

U R A N I 
L I M I T E D

ABN 61 123 156 089

Interim Financial Report

For the Half Year Ended

31 December 2008

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Director's Report

Your directors present their report on Uranio Limited for the half year ended 31 December 2008.

Directors

The persons who were directors of Uranio Limited during the half year and up to the date of this report are:

Mr Marcello Cardaci	(Non-Executive Chairman)
Dr Robert Wrixon	(Managing Director)
Mr David Riekie	(Non Executive Director)

Review of Operations for the Half Year ended 31 December 2008

Uranio Limited ("Uranio") listed on the Australian Securities Exchange (ASX) on 29 January 2008 after a successful initial public offering raising a total of \$4.56m. The Company's projects at listing were acquired from Deep Yellow Ltd and included a 70% interest in the Siccus Joint Venture in South Australia and a 70% equity interest in each of three highly prospective uranium projects in Western Australia, comprising the Ponton, Gardner Range and Anketell projects.

During the period, Uranio acquired a 100% interest in Paladin Energy Ltd's Ponton project tenement, consolidating Uranio's existing ground position in this highly prospective area adjacent to the Mulga Rock uranium deposits.

From 1 July to 31 December 2008, Uranio was principally involved in actively progressing each of its Australian exploration projects, with expenditure focused on exploration for uranium in Western Australia. A full review of the operations of the Company during the six month period to 31 December 2009 is to be found in the Quarterly Activity Reports that have been lodged with the ASX.

Uranio incurred an operating loss of \$626,963 for the half year ended 31 December 2008 (2007: \$36,548).

Auditors Independence Declaration

The Auditor's Independence Declaration on page 4 forms part of the Director's Report for the half-year ended 31 December 2008.

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



Robert Wrixon
Managing Director

Dated this 4th March 2009

4th March 2009

The Directors
Uranio Limited
15 Rheola Street
WEST PERTH WA 6008

Dear Sirs

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF URANIO LIMITED

As lead auditor of Uranio Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Uranio Limited during the period.



Peter Toll
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Western Australia, Perth

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Income Statement

For the half year ended 31 December 2008

	Note	Half Year 2008 \$	Half Year 2007 \$
Revenue from continuing operations	2	93,463	26,494
Legal fees		(1,605)	(28,337)
Depreciation expense		(529)	-
ASX and share registry fees		(20,096)	(5,241)
Consultant fee expense		(47,250)	-
Rent expense		(64,500)	-
Employee benefits expense		(275,621)	-
Corporate and administrative expenses		(185,613)	(29,084)
Share-based payments expense		(80,789)	-
Finance costs		(43,075)	(380)
Loss before income tax from continuing operations		(625,615)	(36,548)
Income tax expense		(1,348)	-
Loss for the half year		(626,963)	(36,548)
Loss attributable to members of Uranio Limited		(626,963)	(36,548)
Basic loss per share (cents per share)		(\$0.016)	(\$0.003)
Where diluted earnings per share are not dilutive, they are not disclosed			

The above income statement is to be read in conjunction with the accompanying notes.

Balance Sheet

As at 31 December 2008

	Note	31 December 2008 \$	30 June 2008 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,553,176	3,554,602
Trade and other receivables		36,545	60,282
Total Current Assets		2,589,721	3,614,884
Non Current Assets			
Property, plant and equipment		2,384	2,913
Exploration and evaluation expenditure	3	4,231,980	3,994,105
Total Non Current Assets		4,234,364	3,997,018
TOTAL ASSETS		6,824,085	7,611,902
LIABILITIES			
Current Liabilities			
Trade and other payables		186,202	427,845
Borrowings	4	1,000,000	250,000
Total Current Liabilities		1,186,202	677,845
Non Current Liabilities			
Borrowings		-	750,000
Total Non Current Liabilities		-	750,000
TOTAL LIABILITIES		1,186,202	1,427,845
NET ASSETS		5,637,883	6,184,057
EQUITY			
Contributed equity		6,075,793	6,075,793
Reserves		564,713	483,924
Accumulated losses		(1,002,623)	(375,660)
TOTAL EQUITY		5,637,883	6,184,057

The above balance sheet is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half year ended 31 December 2008

Note	Half Year 2008 \$	Half Year 2007 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(619,116)	(69,518)
Interest received	92,813	26,494
Other revenue	-	41,492
Income tax paid	(1,348)	-
Net cash flows from/(used in) operating activities	(527,651)	(1,532)
Cash flows from investing activities		
Payments for exploration and evaluation	(473,775)	-
Net cash flows used in investing activities	(473,775)	-
Cash flows from financing activities		
Proceeds from issue of shares	-	3,778,160
Payment of share issue and IPO costs	-	(254,288)
Net cash flows from financing activities	-	3,523,872
Net increase/(decrease) in cash and cash equivalents	(1,001,426)	3,522,340
Cash and cash equivalents at beginning of period	3,554,602	691,748
Cash and cash equivalents at end of period	2,553,176	4,214,088
Non-cash financing and investing activities	-	-

The above cash flow statement is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half year ended 31 December 2008

	Note	Half Year 2008 \$	Half Year 2007 \$
Total equity at the beginning of the financial year		6,184,057	1,168,178
Net income recognised directly in equity			
Loss for the half year		(626,963)	(36,548)
Total recognised income and expense for the year		<u>(626,963)</u>	<u>(36,548)</u>
Transactions with equity holders in their capacity as equity holders			
▪ Share based payment reserve		80,789	-
Total equity at the end of the year		<u>5,637,883</u>	<u>1,131,630</u>

The above statement of changes in equity are to be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

Note 1: Basis of preparation

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards AASB 134: "Interim Financial Reporting".

This financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2008 and any publications made by Uranio Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*. The half-year report does not include full disclosures of the type normally included in an annual financial report.

The accounting policies adopted are consistent with those of the previous financial year.

Going concern

The Company incurred a loss for the half-year of \$626,963 (2007: \$36,548) and a net cash outflow from operating activities of \$527,651 (2007: \$1,532 cash outflow).

At 31 December 2008 the Company had cash assets of \$2,553,176 (30 June 2008: \$3,554,602) and working capital of \$1,403,519 (30 June 2008: \$2,937,039).

Whilst the Company has sufficient cash and assets to meet its ongoing exploration commitments and administration expenditure through to the end of the current financial year, the Directors recognise the need to raise additional funds to meet working capital requirements into the future. Based on the potential to raise the additional working capital, the Directors consider it appropriate that the finance report be prepared on a going concern basis.

Note 2: Loss for the half year

Loss before income tax includes the following:

	Half-year	
	2008	2007
	\$	\$
Revenue from continuing operations		
Interest revenue	92,813	26,494
Other revenue	650	-
	<u>93,463</u>	<u>26,494</u>

Note 3: Exploration and evaluation expenditure

	Half Year	
	2008	2007
	\$	\$
Carrying amount at start of period	3,994,105	500,000
Expenditure incurred during period	237,875	-
Carrying amount at end of half year	<u>4,231,980</u>	<u>500,000</u>

Recoverability of the carrying amount of exploration assets is dependent upon successful exploration and sale of uranium deposits of the respective area of interest.

Notes to the Financial Statements (continued)

Note 4: Borrowings

	Half Year	
	2008	2007
	\$	\$
Unsecured: Current	1,000,000	250,000
Unsecured: Non-current	-	750,000
	<u>1,000,000</u>	<u>1,000,000</u>

Borrowings are subject to the original agreement with Deep Yellow Limited and subsequent variations to the original sale agreement which varied the repayment terms to be paid in two tranches of \$250,000 on 22 January 2009 and \$750,000 on 22 July 2009 plus accrued interest calculated at the RBA cash rate plus a 2% margin. The first tranche payment of \$250,000 has subsequently been paid post year end.

Note 5: Segment Information

The Company operates in one industry, mineral resource exploration and assessment of mineral projects and in one main geographical segment, being Australia.

Note 6: Dividends

No dividends were paid or declared during the period.

Note 7: Related party transactions

The following transactions occurred with related parties:

- i. A Director, Mr Marcello Cardaci, is a Director in the firm of Blakiston and Crabb, Lawyers. Blakiston and Crabb Lawyers has provided legal services to Uranio Limited during the half-year on normal commercial terms. The total consideration for services rendered were \$40,748 during the period.
- ii. A Director, Mr David Riekie was also a director in the firm of Grange Consulting Group Pty Ltd (Grange), Corporate Advisors. The company ceased to be a related party on 3 August 2008 at which time Mr Riekie ceased to be a Director and Shareholder of Grange. Grange has provided corporate advisory services to Uranio Limited during the period on normal commercial terms and conditions. The total consideration for services rendered were \$7,500 during the period Grange was a related party.
- iii. All other transactions in line with last annual reporting date, 30 June 2008.

Note 8: Commitments and Contingent Liabilities

There have been no changes in contingent liabilities since the last annual reporting date, 30 June 2008.

Notes to the Financial Statements (continued)

Note 9: Events Subsequent to Reporting Date

On 21 January 2009, Uranio's planned acquisition of the Imaloto Coal project in Madagascar (as announced on 20 November 2008), via the purchase of 100% of the share capital of Coal of Madagascar (Guernsey) Limited was terminated due to failure of the parties to fully satisfy the Conditions Precedent in the Share Sale Deed. As a result, the proposed placement to Manhattan Resources Pty Ltd, board re-structure and change of company name that were to occur in conjunction with the acquisition did not proceed.

On 22 January 2009, Uranio repaid \$250,000 plus interest of \$85,218 to Deep Yellow Limited under the terms of the original sale agreement and subsequent variations. The remaining loan facility of \$750,000 is due on 22 July 2008 plus interest accrued to this date.

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes;
 - (a) Comply with the Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) Give a true and fair view of the entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations by the Managing Director and the Chief Financial Officer required by s295A.

This declaration is made in accordance with a resolution of the Board of Directors.



Robert Wrixon
Managing Director

Dated this 4th day of March 2009

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

We have reviewed the accompanying half-year financial report of Uranio Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the entity at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Uranio Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

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

Conclusion

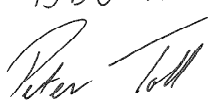
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Uranio Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, Uranio Limited incurred a net loss of \$626,963 and had net cash outflows from operation activities of \$527,651 during the half year ended 31 December 2008. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern, and realise its assets and extinguish its liabilities in the normal course of business.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls


Peter Toll
Director

Signed in Perth, Western Australia
Dated this 4th day of March 2009