Delta Uranium Inc.

(an exploration stage company)

Consolidated Financial Statements

For the 9 months ended November 30, 2008
(unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

These unaudited interim consolidated financial statements of Delta Uranium Inc. (the "Company") for the 9 months ended November 30, 2008 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 November 30, 2008 $ (unaudited)	As at February 29, 2008 $
Assets		
Current		
Cash and cash equivalents	2,160,812	7,777,914
Receivables	188,597	50,202
Prepaid expenses	252,594	141,460
	2,602,003	7,969,576
Mineral resource properties (note 3)	5,640,403	3,085,062
Capital assets (note 5)	429,760	230,355
	8,672,167	11,284,993
Liabilities		
Current		
Accounts payable and accrued liabilities	221,561	322,259
Shareholders' equity		
Share capital (note 5)	11,898,001	11,898,001
Contributed surplus (note 5)	1,626,082	749,937
Deficit	(5,073,477)	(1,685,204)
	8,450,606	10,962,734
	8,672,167	11,284,993

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 November 30,		9 months ended November 30,		Cumulative from July 13, 2005 to November 30,
	2008	2007	2008	2007	2008
	$	$	$	$	$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
General and administrative expenses					
Professional fees	26,919	103,185	81,680	115,406	182,826
Consulting fees	132,664	-	445,549	24,000	679,826
Management fees	-	144,000	-	144,000	486,363
Salaries and benefits	363,229	-	800,203	-	838,962
Stock-based compensation	374,385	771,110	876,145	771,110	1,626,082
General and office	155,229	139,114	418,604	170,199	560,631
Investor relations	221,470	-	421,220	-	610,110
Travel	45,154	-	182,032	-	215,030
Interest	295	-	295	-	10,337
Amortization	32,513	-	80,523	-	88,295
	1,351,858	1,157,409	3,306,251	1,224,715	5,298,462
Loss before the undernoted items	(1,351,858)	(1,157,409)	(3,306,251)	(1,224,715)	(5,298,462)
Interest income	21,781	10,534	121,978	10,534	228,461
Gain on sale of investments	-	49,070	-	167,083	162,826
Writedown of mineral resource properties	(204,000)	-	(204,000)	-	(204,000)
Loss before income taxes	(1,534,076)	(1,097,805)	(3,388,273)	(1,047,098)	(5,111,175)
Income taxes	-	-	-	35,000	(207,600)
Loss for the period	(1,534,076)	(1,097,805)	(3,388,273)	(1,082,098)	(4,903,575)
Deficit, beginning of period	(3,539,401)	(114,293)	(1,685,204)	(130,000)	-
Change in accounting policy	-	-	-	-	177,766
Net liabilities acquired	-	-	-	-	(347,668)
Deficit, end of period	(5,073,477)	(1,212,098)	(5,073,477)	(1,212,098)	(5,073,477)
Loss per share-basic and diluted	(0.053)	(0.090)	(0.117)	(0.080)	
Weighted average number of common shares outstanding during the period-basic and diluted	29,069,787	13,479,832	29,069,787	13,479,832	

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 November 30, 2008 $ (unaudited)	3 months ended November 30, 2007 $ (unaudited)	9 months ended November 30, 2008 $ (unaudited)	9 months ended November 30, 2007 $ (unaudited)	Cumulative from July 13, 2005 to November 30, 2008 $ (unaudited)
Cash provided by (used in)					
Operating activities					
Loss for the period	(1,534,076)	(1,097,805)	(3,388,273)	(1,082,098)	(4,903,575)
Items not affecting cash					
Issue of common shares for consulting fees		-	-	-	100,000
Stock-based compensation	374,385	771,110	876,145	771,110	1,626,082
Amortization	32,513	-	80,523	-	88,295
Gain on sale of marketable securities	-	(49,070)	-	(167,083)	(162,826)
Writedown of mineral resource properties	204,000	-	204,000	-	204,000
Future income taxes	-	-	-	-	(207,600)
Changes in non-cash operating working capital					
Receivables	(35,274)	-	(138,395)	-	(188,597)
Prepaid expenses	85,376	(65,248)	(111,134)	(95,496)	(252,594)
Accounts payable and accrued liabilities	(138,068)	(163,733)	(100,698)	(175,252)	(126,107)
	(1,011,144)	(604,746)	(2,577,832)	(748,819)	(3,822,923)
Financing activities					
Issuance of common shares for cash	-	8,833,000	-	8,833,000	10,996,501
Investing activities					
Marketable securities	-	-	-	-	(131,495)
Proceeds on sale of marketable securities	-	67,394	-	298,578	511,187
Purchase of capital assets	(16,093)	-	(279,928)	-	(518,055)
Mineral resource properties expenditures	(662,968)	(351,585)	(2,759,341)	(964,273)	(4,874,403)
	(679,061)	(284,191)	(3,039,270)	(665,695)	(5,012,767)
Net increase (decrease) in cash	(1,690,205)	7,944,063	(5,617,102)	7,418,486	2,160,812
Cash, beginning of period	3,851,017	8,611	7,777,914	534,188	-
Cash, end of period	2,160,812	7,952,674	2,160,812	7,952,674	2,160,812

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

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

November 30, 2008

(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 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.

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, 2008, the Company adopted amendments to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" which includes requirements to assess and disclose an entity's ability to continue as a going concern; disclosure of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern; disclosure of when financial statements are not prepared on a going concern basis, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

On March 1, 2008, the Company adopted CICA Handbook Section 1535, "Capital Disclosures" which requires disclosure of qualitative information about its objectives, policies and processes for managing capital; disclosure of quantitative data about what is regarded as capital; and disclosure of compliance with any externally imposed capital requirements and the consequences of such non-compliance.

On March 1, 2008, the Company adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" which requires disclosures to enable users to evaluate the significance of financial instruments on the entity's financial position and performance, and the nature and extent of risks arising from financial instruments and non-financial derivatives.

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 3031, "Inventories", which will replace 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 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 these new accounting standards on its financial statements.

3. Mineral resource properties

As at November 30, 2008, the Company owns the following claims located in Ontario:

	Kenora $	Northwestern Aerobus $	Boyer Lake $	Northeastern Timmins	Total $
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	—	33,620	—	513,851	547,471
Exploration costs	1,915,574	140,305	71,920	84,071	2,211,870
Writedown	—	—	—	(204,000)	(204,000)
Balance, November 30, 2008	4,166,743	443,925	213,754	815,981	5,640,403

Northwestern Ontario

Kenora (formerly known as Eagle Lake)
The Company owns a 100% interest in the Kenora uranium property consisting of 3,046 mineral claims covering 48,736 hectares located 30 km east of Kenora, Ontario and 30 km west of Dryden, Ontario.

Aerobus
The Company owns a 100% interest in Aerobus property consisting of 496 claims covering 7,936 hectares located in northwestern Ontario approximately 25 km northeast of the Company's Kenora property. Aerobus was acquired by staking and the issuance of 540,000 common shares (note 5)

Boyer Lake (formerly known as Canamerica)
The Company owns a 100% interest in the Boyer Lake and Turtlepond Lake gold properties consisting of 158 mineral claims covering 6,320 hectares located along the northeastern shore of upper Manitou Lake 30 km south of Dryden, Ontario. On July 28, 2008, the Company announced its intention to spin out the two gold properties into a publicly listed company.

Northeastern Ontario

Timmins
The Company owns a 100% interest in Timmins uranium property consisting of 12 mineral licenses comprising 3,530 claims covering 56,480 hectares (February 29, 2008 - 3,029 claims covering 48,464 hectares) located in northeastern Ontario and stretches from Shining Tree to Sault Ste. Marie. The Company acquired the claims by staking, net of 297 claims which were abandoned.

4. *Capital assets*

	November 30, 2008 $	February 29, 2008 $
Office equipment	122,122	65,622
Accumulated amortization	15,545	2,589
	106,577	63,033
Computer equipment	71,271	51,485
Accumulated amortization	16,107	2,140
	55,164	49,345
Leasehold improvements	48,213	41,608
Accumulated amortization	8,119	1,623
	40,094	39,985
Vehicles	141,144	79,412
Accumulated amortization	28,229	1,420
	112,915	77,992
Equipment	135,303	—
Accumulated amortization	20,294	—
	115,009	—
	429,760	230,355

5. *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	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 3)	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	5,330,286	—
Balance, February 29, 2008 and November 30, 2008	29,069,787	11,898,001

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 (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 November 30, 2008, there were 258,957stock 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 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

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

	Number of options	**Weighted-average exercise price $**
Balance, November 30, 2006	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
Balance, November 30, 2008	5,415,000	0.86

A summary of the Company's fixed stock options outstanding as at November 30, 2008 is presented below:

Exercise price	**Options outstanding**	**Options exercisable**	**Expiry date**
$0.10 (expired on December 19, 2008)	70,000	70,000	December 19, 2008
$0.40 (expired on December 20, 2008)	1,000,000	1,000,000	December 20, 2008
$1.00	1,800,000	1,200,000	November 20, 2012
$1.00	575,000	191,667	March 3, 2013
$1.00	1,770,000	295,000	July 9, 2013
$0.50	50,000	50,000	February 15, 2010
$0.50	150,000	—	February 15, 2011
	5,415,000	2,806,667	

Contributed surplus

	$
Balance, November 30, 2006	—
Stock-based compensation	749,937
Balance, February 29, 2008	749,937
Stock-based compensation	876,145
Balance, November 30, 2008	1,626,082

6. Related party transactions

For the 9 months ended November 30, 2008, salaries includes $452,500 (2007 - $144,000) paid to two directors and officers of the Company; mineral resource properties includes consulting fees of $426,779 (2007 - $nil) paid to two directors of the Company and a companies controlled by them; and investor relations includes $4,352 (2007 - $nil) paid to a company controlled by 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.

7. 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 properties for the benefit of its shareholders.

As the Company is in the exploration stage, its principal source of capital is from the issue of common shares. 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.

8. Financial instruments and risk management

The carrying value of cash, receivables, 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 it 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 is financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 7.

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.

9. Subsequent event

On December 30, 2008, the Company acquired an option to acquire a 60% interest in the Deer Lake Basin Uranium Property, which consists of 3,408 claims 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.