POWERTECH URANIUM CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2007

(Stated in Canadian Dollars)

(Unaudited)

THE ACCOMPANYING INTERIM FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 HAVE NOT BEEN REVIEWED OR AUDITED BY THE CORPORATIONS AUDITORS

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
September 30, 2007 and March 31, 2007
(Stated in Canadian Dollars)
(Unaudited)

	September 30, 2007	March 31, 2007
ASSETS		
Current		
Cash and short term investments	$ 9,975,068	$ 11,725,285
Restricted Cash – Note 4	772,286	291,759
GST receivable	27,545	9,041
Other receivables	–	10,357
Prepaid expenses	87,522	78,974
	10,862,421	12,115,416
Deposits	41,304	94,321
Resource property interests – Note 4	27,629,992	20,757,144
Equipment – Note 5	288,853	98,666
	$ 38,822,570	$ 33,065,547
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 7	$ 2,207,793	$ 648,738
Current portion of agreement payable – Notes 4 and 9	258,154	300,534
	2,465,947	949,272
Agreements payable – Notes 4 and 9	1,568,781	2,115,297
	4,034,728	3,064,569
SHAREHOLDERS' EQUITY		
Share capital – Notes 6 and 12	47,184,500	40,674,499
Contributed Surplus – Note 6	4,812,154	5,110,610
Deficit	(17,208,812)	(15,784,131)
	34,787,842	30,000,978
	$ 38,822,570	$ 33,065,547

APPROVED BY THE DIRECTORS:

"Thomas Doyle" Director
Thomas Doyle

"Richard Clement" Director
Richard Clement

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
for the three and six months ended September 30, 2007 and 2006
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended September 30, 2007	Three months ended September 30, 2006	Six months ended September 30, 2007	Six months ended September 30, 2006
Revenues				
Interest	$ 134,466	$ 76,516	$ 274,232	$ 113,148
Expenses				
Amortization and depreciation	$ 5,692	$ –	$ 11,675	$ –
Audit and accounting fees	–	28,462	–	46,681
Community and media relations	157,072	–	157,072	–
Director fees – Note 5	7,500	4,500	13,000	4,500
Filing fees	300	6,899	7,244	51,705
Foreign exchange loss	10,998	6,656	20,579	6,656
Insurance	10,478	–	38,413	–
Investor relations and promotion	111,908	468	169,013	1,687
Legal fees – Note 7	98,583	40,776	169,994	87,013
Management and consulting fees – Note 7	151,472	118,289	299,525	185,653
Office and miscellaneous – Note 5	154,133	42,256	262,242	52,096
Stock-based compensation – Notes 6 and 7	–	136,011	149,376	2,864,391
Transfer agent fees	7,384	5,170	13,435	12,091
Travel and accommodation	74,398	17,079	103,710	34,906
Wages and benefits – Note 7	192,547	62,290	283,635	80,660
	982,465	468,856	1,698,913	3,428,039
Net loss for the period	$ (847,999)	$ (392,340)	$ (1,424,681)	$ (3,314,891)
Basic and diluted loss per share	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.11)
Weighted average number of shares outstanding	47,729,020	35,349,282	47,028,982	30,553,180

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT
for the three and six months ended September 30, 2007 and 2006
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended September 30, 2007	Three months ended September 30, 2006	Six months ended September 30, 2007	Six months ended September 30, 2006
Deficit, beginning of the period	$ (16,360,813)	$ (13,855,924)	$ (15,784,131)	$ (10,933,373)
Net loss for the period	(847,999)	(392,340)	(1,424,681)	(3,314,891)
Deficit, end of the period	$ (17,208,812)	$ (14,248,264)	$ (17,208,812)	$ (14,248,264)

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three and six months ended September 30, 2007 and 2006
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended September 30, 2007	Three months ended September 30, 2006	Six months ended September 30, 2007	Six months ended September 30, 2006
Operating Activities				
Net loss for the period	$ (847,999)	$ (392,340)	$ (1,424,681)	$ (3,314,891)
Items not affecting cash:				
Depreciation and amortization	5,692	–	11,675	–
Foreign exchange loss	10,998	6,656	20,579	6,656
Stock-based compensation – Note 4	–	136,011	149,376	2,864,391
Other	12,495	–	(3,269)	–
	(818,814)	(249,673)	(1,246,320)	(443,844)
Changes in non-cash working capital balances related to operations:				
GST receivable	(11,716)	7,846	(18,504)	(24,984)
Other receivable	7,415	(12,781)	10,357	9,351
Prepaid expenses	(25,538)	(150,444)	(8,548)	(150,444)
Accounts payable and accrued liabilities	1,491,684	(124,320)	1,559,055	(2,027)
	1,461,845	(279,699)	1,542,360	(168,104)
Cash provided by (used in) operations	643,031	(529,372)	269,040	(611,948)
Investing Activities				
Resource property interests	(3,959,421)	(771,325)	(6,872,848)	(1,203,086)
Deposits	45,135	–	53,017	
Equipment	(157,910)	(48,865)	(200,898)	(48,865)
Cash provided by (used in) investing activities	(4,072,196)	(820,190)	(7,020,729)	(1,251,951)
Financing Activities				
Issuance of common shares	–	–	5,454,999	11,718,821
Increase (decrease) in cash during the period	(3,429,165)	(1,349,562)	(1,269,690)	9,854,922
Cash, beginning of the period	14,176,519	11,594,850	12,017,044	390,366
Cash, end of the period	$10,747,354	$10,245,288	$ 10,747,354	$ 10,245,288
Cash consists of:				
Cash			$ 1,245,033	$ 10,245,288
Short-term investments			8,730,035	–
Restricted cash			772,286	–
			$ 10,747,354	$ 10,245,288

Non-cash Transactions – Note 8

Note 1 Interim Reporting

The unaudited interim consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in Canada for interim financial information and follow the same accounting policies and methods of their application as the Company's most recent annual financial statements. These interim consolidated financial statements do not include all of the disclosure included in the annual financial statements and, accordingly, they should be read in conjunction with the annual financial statements for the year ended March 31, 2007. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.

Note 2 Nature of Operations

The Company was incorporated in British Columbia on February 10, 1984. The Company's shares are publicly traded on the Toronto Stock Exchange ("TSX") and the Frankfurt Stock Exchange. On October 31, 2007, the Company announced that its common shares were approved for listing on the TSX. The Company's common shares were listed and posted for trading on the TSX with the opening of trading on November 1, 2007 and were simultaneously de-listed from the TSX Venture 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 3 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 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.

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.

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.

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 of September 30, 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 Depreciation and Amortization 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 September 30, 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 September 30, 2007, US currency balances were comprised of cash of US$1,116,720, restricted cash of US$777,808, accounts payable of US$2,139,708, and agreements payable totalling US$1,840,000.

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.

Stock-Based Compensation

The Company has a stock option plan as described in Note 6. 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 with a corresponding increase in contributed surplus and recognized in earnings over the vesting period of the options.

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 4 Resource Property Interests

South Dakota, USA

The Company's South Dakota prospects are comprised of 20 mining leases covering approximately 14,000 net surface acres and 8,000 net mineral acres. In addition, the Company has staked and acquired 173 mining claims in South Dakota covering approximately 3,000 acres. The Company obtained the prospect as follows:

Dewey Burdock Prospect – Custer and Fall River Counties

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. See Note 13 for further discussion.

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. See Note 6 for further discussion.

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 and US$10,000 per year for ten years until March 31, 2016. 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 which is included in restricted cash at September 30, 2007. The entire facility is guaranteed by the Company.

Plum Creek Prospect, Fall River County

The Plum Creek Prospect is located 15 - 20 miles southeast of the Company's Dewey-Burdock Prospect. The Company has staked 165 mining claims on approximately 3,000 acres of federal minerals along the southern flank of the Black Hills Uplift in central Fall River County, South Dakota. The Company has also filed a Notice of Intent to Locate on a further 280 acres in the area. This uranium exploration prospect, named the Plum Creek Prospect, is approximately eight miles southeast of the town of Edgemont, South Dakota, where the Atomic Energy Commission operated a mill and a uranium buying station during the 1950's.

Uranium exploration at the Plum Creek Prospect was performed by the Tennessee Valley Authority ("TVA") in the 1970's. Powertech has acquired an extensive database covering most of TVA's exploration activities in the Edgemont District. A review of drilling results in the region identified mineralized sands within the Cretaceous Lakota Formation from depths of 400 to 530 feet below surface. One mineralized intercept observed in the data was 2.3 feet of 0.258% U_3O_8 at a depth of 526 feet below surface.

Wyoming, USA

The Company’s Wyoming prospects are comprised of 41 mining leases or options to lease covering approximately 21,000 net surface acres and 13,000 net mineral acres. In addition, the Company has staked 792 mining claims in Wyoming covering approximately 15,000 acres. The Company obtained the prospects as follows:

Aladdin Prospect – Crook County

During the year ended March 31, 2007, the Company acquired the Aladdin prospect through 26 leases or options to lease and through staking 41 mining claims. This prospect is 60 miles north of the Company’s Dewey Terrace prospect, discussed below, and consists of approximately 14,000 acres of mining leases in a historic uranium exploration/mining area along the northwest flank of the Black Hills Uplift. In this area, uranium mineralization has been encountered in the same sandstones that contain uranium deposits in Powertech's Dewey Burdock and Dewey Terrace Prospects along the southern flank of the Black Hills Uplift in South Dakota and Wyoming respectively.

The Company has commenced exploration drilling based on receipt of an exploration permit from the Wyoming Department of Environmental Quality (“DEQ”), which authorizes the Company to proceed with an exploratory drilling program consisting of up to 60 rotary exploration drill holes to an average depth of approximately 500 feet to determine the economic viability of proceeding with further drilling.

Prior to commencing this drilling program, the Company acquired and evaluated the historic Teton Exploration database covering the area. The extensive database included drill hole maps, resource calculation sheets and 589 drill hole logs totalling 220,000 feet of drilling on the Aladdin property. Previous drilling from three key historical drill holes yielded 10 feet of 0.47% U_3O_8, 6 feet of 0.695% of U_3O_8 and 6 feet of 0.504% of U_3O_8.

Based on the site geology and a review of Teton's historic drill hole data, Powertech's objectives for this drilling program are twofold. First, a portion of the program will be directed toward wide-spaced stratigraphic drilling within the 25-square mile prospect area to assess the distribution of host sands and the geochemistry of these units. This information will be used to evaluate the potential of the overall prospect area and assist, if necessary, in the consolidation of total land holdings. Second, drilling will also be completed within historic uranium resource areas identified by Teton Exploration. This drilling will be used to confirm and expand these mineralized areas and provide the basis for the preparation of a National Instrument ("NI") 43- 101 compliant report on uranium resources within the Aladdin Prospect.

On April 10, 2007, Wells Fargo issued an Irrevocable Letter of Credit under the facility to the Wyoming Department of Environmental Quality in the amount of US$140,010 in connection with the exploration permit. The Irrevocable Letter of Credit is secured with a Wells Fargo Certificate of Deposit in the amount of US$155,000 which is included in restricted cash at September 30, 2007. The entire facility is guaranteed by the Company.

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 mid-October, 2006, the Company began the drilling of 10 confirmatory test holes, through the use of third party contractors, which was completed in late December 2006. Recently, the Company completed the second 10 hole phase of this 20-hole exploration program. This program was completed after interpreting the results of recently acquired historical Teton Exploration drill data and combining this information with the Company's data base that includes historical drilling completed by Federal American Partners and Silver King Mines in the 1970's and 1980's. The objective of this drilling was to confirm the regional information contained in these historical databases that indicated the presence of several mineralized uranium "fronts" or zones in this highly prospective property. This drilling was successful in confirming and delineating geochemical alteration in sands of the Lakota Formation at depths of 580 to 900 feet. Multiple mineralized solution fronts were found to be associated with this alteration, with mineralized intervals such as 3.0 feet of 0.053% U_3O_8 and 5.5 feet of 0.047% U_3O_8 occurring in the oxidized portions of these sands. In connection with the exploration and drilling program, the Company posted cash security in the amount of US$17,400 with the State of Wyoming to secure performance of the Company's reclamation obligations. This amount is included in restricted cash at September 30, 2007.

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.

Colorado, USA

The Company purchased approximately 670 gross surface acres and 5,700 net mineral acres. In addition, the Company's Colorado prospect is comprised of 11 mining leases covering approximately 1,400 net surface acres and 1,000 net mineral acres. The Company obtained the prospects as follows:

Centennial Prospect – Weld County

By a purchase agreement dated September 27, 2006, the Company purchased approximately 5,700 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.

During the year ended March 31, 2007, the Company also acquired 320 acres of surface rights 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.

During the quarter ended June 30, 2007, the Company also acquired an additional 350 acres of surface rights through six 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$1,294,899 and is included as capitalized costs in resource property interests.

Through September 30, 2007, the Company entered into 11 mining leases covering approximately 1,400 net surface acres and 1,000 net mineral acres.

The Company, through its wholly owned subsidiary, Powertech (USA) Inc., has received approval from the Colorado Department of Natural Resources, Division of Reclamation, Mining and Safety ("DRMS"), for its second Notice of Intent to Conduct Prospecting Operations, and the Company proceeded with its program to drill 14 rotary holes, six core holes, and additional monitor wells on its Centennial Prospect, located in Weld County, Colorado.

The rotary drill holes associated with the coring program will be used to site the core holes and to confirm results of historic drilling conducted on the prospect by Rocky Mountain Energy Company in the late 1970's and early 1980's. Powertech recently filed a National Instrument 43- 101 compliant Technical Report on the Centennial Prospect which calculated a total Inferred Resource of 9,730,490 pounds of uranium, with an average grade of 0.094% U_3O_8, based upon this historic drilling. Confirmation drilling increased the confidence level of many of these 43-101 compliant resources such that they may be upgraded from an Inferred category to an Indicated or Measured category.

The Company completed the core holes in six separate resource areas to provide data on the chemical and physical characteristics of the mineralized Fox Hills Sandstone, as well as the overlying and underlying confining sequences. Three of the six core holes and one additional hole will be completed as monitor wells. Chemical laboratory analyses will be performed on the core to assess the leach-ability of the uranium, to test for associated metals and to examine the overall geochemistry of the host sandstone. The Company plans to incorporate the results of this testing into engineering and technical studies on in-situ recovery operations and permit applications for the prospect.

Hydrological pump tests are scheduled for the areas where this coring program was completed. Laboratory analyses of the core will provide physical characteristics (e.g., density, permeability, porosity, etc.) of the mineralized sandstones and confining units, to be integrated into the hydrologic testing program. This will help to ensure the results of the hydrologic testing are as complete and accurate as possible.

Concurrent with the drilling program is the implementation of other environmental baseline studies. Baseline studies are underway for air quality, meteorology, surface water quality, vegetation, soils, wildlife, background radiation, and socio-economics.

The drilling program included the installation of seven new monitor wells, which along with the 23 monitor wells approved in the initial Notice of Intent, and existing wells, will provide the baseline data for the groundwater in the prospect area. This data will be critical to the environmental report and permit applications for the Centennial Prospect.

In connection with the drilling program, the Company posted cash security in the amount of US$370,400 with the DRMS to secure performance of the Company's reclamation obligations.

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 4,200 acres.

Data Acquisitions

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)

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 prior to June 30, 2007 by the issuance of 140,022 common shares at $2.86 per share).

Summary Information

At September 30, 2007 and March 31, 2007, the Company has incurred the following costs on its resource property interests:

	September 30, 2007	March 31, 2007
Dewey Burdock, South Dakota	$ 15,399,733	$ 13,475,435
Dewey Terrace, Wyoming	1,859,661	896,910
Aladdin, Wyoming	1,030,229	855,962
Colony, Wyoming	163,934	143,583
Powder River Basin, Wyoming	46,015	48,985
Shirley Basin, Wyoming	72,630	31,676
Centennial, Colorado	8,670,735	4,965,315
West Ambrosia Lake, New Mexico	239,851	201,206
Other	147,204	138,072
	$ 27,629,992	$ 20,757,144

At September 30, 2007, costs reflected in resource property interests are detailed below:

	South Dakota	Wyoming	Colorado	New Mexico	Other	Total
Acquisition costs	$11,547,392	$ –	$ 5,523,608	$ –	$ –	$17,071,000
Data acquisitions	93,173	1,093,172	–	74,538	111,807	1,372,690
Land services	78,660	233,014	180,728	37,761	18,238	548,401
Legal fees	85,286	11,773	31,384	–	4,736	133,179
Claims maintenance	91,852	336,608	–	102,953	–	531,413
Lease payments	352,141	446,397	301,923	–	–	1,100,461
Drilling	660,087	746,131	174,229	–	–	1,580,447
Permitting	846,475	7,003	1,828,220	–	–	2,681,698
Wages/Consulting	1,644,667	298,371	630,643	24,599	12,423	*2,610,703
	$15,399,733	$3,172,469	$ 8,670,735	$ 239,851	$ 147,204	$27,629,992

*includes capitalized stock-based compensation of $1,149,477.

(Stated in Canadian Dollars)

Note 5 Equipment

	At September 30, 2007	At March 31, 2007
Cost:		
Computer equipment	$ 72,722	$ 23,874
Field equipment	28,588	–
Office equipment	11,838	10,059
Vehicles	203,237	81,554
	316,385	115,487
Accumulated depreciation	(27,532)	(16,821)
	$ 288,853	$ 98,666

Note 6 Share Capital

Authorized:

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Issued:

		Number	Amount
Balance, March 31, 2007		44,898,999	$ 40,674,499
Issued for cash:			
- pursuant to exercise of warrants (c)	- at $1.00	750,000	750,000
- pursuant to exercise of warrants (a)	- at $1.15	180,000	207,000
- pursuant to exercise of warrants (b)	- at $1.30	3,459,999	4,497,998
Issued for assets:			
- acquisition of uranium database (d)	- at $2.86	140,022	400,000
Black-Scholes valuation on exercise of warrants (c)		–	655,003
Balance, September 30, 2007		49,429,020	$ 47,184,500

a) 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. At September 30, 2007, nil warrants were outstanding.

b) 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. At September 30, 2007, nil warrants were outstanding.

(Stated in Canadian Dollars)

c) 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. During the quarter ended June 30, 2007, the remaining outstanding 750,000 warrants were exercised and $655,003 was credited to share capital.

d) 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.

Escrow:

At September 30, 2007, 8,126,000 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 6,426,000 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 six months ended September 30, 2007:

Balance at March 31, 2007	Released during the period	Released during the period	Balance at September 30, 2007
9,732,500	–	(1,606,500)	8,126,000

The time-release escrow was to be released as follows:

November 11, 2007	1,606,500
May 11, 2008	1,606,500
November 11, 2008	1,606,500
May 11, 2009	1,606,500
	6,426,000

On August 23, 2007, the Company's shareholders approved the issuance of 1,700,000 common shares to certain officers of the Company for services rendered in connection with performance achievements. These shares will be held in escrow and released over an 18-month period. The officers have agreed to cancel the 1,700,000 common shares subject to the original performance agreement, discussed above.

In addition, on October 31, 2007, the Company announced that its common shares were approved for listing on the TSX. In connection with this listing, the 6,426,000 shares subject to escrow, as discussed above, were converted from a time release period over three years to a time release period over 18 months. As a result, all of the 6,426,000 shares are eligible for immediate release as of November 12, 2007.

(Stated in Canadian Dollars)

Warrants:

At September 30, 2007, there were nil 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, 2007	Exercised during the period	Expired during the period	Outstanding at September 30, 2007
May 11, 2007	$1.00	750,000	(750,000)	-	–
April 19, 2007	$1.15	180,000	(180,000)	-	–
May 11, 2007	$1.30	3,484,999	(3,459,999)	(25,000)	–
Totals		4,414,999	(4,389,999)	(25,000)	–

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. Prior to August 2007, the number of options granted under the Plan was 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. On August 23, 2007, the Plan was amended to change the amount of options that the Company is permitted to grant under the Plan to a fixed number which is equal to 20% of the issued and outstanding common shares on August 23, 2007. As such, the Company will be permitted to grant options to acquire up to a maximum of 9,885,804 common shares. 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 Board of Directors specifies a vesting period on a grant-by-grant basis.

At September 30, 2007, there are 5,540,000 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, 2007	Granted during the period	Exercised during the period	Outstanding at September 30, 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
May 14, 2012	$3.20	–	125,000	–	125,000
June 15, 2012	$2.60	–	100,000	–	100,000
August 30, 2012	$1.50	–	1,040,000	–	1,040,000
September 4, 2012	$1.60	–	150,000	–	150,000
Totals		4,125,000	1,415,000	–	5,540,000

As of September 30, 2007, 4,275,000 options have vested.

(Stated in Canadian Dollars)

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 for the six months ended September 30, 2007 as stock-based compensation was $356,547; of which $149,376 was included in general and administrative expenses and $207,171 was included in resource property interests.

The fair value of each option granted by the Company during the quarter ended September 30, 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)
August 30, 2007	$1.50	1,040,000	$0.83	–	61%	4.25%	5
September 4, 2007	$1.60	150,000	$0.91	–	61%	4.25%	5
		1,190,000					

At September 30, 2007:	
Weighted average fair value	$ 1.05
Total options granted	5,540,000
Total options vested	4,275,000
Total fair value of options granted	$ 5,816,781
Total fair value of options vested	$ 4,812,154

Contributed Surplus

Balance, March 31, 2007	$ 5,110,610
Stock-based compensation	356,547
Warrants exercised	(655,003)
Balance, September 30, 2007	$ 4,812,154

Note 7 Related Party Transactions

During the three and six months ended September 30, 2007 and 2006, the Company incurred the following transactions with directors and officers of the Company or with companies with directors and officers in common:

	Three months ended September 30, 2007	Three months ended September 30, 2006	Six months ended September 30, 2007	Six months ended September 30, 2006
Director fees	$ 8,220	$ 4,500	$ 13,720	$ 4,500
Management and consulting fees	182,395	118,290	355,705	185,654
Resource property interests:				
Acquisition costs	–	-	–	22,000
Stock-based compensation	–	63,983	–	632,395
Wages/Consulting	108,287	96,350	220,761	142,319
Stock-based compensation	–	63,983	–	2,564,998
Wages, benefits and other	32,684	37,832	71,579	96,273
Totals	$ 331,586	$ 384,938	$ 661,765	$ 3,648,139

At September 30, 2007 and 2006, cash and short-term investments included Nil and $12,307 respectively, held in trust by a director of the Company, in his capacity as legal counsel for the Company.

At September 30, 2007 and 2006, accounts payable and accrued liabilities include $26,923 and $23,429 respectively due to directors and officers of the Company or with companies with directors in common.

Note 8 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.

There were no transactions excluded from the statements of cash flows for the three months ended September 30, 2007. During the six months ended September 30, 2007, the following transaction was excluded from the statements of cash flows:

> 140,022 common shares at $2.86 per share in connection with the acquisition of a historical geological database.

During the six months ended September 30, 2006, the Company issued:

> 300,000 units at $0.95 per unit, each unit consisting of one common share and one share purchase warrant, of which $285,000 of the proceeds for this placement were received prior to 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 warrants entitling the holder to acquire an additional common share in the capital of the Company at $1.00 per share in connection with the acquisition of 119 federal unpatented mineral claims consisting of approximately 2,300 acres situated in South Dakota, USA;
>
> 8,000,000 common shares at $1.00 per share in connection with the acquisition of mineral assets from Denver Uranium Company, LLC;
>
> 2,220,000 common shares at $0.48 pursuant to the Loan Conversion Agreement of the Denver Uranium Company, LLC asset acquisition;
>
> 649,752 units, consisting of one common share in the capital of the Company and one-half of one share purchase warrant, with each whole warrant (a "Warrant"), entitling the holder to acquire one additional common share of the Company at a price of $1.30 per share to the Agent in connection with the brokered private placement completed on May 11, 2006. In addition, the Company issued the Agent 1,080,000 non-transferable compensation options (the "Agent's Options").

(Stated in Canadian Dollars)

During the three months ended September 30, 2006, the Company issued:

200,000 common shares at $1.20 in connection with the acquisition of a uranium data base of geological consulting work from R.B. Smith & Associates

These transactions were excluded from the statement of cash flows.

Note 9 Agreements Payable - Note 3

	September 30, 2007	March 31, 2007
Dewey Burdock Prospect (US$90,000)	$ 89,360	$ 104,031
Centennial Prospect (US$1,750,000)	1,737,575	2,311,800
	1,826,935	2,415,831
Less: current portion	(258,154)	(300,534)
	$1,568,781	$2,115,297

Annual payments due under the agreements payable are as follows:

	$CDN	$US
2008 through 2014	$ 258,154	$ 260,000
2015 and 2016	9,929	10,000
	$ 1,826,935	$ 1,840,000

Note 10 Comparative Figures

Certain comparative figures as at and for the three- and six-month periods ended September 30, 2006 and have been reclassified in order to comply with the financial statement presentation adopted for the current year.

Note 11 Commitments and Contingencies

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 defence of the claim on behalf of the Company.

There have been no material changes to commitments during the three and six month periods ended September 30, 2007.

Note 12 Subsequent Events

On October 31, 2007, the Company announced that its common shares were approved for listing on the TSX. The Company's commons shares were listed and posted for trading on the TSX with the opening of trading on November 1, 2007 and were simultaneously de-listed from the TSX Venture Exchange. In connection with this listing, the 6,426,000 shares subject to escrow, as discussed in Note 6, were converted from a time release period over three years to a time release period over 18 months. As a result, all of the 6,426,000 shares are eligible for immediate release as of November 12, 2007.

On October 31, 2007, the Company granted 225,000 common share options to employees and consultants at an exercise price of $2.15.