



MESA URANIUM CORP.
2008 ANNUAL REPORT

Mesa Uranium Corp.
Management's Discussion & Analysis
Year ended March 31, 2008, as of June 9, 2008

General

This Management's Discussion and Analysis of Mesa Uranium Corp. (the "Corporation") has been prepared by management as of June 9, 2008 and should be read in conjunction with the audited annual financial statements and related notes thereto of the Corporation for the years ended March 31, 2008 and 2007. All amounts are expressed in Canadian Dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in the following Management's Discussion and Analysis may be deemed forward-looking statements. All statements other than statements of historical facts, including the likelihood of commercial mining and possible future financings are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include unsuccessful exploration results, changes in commodity prices, changes in the availability of funding for mineral exploration, unanticipated changes in key management personnel and general economic conditions. Mining exploration is an inherently risky business. Accordingly the actual events may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements while considering the risks set forth below.

Description of Business

On December 21, 2005, Mesa Uranium Corp (the "Corporation") (formerly known as Fintry Enterprises Inc.), acquired all the shares of BZU through an exchange of shares which resulted in a Reverse Takeover ("RTO") by the shareholders of BZU Minerals Ltd. ("BZU"). Pursuant to the transaction, the Corporation issued to the shareholders of BZU the following securities to acquire all of the issued shares of BZU (all numbers post-consolidation): 6,000,000 common shares of the Corporation and 4,000,000 special warrants (collectively, the "Mesa Securities") exercisable for a period of 10 years to acquire 4,000,000 common shares of the Corporation for no additional consideration. Of these Mesa Securities, 2,610,000 remain subject to escrow restrictions as of March 31, 2008 under the rules and policies of the TSX Venture Exchange.

The Corporation is engaged in the exploration and development of mineral properties and owns four mineral property interests including one in Utah and two in Arizona and one in Colorado. The Lisbon Valley property is located in the Colorado Plateau region of southeastern Utah in San Juan County near the border of Colorado. Historically, in excess of 85 million pounds of uranium have reportedly been produced in this district from 1952 until the early 1990's from an arcuate belt 16 miles long by ½ mile wide along the southwestern flank of the Lisbon Valley anticline. All of the major ore bodies did not outcrop and were discovered by exploration drilling. The Lisbon Valley district accounted for over 80% of the uranium mined in the state of Utah and had some of the highest uranium grades in the United States ranging from 0.2 to 0.4 percent uranium. The Corporation is exploring for economic deposits on its property interests within this district and is following a strategy of acquiring a dominant land position within this district and systematically drilling high-priority targets. Most of the targets are located on mineralized trends adjacent to or between historic uranium mines in the Lisbon Valley. The Corporation wholly owns the Lisbon Valley uranium project and now controls approximately 7,700 hectares of mining claims and state mineral leases in the Lisbon Valley Mining District in Utah, USA.

On June 5, 2007, the Corporation signed a Letter of Intent ("LOI") to form a joint venture with Energy Fuels Inc. ("Energy Fuels") to explore the Dar property in the Lisbon Valley Mining District of San Juan County, Utah. The Dar property consists of 60 recently staked mining claims (approximately 1,240 acres). The joint venture contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on Dar property. During

January 2008, it was mutually agreed by both parties to terminate the LOI. On May 22, 2008, Energy Fuels signed a definitive agreement with the Corporation to form an exploration joint venture, West Lisbon JV, LLC, to conduct exploration drilling on the Dar property.

During February 2007, the Corporation acquired an additional uranium property. The property, known as the Moonshine Springs project, is owned 100% by the Corporation, and is located in Mohave County, Arizona, consisting of a 590-acre lease from the State of Arizona. During April 2007, the Corporation acquired an additional 2,460 acres, bringing the total acreage for the project to 3,050 acres (4.8 square miles). The previous owner of the property conducted uranium exploration drilling in 1979. The Corporation possesses data on four widely spaced drill holes completed and the best intercept was six feet grading 0.4% U3O8 (8 pounds per ton). This high grade uranium mineralization is within a stream channel in the Chinle sandstone. The 6 million pound Moonshine Springs uranium deposit is located within 2 miles of the project and is hosted in the Chinle formation. During November 2007, the Corporation commenced drilling and the planned drilling program will consist of 10-12 holes for a total footage of 6,000 feet.

During May 2007, the Corporation increased its landholdings in the Arizona Strip Uranium District. Thirteen exploration permits have been acquired from the State of Arizona consisting of 7,585 acres (12 square miles) in Mohave and Coconino counties of northern Arizona. The area, known as the Arizona Strip district, reportedly had historic uranium production of over 20 million pounds at an average grade of 0.65% U3O8. These high-grade underground mines were discovered and mined in the 1980's.

On June 27, 2007, the Corporation signed a Letter of Intent ("LOI") to form a second joint venture with Energy Fuels Inc. ("Energy Fuels") to explore high grade U3O8 in Breccia Pipes on 13 Arizona State School sections currently leased by the Corporation. Under the agreement the Corporation would contribute 13 Arizona State School Sections to the Joint Venture. During January, 2008, it was mutually agreed by both parties to terminate the LOI.

During March 2008, the Corporation acquired another mineral property called Silvey. The Silvey project is located in Montrose County, Colorado, just about 4-5 miles east of our Lisbon project, and it consists of 1,620 acres.

Overview of Performance

The Corporation's working capital as of March 31, 2008 was \$246,341 (March 31, 2007 - \$245,594). The source of working capital was provided by the private placement on April 11, 2007 raising proceeds of \$2,851,861, net of issue costs. The Corporation continues its drilling programs and has been actively exploring on its 100% owned Lisbon Valley property and also commenced drilling in November 2007 at the Moonshine Property. During the twelve months ended March 31, 2008, the Corporation used \$667,051 in operating activities and \$2,182,646 in acquisition of mineral properties and exploration activities. The loss for the twelve months ended March 31, 2008 was \$1,086,515 or \$0.04 per share compared with a net loss of \$510,691 or \$0.03 per share for the twelve months ended March 31, 2007.

Selected Information

The following table sets forth selected consolidated annual financial information of the Corporation for, and as of the end of, each of the last two fiscal years. The selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements of the Corporation.

	March 31, 2008	March 31, 2007
	\$	\$
Net loss	1,086,515	510,691
Net loss per share	0.04	0.03
Total cash and cash equivalents	306,230	277,959
Working capital	246,341	245,594
Total liabilities	81,167	42,719
Total assets	4,642,846	2,420,305
Shareholders' equity	4,561,679	2,377,586

Results of Operations

For the twelve months ended March 31, 2008, the Corporation had a net loss of \$1,086,515 or \$0.04 per share compared to a net loss of \$510,691 or \$0.03 per share with the corresponding period in 2007. Stock-based compensation expense for this year ended March 31, 2008 was increased to \$418,747 from \$19,025 in 2007. Interest income increased to \$54,699 from \$39,788 which was the direct result of increased cash balances from the April 2007 financing for the year compared to 2007. General and administrative costs increased slightly to \$107,955 from \$92,133. Public company expenses increased to \$196,308 from \$167,748 primarily as a result of increased investor relations spending.

Exploration office expenses increased to \$89,184 in the year from \$69,342 in 2007. Activities relating to property evaluations and investigations are ongoing. Exploration expenses in the year also include all costs associated with maintaining the Corporations' exploration offices in Reno, Nevada.

Summary of Quarterly Results

Selected consolidated financial information for the most recently completely quarters is as follows:

	Interest income	Net loss	Net loss per share
	\$	\$	\$
March 31, 2008	3,013	203,727	0.01
December 31, 2007	9,430	164,861	0.01
September 30, 2007	20,163	224,832	0.01
June 30, 2007	22,093	493,095	0.02
March 31, 2007	2,440	179,606	0.01
December 31, 2006	10,081	125,682	0.01
September 30, 2006	10,994	109,744	0.01
June 30, 2006	16,273	95,659	0.01
March 31, 2006	19,294	599,717	0.07

Liquidity and Capital Resources

The Corporation's working capital as at March 31, 2008 was \$246,341 (March 31, 2007 - \$245,594). During the twelve months ended March 31, 2008, \$2,182,646 was used in mineral acquisitions and exploration activities and \$667,051 was used in operating and administrative expenses.

In April and May 2006, 62,500 common shares were issued on exercise of 62,500 warrants at \$0.60 per share, for total proceeds of \$37,500.

On April 11, 2007, the Corporation completed a private placement of 6,000,000 units at \$0.50 per unit for gross proceeds of \$3,000,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.75 per share until

April 11, 2009. The Corporation incurred share issue costs of \$60,789. The Corporation also paid \$87,350 in cash commissions, issued 245,300 agent's units and granted 600,000 non-transferable compensation warrants as agent's commission. The Corporation recorded \$271,652 in non-cash share issue costs related to the 600,000 agent's warrants. The agent's units have the same terms as the private placement units. Each agent's warrants is exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangement.

Commitments

a) Investor Relations Agreement

Effective June 15, 2007, the Corporation agreed to pay a consultant for investor relations services at US\$3,000 per month under an online investor relations agreement through June 15, 2008. In December 2007, the Corporation terminated the agreement.

b) Management and Administration Services Agreement

The Corporation is committed to a management and administration service agreement to a company with common directors and common management for management services at \$7,500 per month. This agreement is automatically extended for successive six-month terms unless terminated by the Corporation or the company. The current six-month term expires June 20, 2008 (see Note 11(b)).

Transactions with Related Parties

During the year ended March 31, 2008, the Corporation incurred the following related party transactions:

- a) Management and administration services of \$90,000 (2007 – \$90,000) was incurred from a company with common directors.
- b) Consulting fees of \$145,941 (2007 - \$58,454) were incurred from the President of the Corporation or a company controlled by the President and reported as mineral property engineering and environmental costs (Note 5).
- c) Management and geological consulting expenses of \$48,789 (2007 - \$134,142) were paid to directors and a company controlled by the President.
- d) At March 31, 2008, accounts payable and accrued liabilities include an amount of \$2,209 (2007 - \$15,010) owed to the President and a company controlled by the President.

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Corporation and the related party.

Fourth Quarter

	Interest income	Net loss	Net loss per share
	\$	\$	\$
March 31, 2008	3,013	203,727	0.01
December 31, 2007	9,430	164,861	0.01
September 30, 2007	20,163	224,832	0.01
June 30, 2007	22,093	493,095	0.02
March 31, 2007	2,440	179,606	0.01
December 31, 2006	10,081	125,682	0.01
September 30, 2006	10,994	109,744	0.01
June 30, 2006	16,273	95,659	0.01
March 31, 2006	19,294	599,717	0.07

The Corporation reported a net loss of \$203,727 in the fourth quarter of 2008 compared to \$179,606 during the fourth quarter of 2007. The increased loss in the fourth quarter of 2008 compared to 2007 was the result of increased expenses related to stock-based compensations but the loss was offset by the decreased in general and administration costs compared to the fourth quarter in 2007. Over the last eight quarters the Corporation's financial performance has largely been a function of the level of administrative expenses required to operate a public company and manage its exploration activities. In certain quarters these expenses have been offset to varying degrees by foreign exchange and interest income.

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have instituted a system of disclosure controls for the Corporation to ensure proper and complete disclosure of material information. The limited number of employees within the Corporation facilitates access to real time information about developments in the business for the person responsible for drafting disclosure documents and reporting financial and other information. All documents are circulated to responsible members of management and the board of directors according to the disclosure time-lines contained within the disclosure controls policy. The disclosure controls conform with the Corporation's Corporate Governance policies.

The Chief Executive Officer and Chief Financial Officer also have designed internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the integrity and reliability of financial reporting information and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. After evaluating the effectiveness of the Corporation's disclosure controls and procedures, the Officers have concluded that the Corporation's disclosure controls and procedures were effective to ensure that material information relating to the Corporation was made known to them by others within the Corporation during the period.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by our Corporation is recorded, processed, summarized and reported within the time periods specified. Our Chief Executive Officer and our Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for our Corporation.

The Chief Executive Officer and the Chief Financial Officer have concluded, base on an evaluation as of March 31, 2008, that the disclosure controls and procedures for the Corporation was effective to provide reasonable assurance that material information related to the Corporation is made know. It should be noted that while the Corporation's Chief Executive Officer and the Chief Financial Officer believe that the Corporation's disclosure controls and procedures provide a reasonable level of assurance that the system of internal control are effective, they do not guarantee that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Critical Accounting Estimates and Risk Factors

Critical accounting estimates used in the preparation of the financial statements include the Corporation's estimated net recoverable value of these mineral properties. The business of mineral exploration involves a high degree of risk since very few properties that are explored and developed ultimately achieve commercial production. At present, none of the Corporation's properties have a known body of commercial ore.

The Corporation's determination of impairment and resulting estimated net recoverable values for its mineral projects are based on estimated underlying mineral resources associated with the properties and estimated future costs required for ultimate realization through mining operations or by sale of the properties. The Corporation is in an industry that is exposed to a number of risks and uncertainties, including exploration, development, commodity, operating, ownership, political, funding, currency and environmental risk. While factoring these risks the Corporation has relied on very preliminary resource estimates on its properties, however, these estimates include assumptions that are potentially subject to significant changes that are not yet determinable. Accordingly, there is

always the potential for a material change to the presentation in the financial statements relating to the carrying value of the Corporation's mineral properties.

Changes in Accounting Policies and Recent Accounting Pronouncements

Changes in Accounting Policy

Effective April 1, 2007, the Corporation adopted new Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3855 "Financial Instruments - Recognition and Measurement", CICA 3861 "Financial Instruments - Disclosure and Presentation", CICA 3865 "Hedges", CICA 1530 "Comprehensive Income", CICA 3051 "Investments" and CICA 3251 "Equity". These new Handbook Sections establish standards governing the recognition and measurement of financial instruments, when and how hedge accounting may be applied, and the reporting and presentation of comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources.

Effective April 1, 2007, the Corporation adopted the CICA Handbook section 1506, "Accounting Changes", permitting accounting policy changes only in the event a change is made within a primary source of GAAP, or where a change is warranted to provide more relevant and reliable information. All accounting policy changes are to be applied retroactively, unless impracticable. Any prior period errors identified also require retroactive application. The revised standards did not impact deficit or financial position.

Under these new standards, all financial instruments are included on the consolidated balance sheet and are measured either at their fair value or, in limited circumstances, at cost or amortized cost as described in Note 2 above.

The adoption of these standards has not been retrospectively applied to the Corporation's consolidated financial statements presented for comparative purposes.

Recent Accounting Pronouncements

In 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Corporation's interim and annual consolidated financial statements commencing January 1, 2009. The Corporation is evaluating the impact that the adoption of this standard will have on its financial statements.

In May 2007, the Accounting Standards Board issued CICA Handbook Section 3031, "Inventories". Section 3031 introduces changes to the measurement and disclosure of inventory and converges with international financial reporting standards and is effective for interim and annual periods relating to fiscal years beginning on or after January 1, 2008. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In December 2006, the Accounting Standards Board issued CICA Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation" which replace Section 3861, "Financial Instruments - Disclosure and Presentation". Section 3862 increases the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. This section carries forward the former presentation requirements and is effective for fiscal years beginning on or after October 1, 2007. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In October 2006, the Accounting Standards Board issued CICA Handbook Section 1535, "Capital Disclosures", which establishes standards for disclosing information about an entity's capital and how it is managed. This standard is effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007. The Corporation does not expect that the adoption of this standard will have a material impact on the Corporation's financial statements.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and commitments. It is management's opinion that we are not exposed to significant interest, currency or credit

risks arising from our cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities unless otherwise noted.

The Corporation is exposed to currency risk on the acquisition and exploration expenditures on its properties since it has to settle expenditures either in local currency or U.S. dollars. The Corporation's expenditures are negatively impacted by increases in value of either the U.S. dollar or local currencies versus the Canadian dollar.

Use of Financial and Other Instruments

The Corporation has not entered into any specialized financial agreements to minimize its investment, currency or commodity risk. There are no off-balance sheet arrangements. The principal financial instruments affecting the Corporation's financial condition and results of operations is currently its cash and cash equivalents.

Outlook

The Corporation intends to focus the majority of its exploration and development efforts in the United States for purposes of acquiring, exploring and developing high-grade uranium projects.

As an exploration stage company, the future liquidity of the Corporation will be affected principally by the level of its development and exploration expenditures and by its ability to raise an adequate level of capital through the capital markets. In management's opinion the Corporation's current working capital position, will be sufficient to complete its planned exploration programs at the Lisbon Valley, Moonshine Springs and Breccia Pipe Projects.

The Corporation will continue to evaluate its funding requirements on a going forward basis in its efforts to meet its future development and growth initiatives.

Other Requirements

Additional disclosure pertaining to the Corporation's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

Subsequent Events

Subsequent to March 31, 2008:

- a) 100,000 options were cancelled.
- b) Effective May, 2008, the Management and Administration Services Agreement (see note 10(b) to the consolidated financial statements) was decreased from \$7,500 to \$3,000 per month.
- c) On April 10, 2008, the Corporation proposed to amend an aggregate of 2,580,000 stock options by reducing the exercise price to \$0.14 per share (2,280,000 of which are held by insiders of the Corporation). The proposal is still subject to receiving TSX Venture Exchange approval and disinterested shareholders' approval.
- d) On May 22, 2008, the Corporation signed a definitive agreement with Energy Fuels Inc. to form an exploration venture, West Lisbon JV, LLC, to explore the Dar property in the Lisbon Valley Mining District (see Note 5(a)). The joint venture contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the Dar property. On discovery of an economic uranium deposit on the Dar property, Energy Fuels Inc. will operate any mine that is developed.
- e) On May 30, 2008, the Corporation announced a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.15 per share until 18 months following the closing of the transaction. The transaction is considered a "related party transaction" under securities legislation requiring TSX-V and shareholders' approval.

Mesa Uranium Corp.

Consolidated Financial Statements
For the years ended March 31, 2008 and March 31, 2007
together with the Auditors' Report



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of
Mesa Uranium Corp.

We have audited the consolidated balance sheets of Mesa Uranium Corp. as at March 31, 2008 and 2007 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated 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 Corporation as at March 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

MANNING ELLIOTT LLP

/s/ "Manning Elliott LLP"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

June 9, 2008

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

Mesa Uranium Corp.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

As at March 31, 2008 and 2007

	2008	2007
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	306,230	277,959
Amounts receivable	13,486	10,354
Prepaid expenses	7,792	-
	327,508	288,313
Reclamation bonds (Note 4)	94,178	92,761
Mineral properties (Note 5)	4,218,562	2,035,916
Office equipment (Note 6)	2,598	3,315
	4,642,846	2,420,305
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	81,167	42,719
SHAREHOLDERS' EQUITY:		
Share capital (Note 8)	5,567,363	2,987,154
Contributed surplus (Note 9)	1,198,137	507,738
Deficit	(2,203,821)	(1,117,306)
	4,561,679	2,377,586
	4,642,846	2,420,305

Nature of Operations and Continuance of Business (Note 1)

Commitments (Note 10)

Subsequent Events (Note 11)

APPROVED ON BEHALF OF THE BOARD,

Signed: /s/ "Brian P. Kirwin"

Brian P. Kirwin, Director

Signed: /s/ "Foster Wilson"

Foster Wilson, Director

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

Mesa Uranium Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

	2008	2007
	\$	\$
REVENUE	-	-
EXPENSES		
Amortization	717	516
Exploration office expenses	89,184	69,342
Foreign exchange	3,543	12,139
General and administrative	107,955	92,133
Management and geological consulting fees	266,370	152,250
Professional fees	58,390	37,326
Public company expenses	196,308	167,748
Stock based compensation (Note 8)	418,747	19,025
	1,141,214	550,479
OTHER		
Interest income	54,699	39,788
Net Loss and Comprehensive Loss for the Year	(1,086,515)	(510,691)
Deficit, Beginning of Year	(1,117,306)	(606,615)
Deficit, End of Year	(2,203,821)	(1,117,306)
Net Loss Per Share - Basic and Diluted	(0.04)	(0.03)
Weighted Average Number of Shares Outstanding	26,642,138	18,665,985

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

Mesa Uranium Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

	2008	2007
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(1,086,515)	(510,691)
Non-cash items		
Amortization	717	516
Stock-based compensation	418,747	19,025
	(667,051)	(491,150)
Changes in non-cash working capital items		
Amounts receivable	(3,132)	41,466
Prepaid expenses	(7,792)	7,406
Accounts payable and accrued liabilities	38,448	8,683
	(639,527)	(433,595)
INVESTING ACTIVITIES		
Purchase of reclamation bonds	(1,417)	(92,761)
Acquisition of mineral properties and exploration expenses	(2,182,646)	(1,485,897)
Purchase of equipment	-	(2,409)
	(2,184,063)	(1,581,067)
FINANCING ACTIVITY		
Issuance of common shares, net of issue costs	2,851,861	37,500
Increase (Decrease) in Cash and Cash Equivalents	28,271	(1,977,162)
Cash and Cash Equivalents, Beginning of Year	277,959	2,255,121
Cash and Cash Equivalents, End of Year	306,230	277,959
Supplemental Disclosures		
Interest Paid	-	-
Income Tax Paid	-	-

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

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Mesa Uranium Corp. (the "Corporation"), formerly Fintry Enterprises Inc. ("Fintry"), is an exploration stage mining company engaged in the identification, acquisition and exploration of uranium mineral properties located in the United States. It was incorporated in British Columbia and its shares are listed on the TSX Venture Exchange under the trading symbol MZU.

The Corporation acquired its wholly-owned subsidiary, BZU Minerals Ltd. ("BZU"), by issuing 6,000,000 of its common shares and 4,000,000 warrants in exchange for all of the shares of BZU on December 21, 2005 and then changing its name from Fintry Enterprises Inc. to Mesa Uranium Corp. As the former shareholders of BZU acquired control of the Corporation this transaction was accounted for as a reverse takeover, and these consolidated financial statements are a continuation of the historical financial statements of BZU from the date of its incorporation on October 12, 2005.

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The Corporation's ability to continue as a going concern is dependent upon the continued support of its shareholders, obtaining sufficient financing to complete its acquisition and exploration objectives and generating revenues sufficient to cover its operating costs or, ultimately obtaining proceeds from profitable disposal of its properties. There is no certainty that the Corporation will be able to achieve these objectives. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Corporation be unable to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, BZU Minerals Ltd. (incorporated in British Columbia), which was dissolved on February 18, 2008 and BZU Holdings, Inc. (incorporated in Nevada, USA). All inter-company transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding certain assets and liabilities based on careful judgement and actual results could differ from such estimates. Significant areas requiring the use of management estimates relate to the determination of the recoverability of mineral property assets, amounts receivable, quantification of future income tax assets and liabilities and assumptions used in valuing options and warrants in stock-based compensation calculations.

Foreign currency translation

The reporting and functional currency of the Corporation and its Canadian subsidiary (BZU Minerals Ltd.) is the Canadian dollar. The Corporation's foreign subsidiary (BZU Holdings, Inc.) is dependent on funding from the Corporation.

Accordingly, the temporal method of translating the accounts of the foreign subsidiary has been adopted. Under this method, monetary assets and liabilities are translated to Canadian dollars at the prevailing year end exchange rate. Non-monetary assets and liabilities are translated at historical exchange rates. Revenue and expense items are translated at the rates of exchange in effect at the time of the transactions. Translation gains and losses are included in the statement of operations and deficit.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit with banks and highly liquid short-term interest bearing securities with original terms of maturity of less than ninety days at time of acquisition, or which are redeemable at the option of the Corporation.

Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and commitments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Corporation classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountant Handbook Section 3840 – Related Party Transactions.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

The Corporation classified its cash as held-for-trading, its amounts receivable as loans and receivables and its accounts payable as other financial liabilities.

Financial instruments that potentially subject the Corporation to concentration of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Corporation places these instruments with high credit quality financial institutions.

The Corporation has operations in the United States which are transacted into U.S. dollars. Accordingly, the Corporation is exposed to foreign exchange risk in respect to these transactions. The Corporation has not undertaken hedging activities to mitigate this risk.

Mineral properties and deferred exploration costs

Costs related to mineral activities, which include the investigation, exploration, and development of mining properties, are capitalized on a property-by-property basis until such time as the Corporation determines that economically recoverable reserves are established or the property is evaluated as non-productive or uneconomical. Where exploration activities are conducted jointly with others, only the Corporation's proportionate cost in the related mineral projects is included in these financial statements.

Management reviews conditions relating to mineral properties on a quarterly basis, taking into account factors such as the property's stage of exploration or development, exploration results, market prices for ores, and the economic viability of the properties. Carrying values relating to non-productive or uneconomical properties are written down by charges to earnings. The recoverability of amounts capitalized is dependent upon the discovery of economically recoverable reserves, securing and maintaining title to the properties and obtaining the necessary financing to complete the exploration and development of these projects and attaining future profitable production or from proceeds from disposal of the properties. The amounts shown for mineral properties represent costs incurred to date and are not intended to reflect present or future values.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset retirement obligations

The Corporation follows CICA Handbook Section 3110, "Asset Retirement Obligations", which established standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the mineral property asset is amortized on the same basis as the related asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at March 31, 2008, the Corporation has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

Environmental protection and reclamation costs

The operations of the Corporation may be affected from time to time by changes in environmental regulations, including those for future rehabilitation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Corporation may vary from region to region and are not entirely predictable. The Corporation's policy is to meet standards set by relevant legislation, by application of technically proven and economically feasible measures. Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against statements of earnings as incurred or capitalized and amortized depending upon their future economic benefits. The Corporation does not anticipate any material capital expenditures for environmental control facilities because it is at an early stage of exploration.

Office equipment

Office equipment, consisting of office and computer equipment, is recorded at cost and amortized on a straight-line basis over five years.

Impairment of long-lived assets

The Corporation monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Corporation's policy is to record an impairment loss in the period when it is determined that the carrying amount of the assets may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds the discounted estimate of future cash flows from use or disposal of the asset.

Income taxes

The Corporation uses the asset and liability method of accounting for income taxes, under which future tax assets and liabilities are recognized on differences between the carrying amounts of assets and liabilities and their respective tax bases. Where applicable, future tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which temporary differences are expected to be reversed and the effect of a change in tax rates is recognized in income in the period of enactment. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs. A valuation allowance is recorded for any tax assets unless they are more likely than not to be realized.

Stock-based compensation

The Corporation applies the fair value method to stock-based payments for all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the related contributed surplus are credited to share capital.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

Basic loss per share is calculated using the treasury stock method to determine the weighted average number of common shares outstanding. Outstanding stock options and share purchase warrants have not been included in the computation of diluted loss per share because they are anti-dilutive. The weighted average number of issued and outstanding common shares for the period prior to the reverse take over has been retroactively adjusted for that transaction.

3. CHANGES IN ACCOUNTING POLICY AND RECENT ACCOUNTING PRONOUNCEMENTS

Changes in Accounting Policy

Effective April 1, 2007, the Corporation adopted new Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3855 "Financial Instruments - Recognition and Measurement", CICA 3861 "Financial Instruments - Disclosure and Presentation", CICA 3865 "Hedges", CICA 1530 "Comprehensive Income", CICA 3051 "Investments" and CICA 3251 "Equity". These new Handbook Sections establish standards governing the recognition and measurement of financial instruments, when and how hedge accounting may be applied, and the reporting and presentation of comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources.

Effective April 1, 2007, the Corporation adopted the CICA Handbook section 1506, "Accounting Changes", permitting accounting policy changes only in the event a change is made within a primary source of GAAP, or where a change is warranted to provide more relevant and reliable information. All accounting policy changes are to be applied retroactively, unless impracticable. Any prior period errors identified also require retroactive application. The revised standards did not impact deficit or financial position.

Under these new standards, all financial instruments are included on the consolidated balance sheet and are measured either at their fair value or, in limited circumstances, at cost or amortized cost as described in Note 2 above.

The adoption of these standards has not been retrospectively applied to the Corporation's consolidated financial statements presented for comparative purposes.

Recent Accounting Pronouncements

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Corporation continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

In 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Corporation's interim and annual consolidated financial statements commencing January 1, 2009. The Corporation is evaluating the impact that the adoption of this standard will have on its financial statements.

In May 2007, the Accounting Standards Board issued CICA Handbook Section 3031, "Inventories". Section 3031 introduces changes to the measurement and disclosure of inventory and converges with international financial reporting standards and is effective for interim and annual periods relating to fiscal years beginning on or after January 1, 2008. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

3. CHANGES IN ACCOUNTING POLICY AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

In December 2006, the Accounting Standards Board issued CICA Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation" which replace Section 3861, "Financial Instruments - Disclosure and Presentation". Section 3862 increases the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. This section carries forward the former presentation requirements and is effective for fiscal years beginning on or after October 1, 2007. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In October 2006, the Accounting Standards Board issued CICA Handbook Section 1535, "Capital Disclosures", which establishes standards for disclosing information about an entity's capital and how it is managed. This standard is effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007. The Corporation does not expect that the adoption of this standard will have a material impact on the Corporation's financial statements.

4. RECLAMATION BONDS

As of March 31, 2008, the Corporation recorded environmental bonds of \$94,178, (2007 \$92,761) which includes \$18,991 and \$75,187 for the Moonshine Springs and Lisbon Valley properties respectively.

5. MINERAL PROPERTIES

a) Lisbon Valley

BZU holds mineral claims and leases in the Lisbon Valley uranium mining district of Utah comprising an area of approximately 7,700 hectares (approximately 28 square miles) of unpatented United States federal mining claims and Utah State mineral leases. The Lisbon Valley uranium mining district is located in the Colorado Plateau region, in southeastern Utah in San Juan County.

On June 5, 2007, the Corporation signed a Letter of Intent ("LOI") to form a joint venture with Energy Fuels Inc. ("Energy Fuels") to explore the Dar property in the Lisbon Valley Mining District of San Juan County, Utah. The Dar property consists of 60 recently staked mining claims (approximately 1,240 acres). The joint venture contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the Dar property. During January, 2008, it was mutually agreed by both parties to terminate the LOI. On May 22, 2008, Energy Fuels signed a definitive agreement with the Corporation to form an exploration joint venture, West Lisbon JV, LLC, to conduct exploration drilling on the Dar property (see Note 11(d)).

b) Moonshine Springs

The Moonshine Springs project is located in Mohave County, Arizona. The project is wholly-owned by the Corporation and consists of 3,050 acres.

c) Breccia Pipe Project

The Breccia Pipe project is located in Mohave and Coconino Counties, northern Arizona in the Arizona Strip Uranium District. The project is wholly-owned by the Corporation and consists of 7,585 acres.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

5. MINERAL PROPERTIES (continued)

On June 27, 2007, the Corporation signed a Letter of Intent (“LOI”) to form a second joint venture with Energy Fuels Inc. (“Energy Fuels”) to explore high grade U308 in Breccia Pipes on 13 Arizona State School sections currently leased by the Corporation. Under the agreement the Corporation would contribute 13 Arizona State School Sections to the Joint Venture. During January, 2008, it was mutually agreed by both parties to terminate the LOI.

d) Silvey Pocket

During March, 2008, the Corporation acquired the Silvey Pocket project located in the Montrose County, Colorado approximately 4-5 miles east of the Lisbon project. This property consists of 1,620 acres.

Mineral property expenditures are comprised as follows:

	Lisbon Valley	Moonshine Springs	Breccia Pipe	Silvey Pocket & Other	2008	2007
	\$	\$	\$	\$	\$	\$
Balance, beginning	2,026,636	9,280	-	-	2,035,916	550,019
Drilling	1,330,568	76,550	-	-	1,407,118	958,474
Assaying and surveying	69,956	8,764	-	-	78,720	5,870
Geophysics	60,353	7,846	-	-	68,199	56,018
Engineering and environmental	281,967	44,500	2,795	-	329,262	204,406
Land fees, permit, licenses	100,725	19,209	4,045	33,766	157,745	104,757
Property acquisition and related	52,792	-	12,443	-	65,235	146,721
Site maintenance and camp	48,538	-	27,829	-	76,367	9,651
	1,944,899	156,869	47,112	33,766	2,182,646	1,485,897
Balance, ending	3,971,535	166,149	47,112	33,766	4,218,562	2,035,916

6. OFFICE EQUIPMENT

	Cost	Accumulated Amortization	2008 Net Carrying Amount	2007 Net Carrying Amount
	\$	\$	\$	\$
Office equipment	4,034	1,436	2,598	3,315

7. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2008, the Corporation incurred the following related party transactions:

- Management and administration services expenses of \$90,000 (2007 – \$90,000) were incurred to a company with common directors.
- Consulting fees of \$145,941 (2007 - \$58,454) were incurred to a company controlled by the President and capitalized as mineral property engineering and environmental costs (Note 5).
- Management and geological consulting expenses of \$48,789 (2007 - \$134,142) were incurred to a company controlled by the President.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

7. RELATED PARTY TRANSACTIONS (continued)

- d) At March 31, 2008, accounts payable and accrued liabilities include an amount of \$2,209 (2007 - \$15,010) owed to the President and a company controlled by the President.

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Corporation and the related party.

8. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Issued	Number of Common Shares	Amount
		\$
Balance, March 31, 2006	18,085,153	2,949,654
Agents warrants exercised	62,500	37,500
Special warrants exercised	575,000	-
Balance, March 31, 2007	18,722,653	2,987,154
Shares issued for private placement - net of share issue costs	6,245,300	2,580,209
Special warrants exercised	1,925,000	-
Balance, March 31, 2008	26,892,953	5,567,363

In April and May 2006, 62,500 common shares were issued on exercise of 62,500 warrants at \$0.60 per share, for total proceeds of \$37,500.

On April 10, 2006 and March 9, 2007, 500,000 and 75,000 common shares, respectively, were issued on exercise of 575,000 special warrants for no additional consideration.

On April 11, 2007, the Corporation completed a private placement of 6,000,000 units at \$0.50 per unit for gross proceeds of \$3,000,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.75 per share until April 11, 2009. The Corporation incurred cash share issue costs of \$60,789. The Corporation also paid \$87,350 in cash commissions, issued 245,300 agent's units and granted 600,000 non-transferable compensation warrants as agent's commission. The Corporation recorded \$271,652 in non-cash share issue costs related to the 600,000 agent's warrants. The agent's units have the same terms as the private placement units. Each agent's warrant is exercisable to acquire one common share at a price of \$0.55 per share until April 11, 2009.

All of the consideration received for the units was allocated to share capital and no value was allocated to the half warrants. The value attributed to the 600,000 stand-alone agent's warrants was estimated using a Black Scholes option pricing model and treated as share issue costs.

On April 12, 2007, the Corporation issued 1,925,000 common shares on exercise of 1,925,000 special warrants for no additional consideration.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

8. SHARE CAPITAL (continued)

Options

The Corporation grants incentive stock options as permitted pursuant to the Corporation's Stock Option Plan (the "Plan") approved by the shareholders on December 21, 2005. The Plan has been structured to comply with the rules of the TSX Venture Exchange. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Corporation as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of five years. If the Optionee ceases to be qualified to receive options from the Corporation those options expire immediately. All options vest when granted unless otherwise specified by the Board of Directors.

On April 11, 2006, the Corporation granted 50,000 stock options to employees and officers and recorded \$15,770 as stock-based compensation expense.

On April 13, 2007, the Corporation granted 750,000 stock options to employees and consultants at a price of \$0.70 per share expiring April 13, 2012 and recorded \$363,189 as stock-based compensation expense.

On May 31, 2007, 100,000 options at \$0.72 per option were cancelled.

On July 29, 2007, 50,000 stock options at \$0.70 per option were cancelled.

On September 7, 2007, the Corporation granted 225,000 stock options to a director at a price of \$0.40 per share expiring September 13, 2012 and recorded \$55,558 as stock based compensation expense.

On January 2, 2008, 50,000 options at \$0.50 per option were cancelled.

	Number of Options	Exercise Price	Expiry Date
Balance, March 31, 2006	1,805,000	\$0.57	
Granted: April 11, 2006	50,000	\$0.76	April 11, 2011
Balance, March 31, 2007	1,855,000	\$0.58	
Granted: April 13, 2007	750,000	\$0.70	April 13, 2012
Cancelled: May 31, 2007	(100,000)	\$0.72	February 2, 2011
Cancelled: July 29, 2007	(50,000)	\$0.70	April 13, 2012
Granted: September 7, 2007	225,000	\$0.40	September 13, 2012
Cancelled: January 2, 2008	(50,000)	\$0.50	December 21, 2010
Balance, March 31, 2008	2,630,000		

At March 31, 2008, the weighted average remaining contractual life for the options outstanding and exercisable is 3.25 years (2007 – 3.79 years).

The Corporation uses the Black-Scholes option pricing model to value stock options which requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following assumptions were used in deriving the weighted average fair value of \$0.51 and \$0.25 per option (2007 - \$0.38):

	2008		2007
	750,000 options	225,000 options	
Risk free interest rate	4.10%	4.25%	4.2%
Expected life (in years)	3	3	4
Expected volatility	110%	110%	60.6%
Expected dividend yield	0.0%	0.0%	0.0%

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

8. SHARE CAPITAL (continued)

Warrants

Warrants issued and exercised are as follows:

	Number of Warrants	Exercise Price	Expiry Date
Balance, March 31, 2006	9,596,838		
Special warrants exercised	(575,000)	\$0.00	December 21, 2015
Warrants exercised	(62,500)	\$0.60	May 30, 2006
Warrants expired	(273,438)	\$0.60	May 30, 2006
Balance, March 31, 2007	8,685,900		
Special warrants exercised	(1,925,000)	\$0.00	December 21, 2015
Private Placement of 6,000,000 units	3,000,000	\$0.75	April 11, 2009
Agent's warrants	600,000	\$0.55	April 11, 2009
Agent's warrants related to 245,300 units	122,650	\$0.75	April 11, 2009
Warrants expired	(6,760,900)	\$0.75	December 21, 2007
Balance, March 31, 2008	3,722,650		

In April and May 2006, 62,500 common shares were issued on exercise of 62,500 warrants at \$0.60 per share, for total proceeds of \$37,500.

On April 10, 2006 and March 9, 2007, 500,000 and 75,000 common shares, respectively, were issued on exercise of 575,000 special warrants for no additional consideration.

On April 11, 2007, the Corporation completed a private placement of 6,000,000 units at \$0.50 each. Each unit consisted of one common share and one-half of a transferable common share purchase warrant exercisable at a price of \$0.75 per share until April 11, 2009. The Corporation also issued 245,300 agent's units and granted 600,000 non-transferable warrants as agent's commission. The agent's units have the same terms as the private placement units and the warrants are exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009. The fair value of the 600,000 stand-alone agent's warrants was estimated to be \$271,652 using a Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	4.07%
Expected life	2 years
Expected volatility	98%
Expected dividend yield	0.0%
Grant date value	\$0.45

The following table summarizes the share purchase warrants outstanding and exercisable as at March 31, 2008:

Number of warrants	Exercise Price	Expiry Date
600,000	\$0.55	April 11, 2009
3,122,650	\$0.75	April 11, 2009
3,722,650		

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

8. SHARE CAPITAL (continued)

Securities held in escrow

Pursuant to the escrow agreement covering the shares and warrants issued to acquire BZU, 5,055,000 common shares and 3,645,000 common shares obtained on exercise of special warrants were subject to an escrow agreement (total shares subject to escrow - 8,700,000). Under the escrow agreement these shares are scheduled for release at 10% on December 22, 2005 and 15% every six months thereafter to December 21, 2008. At March 31, 2008, 2,610,000 common shares remained in escrow.

9. CONTRIBUTED SURPLUS

Contributed surplus is comprised as follows:

	Amount
	\$
Balance, March 31, 2006	488,713
Fair value of stock options granted	19,025
Balance, March 31, 2007	507,738
Fair value of stock options granted	418,747
Fair value of the 600,000 stand-alone agent's warrants	271,652
Balance, March 31, 2008	1,198,137

10. COMMITMENTS

a) Investor Relations Agreement

Effective June 15, 2007, the Corporation agreed to pay a consultant for investor relations services at US\$3,000 per month under an online investor relations agreement through June 15, 2008. In December 2007, the Corporation terminated the agreement.

b) Management and Administration Services Agreement

The Corporation is committed to a management and administration service agreement to a company with common directors and common management for management services at \$7,500 per month. This agreement is automatically extended for successive six-month terms unless terminated by the Corporation or the company. The current six-month term expires June 20, 2008 (see Note 11(b)).

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

11. SUBSEQUENT EVENTS

Subsequent to March 31, 2008:

- a) 100,000 options were cancelled.
- b) Effective May, 2008, the Management and Administration Services Agreement (see note 10(b)) was decreased from \$7,500 to \$3,000 per month.
- c) On April 10, 2008, the Corporation proposed to amend an aggregate of 2,580,000 stock options by reducing the exercise price to \$0.14 per share (2,280,000 of which are held by insiders of the Corporation). The proposal is still subject to receiving TSX Venture Exchange approval and disinterested shareholders' approval.
- d) On May 22, 2008, the Corporation signed a definitive agreement with Energy Fuels Inc. to form an exploration venture, West Lisbon JV, LLC, to explore the Dar property in the Lisbon Valley Mining District (see Note 5(a)). The joint venture contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the Dar property. On discovery of an economic uranium deposit on the Dar property, Energy Fuels Inc. will operate any mine that is developed.
- e) On May 30, 2008, the Corporation announced a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.15 per share until 18 months following the closing of the transaction. The transaction is considered a "related party transaction" under securities legislation requiring TSX-V and shareholders' approval.

12. SEGMENTED INFORMATION

The Corporation operates in the single business segment of mineral exploration and development in the United States ("USA").

The Corporation operates in two geographic segments. Geographic distribution of operating results in the two geographic segments is as follows:

	2008		
	Canada	USA	Total
Mineral properties and office equipment	\$ -	\$ 4,221,160	\$ 4,221,160
Interest revenue	\$ 54,699	\$ -	\$ 54,699

	2007		
	Canada	USA	Total
Mineral properties and office equipment	\$ -	\$ 2,039,231	\$ 2,039,231
Interest revenue	\$ 39,788	\$ -	\$ 39,788

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2008 and 2007

13. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2008	2007
Canadian statutory income tax rate	33%	34%
Income tax recovery at statutory rate	\$ 362,244	\$ 174,248
(Decrease) increase resulting from:		
Stock based compensation	(139,610)	(6,491)
Share issue costs	49,390	25,437
Non-deductible items	(2,071)	3,576
Non-capital losses expired	(116,365)	-
Reduction in tax rate	(76,655)	-
Valuation allowance	(76,933)	(196,770)
Income tax recoverable	\$ -	\$ -

The tax effects of temporary differences that give rise to significant portions of the future tax assets at March 31, 2008 and 2007 are as follow:

	2008	2007
Non-capital losses carried forward	\$ 656,000	\$ 585,000
Share issue costs	82,000	76,000
Valuation allowance	(738,000)	(661,000)
	\$ -	\$ -

The Corporation has approximately \$2,128,000 (2007 - \$1,712,000) in non-capital losses, which can be applied to reduce future taxable income. These losses expire as follows:

2009	\$ 276,000
2013	169,000
2014	181,000
2015	52,000
2026	212,000
2027	473,000
2028	765,000
	<u>\$ 2,128,000</u>

The Corporation has not recognized any future income tax assets. The Corporation has 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 future income tax assets.

CORPORATE INFORMATION

DIRECTORS

Giulio T. Bonifacio
Vancouver, Canada

Joseph Giuffre
Vancouver, Canada

Brian P. Kirwin
Reno, United States

Foster Wilson
Reno, United States

OFFICES

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WEBSITE

Additional information about the Corporation can be found at our website www.mesauranium.com

OFFICERS

Brian P. Kirwin
Non-Executive Chairman

Foster Wilson
President & Chief Executive Officer

Joe Chan
Chief Financial Officer

Catherine Tanaka
Corporate Secretary

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
Vancouver, Canada

SHARES LISTED

TSX Venture Exchange: MZU

CAPITALIZATION

(As at June 10, 2008)
Shares Issued and Outstanding: 26,892,953

AUDITOR

Manning Elliott, Chartered Accountants
Vancouver, Canada

LEGAL COUNSEL

Axium Law Corporation
Vancouver, Canada