POWERTECH URANIUM CORP.

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

(Stated in Canadian Dollars)

A PARTNERSHIP OF INCORPORATED PROFESSIONALS

AMISANO HANSON
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders,
Powertech Uranium Corp.

We have audited the consolidated balance sheets of Powertech Uranium Corp. as at March 31, 2007 and 2006 and the consolidated statements of operations, deficit and cash flows for the years then ended. These 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 the Company as at March 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
June 15, 2007, except as to Note 11(g) which is
as of June 25, 2007

"AMISANO HANSON"
Chartered Accountants

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POWERTECH URANIUM CORP.
CONSOLIDATED BALANCE SHEETS
March 31, 2007 and 2006
(Stated in Canadian Dollars)

ASSETS	2007	2006
Current		
Cash and short-term investments – Note 6	$ 11,725,285	$ 390,366
Restricted cash – Note 3	291,759	-
GST receivable	9,041	9,351
Other receivables	10,357	-
Prepaid expenses	78,974	-
	12,115,416	399,717
Deposits	94,321	-
Resource property interests – Notes 3, 6, 9 and 11	20,757,144	397,429
Equipment – Note 4	98,666	-
	$ 33,065,547	$ 797,146
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 6	$ 648,738	$ 164,148
Current portion of agreements payable – Notes 3 and 8	300,534	11,680
	949,272	175,828
Agreements payable – Notes 3 and 8	2,115,297	105,120
	3,064,569	280,948
SHAREHOLDERS' EQUITY		
Share capital – Notes 5 and 11	40,674,499	11,164,571
Share subscriptions – Note 5	-	285,000
Contributed surplus – Note 5	5,110,610	-
Deficit	(15,784,131)	(10,933,373)
	30,000,978	516,198
	$ 33,065,547	$ 797,146

Nature of Operations – Note 1
Commitments – Notes 3, 5, 9 and 11
Subsequent Events – Note 11
Contingency – Note 12

APPROVED BY THE DIRECTORS:

"Richard Clement" Director
Richard Clement

"Thomas Doyle" Director
Thomas Doyle

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
for the years ended March 31, 2007 and 2006
(Stated in Canadian Dollars)

	2007	2006
Revenue		
Interest	$ 308,038	$ -
General and administrative expenses		
Amortization	16,820	-
Audit and accounting fees	62,069	24,930
Director fees – Note 6	11,075	60,000
Filing fees	75,524	11,330
Foreign exchange gain	(16,018)	-
Insurance	59,578	-
Investor relations and promotion	219,482	-
Legal fees – Note 6	173,487	83,775
Management and consulting fees – Note 6	515,859	-
Office and miscellaneous	154,770	3,059
Stock-based compensation – Notes 5 and 6	3,513,301	-
Transfer agent fees	20,723	5,206
Travel and accommodation	113,610	21,176
Wages and benefits – Note 6	238,516	-
	5,158,796	209,476
Net loss for the year	$ (4,850,758)	$ (209,476)
Basic and diluted loss per share	$ (0.14)	$ (0.02)
Weighted average number of shares outstanding	34,688,130	12,756,369

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
CONSOLIDATED STATEMENTS OF DEFICIT
for the years ended March 31, 2007 and 2006
(Stated in Canadian Dollars)

	2007	2006
Deficit, beginning of the year	$ (10,933,373)	$(10,723,897)
Net loss for the year	(4,850,758)	(209,476)
Deficit, end of the year	$ (15,784,131)	$(10,933,373)

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended March 31, 2007 and 2006
(Stated in Canadian Dollars)

	2007	2006
Operating Activities		
Net loss for the year	$ (4,850,758)	$ (209,476)
Items not affecting cash:		
Amortization	16,820	-
Foreign exchange gain	(16,018)	-
Stock based compensation	3,513,301	-
	(1,336,655)	(209,476)
Net change in non-cash working capital balances:		
GST receivable	310	830
Other receivables	(10,357)	-
Prepaid expenses	(78,974)	2,250
Accounts payable and accrued liabilities	524,590	127,002
	(901,086)	(79,394)
Investing Activities		
Deposits	(94,321)	-
Resource property interests	(5,073,409)	(280,629)
Equipment	(115,486)	-
	(5,283,216)	(280,629)
Financing Activities		
Agreements payable	(11,680)	-
Issuance of common shares	17,822,660	379,500
Share subscriptions	-	285,000
	17,810,980	664,500
Increase in cash during the year	11,626,678	304,477
Cash, beginning of the year	390,366	85,889
Cash, end of the year	$ 12,017,044	$ 390,366
Cash consists of:		
Cash	$ 1,215,019	$ 390,366
Short-term investments	10,510,266	-
	11,725,285	390,366
Restricted cash	291,759	-
	$ 12,017,044	$ 390,366

Non-cash Transactions – Note 7

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations

The Company was incorporated in British Columbia on February 10, 1984. The Company's shares are publicly traded on the TSX Venture Exchange and the Frankfurt Stock Exchange. The Company's business is the exploration and development of uranium properties located in South Dakota, Wyoming, Colorado and New Mexico, USA.

The Company is in the process of exploring its properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of the reserves, and upon future profitable production or proceeds from disposition of the properties.

Note 2 Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at year end and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Powertech (USA) Inc., a South Dakota corporation, which was incorporated by the Company on January 24, 2006. All significant inter-company balances and transactions have been eliminated.

Cash and Short-term Investments

Cash and short-term investments consist of highly liquid investments that are easily convertible to cash and have maturities of three months or less when purchased.

Resource Property Interests

Property Acquisition Costs

Acquisitions of resource properties are recorded at cost. Costs incurred prior to the completion of an acquisition are deferred as deferred resource property acquisition costs. Producing resource properties are depleted over their estimated useful lives based upon a method relating recoverable resource reserves to production. Non-producing resource properties that the Company abandons interest in are written off in the year of abandonment.

Note 2 Significant Accounting Policies – (cont'd)

Resource Property Interests – (cont'd)

Deferred Exploration Costs

The Company capitalizes all exploration expenses that result in the acquisition and retention of resource properties or an interest therein. The accumulated costs including applicable exploration expenses relative to non-productive resource properties that the Company abandons interest in are written off. Otherwise, the exploration expenses are depleted over the estimated useful lives of the producing resource properties on a method relating recoverable reserves to production.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying values of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Write-downs due to impairment in value are charged to operations. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of the completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Equipment and Amortization

Equipment is recorded at cost. Amortization is recorded using the declining balance method at the following annual rates:

Computer equipment	30%
Office equipment	20%
Vehicles	30%

Amortization is recorded at one-half rates in the year of acquisition.

Note 2 Significant Accounting Policies – (cont'd)

Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at March 31, 2007.

Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the period the asset is put into use, with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, depreciation and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and depreciation of the related asset. The Company has determined that there are no asset retirement obligations at March 31, 2007.

Financial Instruments

The carrying values of cash and short-term investments, restricted cash, other receivables and accounts payable and accrued liabilities approximate fair value because of the short-term maturity of those instruments. The fair value of agreements payable is also assumed to approximate their carrying amount. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company's mineral exploration activities are located in the United States of America and expenditures are in U.S. dollars. Consequently some assets and liabilities are exposed to foreign currency fluctuations. At March 31, 2007, US currency balances were comprised of cash of US$101,435, restricted cash of US$252,408, accounts payable of US$149,339, and agreements payable totalling US$2,090,000 (2006: US$100,000).

Income Taxes

The Company accounts for income taxes by the asset and liability method. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

Note 2 Significant Accounting Policies – (cont'd)

Stock-Based Compensation

The Company has a stock option plan as described in Note 5. Awards of stock options to employees and non-employees are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes option valuation model. Under the fair value method, the amount to be recognized as expense is determined at the time the options are issued and is deferred and recognized in earnings over the vesting period of the options with a corresponding increase in contributed surplus.

Consideration paid by directors, officers and key employees and consultants on the exercise of stock options is credited to share capital together with the amount previously recognized in contributed surplus.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. The weighted average number of common shares outstanding does not include performance escrow shares but does include time-release escrow shares. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully dilutive amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Foreign Currency Translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in operations.

Note 3 Resource Property Interests – Notes 6, 9 and 11

South Dakota, USA

The Company's South Dakota prospect is comprised of 18 mining leases covering 14,933 gross acres, 12,247 net surface acres and 7,975 net mineral acres. In addition, the Company has staked and acquired 156 mining claims in South Dakota covering approximately 2,964 acres. The Company obtained the prospect as follows:

Note 3 Resource Property Interests – Notes 6, 9 and 11 – (cont'd)

South Dakota, USA – (cont'd)

Dewey Burdock Prospect – Custer and Fall River Counties

a) By a purchase and sale agreement dated February 20, 2006 and effective May 11, 2006, the Company acquired all of the assets and assumed all of the liabilities of Denver Uranium Company, LLC ("DU"). The purchased assets included a package of mining leases. The assumed liabilities included US$888,000 of convertible promissory notes and accrued interest. The Company acquired the assets of DU by the issuance of 8,000,000 common shares at $1.00 per share. In addition, the Company settled the convertible promissory notes and accrued interest by the issuance of 2,220,000 common shares $0.48 per share. All of these shares are subject to the terms of escrow agreements that provide for their release over a three-year period.

b) By a letter agreement dated November 16, 2005 and effective May 11, 2006, the Company acquired 119 mineral claims by the issuance of 1,000,000 common shares at $1.00 per share. In addition, the Company issued 1,250,000 share purchase warrants entitling the holder to purchase an additional 1,250,000 common shares at $1.00 per share until May 11, 2007. The fair value of these share purchase warrants was calculated at $1,091,671 using the Black Scholes option valuation model. The agreement is subject to a production royalty ranging from 2% to 4%, dependent on the price of uranium.

c) By a purchase agreement dated March 31, 2006, the Company acquired a one-third mineral interest in a property in Custer County, South Dakota, in consideration for US$950,000 to be paid US$100,000 on closing (paid) and US$10,000 per year for ten years until March 31, 2016 (paid US$10,000). The balance of the purchase price of US$750,000 is payable contingent upon receipt of permits and authorizations necessary to commence exploration and mining on the property. The US$750,000 is to be paid in four equal instalments of US$187,500 on each anniversary of the Company obtaining such permits. The purchase agreement is secured by a promissory note and a mortgage on the mineral interest.

The Company has received an exploration permit from the South Dakota Department of Environmental and Natural Resources. In addition, the Company has established a US$500,000 standby letter of credit facility with Wells Fargo Bank ("Wells Fargo"). As requested, Wells Fargo will issue irrevocable letters of credit to secure the Company's reclamation obligations associated with its drilling programs. Wells Fargo has issued the first letter of credit under the facility to the South Dakota Department of Environment and Natural Resources in the amount of US$213,500 in connection with the exploration permit. The letter of credit is secured by a certificate of deposit in the amount of US$235,000 (CDN $271,637) which is included in restricted cash at March 31, 2007. The entire facility is guaranteed by the Company.

Note 3 Resource Property Interests – Notes 6, 9 and 11 – (cont'd)

Wyoming, USA

The Company's Wyoming prospects are comprised of 35 mining leases or options to lease covering 20,479 gross acres, 19,938 net surface acres and 12,117 net mineral acres. In addition, the Company has staked 792 mining claims in Wyoming covering approximately 15,048 acres. The Company obtained the prospects as follows:

Dewey Terrace Prospect – Weston County

During the year ended March 31, 2007, the Company acquired the Dewey Terrace prospect through 10 leases or options to lease and through staking 448 mining claims. The Dewey Terrace prospect is adjacent to the Dewey Burdock prospect located across the state line in South Dakota.

The Company has received authorization to proceed with exploration and drilling on the Dewey Terrace property. In connection with the exploration and drilling program, the Company paid US$17,400 (CDN $20,122) to the State of Wyoming to secure performance of the Company's reclamation obligations. This amount is included in restricted cash at March 31, 2007.

Aladdin Prospect – Crook County

During the year ended March 31, 2007, the Company acquired the Aladdin prospect through 24 leases or options to lease and through staking 41 mining claims. This prospect is 60 miles north of the Company's Dewey Terrace prospect. The Company has received an exploration permit from the Wyoming Department of Environmental Quality.

Colony Prospect – Crook County

During the year ended March 31, 2007, the Company acquired the Colony prospect through an option to lease and through staking 190 mining claims.

Powder River Basin Prospect – Campbell County

During the year ended March 31, 2007, the Company acquired the Powder River Basin prospect through staking 39 mining claims.

Shirley Basin Prospect – Carbon County

During the year ended March 31, 2007, the Company acquired the Shirley Basin prospect through staking 74 mining claims.

Note 3 Resource Property Interests – Notes 6, 9 and 11 – (cont'd)

Colorado, USA

The Company's Colorado prospects are comprised of 3 mining leases covering 1,464 gross acres, 802 net surface acres and 170 net mineral acres. In addition, the Company purchased surface acreage covering 320 gross acres and purchased mineral rights covering 5,744 net acres. The Company obtained the prospects as follows:

Centennial and Indian Springs Prospects – Weld County

a) By a purchase agreement dated September 27, 2006, the Company purchased 5,744 net mineral acres from Anadarko Land Corp for US$3,000,000. As consideration for the rights, the Company made a cash payment of US$1,000,000 and recorded a liability of US$2,000,000 payable in eight instalments of US$250,000 per annum. An additional lump sum payment of US$1,500,000 is due upon receipt of all regulatory permits and licenses allowing production of uranium from the property. In addition, any remaining instalment payments are due in full upon receipt of all regulatory permits and licences. The Company has also agreed to a minimum annual work commitment of US$200,000 per annum until uranium is produced from the property. The property is subject to a royalty of 5% to 6% of production.

b) During the year ended March 31, 2007, the Company also acquired surface acreage through direct acquisitions of land as part of the Company's overall program to secure surface rights on the prospects. The total consideration for the land purchases was US$850,000 and is included as capitalized costs in resource property interests.

c) During the year ended March 31, 2007, the Company entered into 3 mining leases covering 1,464 gross acres, 802 net surface acres and 170 net mineral acres.

New Mexico, USA

West Ambrosia Lake Prospect – McKinley County

During the year ended March 31, 2007, the Company acquired the West Ambrosia Lake prospect through staking 223 mining claims covering 4,237 acres.

Data Acquisitions

a) By a purchase agreement dated August 9, 2006, the Company acquired a historical geological database related to its South Dakota and Wyoming properties. As consideration for the database, the Company paid $112,690 (US$100,000) and issued 200,000 common shares at $1.30 per share.

(Stated in Canadian Dollars)

Note 3 Resource Property Interests – Notes 6, 9 and 11 – (cont'd)

Data Acquisitions – (cont'd)

b) By a purchase agreement dated December 18, 2006, the Company acquired a historical geological database related to its Wyoming properties. As consideration for the database, the Company agreed to pay $1,000,000, payable in cash or common shares at the Company's option as follows:

- $300,000 on signing (payment was satisfied by the issuance of 139,534 common shares at $2.15 per share);

- $300,000 on or before March 1, 2007 (payment was satisfied by the issuance of 73,350 common shares at $4.09 per share); and

- $400,000 on or before July 1, 2007 (payment was satisfied subsequent to March 31, 2007 by the issuance of 140,022 common shares at $2.86 per share). This amount was included in accounts payable at March 31, 2007.

At March 31, 2007 and 2006, the Company has incurred the following amounts on its resource property interests:

	2007	2006
Dewey Burdock, South Dakota	$ 13,475,435	$ 397,429
Dewey Terrace, Wyoming	896,910	-
Aladdin, Wyoming	855,962	-
Colony, Wyoming	143,583	-
Powder River Basin, Wyoming	48,985	-
Shirley Basin, Wyoming	31,676	-
Centennial, Colorado	4,239,128	-
Indian Springs, Colorado	726,187	-
West Ambrosia Lake, New Mexico	201,206	-
Other	138,072	-
	$ 20,757,144	$ 397,429

(Stated in Canadian Dollars)

Note 3 Resource Property Interests – Notes 6, 9 and 11 – (cont'd)

At March 31, 2007, costs reflected in resource property interests are detailed below:

	South Dakota	Wyoming	Colorado	New Mexico	Other	Total
Acquisition costs	$ 12,111,337	$ -	$ 4,126,025	$ -	$ -	$ 17,610,052
Data acquisitions	93,173	1,093,172	-	74,538	111,807	1,372,690
Land services	27,301	170,939	83,524	40,055	19,345	341,164
Legal fees	47,560	7,082	-	-	5,023	59,665
Claims maintenance	20,999	225,933	-	77,462	-	324,394
Lease payments	177,215	173,705	301,923	-	-	652,843
Drilling	-	234,099	-	-	-	234,099
Permitting	2,905	-	69,035	-	-	71,940
Wages/Consulting	994,945	72,186	384,808	9,151	1,897	*1,462,987
	$ 13,475,435	$ 1,977,116	$ 4,965,315	$ 201,206	$ 138,072	$ 20,757,144

*includes capitalized stock-based compensation of $942,306.

At March 31, 2006, costs reflected in resource property interests are detailed below:

	South Dakota	Wyoming	Colorado	New Mexico	Other	Total
Acquisition costs	$ 246,722	$ -	$ -	$ -	$ -	$ 246,722
Legal fees	54,607	-	-	-	-	54,607
Filing fees	7,500	-	-	-	-	7,500
Wages/Consulting	88,600	-	-	-	-	88,600
	$ 397,429	$ -	$ -	$ -	$ -	$ 397,429

Note 4 Equipment

	2007			2006
	Cost	Accumulated Amortization	Net	Net
Computer equipment	$ 23,874	$ 3,581	$ 20,293	$ -
Office equipment	10,059	1,006	9,053	-
Vehicles	81,554	12,234	69,320	-
	$ 115,487	$ 16,821	$ 98,666	$ -

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11

Authorized:

100,000,000 common shares without par value
50,000,000 preferred shares without par value

Issued:

		Number	Amount
Balance, March 31, 2005		13,903,154	$ 10,652,571
Issued for cash:			
- pursuant to private placement agreements (a)	- at $0.25	400,000	100,000
- pursuant to private placement agreements (c)	- at $0.80	450,000	360,000
- pursuant to exercise of warrants (a)	- at $0.30	40,000	12,000
Issued for debt:			
- settlement of accounts payable (b)	- at $0.30	133,333	40,000
Balance, March 31, 2006		14,926,487	$ 11,164,571
Issued for cash:			
- pursuant to private placement agreements (d)	- at $0.95	300,000	285,000
- pursuant to private placement agreements (e)	- at $1.00	12,000,000	12,000,000
- less share issue costs (e)		-	(281,178)
- agent's commission shares (e)		649,752	-
- pursuant to exercise of agent's options (e)	- at $1.20	1,080,000	1,296,000
- pursuant to exercise of warrants (a)	- at $0.30	360,000	108,000
- pursuant to exercise of warrants (c)	- at $0.80	350,000	280,000
- pursuant to exercise of warrants (c)	- at $0.90	100,000	90,000
- pursuant to exercise of warrants (h)	- at $1.00	500,000	500,000
- pursuant to exercise of warrants (d)	- at $1.15	120,000	138,000
- pursuant to exercise of warrants (b)	- at $1.30	2,839,876	3,691,838
Issued for debt:			
- settlement of accounts payable (f)	- at $1.00	40,000	40,000
- acquisition of Denver Uranium (g)	- at $0.48	2,220,000	1,065,600
Issued for assets:			
- acquisition of Denver Uranium (g)	- at $1.00	8,000,000	8,000,000
- acquisition of South Dakota mining claims (h)	- at $1.00	1,000,000	1,000,000
- acquisition of uranium database (i)	- at $1.30	200,000	260,000
- acquisition of uranium database (j)	- at $2.15	139,534	300,000
- acquisition of uranium database (j)	- at $4.09	73,350	300,000
Black-Scholes valuation on exercise of warrants (h)		-	436,668
Balance, March 31, 2007		44,898,999	$ 40,674,499

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11 – (cont'd)

Issued: – (cont'd)

Agent's Options:

Date	Exercise Price	Outstanding at March 31, 2006 and 2005	Issued during year ended March 31, 2007	Exercised during year ended March 31, 2007	Outstanding at March 31, 2007
May 11, 2007 (e)	$1.20	-	1,080,000	(1,080,000)	-

Escrow:

At March 31, 2007, 9,732,500 common shares were held in escrow by the Company's transfer agent. The escrow shares are made up of 1,700,000 common shares subject to a performance agreement and 8,032,500 common shares subject to time release agreements which provide for release over a three year period in accordance with the policies of the TSX Venture Exchange. The time release escrow shares are held by four directors of the Company. The majority of time release escrow shares were issued pursuant to the Company's acquisition of Denver Uranium. The following is a summary of the Company's escrow transactions during the year ended March 31, 2007.

Balance At March 31, 2006 and 2005	Escrowed during year ended March 31, 2007	Released during year ended March 31, 2007	Balance at March 31, 2007
1,700,000	10,710,000	(2,677,500)	9,732,500

The time release escrow will be released as follows:

May 11, 2007	1,606,500
November 11, 2007	1,606,500
May 11, 2008	1,606,500
November 11, 2008	1,606,500
May 11, 2009	1,606,500
	8,032,500

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11 – (cont'd)

Share Purchase Warrants:

At March 31, 2007, there were 4,414,999 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Expiration Date	Exercise Price	Outstanding at March 31, 2006	Issued during year ended March 31, 2007	Exercised during year ended March 31, 2007	Outstanding at March 31, 2007
April 14, 2007 (a)	$0.30	360,000	-	(360,000)	-
March 14, 2007 (c)	$0.80	350,000	-	(350,000)	-
March 14, 2007 (c)	$0.90	100,000	-	(100,000)	-
May 11, 2007 (h)	$1.00	-	1,250,000	(500,000)	750,000
April 19, 2007 (d)	$1.15	-	300,000	(120,000)	180,000
May 11, 2007 (e)	$1.30	-	6,324,875	(2,839,876)	3,484,999
Totals		810,000	7,874,875	(4,269,876)	4,414,999

At March 31, 2006, there were 810,000 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Expiration Date	Exercise Price	Outstanding at March 31, 2005	Issued during year ended March 31, 2006	Exercised during year ended March 31, 2006	Outstanding at March 31, 2006
April 14, 2007 (a)	$0.30	-	400,000	(40,000)	360,000
March 14, 2007 (c)	$0.80	-	350,000	-	350,000
March 14, 2007 (c)	$0.90	-	100,000	-	100,000
Totals		-	850,000	(40,000)	810,000

Stock Option Plan:

The Company has a Stock Option Plan ("the Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% in the aggregate, and 5% with respect to any one optionee, of the number of issued and outstanding common shares of the Company at the date of the grant of the options. The exercise price of options granted under the Plan may not be less than the fair market value of the Company's common shares at the date the options are granted. Options granted under the Plan have a maximum life of five years. The options generally vest on the date of grant, however, the board of directors may specify a vesting period on a grant-by-grant basis.

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11 – (cont'd)

Stock Option Plan: – (cont'd)

At March 31, 2007, there are 4,125,000 options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Expiration Date	Exercise Price	Outstanding at March 31, 2006 and 2005	Granted during year ended March 31, 2007	Exercised during year ended March 31, 2007	Outstanding at March 31, 2007
May 11, 2011	$1.00	-	3,025,000	-	3,025,000
July 19, 2011	$1.30	-	200,000	-	200,000
August 1, 2011	$1.30	-	100,000	-	100,000
August 9, 2011	$1.30	-	200,000	-	200,000
October 5, 2011	$1.80	-	100,000	-	100,000
January 25, 2012	$2.80	-	100,000	-	100,000
February 15, 2012	$3.00	-	400,000	-	400,000
Totals		-	4,125,000	-	4,125,000

All stock options granted under the Plan during the year ended March 31, 2007 vested on the date of grant, except the 100,000 stock options expiring on October 5, 2011 which were granted on October 5, 2006 and vest 25,000 shares every three months until October 5, 2007 and the 100,000 stock options expiring on January 25, 2012 which were granted on January 25, 2007 and vest 25,000 shares every three months until January 25, 2008.

Stock-based Compensation:

Awards of stock options to employees and non-employees are accounted for in accordance with the fair value method of accounting for stock-based compensation. The total amount recognized in the year ended March 31, 2007 as stock-based compensation is $4,455,607; of which $3,513,301 was included in general and administrative expenses and $942,306 was included in resource property interests.

The fair value of each option granted by the Company during the year ended March 31, 2007 was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions:

Grant Date	Exercise Price	Number	Fair Value	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life (Yrs)
May 11, 2006	$1.00	3,025,000	$1.14	-	42%	5.04%	5
July 19, 2006	$1.30	200,000	$0.64	-	49%	5.02%	5
August 1, 2006	$1.30	100,000	$0.72	-	50%	4.90%	5
August 9, 2006	$1.30	200,000	$0.73	-	50%	4.77%	5
October 5, 2006	$1.80	100,000	$0.84	-	53%	4.55%	5
Jan. 25, 2007	$2.80	100,000	$1.27	-	45%	4.85%	5
Feb. 15, 2007	$3.00	400,000	$1.57	-	47%	4.68%	5
		4,125,000					

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11 – (cont'd)

Stock-based Compensation: – (cont'd)

	Years ended March 31, 2007	2006
Weighted average fair value	$ 1.12	$ -
Total options granted	4,125,000	-
Total options vested	3,950,000	-
Total fair value of options granted	$ 4,623,568	$ -
Total fair value of options vested	$ 4,455,607	$ -

Contributed Surplus:

Balance, March 31, 2006 and 2005	$ -
Warrants issued on acquisition of South Dakota mining claims (h)	1,091,671
Stock based compensation	4,455,607
Warrants exercised (h)	(436,668)
Balance, March 31, 2007	$ 5,110,610

Share Capital Discussion:

a) On April 14, 2005, the Company closed a private placement of 400,000 units at $0.25 per unit for proceeds of $100,000. Each unit consisted of one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at $0.30 per share for two years.

b) On April 14, 2005, the Company issued 133,333 common shares at $0.30 per share to settle accounts payable of $40,000.

c) On March 14, 2006, the Company closed a private placement of 450,000 units at $0.80 per unit for proceeds of $360,000. 350,000 units consisted of one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at $0.80 per share for one year. 100,000 units consisted of one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at $0.90 per share for one year.

d) On April 19, 2006, the Company closed a private placement of 300,000 units at $0.95 per unit. The proceeds of $285,000 were included in share subscriptions at March 31, 2006. Each unit consisted of one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at $1.15 per share for one year.

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11 – (cont'd)

Share Capital Discussion: – (cont'd

e) On May 11, 2006, the Company closed a brokered private placement of 12,000,000 units at $1.00 per unit. Each unit consisted of one common share and one-half a share purchase warrant, with each whole warrant entitling the holder thereof the right to purchase an additional common share at $1.30 per share for one year. The Company paid the agent a commission of $190,248 and 649,752 units. In addition, the Company issued 1,080,000 agent's options. Each agent's option entitled the agent the right to purchase one common share for each option held at $1.20 for one year.

Gross proceeds	$ 12,000,000
Agent's commission	(190,248)
Agent's fees and costs	(36,750)
Other share issue costs	(54,180)
Net proceeds	$ 11,718,822

f) On May 11, 2006, the Company issued 40,000 common shares at $1.00 per share to former directors for services included in accounts payable at March 31, 2006.

g) On May 11, 2006, the Company closed the acquisition of the assets of Denver Uranium Company, LLC ("Denver Uranium"). In connection with the terms of the purchase and sale agreement, the Company issued 8,000,000 common shares at $1.00 per share to the vendors. The two vendors joined the Company's board of directors.

In conjunction with the purchase and sale agreement, the Company also entered into a loan conversion agreement to settle a US$888,000 loan obligation assumed by the Company from Denver Uranium which included interest and expenses. The debt was settled through the issuance of 2,220,000 common shares at $0.48 per share to the lenders. The two lenders joined the Company's board of directors.

Both the 8,000,000 common shares issued for the assets and the 2,220,000 common shares issued for the debt are subject to the terms of escrow agreements that provide for release over a three-year period in accordance with TSX Venture Exchange policies.

h) On May 11, 2006, the Company closed the acquisition of 119 mineral claims situated in South Dakota, USA. In connection with the terms of the agreement, the Company issued to the vendor 1,000,000 common shares at $1.00 per share and 1,250,000 share purchase warrants entitling the vendor to purchase one additional common share for each warrant held at $1.00 per share until May 11, 2007.

(Stated in Canadian Dollars)

Note 5 Share Capital – Note 11 – (cont'd)

Share Capital Discussion: – (cont'd)

h) – (cont'd)

Transactions through which the Company acquires goods or services in exchange for equity instruments are accounted for using the fair value based method of accounting. The amount recognized as acquisition costs with respect to the share purchase warrants issued was $1,091,671. During the year ended March 31, 2007, 500,000 of the above warrants were exercised and $436,668 was credited to share capital.

The fair value of the warrants issued by the Company in connection with the above asset acquisition was estimated on the date of issuance using the Black-Scholes option valuation model with the following assumptions:

Fair value of warrants granted	$ 0.873
Risk-free interest rate	4.99%
Expected life	1 year
Expected volatility	42%
Expected dividend yield	0.0%

i) On August 9, 2006, the Company acquired a historical geological database relating to prospects in South Dakota and Wyoming. As partial consideration for the database the Company issued 200,000 common shares at $1.30 per share.

j) On December 18, 2006, the Company acquired a historical geological database related to its Wyoming properties. As consideration for the acquisition of this database, the Company agreed to pay $1,000,000, payable in cash or common shares, at the Company's option as follows:

- $300,000 on signing (payment was satisfied by the issuance of 139,534 common shares at $2.15 per share);

- $300,000 on or before March 1, 2007 (payment was satisfied by the issuance of 73,350 common shares at $4.09 per share); and

- $400,000 on or before July 1, 2007 (payment was satisfied subsequent to March 31, 2007 by the issuance of 140,022 common shares at $2.86 per share). This amount was included in accounts payable at March 31, 2007.

Note 6 Related Party Transactions

During the years ended March 31, 2007 and 2006, the Company incurred the following charges from directors or officers of the Company or from companies with directors or officers in common with the Company:

(Stated in Canadian Dollars)

Note 6 Related Party Transactions – (cont'd)

	2007	2006
Director fees	$ 11,075	$ 60,000
Legal fees	36,513	40,663
Resource property interests – acquisition costs	11,218	39,831
Management and consulting fees	505,256	-
Resource property interests – wages/consulting	274,254	-
Resource property interests – stock-based compensation	632,395	-
Stock-based compensation	2,564,997	-
Wages and benefits	93,951	-
	$ 4,129,659	$ 140,494

These charges were measured by the exchange amount which is the amount agreed on by the transacting parties.

At March 31, 2007, cash and short-term investments included $Nil (2006: $267,479) held in trust by a director of the Company in his capacity as legal counsel for the Company.

At March 31, 2007, accounts payable and accrued liabilities include $38,279 (2006: $113,874) due to directors or officers of the Company or to companies with directors or officers in common with the Company for fees and expenses. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

Note 7 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the year ended March 31, 2007, the following transactions were excluded from the statements of cash flows:

- 300,000 common shares at $0.95 per share, the proceeds of $285,000 were included in share subscriptions at March 31, 2006;

- 40,000 common shares at $1.00 per share to settle accounts payable outstanding at March 31, 2006 of $40,000;

- 1,000,000 common shares at $1.00 per share and 1,250,000 share purchase warrants with a fair value of $1,091,671 in connection with the acquisition of 119 mineral claims situated in South Dakota, USA;

- 8,000,000 common shares at $1.00 per share in connection with the purchase of assets from Denver Uranium Company, LLC;

(Stated in Canadian Dollars)

Note 7 Non-cash Transactions – (cont'd)

- 2,220,000 common shares at $0.48 per share in connection with the assumption of debt from Denver Uranium Company, LLC;

- 649,752 common shares in connection with an agent's commission on the private placement completed on May 11, 2006;

- 200,000 common shares at $1.30 per share in connection with the acquisition of a historical geological database.

- 139,534 common shares at $2.15 per share in connection with the acquisition of a historical geological database.

- 73,350 common shares at $4.09 per share in connection with the acquisition of a historical geological database.

- $2,332,800 (US$2,000,000) of mineral property acquisition costs incurred in part by an agreement payable.

During the year ended March 31, 2006, the following transactions were excluded from the statements of cash flows:

- 133,333 common shares at $0.30 per share to settle accounts payable outstanding at March 31, 2005 of $40,000;

- 400,000 common shares at $0.25 per share pursuant to a private placement, of which $92,500 of the proceeds were at March 31, 2005;

- $116,800 (US$100,000) of mineral property acquisition costs incurred in part by an agreement payable.

Note 8 Agreements Payable – Note 3

	2007	2006
Dewey Burdock Prospect (US$90,000)	$ 104,031	$ 116,800
Centennial Prospect (US$2,000,000)	2,311,800	-
	2,415,831	116,800
Less: current portion	(300,534)	(11,680)
	$2,115,297	$ 105,120

(Stated in Canadian Dollars)

Note 8 Agreements Payable – Note 3 – (cont'd)

Annual payments due under the agreements payable are as follows:

	$CDN	$US
March 31, 2008	$ 300,534	$ 260,000
March 31, 2009	300,534	260,000
March 31, 2010	300,534	260,000
March 31, 2011	300,534	260,000
March 31, 2012	300,534	260,000
March 31, 2013	300,534	260,000
March 31, 2014	300,534	260,000
March 31, 2015	300,534	260,000
March 31, 2016	11,559	10,000
	$ 2,415,831	$ 2,090,000

Note 9 Commitments

a) Resource Property Interests – Land and Mineral Lease Commitments

Dewey Burdock Prospect - The Company acquired leases from Denver Uranium Company, LLC with several levels of payments and obligations. In the portions of the prospect area where the Company seeks to develop uranium, both surface and minerals are leased. Denver Uranium has granted the mineral owners a five percent overriding royalty payment out of sales of the product. The surface owners will be paid a two percent overriding royalty as incentive to support the development of uranium under their lands. In addition, surface owners are paid an annual rental to cover the cost of surface damage and to compensate for reduction of husbandry grazing during field operations. The royalty payments to the surface owners are reduced by the amount of rentals to be paid. The basic terms of the leases are five-year initial terms and are renewable two times at the five-year mark and ten years from original signing. Additional bonuses are paid to the landowners at the time of renewal. All leases were signed in 2005 and the leases are in force through 2020 without production. In the case of production, all leases will be held as long as minerals are produced. Total annual rental payments under the agreements are approximately US$165,000.

Aladdin and Dewey Terrace Prospect - The Company has entered into option to lease agreements with respect to its Aladdin and Dewey Terrace Prospects in Wyoming, all of which expire in mid to late 2007. If the Company elects to exercise its option under the agreements, the total lease option payments required are approximately US$393,000.

(Stated in Canadian Dollars)

Note 9 Commitments – (cont'd)

a) Resource Property Interests – Land and Mineral Lease Commitments – (cont'd)

Other Prospects – In addition, the Company has entered into other option to lease agreements with respect to other prospects, all of which expire in the next year. If the Company elects to exercise its option under the agreements, the total lease option payments are approximately US$50,000.

Claims Maintenance – The Company has secured 1,183 mining claims within its various prospects. The total annual maintenance costs of the mining claims are approximately US$150,000.

b) Management Services Agreements and Employment Agreements

The Company entered into three management services agreements and seven employment agreements during the year ended March 31, 2007. The agreements require the Company to pay fees totalling US$97,250 per month. The agreements automatically renew for an additional year unless terminated by the Company at least 90 days prior to each agreement's anniversary.

c) Office Leases

The Company entered into a twenty-two month lease agreement for office space in Vancouver, British Columbia. Annual lease payments due over the next two years are $17,531 and $14,610 respectively.

The Company entered into a three year lease agreement for office space in Albuquerque, New Mexico. Annual lease payments due over the next three years are US$19,200, US$19,200 and US$10,400 respectively.

The Company entered into a three year lease agreement for office space in Hot Springs, South Dakota. Annual lease payments due over the next three years are US$12,900, US$12,900 and US$8,600 respectively.

Note 10 Income Taxes

At March 31, 2007 and 2006, the significant components of the Company's future tax assets, after applying enacted corporate income tax rates, are as follows:

	2007	2006
Future income tax assets		
Non-capital losses	$ 1,308,210	$ 71,626
Share issue costs	76,751	7,394
	1,384,961	79,020
Less: valuation allowance	(1,384,961)	(79,020)
	$ -	$ -

(Stated in Canadian Dollars)

Note 10 Income Taxes – (cont'd)

The Company recorded a valuation allowance against its future income tax assets based on the extent to which it is more likely-than-not that sufficient taxable income will not be realized during the carry forward periods to utilize all the future tax assets.

At March 31, 2007, the Company and its subsidiary have accumulated non-capital losses totalling $3,844,892 which may be carried forward to reduce future years taxable income. These losses, the potential tax benefit of which has not been recognized in these financial statements, expire as follows:

	Canada	United States of America	Total
March 31, 2009	$ 449	$ -	$ 449
March 31, 2026	209,476	-	209,476
March 31, 2027	579,296	3,055,671	3,634,967
	$ 789,221	$ 3,055,671	$ 3,844,892

Note 11 Subsequent Events

a) Aladdin Prospect – Exploratory Drilling Permit Received

The Company received authorization from the Wyoming Department of Environmental Quality to proceed with an exploratory drilling program.

On April 10, 2007, Wells Fargo issued a letter of credit to the Wyoming Department of Environmental Quality in the amount of US$140,010 in connection with the exploration program. The letter of credit was secured with by a certificate of deposit in the amount of US$155,000.

b) Centennial Prospect - Monitor Well Permit Received

The Company received authorization from the Colorado Department of Natural Resources Division of Reclamation Mining and Safety ("DRMS") to proceed with drilling monitoring wells on its Centennial Prospect.

In connection with the drilling program, the Company posted cash security in the amount of US$181,000 with the DRMS to secure performance of the Company's reclamation obligations.

c) Centennial Prospect – Additional Land Acquisitions

The Company acquired an additional 350 acres of surface rights through six acquisitions of land in the Centennial Prospect. The cost for the land purchases was US$1,294,899.

(Stated in Canadian Dollars)

Note 11 Subsequent Events – (cont'd)

d) Stock Options Granted

On May 15, 2007 and June 15, 2007, the Company granted the following stock options to employees and a director:

Number of Options	Exercise Price	Expiry Date
125,000	$3.20	May 15, 2012
100,000	$2.60	June 15, 2012

e) Share Purchase Warrants

The following common shares were issued for cash pursuant to the exercise of share purchase warrants for total proceeds of $5,454,999:

Type of Issue	Number of Shares	Price
Share Purchase Warrants	750,000	$1.00
Share Purchase Warrants	180,000	$1.15
Share Purchase Warrants	3,459,999	$1.30

On May 11, 2007, 25,000 share purchase warrants exercisable at $1.30 expired unexercised.

f) Authorized Share Capital

The Company changed its authorized share capital to an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

g) Acquisition of Uranium Database

On June 25, 2007, 140,022 common shares were issued for the Company's payment obligation of $400,000 due on July 1, 2007 with respect to the purchase of historical geological data covering the Company's Wyoming properties.

Note 12 Contingency

The Company was named in a wrongful dismissal claim related to the termination of a former president of the Company in 2004 prior to the sale of the Company's former business. Since such a claim was considered possible at the time of the sale of the business, the former controlling shareholder of the Company and purchaser of the business, agreed to indemnify the Company for any damages or costs incurred in connection with any such claim. Pursuant to the indemnity agreement, the former controlling shareholder has assumed the defense of the claim on behalf of the Company.

Note 13 Comparative Figures

Certain comparative figures as at March 31, 2006 and for the year then ended have been reclassified in order to comply with the financial statement presentation adopted for the current year.