

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 29, 2008 and the consolidated statements of operations and deficit, and cash flows for 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 audit.

We conducted our audit 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 29, 2008 and the results of its operations and its cash flows for the period from December 1, 2006 to February 29, 2008 in accordance with Canadian generally accepted accounting principles.

The financial statements as at November 30, 2006 and for the year then ended were audited by another auditor who expressed an opinion without reservation in his report dated February 15, 2007.

DMCT, LLP

Toronto, Canada

May 9, 2008

Licensed Public Accountants

Delta Uranium Inc.
(an exploration stage company)

Consolidated Balance Sheets

	As at February 29, 2008	As at November 30, 2006
Assets		
Current		
Cash and cash equivalents (note 4)	\$ 7,777,914	\$ 6,354
Marketable securities (note 2)	-	83,069
Sundry receivables	50,202	-
Prepaid expenses	141,460	-
	7,969,576	89,423
Mineral resource properties (note 5)	3,085,062	1,391,546
Capital assets (note 6)	230,355	-
	\$ 11,284,993	\$ 1,480,969
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 322,259	\$ 170,968
Future income taxes (note 8)	-	90,000
	\$ 322,259	\$ 260,968
Shareholders' equity		
Share capital (note 7)	\$ 11,898,001	\$ 1,350,001
Contributed surplus (note 7)	749,937	-
Deficit	(1,685,204)	(130,000)
	10,962,734	1,220,001
	\$ 11,284,993	\$ 1,480,969

Nature of operations and continuance of operations (note 1)
Reverse takeover transaction (note 3)
Commitments (note 10)

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

	15 months ended February 29, 2008	Year ended November 30, 2006	Cumulative from July 13, 2005 to February 29, 2008
General and administrative expenses			
Professional fees	\$ 71,146	\$ 30,000	\$ 101,146
Consulting fees	49,277	85,000	234,277
Management fees	486,363	-	486,363
Salaries and benefits	38,759	-	38,759
Stock-based compensation	749,937	-	749,937
General and office	136,203	5,824	142,027
Investor relations	188,890	-	188,890
Travel	32,998	-	32,998
Interest	10,042	-	10,042
Amortization	7,772	-	7,772
	\$ 1,771,387	\$ 120,824	\$ 1,992,211
Loss before the undernoted items	\$ (1,771,387)	\$ (120,824)	\$ (1,992,211)
Interest income	106,483	-	106,483
Gain on sale of investments	107,002	55,824	162,826
Loss before income taxes	(1,557,902)	(65,000)	(1,722,902)
Income taxes	(172,600)	(35,000)	(207,600)
Loss for the period	(1,385,302)	(30,000)	(1,515,302)
Deficit, beginning of period	(130,000)	(100,000)	-
Change in accounting policy (note 2)	177,766		177,766
Net liabilities acquired (Note 3)	(347,668)	-	(347,668)
Deficit, end of period	\$ (1,685,204)	\$ (130,000)	\$ (1,685,204)
Loss per share-basic and diluted	\$ (0.059)	\$ (0.001)	
Weighted average number of common shares outstanding during the period-basic and diluted	23,321,773	21,716,991	

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 29, 2008	Year ended November 30, 2006	Cumulative from July 13, 2005 to February 29, 2008
Cash provided by (used in)			
Operating activities			
Loss for the period	\$ (1,385,302)	\$ (30,000)	\$ (1,515,302)
Items not affecting cash			
Issue of common shares for consulting fees	-	-	100,000
Stock-based compensation	749,937	-	749,937
Amortization	7,772	-	7,772
Gain on sale of marketable securities	(107,002)	(55,824)	(162,826)
Future income taxes	(172,600)	(35,000)	(207,600)
Changes in non-cash operating working capital			
Sundry receivables	(50,202)	-	(50,202)
Prepaid expenses	(141,460)	-	(141,460)
Accounts payable and accrued liabilities	(196,377)	170,968	(25,409)
	\$ (1,295,234)	\$ 50,144	\$ (1,245,090)
Financing activities			
Issuance of common shares for cash	\$ 10,321,500	\$ 675,000	\$ 10,996,501
Investing activities			
Marketable securities	\$ -	\$ (131,495)	\$ (131,495)
Proceeds on sale of marketable securities	406,937	104,250	511,187
Purchase of capital assets	(238,127)	-	(238,127)
Mineral resource properties expenditures	(1,423,516)	(691,546)	(2,115,062)
	(1,254,706)	(718,791)	(1,973,497)
Net increase (decrease) in cash	\$ 7,771,560	\$ 6,353	\$ 7,777,914
Cash, beginning of period	6,354	1	-
Cash, end of period	\$ 7,777,914	\$ 6,354	\$ 7,777,914

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

Delta Uranium Inc.

(an exploration stage company)

Notes to Consolidated Financial Statements

February 29, 2008 and November 30, 2006

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. 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 subsidiary, 4316282 Canada Inc.

Change in accounting policies

On December 1, 2006, the Company adopted CICA Handbook Section 3855, “Financial Instruments – Recognition and Measurement” and Section 3861, “Financial Instruments – Disclosure and Presentation” 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 unrealized 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 marketable securities as held-for-trading; sundry receivable 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 the fair value of marketable securities of \$216,866, representing the difference between the fair value and the cost and 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.

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.

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
Vehicles	30% declining balance
Computer equipment	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 future income taxes are 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.

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.

Stripping costs

Stripping costs are accounted for as variable production costs and are included in the costs of inventory produced, unless the stripping activity can be shown to be a betterment of the mineral property, in which case the stripping costs would be capitalized. Betterment occurs when stripping activity increases future output of the mine by providing access to additional sources of reserves. Capitalized stripping costs would be amortized over a unit of production basis over the proven and probable reserves to which they directly relate.

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.

Future accounting pronouncements issued and not yet adopted

- a) The new Section 1535, “Capital Disclosures”, requires that an entity disclose information that enables users of its financial statements to evaluate an entity’s objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance. The new standard applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically March 1, 2008 for the Company. This standard will impact the Company’s disclosures provided, but will not affect the Company’s results or financial position.
- b) The new Sections 3862 and 3863 replace Handbook Section 3861 “Financial Instruments – Disclosure and Presentation”, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The new standards apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically January 1, 2008 for the Company. This standard will impact the Company’s disclosures provided, but will not affect the Company’s results or financial position.
- c) The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards (“IFRS”) over a transition period expected to end in 2011. The impact of the transition to IFRS on the Company’s financial statements is not yet determinable.

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 has been accounted for as a reverse takeover, whereby 4318262 Canada is 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 is accounted for as a capital transaction, that is, a financing and recapitalization of the Corporations. 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 current fiscal year end is a fifteen month period.

4. CASH

Cash includes \$655,000 (November 30, 2006-\$150,000) of the proceeds of private placements of flow-through common shares which must be expended on Canadian exploration expenditures by December 31, 2008.

5. MINERAL RESOURCE PROPERTIES

As at February 29, 2008, the Company owns the following claims located in Ontario:

	Kenora	Northwestern Aerobus	Boyer Lake	Northeastern Timmins	Total
Balance, November 30, 2005	\$ 600,000	\$ -	\$ 100,000	\$ -	\$ 700,000
Exploration costs	382,246	-	-	309,200	691,546
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

Northwestern Ontario

Kenora Uranium Project

The Company's 100% owned Kenora Uranium Project consists of 3,199 mineral dispositions ("Claims") totaling 51,189 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 100% owned Aerobus Lake properties are located in Northwestern Ontario approximately 25 km northeast of the Company's Kenora Property. The project consists of 84 claims covering 1,344 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 northeastern shore of upper Manitou Lake in Boyer Township, approximately 30 km south of Dryden, Ontario. The property was acquired by staking and comprises 23 claims covering over 360 hectares of potentially gold-bearing volcanic stratigraphy situated adjacent the historic Gold Rock mining camp.

Northeastern Ontario

Timmins Uranium Project

The Company's 100% owned Timmins Uranium Project is located in Northeastern Ontario and stretches from Shining Tree to Sault Ste. Marie. The project consists of twelve separate mineral licenses comprising 3,107 claims covering 49,472 hectares. The properties were acquired by staking and target uranium mineral occurrences and radiometric anomalies, typically in granite and granite-greenstone terranes.

6. CAPITAL ASSETS

	February 29, 2008
Office equipment	\$ 65,622
Accumulated amortization	2,589
	63,033
Vehicles	79,412
Accumulated amortization	1,420
	77,992
Computer equipment	51,485
Accumulated amortization	2,140
	49,345
Leasehold improvements	41,608
Accumulated amortization	1,623
	39,985
	\$ 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, 2005	8,000,001	\$	800,001
Issued for cash:			
Private placement of flow-through units (note (a))	2,625,000		525,000
Private placement of flow-through common shares (note (b))	300,000		150,000
Issued as payment for finders' fee (note (b))	24,000		12,000
Renunciation of flow-through expenditures	-		(125,000)
Share issue costs (note (b))	-		(12,000)
Balance, November 30, 2006	10,949,001	\$	1,350,001
Issued for cash:			
Private placements of flow-through units (note (c))	1,310,000	\$	655,000
Private placement of common shares (note 3)	8,833,000		8,833,000
Fair value of warrants issued (note (c))			(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

a) Private placement-flow-through units

On December 22, 2005, the Company completed the private placement of 2,625,000 flow-through units at a price of \$0.20 per flow-through unit for proceeds of \$525,000. 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 1,312,500 warrants entitling the holder to purchase one common share at a price of \$0.30 per common share until December 22, 2007.

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

Risk-free interest rate	4.00%
Expected volatility	1%
Expected life of warrants	1 year
Expected dividend yield	0%

b) Private placement-flow-through common shares

On October 2, 2006, the Company completed the private placement of 300,000 common shares issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) at a price of \$0.50 per common share for proceeds of \$150,000. In connection with the private placement, the Company issued 24,000 common shares at a price of \$0.50 per common share in respect of a finder's fee of \$12,000.

c) 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

Under a fixed stock option plan, the Company may grant options to its employees, directors, officers and consultants for up to 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 Venture Exchange on the last trading day immediately preceding the date of grant of the option. The option period for each option shall not exceed 5 years. Options granted vest in 6 equal installments on the date of grant and then at 6 months, 9 months, 1 year, 15 months and 18 months after the date of grant (2006 - in 4 equal installments on the date of grant and then at 6 months, 12 months and 18 months after the date of grant). At February 29, 2008, there are 1,130,000 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%

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

A summary of the Company's fixed stock options outstanding as at February 29, 2008 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
\$0.10	70,000	70,000	December 19, 2008
\$0.40	1,000,000	1,000,000	December 20, 2011
\$1.00	1,800,000	466,484	November 20, 2012
	2,870,000	1,536,484	

Warrants

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

	Number of warrants	Weighted-average exercise price
Balance, November 30, 2005	-	-
Issued	1,312,500	\$ 0.30
Balance, November 30, 2006	1,312,500	0.30
Issued	655,000	0.65
Exercised	(1,967,500)	(0.42)
Balance, February 28, 2008	-	\$ -

Warrant capital

Balance, November 30, 2005 and 2006	\$ -
Issued	103,000
Exercised	(103,000)
Balance, February 29, 2008	\$ -

Contributed surplus

Balance, November 30, 2005 and 2006	\$ -
Stock-based compensation	749,937
Balance, February 29, 2008	749,937

8. INCOME TAXES

Provision for income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the federal and provincial statutory rate of 36% (2006 – 36%) to the net loss for the year. The reasons for the difference are as follows:

	15 months ended February 29, 2008	Year ended November 30, 2006
Income tax recovery based on statutory rate	\$ (562,000)	\$ (12,000)
Stock-based compensation and other non-deductible expenses	276,000	-
Non-taxable portion of gain on sale of marketable securities	(19,000)	(5,000)
Impact on opening balance sheet adjustment	39,000	
Change in statutory tax rates and other	20,400	
Change in valuation allowance for unrecorded tax benefit of losses	73,000	(18,000)
	\$ (172,600)	\$ (35,000)

Future income tax assets and liabilities

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

	As at February 29, 2008	As at November 30, 2006
Asset		
Non-capital loss carryforward	\$ 269,000	\$ 35,000
Liability		
Mineral resource properties	(196,000)	(125,000)
	73,000	(90,000)
Valuation allowance	(73,000)	-
	\$ -	\$ (90,000)

Due to losses incurred in the current year and expected future operating results, management determined that it is not 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 29, 2008, the Company had non-capital loss carryforwards which expire as follows:

2015	\$ 100,000
2026	95,000
2027	587,000
2028	147,000
	\$ 929,000

Resource deductions

At February 29, 2008, the Company had resource deductions of \$2,410,000 which may be carried forward indefinitely to reduce taxable income in future years.

9. RELATED PARTY TRANSACTIONS

For the 15 months ended February 29, 2008, management fees included \$451,125 paid to three directors and officers of the Company (2006-\$nil for the year ended November 30, 2006). These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

10. COMMITMENTS

The Company is committed to the following payments:

	Operating lease for premises	Consulting	Total
2009	\$ 54,866	\$ 230,000	\$ 284,866
2010	56,423	-	56,423
2011	57,979	-	57,979
2012	58,536	-	58,536
2013	45,527	-	45,527
	\$ 274,333	\$ 230,000	\$ 504,333

11. FINANCIAL INSTRUMENTS

Fair value

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

Commodity price risk

The ability of the Company to develop its mineral resource properties and the future profitability of the Company is directly related to the market price of uranium.

12. COMPARATIVE FIGURES

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

13. SUBSEQUENT EVENTS

On March 3, 2008, the Company granted 575,000 stock options to officers, directors, employees and a consultant, entitling the holder to purchase one common share at a price of \$1.00 per common share until March 3, 2013. 150,000 of these options were issued in conjunction with the consulting commitment disclosed in Note 10.