

DELTA URANIUM INC.

(FORMERLY WAVEPOWER INTERNATIONAL SYSTEMS INC.)

(A DEVELOPMENT STAGE COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE AND NINE MONTH PERIOD
ENDED NOVEMBER 30, 2007**

(UNAUDITED – PREPARED BY MANAGEMENT)

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THE ACCOMPANYING INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2007 AND 2006 HAVE NOT BEEN REVIEWED OR AUDITED BY THE CORPORATIONS AUDITORS. THIS NOTICE IS BEING PROVIDED IN ACCORDANCE WITH SECTION 4.3(3)(a) OF THE NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS

Delta Uranium Inc.

(Formerly Wavepower Systems International Inc.)

(A Development Stage Company)

Consolidated Balance Sheets

As at November 30, 2007

	November 30 2007 (unaudited)	November 30 2006 (audited)
Assets		
Current		
Cash	7,952,674	6,354
Deposits and Prepaids	95,496	-
Marketable securities	-	83,069
	8,048,170	89,423
Future income tax assets (note 6)	-	35,000
Mineral resource properties (note 3)	2,795,626	1,391,546
	10,843,796	1,515,969
Liabilities		
Current		
Accounts payable and accrued liabilities	126,338	170,968
Future income taxes liabilities (note 6)	125,000	125,000
	251,338	295,968
Shareholders'equity		
Stated capital (note 4)	11,033,446	1,350,001
Contributed Surplus	771,110	
Deficit	(1,212,098)	(130,000)
	10,592,458	1,220,001
	10,843,796	1,515,969

See accompanying notes

Delta Uranium Inc.

(Formerly Wavepower Systems International Inc.)

(A Development Stage Company)

Consolidated Statement of Operations and Deficit

For the Three and Nine Month Period Ended November 30, 2007

	3 month period ended November 30, 2007 (unaudited)	3 month period ended November 30, 2006 (unaudited)	9 month period ended November 30, 2007 (unaudited)	9 month period ended November 30, 2006 (unaudited)
Revenue				
Interest on Investments	10,534		10,534	
Gain on sale on marketable securities	49,070	19,325	167,083	55,824
	59,604	19,325	177,617	55,824
Expenses				
Consulting fees		85,000	24,000	85,000
Management fees	144,000		144,000	
Stock based compensation	771,110		771,110	
Legal	90,702	25,000	90,702	25,000
Audit	12,483	5,000	24,704	5,000
General and administration	139,114	687	170,199	3,781
	1,157,409	115,687	1,224,715	118,781
Profit/(loss) before income taxes	(1,097,805)	(96,362)	(1,047,098)	(62,957)
Future income tax recovery				
Net profit/(loss) for the period	(1,097,805)	(96,362)	(1,047,098)	(62,957)
Income taxes (note 6)		-	(35,000)	-
Profit/(loss) for the period	(1,097,805)	(96,362)	(1,082,098)	(62,957)
Surplus/(deficit), beginning of period	(114,293)	(68,638)	(130,000)	(102,043)
Surplus/(deficit), end of period	(1,212,098)	(165,000)	(1,212,098)	(165,000)
Loss per common share-basic and diluted	(0.09)	(0.02)	(0.09)	(0.01)
Weighted average number of common shares-basic and diluted	13,479,832	10,462,848	13,479,832	12,041,874

See accompanying notes

Delta Uranium Inc.

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(A Development Stage Company)

Consolidated Statement of Cashflows

For the Three and Nine Month Period Ended November 30, 2007

	3 month period ended November 30, 2007 (unaudited)	3 month period ended November 30, 2006 (unaudited)	9 month period ended November 30, 2007 (unaudited)	9 month period ended November 30, 2006 (unaudited)
Cash provided by (used in)				
Operating activities				
Net profit/(loss) for the period	(1,097,805)	(96,362)	(1,082,098)	(62,957)
Items not affecting cash				
Stock based compensation	771,110		771,110	
Prepaid expenses and deposits	(65,248)		(95,496)	
Interest on investment	(10,534)		(10,534)	
Gain on sale of marketable securities	(49,070)	(55,824)	(167,083)	(55,824)
Changes in non-cash operating working capital				
Accounts payable and accrued liabilities	(153,199)	47,248	(164,718)	5,417
	(604,746)	(104,938)	(748,819)	(113,364)
Financing activities				
Issue of common shares for cash	8,833,000	181,243	8,833,000	525,571
Investing activities				
Purchase of marketable securities				(131,495)
Proceeds on sale of marketable securities	67,394	104,250	298,578	104,250
Mineral resource properties	(351,585)	(202,228)	(964,273)	(484,580)
	(284,191)	(97,978)	(665,695)	(511,825)
Net increase in cash	7,944,063	(21,673)	7,418,486	(99,618)
Cash, beginning of period	8,611	28,025	534,188	105,970
Cash, end of period	7,952,674	6,352	7,952,674	6,352
Supplementary information				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-
Non-cash transactions				
Mineral resource properties acquired by issue of common shares	-	-	270,000	-

See accompanying notes

Delta Uranium Inc.

(Formerly Wavepower International Systems Inc.)

Notes to Consolidated Financial Statements

November 30, 2007

1. Nature of operations

These consolidated financial statements include the accounts of Delta Uranium Inc and its wholly owned subsidiary 4316282 Canada Inc., collectively referred to as the "Company". The Company incorporated under the Business Corporations Act of Ontario and its subsidiary was incorporated under the Canada Business Corporations Act. All intercompany transactions and accounts have been eliminated upon consolidation. The principal business of the Company is the acquisition, exploration and development of uranium mineral prospects. Currently the Company has four (4) properties in the Kenora and Timmins regions of Ontario, Canada. The Company acquired its properties by virtue of entering into a Share Exchange Agreement with 4316282 Canada Inc., a private Ontario company which was approved by its shareholders on May 31, 2007. The Company has not yet determined whether its mineral resource properties contain reserves that are economically recoverable.

On November 9, 2007 the Company issued, as consideration for all of the outstanding securities of 4316282 Canada Inc.. ("4316282 Canada"), 12,799,001 common shares. Additionally the Company issued warrants options to replace the issued warrants and options of 4316282 Canada. (see Note 8)

Legally, the Company is the parent of 4316282 Canada. However, as a result of the transaction described above, control of the combined companies passed to the former shareholders of 4316282 Canada. This type of share exchange, referred to as a "reverse takeover", deems 4316282 Canada to be the acquirer for accounting purposes. Since the Company does not constitute a business, the transaction will be accounted for as a capital transaction, that is, a financing and recapitalization of 4316282 Canada.

In accordance with reverse take-over accounting:

(i) the assets and liabilities of 4316282 Canada are included in the consolidated financial statements at their historic carrying value:

(ii) the net assets of the Company are included at fair value (being the carrying value of the net assets of the Company).

(iii) As 4316282 Canada is deemed to be the continuing corporation, accordingly the comparatives are those of 4316282 Canada's historical results and not the Company's.

(iv) The contributed surplus and deficit of the Company are eliminated upon its acquisition by 4316282 Canada.

The fair value of the Company's assets and liabilities acquired are as follows:

	\$
Assets	0
Accounts payable and accruals	57,581
Related party debt	16,974
<u>Net liabilities assumed</u>	<u>\$ 74,555</u>

Delta Uranium Inc.

(Formerly Wavepower International Systems Inc.)

Notes to Consolidated Financial Statements

November 30, 2007

2. Summary of significant accounting policies

Management in accordance with generally accepted accounting principles in Canada has prepared the financial statements of the Corporation. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements, in management's opinion, have been properly prepared using careful judgment with reasonable limits of materiality. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended November 30, 2006. These interim financial statements do not contain all disclosures required under generally accepted accounting principles for annual financial statements and should therefore be read in conjunction with the financial statements and the notes for the year ended November 30, 2006.

Cash and Short-term Investments

Cash and short-term investments consist of bank deposits, bankers' acceptances with major Canadian banks, guaranteed investment certificates, certificates of deposits and money market accounts. These investments are easily convertible to cash and have maturities of three months or less when purchased.

Marketable securities

Marketable securities are stated at cost and are written down to quoted market values when there is evidence of a decline in value that is other than temporary.

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. 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.

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.

Flow-through shares

The Company finances a portion of its exploration and development 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.

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. The Company has no material asset retirement obligations as the disturbance to date is minimal.

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Notes to Consolidated Financial Statements

November 30, 2007

2 Summary of significant accounting policies (cont'd)

Impairment of long-lived assets

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flow from use and fair value. In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings.

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 enactment or substantive enactment. Future income tax liabilities are reduced by income taxes recoverable by utilizing current losses.

Financial instruments

The Company's financial instruments include marketable securities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency and credit risks arising from financial instruments.

Fair value

The fair values of financial instruments approximate their recorded amounts due to the short period to receipt or payment of cash.

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 shares outstanding during the year. Fully diluted loss per share is calculated using the treasury stock method and reflects the potential dilution by including stock options and contingently issuable shares, in the weighted average number of common shares outstanding for the year, if dilutive.

3. Mineral resource properties

At November 30, 2007, the Company owns a 100% interest in the Eagle Lake uranium property which consists of 1,600 claims in Ontario, a 100% interest in the Canamerica gold property which consists of 23 claims in Ontario and a 100% interest in Aerobus

	Eagle Lake	Canamerica	Aerobus	Total
	\$	\$	\$	\$
Acquisition costs-common shares	600,000	100,000	—	700,000
Balance, November 30, 2005	600,000	100,000	—	700,000
Exploration costs	691,546	—	—	691,546
Balance, November 30, 2006	1,291,546	100,000	—	1,391,546
Acquisition costs-common shares	—	—	270,000	270,000
Exploration costs	1,134,080	—	—	1,134,080
Balance, November 30, 2007	2,425,626	100,000	270,000	2,795,626

During the period ended November 30, 2005, the Company acquired a 100% interest in the Eagle Lake uranium property and Canamerica gold property for the issue of 7,000,000 common shares with a value of \$700,000 based on a price of \$0.10 per common share. On December 31, 2006, the Company completed the acquisition of the Aerobus property for 540,000 common shares with a deemed value of \$0.50 per common share for total acquisition cost of \$270,000

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Notes to Consolidated Financial Statements

November 30, 2007

4. Share capital

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

	2006	
	Number of	Amount
Shares issued for:	shares	\$
Cash	1	1
Mineral resource properties (note 3)	7,000,000	700,000
Consulting fees	1,000,000	100,000
Balance November 30, 2005	8,000,001	800,001
Private placement (note 4(a))	2,625,000	525,000
Private placement (note 4(b))	300,000	150,000
Finder's fee	24,000	12,000
Renunciation of flow-through expenditures	—	(125,000)
Share issue costs	—	(12,000)
Balance November 30, 2006	10,949,001	1,350,001
Mineral resource properties (note 3)	540,000	270,000
Private placement (note 4(b))	1,310,000	655,000
Balance August 31, 2007	12,799,001	2,275,001
Private placement	8,833,000	8,833,000
Delta Uranium - Outstanding, November 9, 2007	2,330,081	(74,555)
Conversion of redeemable convertible preference Series A shares	3,005,205	-0-
Balance November 30, 2007	26,967,287	11,033,446

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. Each of the 1,312,500 warrants issued entitles the holder to acquire one common share at a price of \$0.30 per common share until December 22, 2007. The fair value of warrants issued was determined to be \$nil using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate 4.0%, expected volatility 1.0%, life of options 1 year and expected dividend yield 0%.

b) Private placement-flow-through units

On October 2, 2006, the Company completed the private placement of 300,000 common shares share 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. Each of the 655,000 warrants issued entitles the holder to acquire one common share at a price of \$0.65 per common share until December 30, 2007. The fair value of warrants issued was determined to be \$nil using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate 4.0%, expected volatility 1.0%, life of options 1 year and expected dividend yield 0%.

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Notes to Consolidated Financial Statements

November 30, 2007

4 Share capital (cont'd)

Issue of options

On December 8, 2006, the Board of Directors of 4316282 Canada issued 1,000,000 options, with each option entitling the holder to purchase one common share at a price of \$0.40 per common share until December 6, 2008. As the Company was not trading, these options were deemed to have no value to be expensed as stock based compensation

On December 19, 2006, the Board of Directors of Delta granted 210,000 options with each option entitling the holder to purchase one common share at a price of \$0.10 per common share until December 19, 2008. As the Company was not trading, these options were deemed to have no value to be expensed as stock based compensation.

On November 20, 2007, the Company issued 1,800,000 options, with each option entitling the holder to purchase one common share at a price of \$1.00 per common share until November 20, 2012. The fair value of options issued was determined to be \$771,110 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate 4.0%, expected volatility 50%, life of options 5 years and expected dividend yield 0%. The value was expensed as stock based compensation.

5. Related party transactions

For the nine month period ended November, 2007 management fees of \$144,000 were paid to three individuals who are directors and/or officers of the Company. For the nine months ended November 30, 2006, consulting fees includes \$25,000 paid to a director of the Company.

6. Future Income Taxes

	November 30, 2007
Loss	1,047,098
Income tax liability	392,266
Non capital losses carried forward	193,000
Losses carried forward to 2015	<u>585,266</u>
Future Income taxes Liabilities November 30, 2006 and 2007	\$125,000
Future Income Taxes assets	
November 30, 2006	\$35,000
Utilized	(35,000)
November 30, 2007	-

7. Subsequent Events

During the month of December all outstanding warrants were exercised, 1,312,500 warrants at \$0.30 and 655,000 warrants at \$0.65 for a total gross proceeds of \$819,500