



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

**Interim Financial Report  
for the half-year ended 31 December 2008**

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**White Canyon Uranium Limited**  
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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 2008.

**DIRECTORS**

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

Lewis Cross  
John Hasleby  
Richard Sciano  
Kelly Shumway  
Melvin Swanson

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 2008 amounted to \$305,462 (2007: \$152,919).

White Canyon Uranium Limited holds 100% of the Thompson, Daneros, Lark-Royal, Blue Jay, Marcy-Look and Geitus Projects in south-east Utah, totalling over 8,000 acres of mining claims and mineral leases. The projects contain historically defined high grade uranium deposits. The projects are in various stages of development ranging from advanced exploration (mineralization located) through to mine permitting.

During the half-year period, White Canyon continued the operations programme initiated at the time of its March 2009 ASX listing, aimed at progressing its most advanced uranium project Daneros through permitting and development to early production. The Company aims to bring Daneros to mining and shipping within its current capital reserves.

**DANEROS DEPOSIT, UTAH USA**

The Daneros uranium deposit is a "brownfields" virgin exploration discovery in close proximity to major past producing uranium mines of the Red Canyon mining area, near Blanding, Utah. The deposit is 100 km by established roads from the White Mesa Uranium Mill (Denison Mines) at Blanding.

**Daneros Scoping Study and Mine Permit**

The mine scoping study for Daneros is progressing rapidly. Work has included rotary and diamond drilling, block modelling, mine design and optimisation, and baseline studies of the environmental, archaeological, hydrological and radiation aspects of the project. A mine permit application has been lodged with the federal Bureau of Land Management (**BLM**). A conventional underground mining operation accessed from the surface by decline is proposed.

Metallurgical samples have been submitted to the White Mesa Mill at Blanding to confirm its amenability of Daneros ore for treatment, with results indicating no problems.

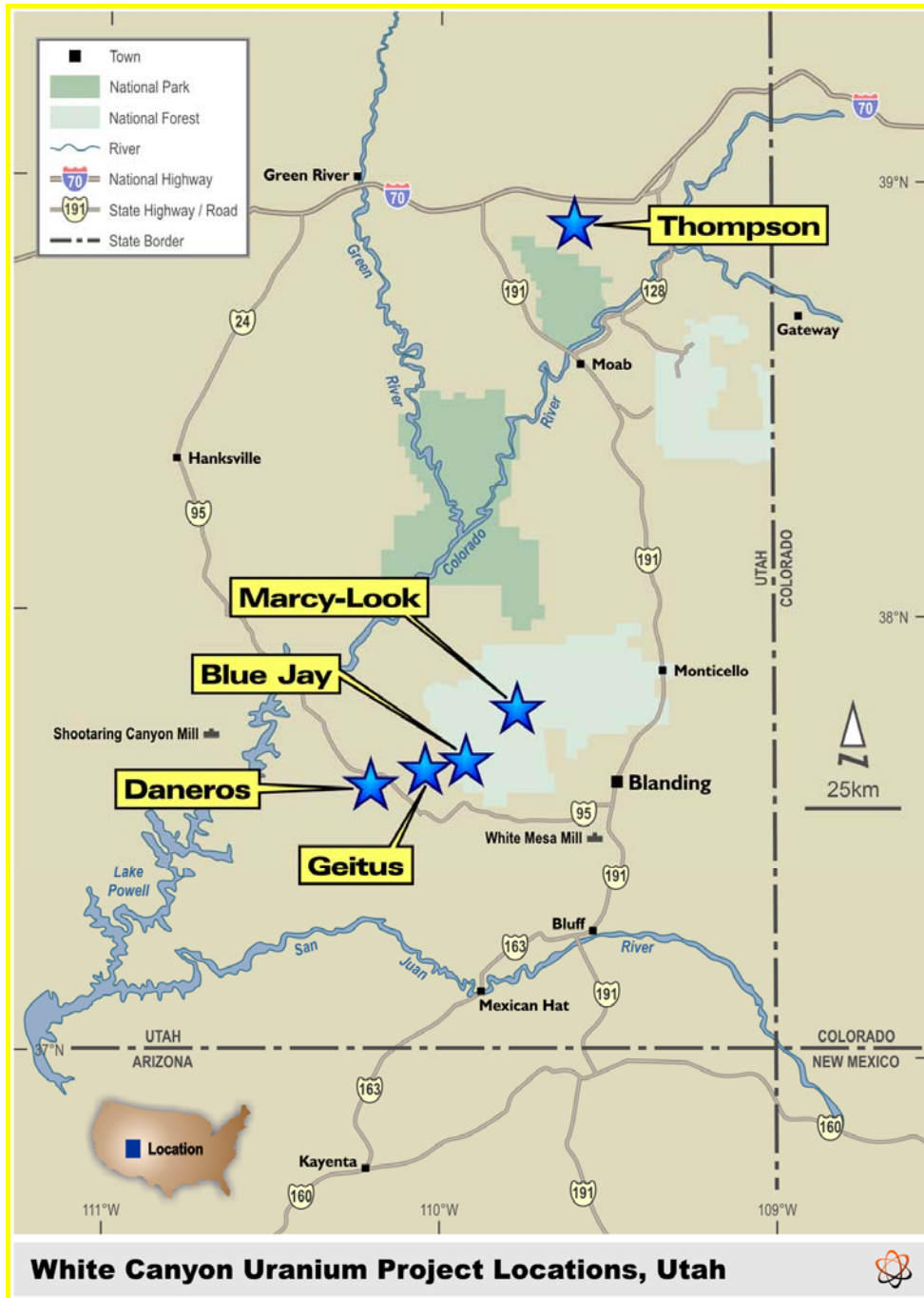
Discussions are proceeding towards arrangements for the contract mining and subsequent milling of Daneros ore. Further announcements will be made once contracts have been formalised.

**Plan of Operations lodged for Daneros Mine**

A Plan of Operations for the proposed Daneros Uranium Mine was advertised in the local SE Utah press, and opened for a period of public comment, initially 30 days, then extended for a further 14 days to 19 December to encourage public participation.

A period of formal environmental assessment, technical audit and comment resolution then proceeded under the supervision of the BLM and the State of Utah Division of Oil, Gas and Mining. A draft Environmental Assessment was

released for internal review by BLM and other statutory bodies on 16 January. Following conclusion of the review period, and any further statutory requirements, it is expected that a mine permit will be issued, by April 2009.



### Removal of Royalties on Daneros and Geitus Deposits

During the period the Company negotiated the removal of the over-riding royalties on its most advanced uranium deposits, as part of a strategy to remove any potential impediments to the Daneros mining operation, and to improve the economics and profitability of the proposed mining operations in the short and long term.

At Geitus, White Canyon acquired the over-riding 15% production royalty on minerals produced from the Geitus Project claims, held by Blanding prospectors Kevin, Sherwin and Eugene Shumway ("the Prospectors"), by payment of US\$375,000. Geitus contains a uranium deposit defined by drilling completed in the early 1980s.

At Daneros, the Company executed an option agreement with the Prospectors for the purchase of the 15% production

royalty on minerals produced from the Daneros claims. The option is exercisable on or before 15 March 2010 for an exercise price of US\$3,625,000. The price of the option was US\$25,000. It is envisioned that the exercise price would be paid from funds generated from the first 12 months of the Daneros mining operation. During the option period royalty payments will be suspended and held in escrow pending exercise of the option. The escrowed funds can be applied against the exercise price.

#### Daneros Diamond Drilling

The Company's second diamond drilling programme was completed in July. An additional eleven holes averaging 128 metres depth tested the deposit originally defined in 1980s drilling, and investigated extensions to the deposit with the aim of increasing the area of defined mineralization. Significant intersections were:

Hole	North (m)	East (m)	From (m)	To (m)	Thick (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/t
DAN023	4,161,086	571,438	125.2	127.2	2.0	0.43	8.6
DAN043	4,161,143	571,432	124.6	125.8	1.2	0.31	6.3
DAN044	4,161,098	571,399	126.5	128.8	2.3	0.94	18.7
DAN046	4,161,075	571,430	127.4	129.6	2.3	0.79	15.8
DAN048	4,161,043	571,391	131.6	132.5	0.9	0.72	14.5
DAN049	4,161,067	571,409	128.8	129.9	1.1	0.97	19.3
DAN050	4,161,182	571,409	114.4	114.7	0.3	0.13	2.6
			115.4	115.8	0.5	0.28	5.6
DAN051	4,161,204	571,389	97.4	98.0	0.6	0.38	7.6
			98.5	99.4	0.9	0.21	4.1
DAN052	4,161,209	571,388	96.2	98.8	2.6	1.07	21.5

The high grade core of the deposit, defined by the 0.25% U<sub>3</sub>O<sub>8</sub>-ft contour, was extended to over 250 metres in length by the drilling, and is now shown to be open to the north and south. An intersection in hole DAN052 (2.6m of 1.07% U<sub>3</sub>O<sub>8</sub>) illustrated the new potential to extend the ore body and its high grade core beyond the boundary of the previously defined deposit.

#### ACQUISITIONS

##### Acquisition of Lark-Royal Claims, adjacent to Daneros

White Canyon Uranium completed the purchase for US\$300,000 of 33 mining claims, known as the Lark-Royal Project, covering an area of 276 hectares (682 acres), adjacent to the Company's Daneros mine development project, from Canadian-based Uranium One Inc.

The acquisition was precipitated by the opportunity to achieve considerable cost and operational benefits from the location of surface facilities for the proposed Daneros Mine on the Lark-Royal claims rather than on the Daneros claims. This would include all proposed surface facilities, including decline portal, waste dump and ore pad.

Lark-Royal covers the northern extensions of the currently permitting Daneros deposit. The new leases also cover the old Lark and Royal Mines.

Analysis of the data package for the new area indicates that there were substantial tonnages of remnant ore blocked out as historical "reserves" during previous development in the late 1970s in the Lark and Royal mines, but are as yet unmined. Exploration drilling is planned to commence in the third quarter of 2009 to confirm the location and grade of these defined deposits and to locate extensions of the Daneros deposit on the Lark-Royal project area.

##### Acquisition of Blue Jay and Marcy & Look Projects

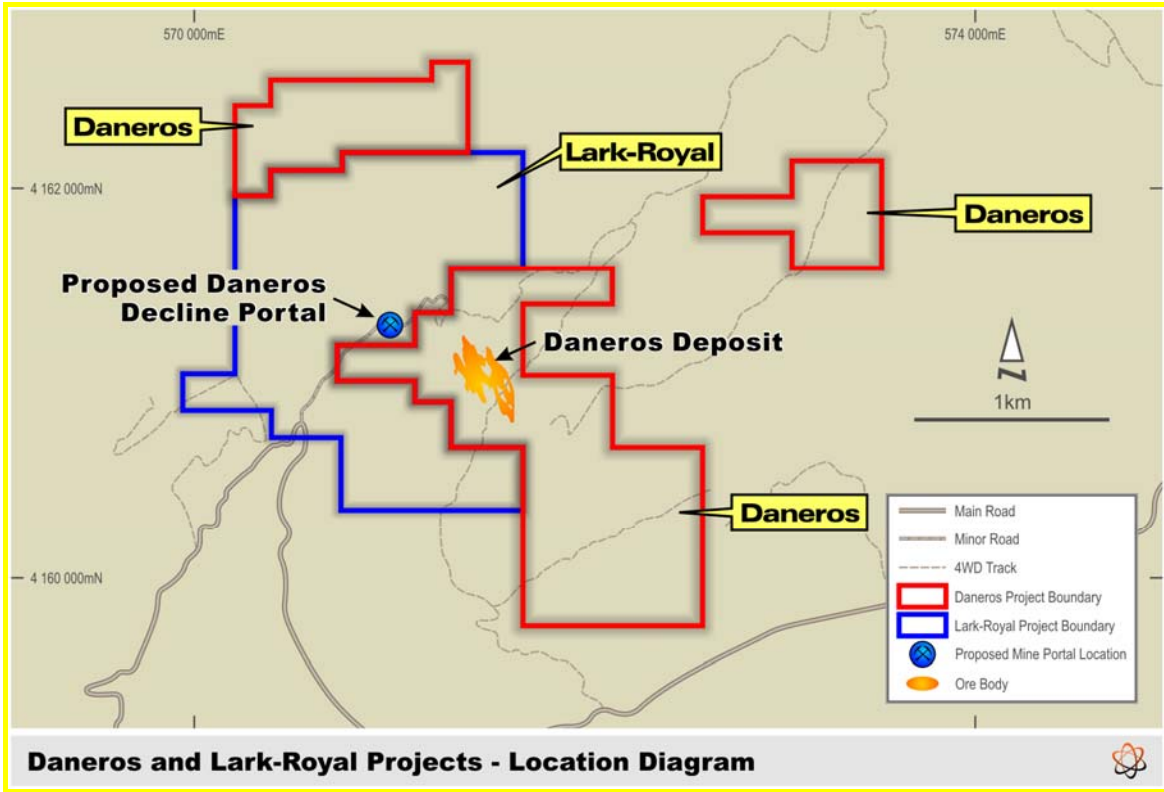
Two additional uranium deposits in the White Canyon Uranium District were acquired from local prospectors. The projects, Blue Jay and Marcy & Look, comprise 58 mining claims totalling 1,080 acres (437 ha). The deposits were originally located by exploration completed in the 1970s.

The project packages come with a comprehensive database comprising geological and gamma log data for the completed drilling. White Canyon will, as a priority, progress the historically defined mineralisation to JORC-compliant resource

categories. Drilling operations will start as soon as practicable, initially on the advanced Blue Jay Project.

The new deposits lie in an arc near to, and to the east of the Geitus Project, within 60 km of the White Mesa Uranium Mill at Blanding (Denison Mines). The projects were acquired for the following cash and share considerations:

Project	Cash Consideration (US\$)	Share Consideration	Mining Claims
Blue Jay	\$200,000	3,200,000 ordinary shares	14
Marcy & Look	\$100,000	1,600,000 ordinary shares	44



**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 13th day of March 2009

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**WHITE CANYON URANIUM LIMITED**  
**INCOME STATEMENT**  
For the half-year ended 31 December 2008

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
Revenue	215,848	-
Director & employee benefits expense	(280,888)	-
Legal Fees	(19,275)	(8,183)
Depreciation	(2,773)	-
Rental expense	(35,369)	-
Corporate and administration expense	(183,005)	(144,736)
Loss before income tax	(305,462)	(152,919)
Income tax expense	-	-
Net loss for the period	(305,462)	(152,919)
Basic and diluted loss per share (cents per share)	(0.16)	(0.51)

The accompanying notes form part of these financial statements

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**WHITE CANYON URANIUM LIMITED**  
**BALANCE SHEET**  
**As at 31 December 2008**

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>30 June 2008</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,910,826	7,253,644
Trade and other receivables	30,056	131,149
Other current assets	66,319	1,249
<b>TOTAL CURRENT ASSETS</b>	<b>6,007,201</b>	<b>7,386,042</b>
<b>NON CURRENT ASSETS</b>		
Financial assets	4,400	7,500
Property, plant and equipment	38,322	13,178
Deferred exploration and evaluation expenditure	31,460,466	21,190,637
<b>TOTAL NON CURRENT ASSETS</b>	<b>31,503,188</b>	<b>21,211,315</b>
<b>TOTAL ASSETS</b>	<b>37,510,389</b>	<b>28,597,357</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	87,761	59,939
<b>TOTAL CURRENT LIABILITIES</b>	<b>87,761</b>	<b>59,939</b>
<b>TOTAL LIABILITIES</b>	<b>87,761</b>	<b>59,939</b>
<b>NET ASSETS</b>	<b>37,422,628</b>	<b>28,537,418</b>
<b>EQUITY</b>		
Issued capital	29,704,497	29,704,184
Reserves	8,244,801	(945,558)
Accumulated losses	(526,670)	(221,208)
<b>TOTAL EQUITY</b>	<b>37,422,628</b>	<b>28,537,418</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 2008

	Issued Capital	Accumulated Losses	Options Reserve	Foreign Currency Translation	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2007	1	(18,453)	-	146	(18,306)
Net 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>-</b>	<b>1,175</b>	<b>4,896,899</b>

	Issued Capital	Accumulated Losses	Options Reserve	Foreign Currency Translation	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2008	29,704,184	(221,208)	-	(945,558)	28,537,418
Net loss for the period	-	(305,462)	-	-	(305,462)
Shares issued (net)	313	-	-	-	313
Options issued (net)	-	-	836,280	-	836,280
Foreign currency translation	-	-	-	8,354,079	8,354,079
<b>As at 31 December 2008</b>	<b>29,704,497</b>	<b>(526,670)</b>	<b>836,280</b>	<b>7,408,521</b>	<b>37,422,628</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 2008

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	316,941	-
Payments to suppliers and employees	(497,859)	-
Payments for exploration and development expenditure	(518,326)	-
Net cash used in operating activities	<u>(699,244)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for purchase of mining properties	(1,451,357)	(5,482,091)
Payment for equity investments	(500)	-
Payment for property, plant & equipment	(28,326)	-
Net cash used in investing activities	<u>(1,480,183)</u>	<u>(5,482,091)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from option issue	915,649	-
Proceeds from share issue	313	5,355,194
Payment for cost of capital raisings	(79,353)	-
Proceeds from borrowings	-	810,000
Net cash provided by financing activities	<u>836,609</u>	<u>6,165,194</u>
Net increase / (decrease) in cash held	(1,342,818)	683,103
Cash at beginning of the financial period	<u>7,253,644</u>	<u>-</u>
Cash at end of the financial period	<u><u>5,910,826</u></u>	<u><u>683,103</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 2008**

**1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

The Interim Financial Report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 "Interim Financial Reporting".

The financial report covers the consolidated entity of White Canyon Uranium Limited and controlled entities. White Canyon Uranium is a listed public company domiciled in Australia.

The Interim Financial Report should be read in conjunction with the Annual Financial Report of White Canyon Uranium as at 30 June 2008. It is also recommended that the Interim Financial Report be considered together with any public announcements made by White Canyon Uranium and controlled entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The Interim Financial Report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as the full financial report.

For the purpose of preparing the Interim Financial Report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the Annual Financial Report for the year ended 30 June 2008.

**Basis of Accounting**

The Interim Financial Report has been prepared on an historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

**2 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 2008

3 SEGMENT INFORMATION

**Business**

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

**Geographical**

	Australia		United States		Consolidated Group	
	31 December 2008 \$	30 June 2008 \$	31 December 2008 \$	30 June 2008 \$	31 December 2008 \$	30 June 2008 \$
REVENUE						
Revenue	215,848	185,031	-	-	215,848	185,031
RESULT						
Segment profit/(loss)	(107,753)	(107,357)	(197,709)	(95,398)	(305,462)	(202,755)
ASSETS						
Segment assets	6,147,643	7,457,845	31,362,746	21,139,512	37,510,389	28,597,357
LIABILITES						
Segment liabilities	19,817	59,753	67,944	186	87,761	59,939

4 CONTINGENT LIABILITIES

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

5 EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events subsequent to balance date.

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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 2008 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 2008.
- 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 13th day of March 2009

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# RSM! Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
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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 income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for the half-year ended 31 December 2008. 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 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 consolidated 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 the company, 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 followed applicable independence requirements of the *Corporations Act 2001*.

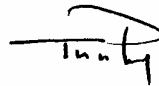
*Conclusion*

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 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*.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



T PHONG  
Partner

Perth, WA  
Dated: 13 March 2009

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# RSM Bird Cameron Partners

Chartered Accountants

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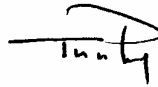
## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF WHITE CANYON URANIUM LIMITED

As lead auditor for the review of the financial report of White Canyon Uranium 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:

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

This declaration is in respect of White Canyon Uranium Limited and the entities it controlled during the period.

RSM Bird Cameron Partners  
RSM BIRD CAMERON PARTNERS  
Chartered Accountants



T PHONG  
Partner

Perth, WA  
Dated: 13 March 2009

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