



**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008

(Stated in United States Dollars)

**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED BALANCE SHEETS**  
September 30, 2008 and March 31, 2008  
(unaudited)  
(Stated in United States Dollars)

	<u>ASSETS</u>	<u>September 30,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>
Current			Restated – Note 2
Cash and cash equivalents		\$ 3,350,946	\$ 2,009,150
Restricted cash		857,826	802,818
GST receivable		22,162	23,172
Deposits		74,647	104,648
Prepaid expenses		<u>84,302</u>	<u>62,925</u>
		4,389,883	3,002,713
Mineral properties – Note 3		36,368,856	30,349,811
Building and Equipment – Note 4		<u>589,862</u>	<u>391,318</u>
		<u>\$ 41,348,601</u>	<u>\$ 33,743,842</u>
	<u>LIABILITIES</u>		
Current			
Accounts payable and accrued liabilities – Note 6		\$ 1,701,472	\$ 1,403,650
Current portion of agreements payable – Note 8		<u>290,000</u>	<u>260,000</u>
		1,991,472	1,663,650
Agreements payable – Notes 3 and 8		<u>1,026,137</u>	<u>982,580</u>
		<u>3,017,609</u>	<u>2,646,230</u>
	<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Note 5		50,831,518	41,851,318
Contributed surplus – Note 5		6,443,230	5,061,463
Accumulated Other Comprehensive Income		1,158,155	1,465,224
Deficit		<u>(20,101,911)</u>	<u>(17,280,393)</u>
		<u>38,330,992</u>	<u>31,097,612</u>
		<u>\$ 41,348,601</u>	<u>\$ 33,743,842</u>

Commitments and Contingencies – Note 3 and 9  
Nature of Operations and Going Concern – Note 1

APPROVED BY THE DIRECTORS:

<u>“Richard F. Clement, Jr.”</u> Richard F. Clement, Jr.	Director	<u>“Thomas Doyle”</u> Thomas Doyle	Director
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SEE ACCOMPANYING NOTES

**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
for the three and six months ended September 30, 2008 and 2007  
(unaudited)  
(Stated in United States Dollars)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		Restated – Note 2		Restated – Note 2
General and administrative expenses				
Accretion	\$ 12,081	\$ –	\$ 23,557	\$ –
Amortization and depreciation	50,797	5,437	79,949	10,875
Audit and accounting fees	791	210	7,724	210
Community and media relations	139,113	147,029	177,105	147,029
Director fees – Note 6	8,440	7,124	17,279	12,129
Filing fees	49,203	439	50,326	6,758
Field operations	59,749	–	82,855	–
Foreign exchange loss	61,321	722	61,321	1,338
Insurance	6,709	10,411	31,362	35,811
Investor relations and promotion	58,756	85,080	121,705	157,136
Legal fees	59,645	93,529	157,253	158,454
Management and consulting fees – Note 6	137,065	144,560	265,434	279,196
Office and miscellaneous	45,261	160,651	225,422	235,453
Stock-based compensation – Notes 5 and 6	76,047	–	884,536	139,371
Transfer agent fees	4,750	7,030	7,818	12,535
Travel and accommodation	92,913	64,203	182,951	96,732
Wages and benefits – Note 6	<u>276,746</u>	<u>181,407</u>	<u>496,468</u>	<u>264,191</u>
Loss before other	1,139,387	907,832	2,873,065	1,557,218
Other				
Interest income	<u>(30,080)</u>	<u>(128,664)</u>	<u>(51,547)</u>	<u>(255,850)</u>
Net loss for the period	1,109,307	779,168	2,821,518	1,301,368
Deficit, beginning of the period	18,992,604	14,166,923	17,280,393	13,644,723
Deficit, end of the period	<u>\$ 20,101,911</u>	<u>\$ 14,946,091</u>	<u>\$ 20,101,911</u>	<u>\$ 14,946,091</u>
Basic and diluted loss per share	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.03</u>
Weighted average number of shares outstanding	<u>55,429,020</u>	<u>47,729,020</u>	<u>53,297,872</u>	<u>47,028,982</u>

SEE ACCOMPANYING NOTES

**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
AND ACCUMULATED OTHER COMPREHENSIVE INCOME**  
for the three and months ended September 30, 2008 and 2007  
(unaudited)  
(Stated in United States Dollars)

	<u>Three Months Ended September</u>		<u>Six Months Ended September</u>	
	<u>2008</u>	<u>2007</u> Restated – Note 2	<u>2008</u>	<u>2007</u> Restated – Note 2
<u>Statements of Comprehensive Loss</u>				
Net loss for the period	\$ (1,109,307)	\$ (779,168)	\$ (2,821,518)	\$ (1,301,368)
Other comprehensive loss:				
Foreign currency translation	<u>(524,183)</u>	<u>—</u>	<u>(307,069)</u>	<u>—</u>
Comprehensive loss	<u>\$ (1,633,490)</u>	<u>\$ (779,168)</u>	<u>\$ (2,514,449)</u>	<u>\$ (1,301,368)</u>

Statements of Accumulated Other Comprehensive Income

Balance, beginning of period	\$ 1,682,338	\$ —	\$ 1,465,224	\$ —
Foreign currency translation	<u>(524,183)</u>	<u>—</u>	<u>(307,069)</u>	<u>—</u>
Balance, end of the period	<u>\$ 1,158,155</u>	<u>\$ —</u>	<u>\$ 1,158,155</u>	<u>\$ —</u>

SEE ACCOMPANYING NOTES

**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and months ended September 30, 2008 and 2007  
(unaudited)  
(Stated in United States Dollars)

	<u>Three Months Ended September</u>		<u>Six Months Ended September</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		Restated – Note 2		Restated – Note 2
<b>Operating Activities</b>				
Net loss for the period	\$ (1,109,307)	\$ (779,168)	\$ (2,821,518)	\$ (1,301,368)
Items not affecting cash:				
Accretion	12,081	–	23,557	–
Amortization and depreciation	50,797	5,437	79,949	10,875
Foreign exchange	61,321	722	61,321	1,338
Stock based compensation	<u>76,047</u>	<u>–</u>	<u>884,536</u>	<u>139,371</u>
	(909,061)	(773,009)	(1,772,155)	(1,149,784)
Net change in non-cash working capital balances:				
Restricted cash	(55,008)	(189,400)	(55,008)	(525,400)
GST receivable	(8,521)	(12,820)	1,010	(17,006)
Deposits	–	47,000	30,001	47,000
Prepaid expenses	(39,669)	(27,904)	(21,377)	(15,827)
Accounts payable and accrued liabilities	<u>140,883</u>	<u>1,546,153</u>	<u>297,822</u>	<u>1,657,496</u>
Cash (used) in/provided by operations	<u>(871,376)</u>	<u>590,020</u>	<u>(1,519,707)</u>	<u>(3,521)</u>
<b>Investing Activities</b>				
Mineral property interests	(3,306,436)	(2,923,523)	(5,893,884)	(5,437,733)
Building and equipment	<u>(59,445)</u>	<u>(150,669)</u>	<u>(274,813)</u>	<u>(193,285)</u>
Cash used in investing activities	<u>(3,365,881)</u>	<u>(3,074,192)</u>	<u>(6,168,697)</u>	<u>(5,631,018)</u>
<b>Financing Activities</b>				
Agreements payable	(250,000)	(250,000)	50,000	(250,000)
Issuance of common shares	<u>–</u>	<u>–</u>	<u>8,980,200</u>	<u>5,831,532</u>
Cash provided by financing activities	<u>(250,000)</u>	<u>(250,000)</u>	<u>9,030,200</u>	<u>5,581,532</u>
Increase in cash during the period	(4,487,257)	(2,734,172)	1,341,796	53,007
Cash and cash equivalents, beginning of the period	<u>7,838,203</u>	<u>12,799,174</u>	<u>2,009,150</u>	<u>10,118,009</u>
Cash and cash equivalents, end of the period	<u>\$ 3,350,946</u>	<u>\$ 10,065,002</u>	<u>\$ 3,350,946</u>	<u>\$ 10,065,002</u>
Cash and cash equivalents consists of:				
Cash			\$ 894,630	\$ 1,264,254
Term deposits			<u>2,456,316</u>	<u>8,800,748</u>
			<u>\$ 3,350,946</u>	<u>\$ 10,065,002</u>

Non-cash Transactions – Note 7

SEE ACCOMPANYING NOTES

**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES**  
September 30, 2008 and March 31, 2008  
(unaudited)  
(Stated in United States Dollars)

Schedule 1

	<u>South Dakota</u>	<u>Wyoming</u>	<u>Colorado</u>	<u>New Mexico</u>	<u>Other</u>	<u>Total</u>
Balance,						
March 31, 2007	\$ 11,947,246	\$ 1,729,549	\$ 4,364,018	\$ 176,988	\$ 119,840	\$ 18,337,641
Acquisition costs	-	-	1,312,266	-	-	1,312,266
Land services	57,792	95,718	73,179	-	38,614	265,303
Legal fees	66,033	23,555	369,704	-	-	459,292
Claims						
maintenance	74,465	145,338	-	27,875	-	247,678
Lease payments	173,396	365,675	34,396	-	20,833	594,300
Drilling/ Engineering	1,563,598	614,991	168,209	-	-	2,346,798
Permitting	1,850,751	17,508	3,392,272	-	-	5,260,531
Wages/Consulting	<u>629,926</u>	<u>352,849</u>	<u>478,444</u>	<u>29,830</u>	<u>34,953</u>	<u>1,526,002</u>
Balance,						
March 31, 2008	16,363,207	3,345,183	10,192,488	234,693	214,240	30,349,811
Acquisition costs	456,521	-	-	-	-	456,521
Land services	47,362	-	51,994	-	-	99,356
Legal fees	29,598	-	399,230	-	-	428,828
Claims						
maintenance	64,976	133,090	-	27,875	-	225,941
Lease payments	95,719	77,559	59,284	-	759	233,321
Drilling/ Engineering	324,529	-	291,728	-	-	616,257
Permitting	1,747,845	8,972	995,090	-	-	2,751,907
Wages/Consulting	<u>713,063</u>	<u>-</u>	<u>493,851</u>	<u>-</u>	<u>-</u>	<u>1,206,914</u>
Balance,						
September 30, 2008	<u>\$ 19,842,820</u>	<u>\$ 3,564,804</u>	<u>\$ 12,483,665</u>	<u>\$ 262,568</u>	<u>\$ 215,999</u>	<u>\$ 36,368,856</u>

**POWERTECH URANIUM CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
September 30, 2008

Note 1 Nature of Operations and Going Concern

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. 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 success of the Company and the recoverability of the amount shown for mineral properties 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. The Company's success is subject to a number of risks including environmental risks, contractual risks, legal and political risks, fluctuations in the price of minerals and other factors beyond the Company's control.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

References to "CAD\$" refer to Canadian currency and "\$" to United States currency.

Note 2 Change in Accounting Policy

Effective April 1, 2008, the Company changed its functional and reporting currency from the Canadian dollar ("CAD") to the United States dollar ("USD"). This change to USD resulted from an increase in the business activities conducted in USD.

Financial statements for all periods presented have been translated from CAD to USD using the current rate method. Using this method, all consolidated assets and liabilities have been translated using the exchange rate at the balance sheet dates, while shareholders' equity has been translated using the historical exchange rates at the dates of the corresponding transactions. The consolidated statements of operations and deficit and consolidated statements of cash flow have been translated using the prevailing average exchange rates for the periods. Any resulting exchange rate differences due to this translation are included in shareholders' equity as accumulated other comprehensive income. All comparative financial information being presented has been restated to reflect the Company's financial statements as if they have been historically reported in USD and the effect on the consolidated financial statements resulted in an accumulated other comprehensive income adjustment of \$1,465,224 as at March 31, 2008.

Note 3 Mineral Properties

**South Dakota, USA**

The Company entered into a Purchase Agreement to acquire a two-thirds mineral interest in a property in Custer County, South Dakota, in consideration for \$1,900,000 to be paid \$300,000 on closing less \$151,470 for amounts already paid under a mining lease and \$30,000 per year for ten years until May 2018. The balance of the purchase price of \$1,300,000 is payable contingent upon receipt of permits and authorizations necessary to commence exploration and mining on the property. The \$1,300,000 is to be paid in four equal instalments of \$325,000 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.

Note 4 Building and Equipment

	<u>At September 30, 2008</u>			<u>At March 31, 2008</u>		
	<u>Cost</u>	<u>Accumulate d Amortizatio n</u>	<u>Net</u>	<u>Cost</u>	<u>Accumulate d Amortizatio n</u>	<u>Net</u>
Building	\$ 102,773	\$ 1,281	\$ 101,492	\$ 102,773	\$ 856	\$ 101,917
Computer equipment	188,095	46,754	141,341	119,773	23,959	95,814
Field equipment	219,965	29,707	190,258	41,529	5,362	36,167
Office equipment	71,130	15,319	55,811	39,396	8,174	31,222
Vehicles	<u>189,303</u>	<u>88,343</u>	<u>100,960</u>	<u>189,303</u>	<u>63,105</u>	<u>126,198</u>
	<u>\$ 771,266</u>	<u>\$ 181,404</u>	<u>\$ 589,862</u>	<u>\$ 492,774</u>	<u>\$ 101,456</u>	<u>\$ 391,318</u>

Note 5 Share Capital and Contributed Surplus

**Authorized:**

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

**Common shares issued:**

	<u>Number</u>	<u>Amount</u>	<u>Contributed Surplus</u>
Balance, March 31, 2008	49,429,020	\$ 41,851,318	\$ 5,061,463
Issued for cash:			
- pursuant to private placement agreement	6,000,000	8,980,200	–
Stock-based compensation	<u>–</u>	<u>–</u>	<u>1,381,767</u>
Balance, September 30, 2008	<u>55,429,020</u>	<u>\$ 50,831,518</u>	<u>\$ 6,443,230</u>

**Share Capital Discussion:**

On June 4, 2008, the Company issued pursuant to a private placement agreement (the “Agreement”) with Société Belge des Combustibles Nucléaires - Synatom S.A. (“Synatom”) 6,000,000 units at a price of CAD\$1.50 per unit, for aggregate proceeds of CAD\$9,000,000 (\$8,980,200). Each unit consists of one common share and two share purchase warrants, with the warrants exercisable at an exercise price of CAD\$2.00 per share, subject to adjustment. The warrants, which are subject to, among other things, certain anti-dilution provisions, were issued in two series as follows:

- the first series of 6,000,000 warrants may be exercised at any time until the earlier of: (i) 10 days following the day that the Company files certain specified permit applications for both the Centennial and the Dewey-Burdock projects of the Company (with a minimum duration of 6 months); and (ii) 12 months following the closing of the private placement; and



Note 5      Share Capital and Contributed Surplus

**Share Capital Discussion** – (cont'd)

- the second series of 6,000,000 warrants may be exercised at any time until the earlier of: (i) 10 days following the day that the Company has obtained the permits required to construct and operate either the Centennial or the Dewey- Burdock project; and (ii) 24 months following the closing of the private placement.

The Company granted Synatom certain anti-dilution and preemptive rights that apply so long as Synatom continues to own no less than 15% of the outstanding shares (calculated on a non-diluted basis). In connection therewith, Synatom will, subject to any regulatory and applicable shareholder approval requirements, be entitled to: (i) maintain its rateable ownership of the shares, if the Company proposes to issue any further Shares or any securities convertible into shares; and (ii) increase its ownership to 33.34% of the outstanding shares (calculated on a fully diluted basis) if, after the exercise of all of the warrants, Synatom owns less than 33.34% of the outstanding Shares (calculated on a fully diluted basis).

The Company granted Synatom certain governance rights that apply so long as Synatom owns not less than 10% of the outstanding shares (calculated on a non-diluted basis). In connection with these governance rights, Synatom has the right to nominate directors to the board of directors of the Company (and that of its wholly-owned subsidiary Powertech (USA), Inc.) in proportion to its then proportionate interest of shares and the Company will cause such individuals nominated to be elected or appointed to the Board.

In connection with the Agreement, in the event that the Company produces uranium for sale, the Company has also granted Synatom an option to purchase a certain quantity of uranium from time to time (based on Synatom's then percentage ownership interest in the Company) on the terms sold to third parties, exercisable so long as Synatom continues to own no less than 15% of the outstanding shares (calculated on a non-diluted basis).

At the close of the private placement, Synatom owned 10,890,000 shares (excluding shares issuable upon the exercise of the warrants) representing approximately 19.6% of the outstanding shares. If all of the warrants are exercised for shares, Synatom will own shares representing approximately 33.9% of the outstanding shares.

The Company received shareholder approval at a special meeting (the "Special Meeting") of shareholders of the Company held on July 15, 2008, for a special resolution (the "Special Resolution") approving the warrants and the pre-emptive rights granted to Synatom. In connection therewith, management of the Company, which owns or exercises direction or control over an aggregate of approximately 25% of the Shares (calculated on a non-diluted basis) voted their shares in favour of the Special Resolution. In addition, Synatom voted its holdings prior to the closing of the private placement of approximately 9.9% of the Company in favour of the Special Resolution. Synatom did not vote any of the Shares acquired in this transaction at the Special Meeting.

Management of the Company has entered into a Shareholders Agreement with the Company and Synatom regarding, among other things, mutual rights of first refusal on the sales of shares, subject to certain exceptions, and certain anti-dilution rights in favour of Synatom. Management of the Company have also agreed to remain in their current positions for a period of five years and to not-compete for a period of one year after they cease providing services to the Company.

Note 5 Share Capital and Contributed Surplus – (cont'd)

**Escrow**

At September 30, 2008, 850,000 common shares were held in escrow subject to an escrow agreement.

**Stock Option Plan**

The Company has a Stock Option Plan (“the Plan”) under which it is authorized to grant share purchase options to directors, officers, consultants or employees of the Company. The Company is 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, 2008, there are 7,800,000 options outstanding entitling the holders thereof to purchase one common share for each option held as follows:

<u>Expiration Date</u>	<u>Exercise Price (CAD)</u>	<u>Outstanding at March 31, 2008</u>	<u>Granted during period</u>	<u>Exercised during period</u>	<u>Forfeited during period</u>	<u>Outstanding at September 30, 2008</u>
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
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	900,000	–	–	–	900,000
September 4, 2012	\$1.60	150,000	–	–	–	150,000
October 31, 2012	\$2.15	75,000	–	–	–	75,000
January 14, 2013	\$1.50	400,000	–	–	–	400,000
February 7, 2013	\$1.00	400,000	–	–	–	400,000
June 18, 2013	\$1.50	–	1,600,000	–	–	1,600,000
August 11, 2013	\$1.50	–	125,000	–	–	125,000
Totals		<u>6,175,000</u>	<u>1,725,000</u>	<u>–</u>	<u>(100,000)</u>	<u>7,800,000</u>

As of September 30, 2008, 7,010,000 options have vested. The weighted average life of the stock options outstanding is 3.44 years.

Vesting period is determined by the Board of Directors at the time of the grant. Stock options granted under the Plan during the three months ended June 30, 2008 vested immediately while the stock options granted during the three months ended September 30, 2008 are subject to a vesting period.

**Stock-based Compensation:**

During the three months ended September 30, 2008 stock-based compensation was \$216,435 (2007: \$nil) of which \$76,047 was included in general and administrative expenses and \$140,388 was included in mineral property costs.

During the six months ended September 30, 2008 stock-based compensation was \$1,342,732 (2007: \$335,002) of which \$884,536 (2007: \$139,371) was included in general and administrative expenses and \$458,196 (2007: \$195,631) was included in mineral property costs.

Note 5 Share Capital and Contributed Surplus – (cont'd)

**Stock-based Compensation**– (cont'd)

The fair value of each option granted by the Company was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions:

<u>Grant Date</u>	<u>Exercise Price</u>	<u>Number</u>	<u>Fair Value</u>	<u>Dividend Yield</u>	<u>Expected Volatility</u>	<u>Risk-free Interest Rate</u>	<u>Expected Life (Yrs)</u>
August 11, 2008	CAD\$1.50	125,000	CAD\$0.45	–	67%	3.27%	5

Note 6 Related Party Transactions

During the three and six months ended September 30, 2008 and 2007, the Company incurred the following transactions with directors and officers of the Company or with companies with directors and officers in common:

	<u>Three Months Ended September 30,</u>		<u>Six Months Ended September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		Restated – Note 2		Restated – Note 2
Director Fees	\$ 8,440	\$ 7,124	\$ 17,279	\$ 12,129
Management and Consulting Fees	137,065	144,560	265,434	279,196
Mineral Property Interests				
Stock-Based Compensation	57,091	–	348,162	–
Wages and Benefits	167,921	96,040	340,840	181,488
Stock based compensation	53,442	–	806,857	150,585
Wages and Benefits	71,815	68,119	98,630	137,385
	<u>\$ 495,774</u>	<u>\$ 315,843</u>	<u>\$ 1,887,202</u>	<u>\$ 760,783</u>

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

At September 30, 2008, accounts payable and accrued liabilities include \$22,189 (March 31, 2008: \$33,950) due to directors and officers of the Company or companies with directors in common for unpaid fees and expenses owed.

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. There were no transactions excluded from the statement of cash flows for the three and six months ended September 30, 2008 or the three months ended September 30, 2007. The following transaction was excluded from the statements of cash flows for the six months ended September 30, 2007:

140,022 common shares valued at CAD\$2.86 per share in connection with the acquisition of a historical geological database during the six month period.

The value of the shares issued was determined by their market value when issued.

Note 8 Agreements Payable

	<u>September 30,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>
Dewey-Burdock Project	\$ 380,000	\$ 80,000
Centennial Project	<u>912,580</u>	<u>1,750,000</u>
	1,292,580	1,830,000
Change in accounting policy	–	(629,060)
Less: current portion	<u>(290,000)</u>	<u>(260,000)</u>
	1,002,580	940,940
Accretion expense	<u>23,557</u>	<u>41,640</u>
	<u>\$ 1,026,137</u>	<u>\$ 982,580</u>

Annual payments due under the agreements payable are as follows:

2009	\$ 10,000
2010-2015	290,000
2016	40,000
2017-2019	<u>30,000</u>
	<u>\$ 1,880,000</u>

Note 9 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.

Note 10 Comparative Figures

Certain comparative figures as at and for the year ended March 31, 2008 and for the three and six months ended September 30, 2007 have been reclassified in order to conform with the financial statement presentation adopted for the current year.