



**WHITE CANYON URANIUM LIMITED  
AND ITS CONTROLLED ENTITIES**  
ACN: 115 453 962

**Interim Financial Report  
for the half-year ended 31 December 2007**

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**WHITE CANYON URANIUM LIMITED  
DIRECTORS' REPORT**

The directors of the company submit the financial report of the consolidated entity for the half-year ended 31 December 2007.

**DIRECTORS**

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

Lewis Cross  
John Hasleby  
Richard Sciano

The directors have been in office since the beginning of the interim period to the date of this report unless otherwise stated.

**REVIEW OF OPERATIONS**

The net loss of the Company after income tax for the six months ended 31 December 2007 amounted to \$152,919 (2006: \$11,490).

During the half-year period, White Canyon and Moab Utah-based vendors executed formal agreements for the acquisition of the Daneros and Geitus Projects in the White Canyon Uranium District, near Blanding, Utah. The formal agreements replaced the original memorandum of agreement between the Company and Utah-based independent uranium miner White Canyon Exploration LLC ("WCE") and its principals.

**White Canyon Uranium Project**

An initial exploration drilling programme was successfully completed during the period on the Daneros uranium ore body at White Canyon, with the drilling of 8 holes to confirm width and grade of earlier drill holes used to generate the previously announced historical reserve.

Uranium deposits at White Canyon are hosted by almost flat lying sandstones deposited in ancient river channels at the base of the Triassic Chinle Formation. 80% of Utah's historical production of 130 million pounds of  $U_3O_8$  came from the Chinle Formation.

Holes were completed to an average depth of 130 metres. Following drilling, holes were gamma logged by Jet West Geophysical Services of Farmington, New Mexico, to provide  $U_3O_8$  concentrations. Significant results are listed in the table below.

Drilling confirmed the location and grade of the Daneros ore body, previously defined by historical drilling, and upgraded and increased the area of the higher grade zones defined by that drilling. Several historical drill holes were twinned by new holes with exceptional results. As examples:

1. **DAN001**, twinned old hole 125-014 (8.5 feet of 0.402%  $U_3O_8$ ), yielding **8.5 feet of 0.84%  $U_3O_8$** . This intersection also included a higher grade zone of **2 feet of 1.9%  $U_3O_8$** .
2. **DAN003**, twinned old hole 125-022 (9 feet of 0.17%  $U_3O_8$ ), yielding **7.5 feet' of 0.71%  $U_3O_8$** .

The twinned holes showed an increase in  $U_3O_8$  grade while confirming the depth, width and consistency of grade of the uranium ore body indicated by historical drilling completed between 1975 and 1985.

WHITE CANYON URANIUM PROJECT: JULY 2007 DRILLING - SIGNIFICANT INTERSECTIONS

Hole	North (m)	East (m)	RL (m)	RL (ft)	Depth (feet)	U <sub>3</sub> O <sub>8</sub> @ 0.05% cut off					
						From (ft)	To (ft)	Thick (feet)	Thick (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/t
DAN001	4161124	571403	1826	5991	453 including	406.8	415.3	8.5	2.6	0.84	19
						411.8	413.8	2.0	0.6	1.9	42
DAN002	4161105	571417	1829	6002	427	411.2	414.2	3.0	0.9	0.12	2.7
DAN003	4161098	571434	1832	6010	427	411.7	419.2	7.5	2.3	0.71	16
DAN004	4161083	571448	1830	6003	430	398.8	401.2	2.4	0.7	0.223	5.0
						408.2	418.7	10.5	3.2	0.30	6.7
DAN005	4161115	571429	1829	6000	430	402.6	405.6	3.0	0.9	0.10	2.2
						414.1	416.1	2.0	0.6	0.10	2.2
DAN006	4161168	571418	1827	5994	420	398.1	401.6	3.5	1.1	0.248	5.6

The continuing programme of work planned for the White Canyon Project is scheduled to commence on 17 March with diamond drilling on the Daneros Uranium Deposit. The drilling will provide information for a pre-feasibility study and mine permit application, in preparation for the development of the Daneros ore body.

Field work is also planned for the Thompson Uranium Project near Moab, Utah during the coming period.

**AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with section 307 of the Corporations Act 2001, the Directors have obtained a declaration of independence from RSM Bird Cameron Partners, the consolidated entity's auditors.

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



John Hasleby  
Managing Director

Dated this the 14th day of March 2008

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**WHITE CANYON URANIUM LIMITED**  
**INCOME STATEMENT**  
For the half-year ended 31 December 2007

	<b>Consolidated</b>	
	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>\$</b>	<b>\$</b>
Revenue	-	-
Corporate and administration expense	(152,919)	(11,490)
Loss before income tax	(152,919)	(11,490)
Income tax expense	-	-
Net loss after income tax expense	(152,919)	(11,490)

The accompanying notes form part of these financial statements

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**WHITE CANYON URANIUM LIMITED**  
**BALANCE SHEET**  
As at 31 December 2007

	Consolidated	
	31 December 2007 \$	30 June 2007 \$
NON CURRENT ASSETS		
Cash	683,103	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>683,103</b>	<b>-</b>
NON CURRENT ASSETS		
Deferred exploration and evaluation expenditure	9,879,519	272,373
<b>TOTAL NON CURRENT ASSETS</b>	<b>9,879,519</b>	<b>272,373</b>
<b>TOTAL ASSETS</b>	<b>10,562,622</b>	<b>272,373</b>
CURRENT LIABILITIES		
Payables	3,383,940	-
Short term financial liabilities	2,281,783	290,679
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,665,723</b>	<b>290,679</b>
<b>TOTAL LIABILITIES</b>	<b>5,665,723</b>	<b>290,679</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>4,896,899</b>	<b>(18,306)</b>
EQUITY		
Contributed Equity	5,067,096	1
Reserves	1,175	146
Accumulated losses	(171,372)	(18,453)
<b>TOTAL EQUITY/(DEFICIENCY IN EQUITY)</b>	<b>4,896,899</b>	<b>(18,306)</b>

The accompanying notes form part of these financial statements

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**WHITE CANYON URANIUM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the half-year ended 31 December 2007

	Issued Capital	Accumulated Losses	Foreign Currency Translation	Total Equity
	\$	\$	\$	\$
<b>As at 1 July 2006</b>	1	(236)	(1)	(236)
Loss for the period	-	(11,490)	-	(11,490)
Shares issued (net)	-	-	-	-
Foreign currency translation	-	-	410	410
<b>As at 31 December 2006</b>	<b>1</b>	<b>(11,726)</b>	<b>409</b>	<b>(11,316)</b>

	Issued Capital	Accumulated Losses	Foreign Currency Translation	Total Equity
	\$	\$	\$	\$
<b>As at 1 July 2007</b>	1	(18,453)	146	(18,306)
Loss for the period	-	(152,919)	-	(152,919)
Shares issued (net)	5,067,095	-	-	5,067,095
Foreign currency translation	-	-	1,029	1,029
<b>As at 31 December 2007</b>	<b>5,067,096</b>	<b>(171,372)</b>	<b>1,175</b>	<b>4,896,899</b>

The accompanying notes form part of these financial statements

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**WHITE CANYON URANIUM LIMITED**  
**CASH FLOW STATEMENT**  
For the half-year ended 31 December 2007

	<b>Consolidated</b>	
	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	-	(11,097)
Payments for exploration and development expenditure	(5,482,091)	(34,983)
Net cash used in operating activities	<u>(5,482,091)</u>	<u>(46,080)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	5,355,194	-
Proceeds from borrowings	810,000	46,080
Net cash provided by financing activities	<u>6,165,194</u>	<u>46,080</u>
Net increase in cash held	683,103	-
Cash at beginning of the financial period	<u>-</u>	<u>-</u>
Cash at end of the financial period	<u>683,103</u>	<u>-</u>

The accompanying notes form part of these financial statements

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**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2007**

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report, comprising the financial statements and notes of White Canyon Uranium Limited, comply with IFRS.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by White Canyon Uranium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the consolidated entity's assets and the discharge of its liabilities in the normal course of business and at the amounts stated in the financial report.

The Board considers that the White Canyon Uranium Limited is a going concern and recognises that additional funding is required to ensure that the consolidated entity can continue to fund its operations for the twelve month period from the date of this financial report.

With respect to the working capital deficiency of \$4,982,620 as disclosed in the balance sheet, the Company has raised capital and been admitted to the Australian Stock Exchange as disclosed in Note 6. The directors, therefore, consider it appropriate that this financial report be prepared on a going concern basis of accounting.

The interim financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the half-year ended 31 December 2007

2 CONTRIBUTED EQUITY

	<b>31 December 2007</b>	<b>30 June 2007</b>
	\$	\$
Issued Capital		
Ordinary shares – fully paid	5,067,096	1
Movement in ordinary shares on issue	<b>Number</b>	<b>\$</b>
Balance at beginning of period	1	1
Initial public offering	21,454,088	5,363,522
Share transaction costs	-	(296,427)
Balance at end of period	21,454,089	5,067,096

3 DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

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**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the half-year ended 31 December 2007

4 SEGMENT INFORMATION

**Business**

The consolidated entity operates in one business segment, being the exploration and mining of uranium.

**Geographical**

	Australia		USA		Total	
	31 December 2007 \$	30 June 2007 \$	31 December 2007 \$	30 June 2007 \$	31 December 2007 \$	30 June 2007 \$
Assets	683,103	95,954	9,879,519	176,419	10,562,622	272,373
Liabilities	1,027,471	95,953	4,638,252	194,726	5,665,723	290,679
	31 December 2007 \$	31 December 2006 \$	31 December 2007 \$	31 December 2006 \$	31 December 2007 \$	31 December 2006 \$
Result - loss	(87,859)	-	(65,060)	(11,490)	(152,919)	(11,490)

5 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

6 EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to balance date other than:

- the company raised \$17.5 million in its IPO capital raising; and
- was listed on the Australian Securities Exchange on 28 February 2008.

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**WHITE CANYON URANIUM LIMITED  
DIRECTORS' DECLARATION**

The directors of the company declare that:

- 1) The financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - (a) comply with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the half-year ended 31 December 2007.
- 2) At the date of this statement there are reasonable grounds to believe that White Canyon Uranium Limited will be able to pay its debts when they become due and payable.

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



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John Hasleby  
Managing Director

Dated this the 14th day of March 2008

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# RSM Bird Cameron Partners

Chartered Accountants

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WHITE CANYON URANIUM LIMITED

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of White Canyon Uranium Limited (the consolidated entity) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both White Canyon Uranium Limited (the company) and the entities it controlled during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

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

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review 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 consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of White Canyon Uranium 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 White Canyon Uranium Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 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*.

*RSM Bird Cameron Partners.*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants

*D J Wall*

D J WALL  
Partner

Perth, WA

Dated: 14 MARCH 2008

