



URANIUM AUSTRALIA LIMITED
ABN 57 123 452 915
www.uraniumaustralia.com.au

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

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DIRECTORS' REPORT

The directors of Uranium Australia Limited submit herewith the financial report of the Company for the financial year ended 30 June 2009. In order to comply with the provisions of the *Corporations Act 2001*, the Directors Report is as follows:

DIRECTORS

The names of directors who held office during or since the end of the year:

Andrej K. Karpinski (Executive Chairman and Director)
Andrew B.S. Teo (Non-Executive Director)
Derek Lenartowicz (Non-Executive Director) (Resigned 14 September 2008)
Daniel Smetana (Non-Executive Director) (Appointed 14 September 2008)

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

COMPANY SECRETARY

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

Andrej C.K. Karpinski

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was mineral exploration and evaluation of third party mineral properties.

There were no significant changes in the nature of the Company's principal activities during the financial year.

OPERATING RESULTS

The loss of the Company for the year ended 30 June 2009 after providing for income tax amounted to \$513,666 (2008: \$751,155).

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS

During the year to 30 June 2009 Uranium Australia has conducted exploration for uranium, using staff and contract geologists based in Perth, Adelaide, Darwin and Batchelor.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than stated above, there were no significant changes in the state of affairs of the Company during the financial year.

SUBSEQUENT EVENTS

Except for the above, in the opinion of the Directors, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

INFORMATION ON DIRECTORS

The names and details of the Uranium Australia Limited ("Company") directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Andrej K. Karpinski (Executive Chairman and Director)

Responsibilities: Mr. Karpinski has responsibilities for business development, all capital raisings, investor relations, ASX liaison, risk identification and management, strategic direction and financial management of the Company, performance evaluations and corporate governance.

Qualifications: Mr. Karpinski's background is in investment banking, commodities trading and funds management. He has held senior positions with Australian and international companies operating in the areas of corporate finance, commodities trading and funds management. He brings to the Company his network of Australian and international contacts within resources and securities sectors, his administrative skills and his expertise in financial risk management, treasury management, project financing and resources banking.

Other Directorships: Korab Resources Limited

Andrew B.S. Teo (Non-Executive Director) (Appointed 12 July 2008)

Responsibilities: Mr. Teo has contributed his strategic planning and administrative skills as well as corporate governance knowledge.

Qualifications: Mr. Teo's background is in accounting, corporate management and business management. His corporate experience includes several years as director of BGC, one of the largest private manufacturing, construction and contracting companies in Australia with current sales in excess of \$1 billion. Andrew provides to the Company the benefits of his general business and corporate experience as well as an ongoing strong interest in the resources sector.

Derek Lenartowicz (Non-Executive Director) (Appointed 6 March 2009) (Resigned 14 September 2009)

Responsibilities: Mr. Lenartowicz has contributed his strategic planning and mining engineering skills as well as corporate governance knowledge.

DIRECTORS' REPORT (Continued)

Qualifications: Mr. Lenartowicz's background is in mine management, exploration and corporate management, His corporate experience includes several years as managing director of View Resources Ltd,

Other Directorships: Sultan Corporation Ltd, GulfX Ltd, Korab Resources Limited,

Daniel Smetana (Non-Executive Director) (Appointed 14 September 2009)

Responsibilities: Mr. Smetana has contributed his strategic planning and administrative skills as well as business and corporate governance knowledge.

Qualifications: Mr. Smetana's background is in business and corporate management. Dan provides to the Company the benefits of his business and corporate experience as well as an ongoing strong interest in the resources sector.

Other Directorships: Joyce Corporation Ltd

DIRECTORS' REPORT (Continued)**MEETINGS OF DIRECTORS**

The number of directors' meetings held during the financial year each director held office during the financial year and the number of meetings attended by each director is:

Director	Number Eligible to Attend	Meetings Attended
Andrej C.K. Karpinski	12	11
Andrew B.S. Teo	12	12
Derek Lenartowicz	5	5
Daniel Smetana	7	7

The Company does not have a formally constituted audit committee as the board considers that the company's size and type of operation do not warrant such a committee.

FUTURE DEVELOPMENTS

Other than as referred to in this report, further information as to likely developments in the operations of the Company and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Company and its shareholders.

ENVIRONMENTAL ISSUES

The Company's exploration activities are subject to the mining acts in the State and Territory in which it operates (Western Australia and the Northern Territory). The Company has a policy of complying with or exceeding its environmental performance obligations. The Board believes that the Company has adequate systems in place for the management of its environmental requirements. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the financial year under review.

REMUNERATION REPORT

This report details the type and amount of remuneration for each director of Uranium Australia Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective the Board links the nature and amount of executive directors' emoluments to the company's financial and operational performance. The expected outcomes of this remuneration structure are:

- Retention and Motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of Uranium Australia Limited

The remuneration of an Executive Chairman is decided by the non-executive Directors pending the formation of the Remuneration Committee. In determining competitive remuneration rates the Directors review local and international trends among comparative companies and the industry generally.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Continued)**Remuneration Policy (Continued)**

The maximum remuneration of non-executive Directors is the subject of Shareholder resolution in accordance with the Company's Constitution, and the Corporations Act as applicable. The appointment of non-executive Director remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

The Board may award additional remuneration to non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

Performance Based Remuneration

The company has not paid bonuses to directors or executives to date.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

It is the intention of the Board to tailor the remuneration policy to maximise the commonality of goals between shareholders and directors and executives. The method which is most likely to achieve this aim is the issue of options to Directors to encourage the alignment of personal and shareholder interests. Company believes this policy will be the most effective in increasing shareholder wealth. It is anticipated that within the next 12 months Korab's board will develop in conjunction with outside consultants an option based employee incentive program which will then be submitted to shareholders for approval.

Employment Contracts of Directors and Senior Executives

The employment conditions of employees were formalised in contracts of employment in July 2008. Uranium Australia Limited entered into Executive Service Agreement with Rheingold Investments Corporation Pty Ltd. Under the Agreement, A K Karpinski, being the director of Rheingold Investments Corporation Pty Ltd, has agreed to provide management services to the Company at a rate of \$218,000 per annum plus GST. The Agreement may be terminated by the Company at any time by giving A K Karpinski twelve (12) months' notice. In the event the Company does not require A K Karpinski to work throughout the period of notice, the Company shall tender to A K Karpinski an amount of \$218,000 plus GST. Mr. Karpinski has voluntarily suspended payments due under the agreement in October 2008. The payments under the agreement are still suspended as at the date of this report. The amounts of fees which have accrued since the payments were suspended are disclosed in the notes to this financial report.

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors and their related entities in the shares and options of the Company are:

2009 Financial Year

Directors	Ordinary Shares					Options		
	Balance at beginning of year	Purchases	Balance at end of year	Purchases* following end of year	Balance at the date of this report	Balance at beginning of year	Exercised	Balance at end of year
Andrej Karpinski	nil	nil	nil	27,955,959	27,955,959	nil	nil	nil
Derek Lenartowicz	nil	nil	nil	nil	nil	nil	nil	nil
Audra Lee	nil	nil	nil	nil	nil	nil	nil	nil
Malcolm McKenzie	nil	nil	nil	7,825,499	7,825,499	nil	nil	nil
Andrew Teo	nil	nil	nil	970,559	970,559	nil	nil	nil
Jennifer Cockman	nil	nil	nil	nil	nil	nil	nil	Nil
Daniel Smetana	nil	nil	nil	840,214	840,214	nil	nil	nil

* On 1 October 2009, Korab shareholders approved the in-specie distribution of the shares in Uranium Australia held by Korab Resources Ltd (Korab) to all Korab shareholders who held Korab shares on the record date at a rate of 1.37 Uranium Australia share for each Korab share held on the record date. As a consequence of this distribution, those Directors of Uranium Australia who held shares in Korab, have received shares in Uranium Australia at the pro-rata rate of 1.37 Uranium Australia share for each Korab share held. This was the same pro-rata distribution rate as the rate applicable to all other Korab shareholders.

2008 Financial Year

Directors	Ordinary Shares					Options		
	Balance at beginning of year	Purchases	Balance at end of year	Purchases following end of year	Balance at the date of this report	Balance at beginning of year	Exercised	Balance at end of year
Andrej Karpinski	nil	nil	nil	nil	nil	nil	nil	nil
Derek Lenartowicz	nil	nil	nil	nil	nil	nil	nil	nil
Audra Lee	nil	nil	nil	nil	nil	nil	nil	nil
Malcolm McKenzie	nil	nil	nil	nil	nil	nil	nil	nil
Andrew Teo	nil	nil	nil	nil	nil	nil	nil	nil
Jennifer Cockman	nil	nil	nil	nil	nil	nil	nil	Nil
Daniel Smetana	nil	nil	nil	nil	nil	nil	nil	nil

Key management personnel

The following persons were key management personnel of Uranium Australia Limited during the financial year:

Name

Andrej C.K. Karpinski
 Andrew B.S. Teo
 Derek Lenartowicz
 Daniel Smetana

Position Held

Executive Chairman and Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director

DIRECTORS' REPORT (Continued)

Remuneration of key management personnel for the year ended 30 June 2009

2009	<i>Andrej Karpinski</i> \$	<i>Audra Lee</i> \$	<i>Jennifer Cockman</i> \$	<i>Malcolm McKenzie</i> \$	<i>Andrew Teo</i> \$	<i>Derek Lenartowicz</i> \$	<i>Total</i> \$
Short-term benefits							
Cash salary paid	90,833	-	-		7,000	-	97,833
Cash salary accrued	127,167	-	-		19,000	-	146,167
Post-Employment Benefits							
Pension and superannuation	-	-	-		2,340	-	2,340
Total	218,000				28,340		246,340
	\$	\$		\$	\$		\$
2008							
Short-term benefits							
Cash salary	200,000*	69,789	-	4,000	24,000	-	297,789
Post-Employment Benefits							
Pension and superannuation	18,000*	6,281	-	360	2,160	-	26,801
Total	218,000	76,070	-	4,360	26,160	-	324,590

*This amount comprises executive services fees paid to Rheingold Investments Corporation Pty Ltd, a company under the control of Andrej Karpinski. Mr. Karpinski has not received any directors fees from Uranium Australia Ltd since the formation of Uranium Australia in January 2006.

Directors have indefinitely suspended payments of the directors remuneration since October 2008. As of the date of this report the payments for directors fees and the executive services fee are still suspended. The amounts of fees which have accrued since the payments were suspended are disclosed above and in the notes to this financial report.

Compensation options granted and exercised during the year ended 30 June 2009

No remuneration options were granted or exercised during the year ended 30 June 2009.

Performance income as a proportion of total income

No performance based bonuses have been paid to key management personnel during the financial year.

END OF REMUNERATION REPORT**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

From August 2008 to date, the Company carried Directors and Officers insurance. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the year ended 30 June 2009 is set out on page 11.

DIRECTORS' REPORT (Continued)

NON-AUDIT SERVICES

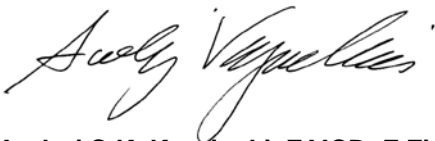
The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard for audit independence imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence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

- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1 *Professional Independence*.

The following fees for non-audit services were paid to the external auditors during the year:

Consulting services	NIL
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This report is signed in accordance with a resolution of the Directors.



**Andrej C.K. Karpinski, FAICD, F Fin
Executive Chairman**

Perth, Western Australia
17th November 2009

AUDITOR'S INDEPENDENCE DECLARATION

12 January 2010

To the Board of Directors
Uranium Australia Limited
Suite 6, Level 1, 100 Mill Point Road
South Perth WA 6151

Dear Board Members,

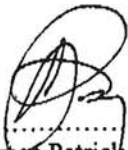
Uranium Australia Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence of Uranium Australia Limited

For the financial year ended 30 June 2009, I declare to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



.....
Cormac Patrick Sharkey
Principal

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Revenue	5	2,446	6,935
Cost of sales		-	-
Gross profit		2,446	6,935
Depreciation and amortisation expense	6	(117,661)	(3,737)
Employee benefits expense		-	(67,799)
Non-executive directors' fees		(28,340)	(106,590)
Corporate advisory expenses		-	(3,150)
Conference, travel and public relations		(102)	(148,992)
Insurance expenses		(21,964)	(32,509)
Management contract fees – executive director		(218,000)	(218,000)
Office rent and outgoings		(37,862)	(24,948)
Other expenses from ordinary activities		(92,183)	(152,365)
Profit/(Loss) before income tax	6	(513,666)	(751,155)
Income tax expense	7	-	-
Profit/(Loss) for the period		(513,666)	(751,155)
		Cents Per Share	Cents Per Share
Earnings/(Loss) per share for profit for the period			
Basic earnings/(loss) per share	8	(0.42)	(0.72)

There are no dilutive potential ordinary shares, therefore dilutive earnings per share has not been calculated or disclosed.

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

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	46,924	576,755
Trade and other receivables	11	184,187	421,617
Current tax assets	12	3,333	109,181
Related party receivables	13	-	-
Total Current Assets		234,444	1,107,553
Non-Current Assets			
Intangible assets	14	6,620	6,620
Property, plant and equipment	15	18,531	17,425
Exploration and mining interest assets	16	2,419,868	1,838,201
Total Non-Current Assets		2,445,019	1,862,246
TOTAL ASSETS		2,679,463	2,969,799
LIABILITIES			
Current Liabilities			
Trade and other payables	17	443,515	228,324
Related party payables	18	198,871	299,031
Total Current Liabilities		642,386	527,355
TOTAL LIABILITIES		642,386	527,355
NET ASSETS		2,037,078	2,442,444
EQUITY			
Contributed equity	19	3,638,634	3,530,334
Retained earnings / (Accumulated losses)	20	(1,601,556)	(1,087,890)
TOTAL EQUITY		2,037,078	2,442,444

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Payments to suppliers and employees		(155,815)	(1,081,688)
Payments for exploration costs and tenements		(444,546)	(993,949)
Interest paid and other costs of finance		(3,981)	(4)
Net cash inflow/(outflow) from operating activities	22	(604,342)	(2,075,641)
Cash flows from investing activities			
Interest received		2,446	6,935
Payments for intangible assets		-	(6,620)
Payments for property, plant and equipment		(11,480)	(20,608)
Loan advances to related parties		-	-
Repayment of loans from/to related parties		(100,160)	1,605,694
Proceeds of loans from/to unrelated parties		60,406	299,031
Net cash inflow/(outflow) from investing activities		(48,788)	1,884,432
Cash flows from financing activities			
Proceeds from issue of ordinary shares		108,299	835,200
Share applications received in advance		15,000	-
Repayment of share applications received in advance		-	(175,000)
Transaction costs arising on issue of ordinary shares		-	(92,999)
Net cash inflow/(outflow) from financing activities		123,299	567,201
Net increase/(decrease) in cash and cash equivalents		(529,831)	375,992
Cash and cash equivalents at beginning of year		576,755	200,763
Cash and cash equivalents at end of year	10	46,924	576,755

The above cash flow statements should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Issued capital \$	Accum. Losses \$	Total equity \$
At 15 January 2007	-	-	-
Issue of capital during the period	2,788,133	-	2,788,133
Profit/(Loss) for the year	-	(336,735)	(336,735)
At 30 June 2007	2,788,133	(336,735)	2,451,398
At 1 July 2007	2,788,133	(336,735)	2,451,398
Issue of capital during the period	835,200	-	835,200
Less: Transaction costs arising on shares issued	(92,999)	-	(92,999)
Profit/(Loss) for the year	-	(751,155)	(751,155)
At 30 June 2008	3,530,334	(1,087,890)	2,442,444
At 1 July 2008	3,530,334	(1,087,890)	2,442,444
Issue of capital during the period	108,300	-	108,300
Less: Transaction costs arising on shares issued	-	-	-
Profit/(Loss) for the year	-	(513,666)	(513,666)
At 30 June 2009	3,638,634	(1,601,556)	2,037,078

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. CORPORATE INFORMATION

The financial report of Uranium Australia Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 15th December 2009 and covers Uranium Australia Limited as an individual entity as required by the *Corporations Act 2001*.

The financial report is presented in Australian currency.

Uranium Australia Limited is a company limited by shares and incorporated in Australia on 15 January 2007.

The address of the registered office and principal place of business is as follows:

Registered Office and Principal Office

Suite 6
Level 1,
100 Mill Point Road
SOUTH PERTH, WA
AUSTRALIA, 6151

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report complies with International Financial Reporting Standards (IFRS)

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Reporting period

From 1 July 2008 to 30 June 2009.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

(b) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments. Details of segments that the Company operates in are detailed in Note 4.

(c) Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(d) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

(e) Impairment of Assets

At each reporting date the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

(f) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(g) Trade Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will not be able to collect all amounts due according to the original terms.

(h) Inventories

Raw Materials, Work in Progress and Finished Goods

Inventories are stated at the lower of cost and net realisable value. Cost comprises all direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity. Costs are assigned to inventories using the weighted average/first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

(i) Investments and Other Financial Assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Company commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Loans and receivables

Non-current loans and receivables include loans due from related parties repayable within 366 days of balance sheet date. As these are non-interest bearing, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is debited to the income statement immediately and amortised using the effective interest method.

(j) Impairment of Financial Assets

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously amortised in profit or loss – is removed from equity and amortised in the income statement. Impairment losses amortised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

(k) Fair Values

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at balance sheet date. The quoted market price for financial assets is the current bid price and the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. The fair value of long-term debt instruments is determined using quoted market prices for similar instruments. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at balance sheet date. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(l) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- (ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

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.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(m) Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the balance sheet date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at balance sheet date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(r) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(t) Goods and Services Tax (GST)

Revenues, expenses and purchases of assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. There are no estimates, assumptions or judgments that are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for the following:

Exploration and Evaluation Assets

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

4. SEGMENT REPORTING**Description of Segments**

The Company's primary reporting format is geographical segments and its secondary reporting format is business segments. The Company operates primarily in Australia, and in one industry, being mineral exploration.

5. REVENUE

	2009	2008
	\$	\$
From continuing operations		
Interest	2,446	6,935

6. EXPENSES

	2009	2008
	\$	\$
Profit/(Loss) before income tax includes the following specific expenses:		
Amortisation expense		
Mining tenements written off	107,287	
Borrowing costs - banks and other financial institutions	-	4
Depreciation expense		
Plant and equipment	10,374	3,733
	<u>117,661</u>	<u>3,737</u>

7. INCOME TAX EXPENSE

	2009	2008
	\$	\$
Income tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense in income statement	<u>-</u>	<u>-</u>
Reconciliation of the effective tax rate		
Profit/(Loss) before income tax expense	<u>(513,666)</u>	<u>(751,155)</u>
Tax at the Australian tax rate of 30% (2008: 30%)	(154,100)	(225,347)
Tax losses not recognised as own asset		
- revenue losses	154,397	225,427
Temporary differences not recognised as own asset/(liability)		
- taxable temporary differences	702	-
- deductible temporary differences	(959)	80
Income tax expense at effective tax rate of 0% (2008: 0%)	<u>-</u>	<u>-</u>
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised:		
- Carry forward revenue losses	<u>1,599,216</u>	<u>1,084,693</u>
Potential benefit at 30% (2008: 30%)	<u>479,765</u>	<u>325,408</u>

There is no expiry date on the future deductibility of unused tax losses.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in the balance sheet for the following items:

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

Deductible temporary differences		
- capital raising costs	92,999	74,400
- provision and accruals	2,340	3,200
	95,339	77,600
 Potential benefit at 30% (2008: 30%)	 28,602	 23,279

The tax benefits of the above deferred tax assets will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

8. EARNINGS PER SHARE**Reconciliation of earnings used in calculating earnings per share**

	2009 \$	2008 \$
Basic earnings per share		
Profit/(Loss) from operations attributable to ordinary equity holders of Uranium Australia Limited used to calculate basic earnings per share	(513,666)	(751,155)
	2009 Number	2008 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	123,525,360	104,986,476

9. AUDITORS' REMUNERATION

	2009 \$	2008 \$
Audit services		
Amounts paid/payable to Cormac Sharkey for audit or review of the financial report for the entity	20,489	19,781

10. CASH AND CASH EQUIVALENTS

	2009 \$	2008 \$
Cash on hand	-	-
NAB Business Cheque Account	31,669	524,328
NAB Cash Management Account	237	52,398
NAB Share Issue Account	15,018	29
Total cash and cash equivalents	46,924	576,755

Reconciliation of cash

The above figures are reconciled to the cash at the end of the financial year as shown in the statement of cash flows as follows:

	2009 \$	2008 \$
Balances as above	46,924	576,755
Balances per statement of cash flows	46,924	576,755

11. TRADE AND OTHER RECEIVABLES

	2009 \$	2008 \$
Prepayments	183,187	420,617
IPO Refund	1,000	1,000
	184,187	421,617

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

12. CURRENT TAX ASSETS

	2009	2008
	\$	\$
GST receivable control account	3,333	109,181

13. RELATED PARTY RECEIVABLES

The following balances are outstanding at reporting date in relation to transactions with related parties:

	2009	2008
	\$	\$
Korab Resources Limited	-	-

Further information relating to related party transactions is set out in Notes 23 and 24

14. INTANGIBLE ASSETS

	2009	2008
	\$	\$
Trademarks	6,620	6,620

15. PROPERTY, PLANT AND EQUIPMENT

	2009	2008
	\$	\$
<i>Plant and equipment</i>		
At cost	32,699	21,219
Accumulated depreciation	(14,168)	(3,794)
Total plant and equipment	18,531	17,425
Total non-current property, plant and equipment	18,531	17,425

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current and previous financial year are set out below:

	2009	2008
	\$	\$
<i>Total plant and equipment</i>		
Carrying amount at beginning of financial year	17,425	550
Additions	11,480	20,608
Disposals	-	-
Depreciation	(10,374)	(3,733)
Carrying amount at end of financial year	18,531	17,425

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

16. EXPLORATION AND MINING INTEREST ASSETS

	2009	2008
	\$	\$
Costs carried forward in respect of areas of interest in:		
Interest in mining licences at cost	2,219,826	1,740,032
Exploration costs capitalised	200,042	98,169
	2,419,868	1,838,201

Reconciliations

	2009	2008
	\$	\$
<i>Interest in mining licences</i>		
Balance at beginning of period	1,740,032	834,613
Licences written off during the year	(107,287)	-
Licences purchased during the year	587,081	905,419
Balance at end of period	2,219,826	1,740,032

Exploration and evaluation

Balance at beginning of period	98,169	9,639
Exploration expenditure capitalised during the year	101,873	88,530
Balance at end of period	200,042	98,169

17. TRADE AND OTHER PAYABLES

	2009	2008
	\$	\$
Current		
Trade payables	363,750	203,844
Finance lease payable	2,019	
PAYG withholding payable	-	21,282
Superannuation payable	2,340	3,198
Share applications received in advance	15,000	-
Minerva Property Holding	60,406	
	443,515	228,324

18. RELATED PARTY PAYABLES

The following balances are payable to related parties at reporting date:

	2009	2008
	\$	\$
Korab Resources Limited	178,871	299,031
Non-exe director fees payable		
- Andrew Teo \$10,000 at interest rate of 6% per annum;	10,000	
- Adamic Pty Ltd \$10,000;	10,000	
	198,871	299,031

Loans payable to related parties are unsecured.

Further information relating to related party transactions is set out in Notes 23 and 24.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

19. CONTRIBUTED EQUITY

	2009		2008	
	Shares	\$	Shares	\$
Share capital				
<i>Ordinary shares - no par value</i>				
- Fully paid	136,506,100	3,731,633	105,375,112	3,623,333
- Capital raising costs		(92,999)		(92,999)
Total contributed equity	136,506,100	3,638,634	105,375,112	3,530,334

Movements in ordinary shares

Date	Details	Number of shares	Issue price	\$
15-Jan-07	Opening balance	-		-
15-Jan-07	Issue of ordinary shares	400,000	\$0.005	2,000
27-Feb-07	Issue of ordinary shares	90,000,000	\$0.007	630,000
2-Mar-07	Issue of ordinary shares	1,000,000	\$0.007	7,000
8-Mar-07	Issue of ordinary shares	500,000	\$0.01	5,000
15-Mar-07	Issue of ordinary shares	600,000	\$0.01	6,000
2-Apr-07	Issue of ordinary shares	480,000	\$0.01	4,800
8-May-07	Issue of ordinary shares	3,844,444	\$0.15	576,667
6-Jun-07	Issue of ordinary shares	1,155,556	\$0.15	173,333
29-Jun-07	Issue of ordinary shares	4,611,111	\$0.30	1,383,333
30-Jun-07	Balance	102,591,111		2,788,133
31-Jul-07	Issue of ordinary shares	916,667	\$0.30	275,000
31-Aug-07	Issue of ordinary shares	1,700,667	\$0.30	510,200
5-Sep-07	Issue of ordinary shares	166,667	\$0.30	50,000
				3,623,333
	Less: Transaction costs arising on shares issued			(92,999)
30-Jun-08	Balance	105,375,112		3,530,334
6-Aug-08	Issue of ordinary shares	15,000,000	\$0.007	105,000
18-Mar-09	Issue of ordinary shares	16,083,838	\$0.00	0
9-Jun-09	Issue of ordinary shares	47,150	\$0.07	3,300
30-Jun-09	Closing balance	136,506,100		3,638,634

Ordinary shares

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of fully paid shares held, or in proportion to the number of and the amounts paid-up on the partly paid shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

20. RETAINED EARNINGS / (ACCUMULATED LOSSES)**Movements in retained earnings**

	2009	2008
	\$	\$
Balance at start of period	(1,087,890)	(336,735)
Net profit/(loss) for the year	(513,666)	(751,155)
Balance at end of period	(1,601,556)	(1,087,890)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

21. FINANCIAL RISK MANAGEMENT**General objectives, policies and processes**

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Company's policy not to trade in financial instruments

The main risks arising from the Company's financial instruments are interest rate risk and credit risk. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Financing arrangements

The Company does not have any financing facilities other than in respect of a finance lease.

22. CASH FLOW INFORMATION

	2009 \$	2008 \$
Reconciliation of profit/(loss) after income tax to net cash flow from operating activities		
Profit/(loss) for the year	(513,666)	(751,155)
Depreciation and amortisation	117,661	3,733
Interest income classified as investing cash flow	(2,446)	(6,935)
Change in operating assets		
- (increase)/decrease in prepayments	237,430	(319,387)
- (increase)/decrease in current tax receivable	105,848	(81,687)
- (increase)/decrease in other current assets	-	-
- (increase)/decrease in payments for exploration costs and tenements	(688,954)	(993,949)
- increase/(decrease) in trade and other payables	139,785	73,739
Net cash flow from operating activities	(604,342)	(2,075,641)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

23. RELATED PARTY TRANSACTIONS**Parent entity**

Korab Resources Limited holds 78.50% (2008: 87.50%) of the shareholdings in Uranium Australia Limited.

Subsidiaries

Uranium Australia Limited does not have any interests in subsidiaries.

Key management personnel compensation

Details of key management personnel compensation are set out in Note 24.

Transactions with related parties

The following transactions occurred with related parties:

	2009	2008
	\$	\$
Payments made to Rheingold Investments Corporation Pty Ltd* for:		
- Management contract fees paid	90,833	218,000
- Management contract fees accrued	127,167	
Total payments to Rheingold Investments Corporation Pty Ltd	<u>218,000</u>	<u>218,000</u>

*A K Karpinski is a director and controlling shareholder of Rheingold Investments Corporation Pty Ltd. Management contract fees form part of directors' remuneration and has been disclosed as such in the directors' report. Mr. Karpinski has not received any directors fees from Uranium Australia Ltd since the formation of Uranium Australia in January 2006.

Directors have indefinitely suspended payments of the directors fee and management remuneration since October 2008. As of the date of this report the payments of the directors fees and management remuneration are still suspended.

Shareholdings

Korab Resources Limited has been the controlling shareholder of the Company since its incorporation. As at 30 June 2009, Korab Resources Limited holds 107,200,000 shares in the Company (30 June 2008: 92,200,000 shares)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Compensation

Details of compensation of the key management personnel of Uranium Australia Limited are set out below:

2009	<i>Andrej Karpinski</i> \$	<i>Audra Lee</i> \$	<i>Jennifer Cockman</i> \$	<i>Malcolm McKenzie</i> \$	<i>Andrew Teo</i> \$	<i>Derek Lenartowicz</i> \$	<i>Total</i> \$
Short-term benefits							
Cash salary paid	90,833	-	-		7,000	-	97,833
Cash salary accrued	127,167	-	-		19,000	-	146,167
Post-Employment Benefits							
Pension and superannuation	-	-	-		2,340	-	2,340
Total	218,000				28,340		246,340
	\$	\$		\$	\$		\$
2008							
Short-term benefits							
Cash salary	200,000*	69,789	-	4,000	24,000	-	297,789
Post-Employment Benefits							
Pension and superannuation	18,000*	6,281	-	360	2,160	-	26,801
Total	218,000	76,070	-	4,360	26,160	-	324,590

*This amount comprises executive services fees paid to Rheingold Investments Corporation Pty Ltd, a company under the control of Andrej Karpinski. Mr. Karpinski has not received any directors fees from Uranium Australia Ltd since the formation of Uranium Australia in January 2006.

Directors have indefinitely suspended payments of the key management remuneration since October 2008. As of the date of this report the payments for of the key management remuneration are still suspended.

Shareholdings

Details of equity instruments held directly, indirectly or beneficially by key management personnel and their related parties are included in the directors' report.

(b) Loans from/to key management persons and their related entities

	2009 \$	2008 \$
- Andrew Teo	10,000	-
- Adamic Pty Ltd*	10,000	-
	<u>20,000</u>	

(*Dan Smetana is a director of Adamic Pty Ltd.)

25. CONTINGENCIES

In the opinion of the directors there were no material contingent liabilities that existed as at 30 June 2008 or 30 June 2009, nor the interval between 30 June 2009 and the date of this report.

26. COMMITMENTS

Uranium Australia Limited is not the legal holder of any mining tenements. Therefore it does not have any minimum expenditure commitments as at the date of this report.

27. SUBSEQUENT EVENTS

In the opinion of the Directors, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2009**

The directors of Uranium Australia Limited declare that:

1. The financial statements and notes, as set out on pages 12 to 31 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and economic entity;
2. in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



**Andrej C.K. Karpinski, FAICD, F Fin
Executive Chairman**

Perth, Western Australia
17th November 2009

**INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

INDEPENDENT AUDITOR'S REPORT

To the members of Uranium Australia Ltd,

Report on the Financial Report

We have audited the accompanying financial report of Uranium Australia Ltd, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration of Uranium Australia Ltd.

Directors' Responsibility for the Financial Report

The Directors of Uranium Australia Ltd are responsible for the preparation and fair presentation of the 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 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 an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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.

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 judgment, 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 entity'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 entity'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. We confirm that the independence declaration required by the Corporations Act, provided to the directors of Uranium Australia Ltd on 12 January 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

**INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

Auditor's Opinion

In our opinion

- (a) the financial report of Uranium Australia Ltd is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of Uranium Australia Ltd's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards.



Cormac Patrick Sharkey CA
Date: 15 January 2010

CORMAC SHARKEY & CO

CHARTERED ACCOUNTANTS

Level 1, 216 Stirling Highway,

Claremont, W.A. 6010