

Delta Uranium Inc.

(an exploration stage company)

Consolidated Financial Statements

February 28, 2009 and February 29, 2008

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Delta Uranium Inc.
(an exploration stage company)
AUDITORS' REPORT

To the Shareholders of
Delta Uranium Inc.
(an exploration stage company)

We have audited the consolidated balance sheet of Delta Uranium Inc. (an exploration stage company) as at February 28, 2009 and 2008 and the consolidated statements of operations and deficit, and cash flows for the year ended February 28, 2009 and the period from December 1, 2006 to February 29, 2008. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Delta Uranium Inc. as at February 28, 2009 and 2008 and the results of its operations and its cash flows for the year ended February 28, 2009 and the period from December 1, 2006 to February 29, 2008 in accordance with Canadian generally accepted accounting principles.

Collins Barrow Toronto LLP

Collins Barrow Toronto LLP
Licensed Public Accountants

April 15, 2009 (except for Note 4 which is at April 16, 2009)
Toronto, Canada

Delta Uranium Inc.
(an exploration stage company)

CONSOLIDATED BALANCE SHEETS

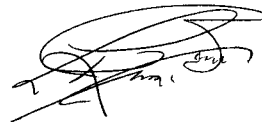
	As at February 28, 2009	As at February 29, 2008
Assets		
Current		
Cash and cash equivalents	\$ 975,052	\$ 7,777,914
Receivables	233,887	50,202
Prepaid expenses	484,385	141,460
	1,693,324	7,969,576
Mineral resource properties (note 5)	5,930,181	3,085,062
Capital assets (note 6)	419,410	230,355
	\$ 8,042,915	\$ 11,284,993
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 281,883	\$ 322,259
Shareholders' equity		
Share capital (note 7)	11,722,051	11,898,001
Contributed surplus (note 7)	1,985,340	749,937
Deficit	(5,946,359)	(1,685,204)
	7,761,032	10,962,734
	\$ 8,042,915	\$ 11,284,993

Nature of operations and going concern assumption (note 1)

Approved by the Board:



Wayne Isaacs
Director



L. 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

	Year ended February 28, 2009	15 months ended February 29, 2008	Cumulative from July 13, 2005 to February 28, 2009
General and administrative expenses			
Professional fees	\$ 109,533	\$ 71,146	\$ 210,679
Consulting fees	585,481	49,277	819,758
Management fees	-	486,363	486,363
Salaries and benefits	1,063,289	38,759	1,102,048
Stock-based compensation	1,235,403	749,937	1,985,340
General and office	546,668	136,203	688,695
Investor relations	494,320	188,890	683,210
Travel	220,303	32,998	253,301
Interest	295	10,042	10,337
Part XII.6 tax	19,896	-	19,896
Amortization	90,873	7,772	98,645
	4,366,060	1,771,387	6,358,272
Loss before the undernoted items	(4,366,060)	(1,771,387)	(6,358,272)
Interest income	126,981	106,483	233,464
Gain on sale of investments	-	107,002	162,826
Writedown of mineral resource properties	(212,025)	-	(212,025)
Loss before income taxes	(4,451,105)	(1,557,902)	(6,174,007)
Income tax recovery (note 9)	189,950	172,600	397,550
Loss for the period	(4,261,155)	(1,385,302)	(5,776,457)
Deficit, beginning of period	(1,685,204)	(130,000)	-
Change in accounting policy (note 2)	-	177,766	177,766
Net liabilities acquired (note 3)	-	(347,668)	(347,668)
Deficit, end of period	\$ (5,946,359)	\$ (1,685,204)	\$ (5,946,359)
Loss per share-basic and diluted	\$ (0.146)	\$ (0.059)	
Weighted average number of common shares outstanding during the period-basic and diluted	29,110,335	23,321,773	

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

Delta Uranium Inc.
(an exploration stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	15 months ended February 28, 2009	Year ended February 29, 2008	Cumulative from July 13, 2005 to February 28, 2009
Cash provided by (used in)			
Operating activities			
Loss for the period	\$ (4,261,155)	\$ (1,385,302)	\$ (5,776,457)
Items not affecting cash			
Issue of common shares for consulting fees	-	-	100,000
Stock-based compensation	1,235,403	749,937	1,985,340
Amortization	90,873	7,772	98,645
Gain on sale of marketable securities	-	(107,002)	(162,826)
Writedown of mineral resource properties	212,025	-	212,025
Future income taxes	(189,950)	(172,600)	(397,550)
Changes in non-cash operating working capital			
Receivables	(183,685)	(50,202)	(233,887)
Prepaid expenses	(342,925)	(141,460)	(484,385)
Accounts payable and accrued liabilities	(40,376)	(196,377)	(65,785)
	(3,479,790)	(1,295,234)	(4,724,880)
Financing activities			
Issuance of common shares for cash	-	9,488,000	10,996,501
Exercise of options	-	14,000	-
Exercise of warrants	-	819,500	-
	-	10,321,500	10,996,501
Investing activities			
Marketable securities	-	-	(131,495)
Proceeds on sale of marketable securities	-	406,937	511,187
Purchase of capital assets	(279,928)	(238,127)	(518,055)
Mineral resource properties expenditures	(3,043,144)	(1,423,516)	(5,158,206)
	(3,323,072)	(1,254,706)	(5,296,569)
Net increase (decrease) in cash	(6,802,862)	7,771,560	975,052
Cash, beginning of period	7,777,914	6,354	-
Cash, end of period	\$ 975,052	\$ 7,777,914	\$ 975,052

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2009 and February 29, 2008

1. NATURE OF OPERATIONS AND GOING-CONCERN ASSUMPTION

Delta Uranium Inc. (the "Company") was incorporated under the laws of Ontario. The Company and its subsidiary operate solely in the exploration and development of uranium 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 amount shown for mineral resource properties does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

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. Although the Company had working capital of \$1,411,441 at February 28, 2009, it is likely that the Company will need to raise additional capital in the near term to fund its ongoing operations and exploration activities. Uncertainty exists as to the ability of the Company to raise additional capital as required. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Delta Uranium Canada Inc. and Delta Precious Metals (Ontario) Inc.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash and deposits that are redeemable upon demand.

MINERAL RESOURCE PROPERTIES

Costs relating to the acquisition, exploration and development of mineral resource properties are deferred until the properties are brought into commercial production, at which time, they are amortized over the

estimated useful life of the related property on a unit-of-production basis. The cost of mineral resource properties includes the cash consideration and the fair value of shares issued on the date the property is acquired. The proceeds from options granted on properties are credited to the cost of the related property. When a property is determined to be non-commercial, non-productive or its value impaired, those costs in excess of estimated recoveries are charged to operations. Management considered the guidance in EIC-174 "Mining Exploration Costs" to determine whether conditions exist that indicate an impairment may exist and a writedown is required.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization based on the estimated useful lives of the assets, is provided as follows:

Office equipment	20% declining balance
Computer equipment	30% declining balance
Mining equipment	20% declining balance
Vehicles	30% declining balance
Leasehold improvements	Straight-line over the term of the lease

ASSET RETIREMENT OBLIGATIONS

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

FLOW-THROUGH SHARES

The Company finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the *Income Tax Act* (Canada). Under the terms of these share issues, the deductions for income tax purposes of the related expenditures are renounced to the subscriber of the flow-through shares. Share capital is reduced and the future income tax liability is increased by the estimated income tax benefits renounced by the Company to the subscribers, except to the extent that the Company has unrecorded loss carryforwards and income tax pools in excess of book value available for deduction, which could be recognized against the future tax liability resulting in a future tax recovery.

STOCK-BASED COMPENSATION

The Company enters into transactions in which services are the consideration received for the issuance of stock or stock-based instruments. The value of these transactions are measured and accounted for, based on the fair value of the equity instruments issued or the value of the services, whichever is more reliably measurable. Stock-based compensation for instruments awarded to non-employees is expensed in the year during which the services are rendered. Stock-based compensation for instruments awarded to employees is expensed over the vesting period of the instrument.

INCOME TAXES

Income taxes are recorded using the asset and liability method of income tax allocation. Future income tax relates to the expected consequences of differences between the carrying amount of balance sheet items and

their corresponding tax values. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of substantive enactment at the time that the differences are expected to reverse.

LOSS PER SHARE

The basic loss per share is calculated by dividing the loss applicable to the common shares by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method and reflects the potential dilution by including stock options and warrants, in the weighted average number of common shares outstanding for the year, if dilutive. As the Company incurred net losses the dilutive effect of outstanding options and warrants and their equivalents is not reflected in diluted earnings per share because their effect would be anti-dilutive.

ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the reporting period. Significant areas requiring the use of management estimates include the carrying value of mineral resource properties and stock-based compensation. Actual results could differ from those estimates.

FINANCIAL INSTRUMENTS

On December 1, 2006, the Company adopted CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" retrospectively with no restatement of prior periods. Financial instruments are measured at fair value on initial recognition and valued in subsequent periods based upon their classification as held-for-trading, available for sale, held-to-maturity, loans and receivables or other liabilities. Financial assets and liabilities classified as held-for-trading are valued at fair value with gains and losses recognized in income. Financial assets classified as available-for-sale are valued at fair value with unrealized gains and losses recognized in other comprehensive income. Financial assets classified as held-to-maturity, loans and receivables and financial liabilities classified as other liabilities are valued at amortized cost using the effective interest rate method. The Company has classified its cash and cash equivalents as held-for-trading; receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

On December 1, 2006, marketable securities previously recorded at cost were designated as held-for-trading and the increase in fair value of marketable securities of \$206,866 representing the difference between the fair value and the cost was recorded as a reduction of the Company's deficit on December 1, 2006, net of future tax liabilities of \$39,100 that are a result of the timing difference between the revised accounting value and the tax value.

There has been no other comprehensive income to date, and therefore a statement of comprehensive income has not been presented.

ACCOUNTING CHANGES

On March 1, 2008, the Company adopted CICA Handbook Section 1535, "Capital Disclosures" which requires the disclosure of objectives, policies and processes for managing capital; Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" which requires the disclosure of the nature and extent of risks arising from financial instruments and how those risks are managed; and amendments

to Section 1400, "General Standards of Financial Statement Presentation" which requires an assessment of the ability to continue as a going concern. Beyond additional disclosure, the adoption of these new accounting standards did not have an effect on the Company's financial statements.

FUTURE ACCOUNTING CHANGES

On March 1, 2009, the Company will adopt CICA Handbook Section 3064, "Goodwill and Intangible Assets" which will replace Section 3062. 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. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

The Company is currently assessing the impact of this new accounting standard on its 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. REVERSE TAKEOVER TRANSACTION

On November 9, 2007, the Company acquired all of the issued and outstanding common shares of 4316282 Canada Inc. ("4316282 Canada") in exchange for 21,716,991 common shares of the Company. As the shareholders of 4318262 Canada controlled the Company once the acquisition was completed, the acquisition was accounted for as a reverse takeover, whereby 4318262 Canada was the acquirer and the Company was the acquiree.

In connection with the reverse-takeover, the following transactions were completed:

- a) the Company issued 3,000,503 common shares to redeem its issued and outstanding redeemable convertible preference Series A shares on the basis of 12.4159 common shares for each 241,666 redeemable convertible preference Series A share outstanding.
- b) 4318262 Canada completed a private placement of 8,833,000 common shares at a price of \$1.00 per common share for proceeds of \$8,833,000.
- c) the Company issued stock options and warrants to replace the issued and outstanding stock options and warrants of 4316282 Canada.

Since the transaction did not constitute a business combination, the transaction was accounted for as a capital transaction, that is, a financing and recapitalization of the companies, and accordingly,

-
- a) 4318262 Canada was deemed to be the acquirer for accounting purposes and its assets and liabilities are included in the consolidated financial statements of the continuing entity at their historical value.
 - b) the comparative figures reported are those of 4318262 Canada.
 - c) the number and class of outstanding shares reported are those of the Company, adjusted for the acquisition while the dollar amounts relating to share capital are those of 4318262 Canada.
 - d) contributed surplus and deficit of the Company were eliminated upon its acquisition of 4316282 Canada and the fair value of the net liability assumed of \$347,668 was charged to the deficit. The fair value of the net liability equaled its book value.

The Company maintained its original fiscal year end and as a result of the above transaction the previous fiscal period end was a fifteen month period.

4. PROPOSED BUSINESS COMBINATION

On February 26, 2009, the Company entered into a letter of intent, pursuant to which, Carlisle Goldfields Limited ("Carlisle") will acquire the outstanding common shares and warrants of the Company's wholly-owned subsidiary, Delta Precious Metals (Ontario) Inc. ("Delta Precious"), which holds the Company's gold mineral resource properties. The transaction will constitute a reverse-takeover under the policies of the Toronto Stock Exchange ("TSX").

- a) Carlisle will consolidate its outstanding common shares, stock options and warrants on the basis of 10 old securities for 1 post-consolidation security.
- b) Delta Precious will complete a private placement of a minimum of 10,000,000 and a maximum of 20,000,000 units at a price of \$0.50 per unit for gross proceeds of a minimum of \$5,000,000 and a maximum of \$10,000,000 ("Private Placement"). Each unit will consist of one common share and one warrant entitling the holder to purchase one common share at a price of \$0.75 per common share for 2 years from the closing of the Private Placement.
- c) Carlisle will exchange one of its post-consolidation common shares for each of the 4,000,000 common shares of Delta Precious owned by the Company and each of the common shares issued pursuant to the Private Placement.
- d) Carlisle will exchange one of its warrants entitling the holder to purchase one post-consolidation share at a price of \$0.75 for 2 years from the closing of the Private Placement for each warrant issued pursuant to the Private Placement.

The transaction is subject to the following conditions:

- a) the completion of due diligence and negotiation of a definitive share exchange agreement or amalgamation agreement by May 27, 2009.
- b) Delta Precious completes the Private Placement.
- c) Delta Precious enters into an option agreement for Surluga Property, as outlined below.
- d) approval of the Board of Directors of the Company.
- e) the Company receiving all necessary regulatory approvals.

- f) Carlisle completes the consolidation of its outstanding securities and provides evidence satisfactory to the TSX that it has 150 shareholders holding a minimum of 100 post-consolidation common shares.
- g) Carlisle receives approval of the TSX for the conditional listing of the common shares and warrants issued pursuant to the Private Placement.
- h) Carlisle receives shareholder approval at its annual meeting to be held on or about June 5, 2009 and all necessary regulatory approvals.

On April 16, 2009, the Company acquired an option to acquire a 60% interest in the Surluga Property, which consists of 172 claims covering 23,456.6 hectares located 2 kilometres 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.

5. MINERAL RESOURCE PROPERTIES

As at February 29, 2009, the Company owns the following claims located in Ontario and Newfoundland:

	Ontario				Newfoundland	
	Northwestern			Northeastern	Deer Lake	Total
	Kenora	Aerobus	Boyer Lake	Timmins		
Balance,						
November 30, 2006	\$ 982,346	\$ -	\$ 100,000	\$ 309,200	\$ -	\$ 1,391,546
Acquisition costs-						
common shares	-	270,000	-	-	-	270,000
Exploration costs	1,268,823	-	41,834	112,859	-	1,423,516
Balance,						
February 29, 2008	2,251,169	270,000	141,834	422,059	-	3,085,062
Acquisition costs	545	33,711	-	301,826	116,110	452,192
Exploration costs	1,998,541	238,110	71,920	288,355	-	2,596,927
Writedown	-	-	-	(204,000)	-	(204,000)
Balance,						
February 28, 2009	\$ 4,250,255	\$ 541,821	\$ 213,754	\$ 808,241	\$ 116,110	\$ 5,930,181

NORTHWESTERN ONTARIO

Kenora - (Formerly known as Eagle Lake)

The Kenora Project consists of 278 claims comprising 3,563 claim units covering a total of 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 properties are located in Northwestern Ontario approximately 25 kms 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.

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 30 km 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.

NORTHEASTERN ONTARIO

Timmins

The Company's Timmins Project 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. During the year, certain claims expired and the Company wrote off costs of \$212,025.

NEWFOUNDLAND

Deer Lake

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:

To earn 60% interest	Option payments	Common shares	Exploration expenditures
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
	\$ 600,000	800,000	\$ 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.

6. CAPITAL ASSETS

	February 28, 2009	February 29, 2008
Office equipment	\$ 122,122	\$ 65,622
Accumulated amortization	20,846	2,589
	101,276	63,033
Computer equipment	71,272	51,485
Accumulated amortization	19,911	2,140
	51,361	49,345
Mining equipment	135,303	-
Accumulated amortization	13,530	-
	121,773	-
Vehicles	141,144	79,412
Accumulated amortization	34,077	1,420
	107,067	77,992
Leasehold improvements	48,213	41,608
Accumulated amortization	10,281	1,623
	37,932	39,985
	\$ 419,410	\$ 230,355

7. 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
Common shares of 4318262 Canada		
Balance, November 30, 2006	10,949,001	\$ 1,350,001
Issued for cash:		
Private placements of flow-through units	1,310,000	655,000
Private placement of common shares (note 3)	8,833,000	8,833,000
Fair value of warrants issued	-	(103,000)
Exercise of options	140,000	14,000
Exercise of warrants	1,967,500	922,500
Issued as payment for mineral resource properties (note 5)	540,000	270,000
Renunciation of flow-through expenditures	-	(43,500)
Common shares of the Company		
Shares outstanding as of date of reverse takeover transaction (note 3)	5,330,286	-
Balance, February 29, 2008	29,069,787	11,898,001
Issued as payment for mineral resource properties (note 5)	200,000	14,000
Renunciation of flow-through expenditures	-	(189,950)
Balance, February 28, 2009	29,269,787	\$ 11,722,051

PRIVATE PLACEMENT-FLOW-THROUGH UNITS

On December 30, 2006, the Company completed the private placement of 1,310,000 flow-through units at a price of \$0.50 per flow-through unit for proceeds of \$655,000. Each flow-through unit consisted of one common share issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) and one-half warrant, with each of the 655,000 warrants entitling the holder to purchase one common share at a price of \$0.65 per common share until December 30, 2007.

The fair value of the warrants issued was \$103,000 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.61%
Expected volatility	100%
Expected life of warrants	1 year
Expected dividend yield	0%

STOCK OPTIONS

On June 26, 2008, the shareholders of the Company approved amendments to the fixed stock option plan to permit the 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 (February 28, 2008 – 5 years) and vesting of stock options shall be determined by the Board of Directors on the date of grant (February 28, 2008 – in 6 equal installments on the date of grant and then at 6 months, 9 months, 12 months, 15 months and 18 months after the date of grant). At February 28, 2009, there were 1,398,957 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	December 20, 2006	November 20, 2007
Stock options granted	1,000,000	1,800,000
Exercise price (\$)	0.40	1.00
Expiry date	December 20, 2011	November 20, 2012
Fair value	394,361	1,372,049
Risk-free interest rate	3.98%	4.03%
Expected volatility	100%	100%
Expected life of warrants	5 years	5 years
Expected dividend yield	0%	0%

Date of grant	March 3, 2008	July 9, 2008	September 11, 2008	September 11, 2008
Stock options granted	575,000	1,770,000	50,000	150,000
Exercise price (\$)	1.00	1.00	0.50	0.50
Expiry date	March 3, 2013	July 9, 2013	February 15, 2010	February 15, 2011
Fair value (\$)	256,320	376,712	5,026	21,362
Risk-free interest rate	3.09%	3.39%	2.73%	2.89%
Expected volatility	100%	100%	100%	100%
Expected life of warrants	5 years	5 years	1.5 years	2.5 years
Expected dividend yield	0%	0%	0%	0%

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

	Number of options	Weighted-average exercise price
Balance, date of reverse takeover (note 3)	210,000	\$ 0.10
Granted	2,800,000	0.79
Exercised	(140,000)	0.10
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

A summary of the Company's fixed stock options outstanding as at February 28, 2009 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
\$1.00	1,800,000	1,500,000	November 20, 2012
\$1.00	575,000	287,500	March 3, 2013
\$1.00	1,770,000	230,000	July 9, 2013
\$0.50	50,000	50,000	February 15, 2010
\$0.50	150,000	50,000	February 15, 2011
	4,345,000	2,117,500	

WARRANTS

A summary of the Company's warrants is presented below:

	Number of warrants	Weighted-average exercise price
Balance, November 30, 2006	1,312,500	\$ 0.30
Issued	655,000	0.65
Exercised	(1,967,500)	(0.42)
Balance, February 29, 2008 and February 29, 2009	-	\$ -

WARRANT CAPITAL

Balance, November 30, 2006	\$ -
Issued	103,000
Exercised	(103,000)
Balance, February 29, 2008 and February 28, 2009	\$ -

CONTRIBUTED SURPLUS

Balance, November 30, 2006	\$ -
Stock-based compensation	749,937
Balance, February 29, 2008	749,937
Stock-based compensation	1,235,403
Balance, February 28, 2009	\$ 1,985,340

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. INCOME TAXES

PROVISION FOR INCOME TAXES

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 33.5% (2008 – 36%) to the net loss for the period. The reasons for the difference are as follows:

	Year ended February 28 2009	15 months ended February 29, 2008
Income tax recovery based on statutory rate	\$ (1,491,000)	\$ (562,000)
Stock-based compensation and other non-deductible expenses	425,000	276,000
Non-taxable portion of gain on sale of marketable securities	-	(19,000)
Impact on opening balance sheet adjustment	-	39,000
Change in statutory tax rates and other	131,050	20,400
Change in valuation allowance for unrecorded tax benefit of losses	745,100	73,000
	\$ (189,950)	\$ (172,600)

FUTURE INCOME TAX ASSETS AND LIABILITIES

The Company's future income tax assets and liabilities were as follows:

	As at February 28, 2009	As at February 29, 2008
Asset		
Non-capital losses carryforward	\$ 1,105,000	\$ 269,000
Other	30,000	-
Liability		
Mineral resource properties	(317,000)	(196,000)
	818,000	73,000
Valuation allowance	(818,000)	(73,000)
	\$ -	\$ -

Due to losses incurred in the current year and expected future operating results, management determined that it is more likely than not that the net future income tax assets will not be realized, and accordingly, a valuation allowance has been recorded for the future income tax assets.

LOSSES CARRIED FORWARD

At February 28, 2009, the Company had non-capital loss carryforwards which expire as follows:

2015	\$	100,000
2026		95,000
2027		134,000
2028		600,000
2029		2,883,000
	\$	3,812,000

RESOURCE DEDUCTIONS

At February 28, 2009, the Company had resource deductions of \$4,836,000 (2008 - \$2,410,000) which may be carried forward indefinitely to reduce taxable income in future years.

10. RELATED PARTY TRANSACTIONS

	Year ended February 28, 2009	15 months ended February 29, 2008
Management fees paid to three directors and officers	-	451,125
Salaries and benefits paid or payable to two directors and officers	628,500	-
Consulting fees included in mineral resource properties paid to two directors of the Company and a company controlled by them	476,612	-
Fees included in investor relations paid to a company controlled by a director of the Company.	4,352	-
Consulting fees paid to company controlled by an officer of the Company	48,000	-

Prepaid expenses and deposits includes deposits of \$11,500 (2008 - \$nil) paid to an director and officer and a company controlled by a director and officer of the Company and accounts payable and accrued liabilities includes \$12,941 (2008 - \$nil) owed to a director 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.

11. COMMITMENTS

The Company is committed to the following payments for an operating lease for premises:

2010	\$	112,400
2011		115,400
2012		118,400
2013		121,400
2014		50,700
	\$	518,300

12. FINANCIAL INSTRUMENTS

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.

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's 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.

COMMODITY PRICE RISK

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

13. SUBSEQUENT EVENT

On March 2, 2009, the Company granted 1,000,000 stock options to a director and consultants entitling the holder to purchase one common share at a price of \$0.40 per common share until December 8, 2011.

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 ("Financing"). 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.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.