

Delta Uranium Inc.

(an exploration stage company)

Consolidated Financial Statements For the 3 months ended May 31, 2009 (unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

These unaudited interim consolidated financial statements of Delta Uranium Inc. (the "Company") for the 3 months ended May 31, 2009 have been prepared by management and approved by the Board of Directors of the Company.

These unaudited interim consolidated financial statements have not been reviewed by the Company's external auditors.

Delta Uranium Inc.
 (an exploration stage company)
Consolidated Balance Sheets

	As at May 31, 2009 \$ (unaudited)	As at February 28, 2009 \$
Assets		
Current		
Cash	361,183	975,052
Receivables	17,818	233,887
Due from Carlisle Goldfields Limited (note 3)	75,000	-
Prepaid expenses and deposits	525,885	484,385
	<hr/> 979,885	<hr/> 1,693,324
Mineral resource properties (note 4)	6,350,920	5,930,181
Capital assets (note 5.)	394,478	419,410
	<hr/> 7,725,284	<hr/> 8,042,915
Liabilities		
Current		
Accounts payable and accrued liabilities	542,945	281,883
	<hr/>	<hr/>
Shareholders' equity		
Share capital (note 6)	11,749,551	11,722,051
Contributed surplus (note 6)	2,371,461	1,985,340
Deficit	(6,938,674)	(5,946,359)
	<hr/> 7,182,338	<hr/> 7,761,032
	<hr/> 7,725,283	<hr/> 8,042,915

Nature of operations and going concern assumption (note 1)

Approved by the Board:

Wayne Isaacs
Director

Kirk Boyd
Director

The accompanying notes are an integral part of these consolidated financial statements.

Delta Uranium Inc.

(an exploration stage company)

Consolidated Statements of Operations and Deficit

	3 months ended May 31,		Cumulative
	2009	2008	from
	\$	\$	July 13,
	(unaudited)	(unaudited)	2005 to
			May 31,
			2009
			\$
			(unaudited)
General and administrative expenses			
Professional fees	61,068	10,000	271,747
Consulting fees	62,500	136,610	882,258
Management fees	-	-	486,363
Salaries and benefits	258,458	190,810	1,360,506
Directors' fees	24,250	-	24,250
Stock-based compensation	386,121	165,824	2,371,461
General and office	129,947	96,623	818,641
Investor relations	28,341	95,278	711,551
Travel	18,869	92,903	272,170
Interest	-	-	10,337
Part XII.6 tax	-	-	19,896
Amortization	24,932	15,497	123,577
	<u>994,486</u>	<u>803,546</u>	<u>7,352,757</u>
Loss before the undernoted items	(994,486)	(803,546)	(7,352,757)
Interest income	2,170	61,565	235,634
Gain on sale of investments	-	-	162,826
Writedown of mineral resource properties	-	-	(212,025)
Loss before income taxes	(992,315)	(741,981)	(7,166,322)
Income tax recovery	-	-	397,550
Loss for the period	(992,315)	(741,981)	(6,768,772)
Deficit, beginning of period	(5,946,359)	(1,685,204)	-
Change in accounting policy	-	-	177,766
Net liabilities acquired	-	-	(347,668)
Deficit, end of period	<u>(6,938,674)</u>	<u>(2,427,185)</u>	<u>(6,938,674)</u>
Loss per share-basic and diluted	<u>(0.034)</u>	<u>(0.026)</u>	
Weighted average number of common shares outstanding during the period-basic and diluted	<u>29,392,070</u>	<u>29,069,787</u>	

The accompanying notes are an integral part of these consolidated financial statements.

Delta Uranium Inc.

(an exploration stage company)

Consolidated Statements of Cash Flows

	3 months ended May 31,		Cumulative
	2009	2008	from July 13,
	\$	\$	2005 to
	(unaudited)	(unaudited)	May 31,
			2009
			\$
			(unaudited)
Cash provided by (used in)			
Operating activities			
Loss for the period	(992,315)	(741,981)	(6,768,772)
Items not affecting cash			
Issue of common shares for consulting fees	-	-	100,000
Stock-based compensation	386,121	165,824	2,371,461
Amortization	24,932	15,497	123,577
Gain on sale of marketable securities	-	-	(162,826)
Writedown of mineral resource properties	-	-	212,025
Future income taxes	-	-	(397,550)
Changes in non-cash operating working capital			
Receivables	216,069	(31,560)	(17,818)
Prepaid expenses	(41,499)	(191,210)	(525,885)
Accounts payable and accrued liabilities	261,061	(272,144)	195,277
	(145,632)	(1,055,574)	(4,870,511)
Financing activities			
Issuance of common shares for cash	-	-	10,996,501
Investing activities			
Marketable securities	-	-	(131,495)
Proceeds on sale of marketable securities	-	-	511,187
Due from Carlisle Gold Inc.	(75,000)	-	(75,000)
Purchase of capital assets	-	(119,596)	(518,055)
Mineral resource properties expenditures	(393,239)	(631,689)	(5,551,445)
	(468,239)	(751,285)	(5,764,808)
Net decrease in cash	(613,871)	(1,806,859)	361,182
Cash, beginning of period	975,052	7,777,914	-
Cash, end of period	361,182	5,971,055	361,182

The accompanying notes are an integral part of these consolidated financial statements.

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

1. Nature of operations and continuance of operations

Delta Uranium Inc. (the "Company") was incorporated under the laws of Ontario. The Company and its subsidiaries operate in the exploration and development of uranium and gold mineral resource properties in Canada.

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for mineral resource properties do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

The Company is exposed to commodity price risk with respect to uranium and gold commodity prices. A significant decline in uranium and gold commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

As at May 31, 2009, the Company had a working capital of \$436,941, which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. Without additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements and announced its intention to complete a private placement of up to 4,470,000 units at a price of \$0.10 per unit for gross proceeds of up to \$447,000. Each unit will consist of one common share and one-half common share purchase warrant, with each whole common share purchase warrant entitling the holder to purchase one common share at a price of \$0.15 for two years after the closing of the financing. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future, particularly in light of the current financial equity market conditions.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Accounting presentation and disclosures

These unaudited consolidated financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual financial statements. Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

Accounting changes

On March 1, 2009, the Company adopted CICA Handbook Section 3031, "Inventories", which replaced Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

On March 1, 2009, the Company adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" which replaced Section 3062. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

The adoption of these new standards did not have an effect on the Company's consolidated financial statements.

Future accounting changes

On March 1, 2011, the Company will adopt CICA Handbook Section 1582, "Business Combinations", which will replace Section 1581, "Business Combinations". The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

On March 1, 2011, the Company will adopt CICA Handbook Sections 1601, "Consolidated Financial Statements" and Section 1602, "Non-controlling Interests", which together, will replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have an effect on the Company's consolidated financial statements.

International Financial Reporting Standards ("IFRS"):

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company has not completed development of its IFRS changeover plan, which will include project structure governance, resourcing and training, analysis of key GAAP differences and a phase plan to assess accounting policies under IFRS as well as potential IFRS 1 ("First Time Adoption of IFRS") exemptions. The Company hopes to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting and business activities, such as financing and compensation arrangements during 2009.

3. *Proposed business combination*

On February 26, 2009, the Company entered into a letter of intent, pursuant to which, Carlisle Goldfields Limited ("Carlisle") was to acquire the outstanding common shares and warrants of the Company's wholly-owned subsidiary, Delta Precious Metals (Ontario) Inc., which holds the Company's gold mineral resource properties.

On March 31, 2009, the Company advanced an unsecured loan of \$75,000 to Carlisle. The loan is repayable upon demand or on the date that Carlisle completes a financing of a minimum of \$100,000. In the event that Carlisle does not complete a financing by August 31, 2009, the loan will bear interest at the prime rate plus 4%, paid quarterly. On June 5, 2009, Carlisle completed a financing for \$165,000 and the unsecured loan became immediately repayable.

On June 9, 2009, Carlisle terminated the letter of intent and repaid \$50,000 of the unsecured loan. The Company has taken legal action to collect the remaining \$25,000 of the unsecured loan.

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

4. Mineral resource properties

As at May 31, 2009, the Company owns the following claims:

		February 28, 2009	Acquisition costs	Exploration costs	May 31, 2009
		\$	\$	\$	\$
Northwestern Ontario					
Kenora	Uranium	4,250,255	-	125,657	4,375,912
Aerobus	Uranium	541,821	289	5,500	547,610
Surluga	Gold	127,500	-	-	127,500
Northeastern Ontario					
Boyer Lake	Gold	213,754	-	-	213,754
Timmins	Uranium	808,241	-	11,793	820,033
Deer Lake, Newfoundland					
Deer Lake Basin	Uranium	116,110	-	-	116,110
Athabasca Basin, Saskatchewan					
C3 Wheeler River	Uranium	-	150,000	-	150,000
		6,057,681	150,289	142,950	6,350,920

Northwestern Ontario

Kenora – (Formerly known as Eagle Lake)

The Kenora uranium property consists of 278 claims comprising 3,563 claim units covering totaling 57,008 hectares located about 30 km east of the town of Kenora and 30 km west of the town of Dryden.

Aerobus Lake

The Company's Aerobus Lake uranium properties are located in Northwestern Ontario approximately 25 km northeast of the Company's Kenora Property. The project consists of 49 claims comprising 784 claim units covering 12,544 hectares. The properties were acquired by staking and the issuance of 540,000 common shares (note 7) and target uranium mineral occurrences and radiometric anomalies, typically in granite and granite-greenstone terranes.

Surluga

On April 16, 2009, the Company acquired an option to acquire a 60% interest in the Surluga gold property, which consists of 172 claims covering 23,456.6 hectares located 2 km east of Wawa, Ontario. In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures as follows:

To earn 60% interest	Option payments	Common shares	Exploration expenditures
	\$		\$
Paid/issued	100,000	250,000	-
April 16, 2010	-	250,000	500,000
April 16, 2011	-	250,000	1,500,000
April 16, 2012	-	250,000	2,000,000
April 16, 2013	-	-	4,000,000
	100,000	1,000,000	8,000,000

The optionor retained a 2% net smelter royalty ("NSR"), which the Company has the option to purchase at fair market determined by a qualified third person until April 16, 2028.

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

Northeastern Ontario

Boyer Lake – (Formerly known as Canamerica)

The Company's 100%-owned Upper Manitou Lake gold project is located along the north-eastern shore of upper Manitou Lake in Boyer Township, approximately 30km south of Dryden, Ontario. The property was acquired by staking and comprises 3 claims comprising 40 claim units covering 640 hectares of potentially gold-bearing volcanic stratigraphy situated adjacent the historic Gold Rock mining camp.

Timmins

The Company's Timmins uranium property is located in northeastern Ontario and stretches from Shining Tree to Sault Ste Marie. The project consists of twelve separate mineral licenses comprising 277 claims comprising 4,186 claim units covering 66,976 hectares. The properties were acquired by staking and target uranium mineral occurrences and radiometric anomalies, typically in granite and granite-greenstone terranes.

Deer Lake, Newfoundland

Deer Lake Basin

On December 30, 2008, the Company acquired an option to acquire a 60% interest in the Deer Lake Basin uranium property, which consists of 34 claims comprising 3,408 claim units covering 85,200 hectares in west central Newfoundland. In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures as follows:

	Option payments \$	Common shares	Exploration expenditures \$
To earn 60% interest			
Paid/issued	100,000	200,000	–
December 10, 2009	100,000	200,000	500,000
December 10, 2010	200,000	200,000	1,000,000
December 10, 2011	200,000	200,000	1,500,000
	<hr/> 600,000	<hr/> 800,000	<hr/> 3,000,000

The optionor retained a 1% net smelter royalty (“NSR”), which the Company has the option to purchase for \$1,000,000 until December 10, 2028. A director and officer of the Company is a director of the optionor.

Athabasca Basin, Saskatchewan

C3 Wheeler River

On May 19, 2009, the Company acquired an option to acquire up to an 80% interest in the C3 Wheeler River uranium property, which consists of 274 hectares in the Athabasca Basin in Saskatchewan. In order to earn its interest, the Company must make option payments and incur exploration expenditures as follows:

	Option payments \$	Exploration expenditures \$
To earn 60% interest		
On closing	75,000	–
October 31, 2011	–	500,000
To increase to 80% interest		
October 31, 2012	100,000	500,000
	<hr/> 175,000	<hr/> 1,000,000

In respect of the option payment of \$75,000 due on closing, at May 31, 2009, the Company paid \$50,000 prior to May 31, 2009 and issued 250,000 common shares with a value of \$25,000 on July 6, 2009. In respect of the option payment of \$100,000 due on October 31, 2012, the Company has the option to issue common shares valued at \$100,000.

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

In respect of the acquisition of the option, the Company paid a fee of \$100,000 in respect of fees for due diligence and historical data compilation.

The original vendors of the property retained a 2% net smelter royalty, which the Company has the option to purchase 1% for \$1,000,000 up to the time that a production decision is made.

5. Capital assets

	May 31, 2009	February 29, 2008
	\$	\$
Office equipment	122,122	122,122
Accumulated amortization	25,909	20,846
	96,213	101,276
Computer equipment	71,272	71,272
Accumulated amortization	23,763	19,911
	47,509	51,361
Mining equipment	135,303	135,303
Accumulated amortization	19,619	13,530
	115,684	121,773
Vehicles	141,144	141,144
Accumulated amortization	42,107	34,077
	99,037	107,067
Leasehold improvements	48,213	48,213
Accumulated amortization	12,177	10,281
	36,036	37,932
	394,478	419,410

6. Share capital and other equity

Authorized

An unlimited number of preference shares issuable in series with terms to be fixed by the Board of Directors.

An unlimited number of common shares without par value.

Issued

	Number of common shares	Amount \$
Balance, February 29, 2008	29,069,787	11,898,001
Issued as payment for mineral resource properties	200,000	14,000
Renunciation of flow-through expenditures	—	(189,950)
Balance, February 28, 2009	29,269,787	11,722,051
Issued as payment for mineral resource properties (note 5)	250,000	27,500
Balance, May 31, 2009	29,519,787	11,749,551

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

Stock options

On June 26, 2008, the shareholders of the Company approved amendments to the fixed stock option plan to permit Company to grant options to its employees, directors, officers and consultants for up to 5,813,957 common shares (February 28, 2008 – 4,000,000 common shares). The exercise price of each option shall not be less than the closing price of the Company's common shares on the TSX Exchange on the last trading day immediately preceding the date of grant of the option. The option period for each stock option shall not exceed 10 years and vesting of stock options shall be determined by the Board of Directors on the date of grant. At May 31, 2009, there were 528,957 stock options available to be granted under the stock option plan.

A summary of stock options granted and the assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

Date of grant	March 2, 2009
Stock options granted	1,000,000
Exercise price	\$0.40
Expiry date	December 8, 2011
Fair value	\$29,000
Risk-free interest rate	1.04%
Expected volatility	100%
Expected life of warrants	2.75 years

A summary of the Company's fixed stock option plan is presented below:

	Number of options	Weighted-average exercise price \$
Balance, February 29, 2008	2,870,000	0.77
Granted	2,545,000	0.96
Expired	(1,070,000)	0.38
Balance, February 28, 2009	4,345,000	0.98
Granted	1,000,000	0.40
Cancelled	(200,000)	0.50
Balance, May 31, 2009	5,145,000	0.88

A summary of the Company's fixed stock options outstanding as at May 31, 2009 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
\$1.00	1,800,000	1,800,000	November 20, 2012
\$1.00	575,000	383,333	March 3, 2013
\$1.00	1,770,000	230,000	July 9, 2013
\$0.40	1,000,000	1,000,000	December 8, 2011
	5,145,000	3,413,333	

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

Contributed surplus

	\$
Balance, February 29, 2008	749,937
Stock-based compensation	1,235,403
<hr/>	
Balance, February 28, 2009	1,985,340
Stock-based compensation	386,121
<hr/>	
Balance, May 31, 2009	2,371,461

7. Related party transactions

	3 months ended May 31,	
	2009	2008
	\$	\$
Mineral resource properties included consulting fees paid to a company controlled by a director of the Company	56,866	47,600
Consulting fees paid to company controlled by an officer of the Company	12,000	—
Management fees paid to three directors and officers	—	—
Salaries and benefits paid or payable to two directors and officers	149,000	120,000
Investor relations included consulting fees paid to a company controlled by a director of the Company	—	4,352

Accounts receivable includes \$10,126 (2008 - \$nil) advanced to a company controlled by two directors of the Company. Accounts payable and accrued liabilities includes \$127,500 (2008 - \$nil) owed to two directors and officers of the Company

These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

8. Capital disclosures

Capital of the Company consists of the components of shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to explore and develop its mineral resource property for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company, it has no revenues and its principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company will spend its existing working capital and raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the period.

9. Financial instruments and risk management

The carrying value of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk interest rate risk and commodity price risk.

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

May 31, 2009

(unaudited)

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 8.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.