The components of income tax benefit comprise:		
Current tax	436,756	642,719
Deferred tax	-	(81,895)
	436,756	560,824
b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows: 30% (2011: 30%):		
Net Loss	(3,429,221)	(1,118,329)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(1,028,766)	(335,499)
Add/(less):		
Tax effect of:		
- capital raising costs deductible	-	(79,445)
- other	116,242	(226,973)
	(912,524)	(641,917)
Research and development tax concession	436,756	642,719
Deferred tax assets associated with capital raising costs recognised direct to equity but not meeting the recognition criteria	-	(81,895)
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	912,524	641,917
Income Tax attributable to operating loss	436,756	560,824
c) Unused tax losses for which no deferred tax asset has been recognised at 30%	5,675,908	3,597,519

Note 4 - Key Management Personnel Compensation

a) Names and positions held of consolidated entity key management personnel in office at any time during the financial year are:

Ms Alice McCleary	Chairman
Mr Russel Bluck	Managing Director
Mr David Paterson*	Executive Director
Mr Tom Phillips AM	Non-Executive Director
Mr Damien Connor**	Chief Financial Officer & Company Secretary
Mr Craig Gooden**	Company Secretary
Mr Alistair Muir***	General Manager - Samphire Project

* *Mr David Paterson joined the company on 3 December 2011 as Non-Executive Director and was subsequently appointed Executive Director on 10 May 2012.*

** *Mr Damien Connor was appointed Company Secretary on 1 November 2011, holding the role jointly with Craig Gooden until Craig's resignation on 30 November 2011.*

*** *Mr Alistair Muir's position was made redundant on the 5 December 2011. 500,000 options were retained.*

Other than those employees of the Company listed above there are no additional key management personnel.

b) Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2012.

The total of remuneration paid to KMP of the Group during the year are as follows:

	2012	*2011*
Short term benefits	842,863	813,277
Post employment benefits	61,582	46,024
Termination benefits	150,387	-
Share - based payments	293,055	26,890
	1,347,887	**886,191**

c) Options Granted as Compensation

5,650,000 options were granted during the year to key management, and directors, as compensation from the UraniumSA Limited Employee Share Option Plan with a fair value of $286,270.

d) Number of Unlisted Options Held by Key Management Personnel

2012 Key Management Personnel	*Balance 1.07.11*	*Granted as Compensation*	*Option Exercised*	*Option Cancelled/ Lapsed*	*Balance 30.06.12*	*Total Vested 30.06.12*	*Total Exercisable 30.06.12*	*Total Unexercisable 30.06.12*
Mr Russel Bluck	6,000,000	5,000,000	-	(5,000,000)	6,000,000	6,000,000	6,000,000	-
Mr Russel Bluck*	51,000	-	-	-	51,000	34,000	34,000	17,000
Ms Alice McCleary	990,000	-	(490,000)	-	500,000	500,000	500,000	-
Mr Tom Phillips AM	1,000,000	-	(350,000)	(150,000)	500,000	500,000	500,000	-
Mr David Paterson	-	-	-	-	-	-	-	-
Mr Damien Connor	-	400,000	-	-	400,000	133,333	133,333	266,667
Mr Craig Gooden	500,000	250,000	-	-	750,000	583,333	583,333	166,667
Mr Alistair Muir**	500,000	-	-	-	500,000	333,333	333,333	166,667
Total	9,041,000	5,650,000	(840,000)	(5,150,000)	8,701,000	8,083,999	8,083,999	617,001

* *Indirect related party interest.*

** *Mr Alistair Muir's position was made redundant on the 5 December 2011. 500,000 options were retained.*

Note 4 - Key Management Personnel Compensation continued

2011 Key Management Personnel	*Balance 1.07.10*	*Granted as Compensation*	*Option Exercised*	*Option Cancelled/ Lapsed*	*Balance 30.06.11*	*Total Vested 30.06.11*	*Total Exercisable 30.06.11*	*Total Unexercisable 30.06.11*
Mr Russel Bluck	6,000,000	-	-	-	6,000,000	6,000,000	6,000,000	-
Mr Russel Bluck*	-	51,000	-	-	51,000	17,000	17,000	34,000
Ms Alice McCleary	1,000,000	-	(10,000)	-	990,000	990,000	990,000	-
Mr Tom Phillips AM	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr Damien Connor	-	-	-	-	-	-	-	-
Mr Craig Gooden	500,000	-	-	-	500,000	500,000	500,000	-
Mr Alistair Muir	-	500,000	-	-	500,000	166,667	166,667	333,333
Ms Nicole Galloway Warland**	215,200	-	(186,400)	(28,800)	-	-	-	-
Total	8,715,200	551,000	(196,400)	(28,800)	9,041,000	8,673,667	8,673,667	367,333

** Indirect related party interest.*

*** Ms Nicole Galloway Warland resigned 30 September 2010. 186,400 options were retained and subsequently exercised.*

e) Number of Listed Options Held by Key Management Personnel

No directors or key management personnel held listed options during the current or prior year.

f) Number of shares held by Key Management Personnel

2012 Key Management Personnel	*Balance 1.07.11*	*Granted as Compensation*	*Options Exercised*	*Net Other Change*	*Balance 30.06.12*
Mr Russel Bluck	4,834,234	-	-	-	4,834,234
Mr Russel Bluck*	225,000	-	-	-	225,000
Ms Alice McCleary	1,546,167	-	490,000	100,000	2,136,167
Mr Tom Phillips AM	785,208	-	350,000	-	1,135,208
Mr David Paterson	-	-	-	-	-
Mr Damien Connor	-	-	-	-	-
Mr Craig Gooden	825,556	-	-	-	825,556
Mr Alistair Muir	145,000	-	-	(145,000)	-
Total	8,361,165	-	840,000	(45,000)	9,156,165

** Indirect related party interest.*

2011 Key Management Personnel	*Balance 1.07.10*	*Granted as Compensation*	*Options Exercised*	*Net Other Change*	*Balance 30.06.11*
Mr Russel Bluck	4,212,940	-	-	621,294	4,834,234
Mr Russel Bluck*	-	-	-	225,000	225,000
Ms Alice McCleary	1,405,606	-	-	140,561	1,546,167
Mr Tom Phillips AM	713,825	-	-	71,383	785,208
Mr Damien Connor	-	-	-	-	-
Mr Craig Gooden	750,505	-	-	75,051	825,556
Mr Alistair Muir	-	-	-	145,000	145,000
Total	7,082,876	-	-	1,278,289	8,361,165

** Indirect related party interest.*

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 5 - Auditors' Remuneration		
Remuneration of the auditor for:		
- auditing or review of the financial report	25,320	24,500
- taxation services provided by the practice of the auditor	10,211	9,300
	35,531	33,800
Note 6 - Earnings Per Share		
Reconciliation of earnings to Loss		
Loss for year used to calculate basic EPS	(2,992,465)	(557,505)
	Number	*Number*
a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	147,185,770	129,375,502

b) In accordance with AASB 133 "Earnings per Share" as potential ordinary shares may only result in a situation where their conversion results in decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 7 - Cash And Cash Equivalents		
Short term deposits	3,123,080	7,308,864
Cash at bank and on hand	62,155	173,743
	3,185,235	7,482,607

The effective interest rate on short term bank deposits was 5.4% (2011: 6.2%). These deposits have an average maturity of 120 days (2011: 180 days). The Group's exposure to interest rate risk is summarised at Note 25.

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 8 - Trade And Other Receivables		
CURRENT		
GST receivable	45,967	107,531
Accrued interest	35,769	104,760
Research and development tax concession	436,756	-
Other receivables	2,235	147,498
	520,727	359,789

At 30 June 2012 the Group did not have any receivables which were outside normal trading terms (past due but not impaired).

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 9 - Other Current Assets		
CURRENT		
Deposits paid	10,000	117,014
Prepayments	13,262	8,833
	23,262	125,847

	Consolidated Group	
	2012 $	2011
Note 10 - Financial Assets		
Available for sale investment	-	270,000
	-	270,000

In 2007 the company acquired 2,000,000 ordinary shares in Archer Exploration Limited, a Director related entity. Archer Exploration Limited was listed on the Australian Securities Exchange (ASX) on 14 August 2007. The investment was sold during the year. Refer Note 1 (p)

Note 11 - Investments In Controlled Entities

NON-CURRENT

Investments in controlled entities		Percentage Owned (%)	
	Country of Incorporation	*2012*	2011
Parent Entity			
UraniumSA Limited:	*Australia*		
Subsidiaries of UraniumSA Limited			
Samphire Uranium Pty Ltd*	*Australia*	100	100
Angus Resources Pty Ltd	*Australia*	100	100
Fatjack Resources Pty Ltd	*Australia*	100	100
UraniumSA Exploration Pty Ltd	*Australia*	100	100

** Gingertom Resources Pty Ltd changed its name to Samphire Uranium Pty Ltd during the year.*

	Consolidated Group	
	2012 $	2011 $
Note 12 – Property, Plant And Equipment		
i) Plant and Equipment at cost	1,641,272	1,582,723
Accumulated depreciation	(1,002,541)	(748,502)
	638,731	834,221
Movements in carrying amounts:		
Balance at the beginning of the year	834,221	819,208
Additions	97,406	286,472
Disposals	(38,857)	(37,086)
Depreciation	(254,039)	(234,373)
Balance at 30 June 2012	638,731	834,221
ii) Land at cost	1,258,082	5,000
Balance at 30 June 2012	1,258,082	5,000
Movements in carrying amounts:		
Balance at the beginning of the year	5,000	5,000
Additions	1,253,082	-
Balance at 30 June 2012	1,258,082	5,000
iii) Buildings at cost	6,074	6,074
Accumulated depreciation	(607)	(486)
Balance at 30 June 2012	5,467	5,588

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 12 – Property, Plant And Equipment continued		
Movements in carrying amounts:		
Balance at the beginning of the year	5,588	5,710
Additions	-	-
Depreciation	(121)	(122)
Balance at 30 June 2012	5,467	5,588
Total property, plant and equipment	1,902,280	844,809

Note 13 - Exploration And Evaluation Expenditure

	2012 $	2011 $
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases at cost	12,084,410	11,298,104
	12,084,410	11,298,104
a) **Movements in carrying amounts:**		
Exploration and evaluation		
Balance at the beginning of the year	11,298,104	7,074,403
Amounts capitalised during the year	3,427,705	4,223,701
Expensed - exploration	(2,641,399)	-
Balance at 30 June 2012	12,084,410	11,298,104

During the year $244,446 (2011: $219,177) of equipment depreciation was included in amounts capitalised as exploration and evaluation costs. A summary by tenement is included at Note 18.

Note 14 - Trade And Other Payables

	2012 $	2011 $
CURRENT		
Unsecured liabilities:		
Trade payables	55,996	170,128
Other payables and accruals	128,380	112,493
	184,376	282,621

Note 15 - Short-term Provisions

	2012 $	2011 $
CURRENT		
Employee entitlements	95,259	177,066
NON CURRENT		
Employee entitlements	73,178	38,455

The year ended 30 June 2011 includes a provision for a remuneration bonus of $57,750 provided for the Managing Director in accordance with employment agreements, and at the discretion of the Board. No such bonus has been accrued in the current year.

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 16 - Issued Capital		
147,274,756 (2011: 146,434,756) fully paid ordinary shares	25,285,141	25,125,709

a) **Ordinary Shares**

	Number
Total shares at 30 June 2010	111,184,794
Shares issued during the year	35,249,962
Total shares issued at 30 June 2011	146,434,756
Shares issued during the year	840,000
Total shares issued at 30 June 2012	147,274,756

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b) **Issued Capital**

	$	$
At the beginning of the year	25,125,709	16,790,594
Shares issued during the year	159,432	8,563,501
Transaction costs (net of tax)	-	(228,386)
Total shares issued at 30 June 2012	25,285,141	25,125,709

c) **Options on Issue**

Details of the share options outstanding as at the end of the year are set out below:

Grant Date	*Options*	*Expiry Date*	*Exercise Price*	2012	2011
9-Aug-06	Director options	01-Sep-11	0.1898	-	6,490,000
4-Jan-08	Employee options	4-Jul-11	0.2398	-	400,000
24-Jun-09	Employee options	24-Jun-12	0.1023	-	100,000
17-Nov-09	Director options	17-Nov-12	0.2923	2,500,000	2,500,000
26-Nov-09	Advisor options	31-Dec-11	0.2923	-	2,500,000
14-Oct-10	Employee options	14-Oct-13	0.2923	250,000	250,000
23-Nov-10	Employee options	23-Nov-13	0.2923	333,333	333,333
17-Jan-11	Employee options	17-Jan-14	0.6800	438,500	543,000
23-Feb-11	Employee options	17-Jan-14	0.6800	150,000	150,000
28-Apr-11	Employee options	28-Apr-14	0.4200	250,000	250,000
6-Jul-11	Employee options	6-Jul-14	0.2923	150,000	-
5-Oct-11	Director options	5-Oct-16	0.2000	5,000,000	-
10-Feb-12	Employee options	9-Feb-15	0.2000	1,425,000	-
				10,496,833	13,516,333

All options are unlisted.

d) **Capital Management**

The Group has no externally imposed capital requirements.

	Consolidated Group 2012 $	Consolidated Group 2011 $
Note 17 - Reserve		
a) **Share Option Reserve**		
The share option reserve records items recognised as an expense on valuation of employee share options.	1,250,079	866,959
b) Available for Sale Financial Assets Reserve		
The financial assets reserve records revaluation of financial assets	-	70,000
Total reserves at 30 June 2012	1,250,079	936,959

Note 18 – Tenements And Joint Ventures

The Group's interest in tenements and unincorporated joint ventures are as follows:

Project	*Tenement*	*Commodity*	*Carrying value $* (2012)	*Carrying value $* (2011)
Wild Horse Plains	EL 4693	Uranium, Base Metals	454,931	447,465
Muckanippie 1	EL 4694	Uranium, Base Metals	703,610	703,610
Mullaquana	EL 4979	Uranium, Base Metals	10,468,391	7,550,863
Elbow Hill**	EL 3653	Uranium, Base Metals	-	25,359
Pine Hill	EL 4787	Uranium, Base Metals	1,733	538
Tarcoola - North*	EL 3799	Uranium	-	119,204
Tarcoola - South*	EL 4167	Uranium	-	1,378,137
Pinding*	EL 4301	Uranium	-	483,704
Carnding East*	EL 4707	Uranium	-	159,131
Midgee	EL 4242	Uranium	281,991	256,661
Murninnie	EL 4804	Uranium	173,754	173,432
Carrying value of exploration costs			12,084,410	11,298,104

All tenements are within South Australia.

* *During the year the Company withdrew from the Tarcoola Joint Venture with Hiltaba Gold Pty Ltd.*
** *Tenement relinquished during the year.*

The Group's farmed-in interests in unincorporated joint venture operations are noted below:

Name of EL	*Principal activity*	*Joint venture partner*	*2012*	*2011*
Midgee	Mineral exploration	Hiltaba Gold Pty Ltd	73%	73%
Murninnie	Mineral exploration	Australasia Gold (SA) Pty Ltd	70%	70%
Tarcoola North*	Mineral exploration	Hiltaba Gold Pty Ltd	-	70%
Tarcoola South*	Mineral exploration	Hiltaba Gold Pty Ltd	-	70%
Pinding*	Mineral exploration	Hiltaba Gold Pty Ltd	-	70%
Carding East*	Mineral exploration	Hiltaba Gold Pty Ltd	-	70%

Farmed-out interests in unincorporated joint venture operations are noted below:

Wild Horse Plain***	Mineral exploration	Archer Exploration Ltd	100%	100%
Elbow Hill**	Mineral exploration	Archer Exploration Ltd	-	100%
Pine Hill	Mineral exploration	Centralian Mining Pty Ltd	50%	50%

* *During the year the Company withdrew from the Tarcoola Joint Venture with Hiltaba Gold Pty Ltd*
** *Tenement relinquished during the year.*
*** *Retain 100% of Uranium*

The Company's interest in the unincorporated farmed in joint venture is earned pursuant to an agreement providing for minimum exploration expenditure to be met by the company over defined periods. Hiltaba Gold Pty Ltd is a wholly owned subsidiary of Stellar Resources Limited.

Note 19 - Capital And Other Expenditure Commitments

	Consolidated Group 2012 $	Consolidated Group 2011 $
Capital commitments relating to joint ventures and tenements		
The Company and the Group are required to meet minimum expenditure requirements of various Australian Government bodies and joint ventures. These obligations are subject to re-negotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.		
Exploration expenditure commitments		
- Expenditure commitment	1,635,000	910,000
Property, Plant and Equipment commitments		
Commitments for the settlement of land not provided for in the financial statements.		
- Expenditure commitments	-	1,253,292
Operating Lease commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases not provided for in the financial statements.		
Expenditure commitments		
- due within one year	10,487	39,237
- due within 1-5 years	-	13,079
	10,487	52,316
Employment and consultant commitments		
Commitments for the payment of salaries and other remuneration pursuant to employment contracts not provided for in the financial statements.		
Expenditure commitments		
- due within one year	385,000	341,918
- due within 1-5 years	192,500	580,137
	577,500	922,055

Details relating to the employment contracts are set out in the Directors Report.

Note 20 - Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of exploration licence cost centres as each cost centre has different cash requirements. Operating segments are therefore determined on the same basis. The Group's operating segments are divided into Samphire which has a JORC Compliant Resource, and all other exploration tenements.

Samphire Compliant Resource Tenements

This relates to the Group's tenements where there is ongoing exploration activities and government approvals with the objective of advancing the identified resources of mineralisation towards eventual commercial production. Qualifying expenditure incurred on the Samphire tenements are capitalised.

Note 20 - Segment Information continued

Other tenements

This relates to tenements other than the Samphire compliant resource tenements. Qualifying exenditure incurred on these tenements are capitalised.

Mining revenue

The Group has no mining revenue during the year.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instance, segment assets are clearly identifiable on the basis of the nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, asstes and liabilities are not allocated to operating segments as they are not considered part of core operations of any segment:

- interest received;
- impairment of assets, other than exploration, and other non-recurring items is of revenue or expense; and
- income tax expense and deferred tax assets and liabilities.

Segment Performance	Tenements JORC Compliant Resource Samphire		Tenements Other		Total	
	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $
Segment results before income tax	-	-	(2,641,399)	-	(2,641,399)	-
	-	-	(2,641,399)	-	(2,641,399)	-
Reconcilliation of segment results to Group net loss before tax						
Unallocated income and expenses						
Interest and other income					877,621	397,098
Depreciation					(45,478)	(39,676)
Corporate overheads					(1,619,965)	(1,475,751)
(Loss) before tax					(3,429,221)	(1,118,329)
Segment assets as at 30 June 2012	10,468,391	7,550,863	1,616,019	3,747,241	12,084,410	11,298,104
Segment asset increase for the year						
- exploration expenditure capitalised	2,917,528	3,929,547	510,177	294,153		
- impaired during the year	-	-	(2,641,399)	-		
Total corporate and unallocated assets					5,631,504	9,083,052
Total Group assets					17,715,914	20,381,156
Segment liabilities at 30 June 2012	80,994	175,061	-	-	80,994	175,061
Total corporate and allocated liabilities					271,819	323,081
Total Group liabilities					352,813	498,142

Note 21 - Cash Flow Information

a) **Reconciliation of cash flows from operations with Loss from ordinary activities after income tax**

	Consolidated Group 2012 $	Consolidated Group 2011 $
Loss from ordinary activities after income tax	(2,992,465)	(557,505)
Non cash flows in loss;		
- Depreciation expense (net of capitalisation)	45,478	39,676
- Share-based payments	383,120	161,420
- Exploration expensed	2,641,399	-
- Net gain on sale of available for sale asset	(565,202)	-
- Net gain on disposal of property, plant and equipment	(1,433)	-
- Deferred tax asset written off	-	81,895
Changes in assets and liabilities;		
- (Increase)/Decrease in trade and other receivables	(306,639)	49,572
- Increase/(Decrease) in trade and other payables	(4,178)	25,315
- Increase/(Decrease) in provisions	(47,084)	165,472
Net cash used in operating activities	(847,004)	(34,155)

Note 22 - Share-based Payments

The following share-based payment arrangements existed at 30 June 2012.

2012

- On 6 July 2011, 150,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.2923. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2012, none of the options had been exercised. The fair value of the options issued was $3,870. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.
- On 5 October 2011, 5,000,000 share options were granted to the Managing Director, to take up ordinary shares at an exercise price of $0.20. The options were exercisable on issue. The options have no voting rights. At balance date, 30 June 2012, none of the options had been exercised. The fair value of the options issued was $262,000. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.
- On 10 February 2012, 1,425,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.20. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2012, none of the options had been exercised. The fair value of the options issued was $58,140. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.

2011

- On 14 October 2010, 250,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.2923. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2011, none of the options had been exercised. The fair value of the options issued was $26,400. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.
- On 23 November 2010, 500,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.2923. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2011, 83,333 options had been exercised, and 83,333 options expired. The fair value of the options issued was $67,333. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.
- On 17 January 2011, 543,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.68. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2011, none of the options had been exercised. The fair value of the options issued was $145,253. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.

Note 22 - Share-based Payments continued

- On 23 February 2011, 150,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.68. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2011, none of the options had been exercised. The fair value of the options issued was $33,240. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.
- On 28 April 2011, 250,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up ordinary shares at an exercise price of $0.42. The options are exercisable 1/3rd on issue, 1/3rd 12 months from issue, and 1/3rd 24 months from issue. The options have no voting rights. At balance date, 30 June 2011, none of the options had been exercised. The fair value of the options issued was $30,800. All options granted are over ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.

	Consolidated Group			
	2012		*2011*	
	Number of Options	*Weighted Average Exercise Price $*	*Number of Options*	*Weighted Average Exercise Price $*
Outstanding at the beginning of the year	13,516,333	0.262	14,286,950	0.226
Granted	6,575,000	0.202	1,693,000	0.470
Forfeited	(104,500)	-	(112,134)	-
Exercised	(840,000)	-	(2,113,983)	-
Expired	(8,650,000)	-	(237,500)	-
Outstanding at year-end	10,496,833	0.261	13,516,333	0.262
Unexercisable at year-end	1,446,167	0.261	1,145,333	0.262

The options outstanding at 30 June 2012 had a weighted average exercisable price of $0.26 and a weighted average remaining contractual life of 1.88 years. The weighted average fair value of the options granted during the year from the UraniumSA Limited Employee Share Scheme was $0.05.

The fair value of options issued during the year as remuneration were calculated by using a Black-Scholes option pricing model applying the following inputs:

	2012			*2011*				
	06-Jul-11	*05-Oct-11*	*10 Feb 12*	*14-Oct-10*	*23-Nov-10*	*17-Jan-11*	*24-Feb-11*	*28-Apr-11*
Weighted average exercise price	$0.29	$0.20	$0.20	$0.30	$0.30	$0.68	$0.68	$0.42
Weighted average life of the option	3.0 years	5.0 years	3.0 years	3.0 years	3.0 years	3.0 years	3.0 years	3.0 years
Underlying share price	$0.18	$0.14	$0.14	$0.23	$0.31	$0.56	$0.53	$0.28
Expected share price volatility	39.1%	53.0%	58.5%	75.7%	75.4%	75.7%	69.3%	78.4%
Risk free interest rate	4.73%	3.64%	3.53%	5.13%	5.13%	5.13%	5.13%	5.13%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the statement of comprehensive income is $345,873 (2011: $99,694) which relates in full, to equity settled share-based payment transactions. Of the remaining share options expense $37,247 (2011: $61,725) was capitalised as exploration expenditure.

Note 23 - Events After The Balance Sheet Date

The Company is negotiating with two landowners regarding access and compensation.

Note 24 - Related Party Transactions

a) **Subsidiaries**
Interests in subsidiaries are disclosed in Note 11.

b) **Key Management Personnel**
Disclosures relating to Key Management Personnel are set out in Note 4.

c) **Other translations with related parties**
Included within the Available Assets for Sale Investments in the prior year was the value of 2,000,000 ordinary fully paid shares in Archer Exploration Limited. During the year ended 30 June 2012 all 2,000,000 shares were sold.

Mr Tom Phillips and Ms Alice McCleary are Directors of Archer Exploration Limited.

The Company's Site Supervisor, Administration Manager and Administration Officer are related parties to the Managing Director, Mr Russel Bluck. Each are employed on an arm's length basis and remunerated within accepted industry standards for their respective roles.

Note 25 - Financial Risk Management

a) **Financial Risk Management Policies**

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables. The Group does not currently undertake hedging of any kind and is not directly exposed to currency risk.

The Group does not have a formally established treasury function. The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The main risk the Group is exposed to through its financial instruments is interest rate risk. The Group holds the following financial instruments:

	Weighted Average Effective Interest Rate		*Floating Interest Rate*		*Non Interest Bearing*		*Total*	
	2012 %	*2011 %*	*2012 $*	*2011 $*	*2012 $*	*2011 $*	*2012 $*	*2011 $*
Financial Assets								
Cash at bank	4.30	4.60	62,155	173,743	-	-	62,155	173,743
Deposits	5.83	6.17	3,123,080	7,308,864	-	-	3,123,080	7,308,864
Receivables			-	-	520,727	359,789	520,727	359,789
Total Financial Assets			**3,185,235**	**7,482,607**	**520,727**	**359,789**	**3,705,962**	**7,842,396**
Financial Liabilities								
Payables			-	-	(184,376)	(282,621)	(184,376)	(282,621)
Total Financial Liabilities			-	-	**(184,376)**	**(282,621)**	**(184,376)**	**(282,621)**
Total Net Financial Assets			**3,185,235**	**7,482,607**	**336,351**	**77,168**	**3,521,586**	**7,559,775**

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non- interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the Statement of Financial Position of the Group.

Note 25 - Financial Risk Management continued

b) Market Risk

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2012 approximately 98% (2011: 98%) of the Group's deposits are fixed. It is the policy of the Group to keep between 90% and 100% of surplus cash in higher yielding deposits.

Sensitivity Analysis- Interest Rates

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. Any impacts would be in relation to deposit yields on cash investments.

At 30 June 2012, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group	
	2012 $	2011 $
Change in loss		
- Increase in interest rates by 2%	73,346	146,000
- Decrease in interest rates by 2%	(73,346)	(146,000)
Change in equity		
- Increase in interest rates by 2%	73,346	146,000
- Decrease in interest rates by 2%	(73,346)	(146,000)

c) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions, and represents the potential financial loss if counterparties fail to perform as contracted.

The Group has no significant concentrations of credit risk and cash term deposits are limited to high credit quality financial institutions.

The carrying amount of the Group's financial assets represents the maximum credit exposure. Refer to the table above within Note 25 (a) for weighted average interest rates and floating and fixed interest financial instruments.

d) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and close out market positions.

The Board of Directors are ultimately responsible for Group's liquidity risk management. Liquidity risk is managed by maintaining adequate reserves and investing surplus cash only in major financial institutions.

At the end of the reporting period the Group held cash and at call deposits of $3,185,235 (2011: $7,482,607) that are expected to readily generate cash inflows for managing liquidity risk. The Group has sufficient funds to finance its operations and exploration activities and to allow it to fund unforeseen expenditure.

Note 26 - UraniumSA Limited Parent Company Information

	Parent Entity 2012 $	Parent Entity 2011 $
Parent Entity		
Assets		
Current assets	3,631,086	7,618,246
Non-current assets		
- Loans to subsidiaries	16,425,379	12,127,681
- Investments in subsidiaries	5	5
- Other non-current assets	87,003	368,764
Total Assets	20,143,473	20,114,696
Liabilities		
Current liabilities	174,583	258,678
Non-current liabilities	56,679	30,665
Total Liabilities	231,262	289,343
Net Assets	19,912,211	19,825,353
Equity		
Issued capital	25,285,141	25,125,709
Share options reserve	1,089,392	743,519
Financial assets reserve	-	70,000
Retained earnings	(6,462,322)	(6,113,875)
Total Equity	19,912,211	19,825,353
Financial performance		
Loss for the year	(348,447)	(553,441)
Other comprehensive income	(70,000)	70,000
Total comprehensive income	(418,447)	(483,441)

Guarantees in relation to relation to the debts of subsidiaries

UraniumSA Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiaries Angus Resources Pty Ltd, Samphire Uranium Pty Ltd, Fatjack Resources Pty Ltd and UraniumSA Exploration Pty Ltd.

Contingent Liabilities

UraniumSA Limited did not have any contingent liabilities as at 30 June 2012 or 30 June 2011.

Contractual Commitments

	2012 $	2011 $
Lease expenditure commitments	10,487	52,316
Employment and consultant commitments	192,500	341,918

There are no contractual capital commitments for the acquisition of property, plant or equipment at the date of signing this report.

Directors' Declaration

The Directors of the Group declare that:

1 the Financial Statements and Notes as set out on 24 to 47 are in accordance with the *Corporations Act 2001* and:

a) comply with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 1; and

b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the Consolidated Group;

2 the Mangaing Director and the Chief Financial Officer have each declared that:

a) the financial records of the Group for the year ended have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

b) the financial statements and notes for the financial year comply with the Accounting Standards; and

c) the financial statements and notes give a true and fair view;

3 in the Directors' opinion there are reasonable grounds to believe that the Group 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

Alice McCleary
Chairman

Adelaide
Dated this 12th day of September 2012

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URANIUMSA LIMITED

Report on the financial report

We have audited the accompanying financial report of UraniumSA Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of UraniumSA Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

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Auditor's opinion on the remuneration report

In our opinion, the remuneration report of UraniumSA Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

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GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

J L Humphrey
Partner

Adelaide, 12 September 2012

Additional Information

Compiled as at 4 September 2012

Distribution of equity securities

Number of securities

Range	*Fully Paid Ordinary Shares*	*Unlisted Options*
1 - 1,000	95	-
1,001 - 5,000	409	-
5,001 - 10,000	375	-
10,001 - 100,000	961	11
100,001 - 9,999,999,999	196	16
Total	**2,036**	**27**

There were 562 shareholdings of less than a marketable parcel of shares.

Twenty largest holders of each class of quoted equity security

Ordinary Shares

Rank	*Name*	*Units*	*% Issued Capital*
1	JP Morgan Nominees Australia Pty Ltd	9,236,073	6.27
2	JP Morgan Nominees Australia Pty Ltd	8,596,829	5.84
3	HSBC Custody Nominees (Australia) Limited	6,089,674	4.13
4	National Nominees Limited	4,804,362	3.26
5	Escor Investments Pty Ltd	4,700,000	3.19
6	Bluck Holdings Pty Ltd	4,634,233	3.15
7	Hiltaba Gold Pty Ltd	3,888,238	2.64
8	Merriwee Pty Ltd	2,555,000	1.73
9	Gregorach Pty Ltd	2,509,819	1.70
10	Baystreet Pty Ltd	2,450,174	1.66
11	Mr Bede Lance Ramah	2,312,325	1.57
12	Mutual Trust Pty Ltd	2,310,500	1.57
13	Nutsville Pty Ltd	1,562,000	1.06
14	Monex Boom Securities (HK) Ltd	1,341,021	0.91
15	Ms Alice McCleary & Mr Brian John McCleary	1,299,546	0.88
16	Citicorp Nominees Pty Limited	1,185,412	0.80
17	UBS Wealth Management Australia Nominees Pty Ltd	1,120,153	0.76
18	Naah Pty Ltd	1,100,000	0.75
19	Mr Dennis Jun Tow	1,050,000	0.71
20	Ward Investments Super Pty Ltd	1,040,000	0.71
Total		**63,785,359**	**43.29**

Substantial Shareholders

The names of the substantial shareholders in the Group, the number of equity securities to which each substantial shareholder and substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Group: Nil.

Voting Rights

a) *Fully paid ordinary shares*
   On a show of hands, every person qualified to vote, whether as a member or proxy or attorney or representative, shall have one vote. Upon a poll, every member shall have one vote for each share held.

b) *Unlisted options*
   No voting rights.

Corporate Directory

Directors

Alice McCleary
Chairman

Russel Bluck
Managing Director

David Paterson
Executive Director

Tom Phillips AM
Director (Non-Executive)

Chief Financial Officer / Company Secretary

Damien Connor

Registered Office & Administrative Office

UraniumSA Limited
ABN 48 119 978 013
32 Beulah Road
Norwood, Adelaide
South Australia 5067
Telephone +61 (0)8 8132 0577
Facimile +61 (0)8 8132 0766
info@uraniumsa.com.au
www.uraniumsa.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000
GPO Box 1903
Adelaide SA 5001
Investor Enquiries (within Australia):
1300 556 161
Facsimile +61 8 8236 2305

Auditors

Grant Thornton
South Australian Partnership
Level 1, 67 Greenhill Road
Wayville SA 5034

Bankers

National Australia Bank
Level 1, 22 King William Street
Adelaide SA 5000

Australian Securities Exchange

ASX code: USA

Website

www.uraniumsa.com.au