



MESA URANIUM CORP.
QUARTERLY REPORT FOR THE NINE MONTHS ENDED DECEMBER 31, 2010

Mesa Uranium Corp.
Management's Discussion & Analysis
Nine months ended December 31, 2010, as of February 25, 2011

General

This Management's Discussion and Analysis of Mesa Uranium Corp. (the "Corporation") has been prepared by management as of February 25, 2011 and should be read in conjunction with the audited annual financial statements and related notes thereto of the Corporation for the year ended March 31, 2010 and the unaudited financial statements of the Corporation for the nine months ended December 31, 2010 and 2009. 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

The Corporation is an exploration stage mining company engaged in the identification, acquisition and exploration of uranium, lithium and potash mineral properties located in the United States. The Corporation acquired its wholly-owned subsidiary, BZU Minerals Ltd. ("BZU"), on December 21, 2005 and changed its name from Fintry Enterprises Inc. to Mesa Uranium Corp. The Corporation was incorporated in British Columbia and its shares are listed on the TSX Venture Exchange.

The Corporation is engaged in the exploration and development of mineral properties and owns mineral property interests in Utah and Arizona. 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 controls approximately 7,700 hectares of mining claims and state mineral leases in the Lisbon Valley Mining District in Utah, USA.

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 1,770 acres. 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. In 2007, the Corporation commenced a planned drilling program which consisted of 10-12 holes for a total footage of 6,000 feet.

During September, 2008 the Corporation filed applications for potash exploration permits with the Bureau of Land Management (“BLM”). The property contains potash from both solution mining and naturally-occurring potash brines. The 25,500 acre area (40 square miles) White Cloud potash project is located 40 miles north of our Lisbon Valley uranium project in southeastern Utah. Access and infrastructure are considered good as the project is close to rail, interstate highway and power lines.

The White Cloud project is located in the Paradox Basin, a geologic province known to contain potash deposits and potash brine. The United States Geological Survey and Utah Geological Survey have documented these occurrences in various reports. The project is within an area categorized as a high “known mineral deposit area” for potash beds by the U.S. Bureau of Mines. The Corporation plans to obtain reports and radiometric logs from historic oil drilling on the project to assess grade, thickness and depth of the potash beds and grade and flow rates for the potash brines. Sources for the information have been identified and the Corporation is currently acquiring and evaluating the information to guide future exploration work.

During January, 2009, the Corporation acquired 3 additional potash exploration permits through the Arizona State Land Department covering 1,950 acres (three square miles) covering a portion of the Holbrook Basin.

During May, 2009, the White Cloud potash project was expanded to 35,510 acres and applications were filed for two new projects, Salt Wash at 21,184 acres and Whipsaw with 17,968 acres. A total of 74,662 acres (116 square miles) of the Corporation’s applications have passed BLM Suitability Reviews.

During November, 2009, the Corporation announced that it acquired, by staking, the Green Energy lithium project in Utah. The project consists of mining claims covering an area of approximately 10 square miles (6,000 acres) and is 100% wholly-owned.

During March, 2010, the Corporation added new claims extending over a potentially high grade brine target at the Green Energy lithium project in Utah. The new claims have been staked bringing the total acreage under the Corporation’s control to 7,850, or approximately 12 square miles. The project is wholly owned by the Corporation. The new claims overlay a syncline, or structural trough, thought to contain higher concentrations of brine exceeding the previously acquired portion of the project located on an anticline, or structural dome. A petroleum engineering report from 1966 suggested the syncline would host a higher concentration of minerals through hydrodynamic drive (gravity and water pressure). Historic oil exploration wells focused on the anticline, known traps for oil and gas reservoirs, no holes were drilled into the syncline. This report went on to suggest a minimum brine reservoir of 15 million barrels with upside in the hundreds of millions of barrels.

In December, 2010, the Corporation signed an option agreement (“Agreement”) with Passport Potash (“PPI”) on the Holbrook Potash project. The project consists of Arizona State Land Department exploration leases covering 1,950 acres and was 100% wholly-owned by the Corporation. Under the Agreement, PPI acquired a 75% interest in the leases by issuing to the Corporation 500,000 shares of PPI and paid \$20,000 in cash, and the exploration expenditures as required by the Arizona State Land Department. Any additional work will be paid for by PPI on a 100% basis. PPI will have the right to acquire the remaining 25% interest by paying the Corporation an additional \$100,000 cash or PPI stock equivalent with equivalent value. The Corporation will retain a 2% NSR royalty which PPI has the option to purchase for US \$300,000.

Overview of Performance

The Corporation’s working capital as of December 31, 2010 was \$400,834 (March 31, 2010 - \$146,060). The increase in working capital was the result of financing activities. The loss for the nine months ended December 31, 2010 was \$169,156 or \$0.02 per share compared with a net loss of \$89,209 or \$0.01 per share for the nine months ended December 31, 2009. The higher expenditures for the current period reflect an increase in business activities for this period.

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 three fiscal years. The selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements of the Corporation.

	Nine months ended December 31,		Year ended March 31,		
	2010	2009	2010	2009	2008
	\$	\$	\$	\$	\$
Net loss	169,156	89,209	1,772,461	1,690,085	1,086,515
Net loss per share	0.02	0.01	0.18	0.18	0.12
Total cash and cash equivalents	259,206	239,976	170,474	25,173	306,230
Working capital	400,834	235,670	146,060	12,349	246,341
Total liabilities	4,475	7,197	25,204	55,217	81,167
Total assets	1,852,816	3,304,495	1,636,723	3,170,805	4,642,846
Shareholders' equity	1,848,341	3,297,298	1,611,519	3,115,588	4,561,679

Results of Operations

For the nine months ended December 31, 2010, the Corporation had a net loss of \$169,156 or \$0.02 per share compared to a net loss of \$89,209 or \$0.01 per share with the corresponding period in 2009. There was no stock-based compensation expense or interest income for the nine months ended December 31, 2010 and 2009. General and administrative costs increased to \$28,529 from \$26,181; public company expenses increased to \$57,636 from \$21,955; management and consultant fees increased to \$53,703 from \$nil and professional fees increased to \$14,354 from \$5,056.

Exploration office expenses decreased to \$13,581 from \$16,027. Activities relating to property evaluations and investigations are ongoing. Exploration expenses in the period 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:

	2010				2009			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	259,206	5,955	73,958	170,474	239,976	47,505	29,032	25,173
Working capital	400,834	(37,070)	45,512	146,060	235,670	22,245	4,443	12,349
Total assets	1,852,816	1,531,407	1,568,493	1,636,723	3,304,495	3,097,294	3,123,581	3,170,805
Shareholder's equity	1,848,341	1,485,354	1,539,337	1,611,519	3,297,298	3,071,345	3,096,760	3,115,588
Net loss	(42,991)	(53,983)	(72,182)	(1,683,252)	(44,966)	(25,415)	(18,828)	(1,510,936)
Net loss per share	(0.00)	(0.00)	(0.01)	(0.15)	(0.00)	(0.00)	(0.00)	(0.16)

Liquidity and Capital Resources

The Corporation's working capital as at December 31, 2010 was \$400,834 (March 31, 2010 - \$146,060).

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 was 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 had the same terms as the private placement units. Each agent's warrants were exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009.

On July 23, 2008, the Corporation completed 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 was exercisable to acquire one common share at a price of \$0.15 per share until January 24, 2010. The Corporation incurred cash share issue costs of \$4,214. All the consideration received for the units was allocated to share capital and no value was allocated to the half warrants.

On November 20, 2009, the Corporation closed a non-brokered private placement of 1,000,000 units at \$0.20 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 purchase one additional common share at a price of \$0.30 per share until November 20, 2011. The securities issued under the private placement were subject to a four month hold period, expiring March 20, 2010. The Corporation incurred cash share issue costs of \$2,956. All the consideration received for the units was allocated to share capital and no value was allocated to the half warrants.

On December 1, 2009, the Corporation closed a non-brokered private placement of 375,000 units at \$0.20 per unit for gross proceeds of \$75,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.30 per share until December 1, 2011. The securities issued under this private placement were subject to a four month hold period, expiring April 2, 2010. The Corporation incurred cash share issue costs of \$1,125. All the consideration received for the units was allocated to share capital and no value was allocated to the half warrants.

On December 6, 2010 the Corporation closed a non-brokered private placement of 1,300,000 units at a price of \$0.25 per unit for gross proceeds of \$325,000. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.35 per warrant share. The warrants will expire 24 months from the date of issue unless the closing price of the common shares has been \$0.50 or higher for 20 consecutive trading days, in which case the warrants will expire if not exercised within 30 days. The securities issued under the Offering are subject to a four month hold period expiring April 6, 2011.

Transactions with Related Parties

During the nine months ended December 31, 2010, the Corporation incurred management and administration services expenses of \$27,000 (fiscal year ended March, 2010 – \$25,500) from a company with common directors.

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.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangement.

Commitments

The Corporation is committed to a management and administration service agreement to a company with common directors and common management for management services at \$3,000 per month. This agreement is automatically extended for successive six-month terms unless terminated by the Corporation or the company.

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

The Chief Executive Officer and the Chief Financial Officer have concluded, based on an evaluation as of December 31, 2010, that the disclosure controls and procedures for the Corporation was effective to provide reasonable assurance that material information related to the Corporation is made known. 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.

Accounting standards newly adopted

Effective April 1, 2009, the Corporation adopted new accounting standards as follows:

EIC-173, Credit risk and the fair value of financial assets and financial liabilities

In April 2009, the Corporation adopted the CICA's EIC-173, "Credit risk and the Fair value of Financial Assets and Financial Liabilities". The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. The Company currently has no financed assets with credit risk and has no derivative instruments. Adoption of this EIC did not have any effect on the Corporation's financial statements.

EIC-174, Mining exploration costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs". The EIC clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be

recoverable. The Corporation has evaluated this new guidance and has determined that the adoption of this EIC has not had any effect on the Corporation's financial statements.

Financial Instruments, *Disclosure and Presentation*

Effective April 1, 2009, the Corporation adopted the enhanced disclosure requirements of the amended CICA Section 3862, "Financial Instruments – Disclosures". The additional disclosures required by this standard are described in Note 11.

Recent Accounting Pronouncements

Business Combination

In December 2008, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, Business Combinations, which is converged with International Financial Reporting Standards ("IFRS") 3, Business Combinations, and replaces CICA Handbook Section 1581, Business Combinations. Section 1582 provides guidance on the application of the purchase method of accounting for business combinations. In particular, Section 1582 addresses the determination of the carrying amount of the assets and liabilities of a subsidiary company, goodwill and accounting for a non-controlling interest at the time of the business combination. The new standard is effective on a prospective basis to business combinations for which the acquisition date is on or after January 1, 2011. Earlier application is permitted. If an entity applies this Section before January 1, 2011, it shall also adopt CICA Handbook Section 1601 and CICA Handbook Section 1602. This new standard will only have an impact on the Corporation's financial statements for future acquisitions if the Corporation early adopts the standard.

Consolidated Financial Statements and Non-controlling Interests

In December 2008, the AcSB issued CICA Handbook Section 1601, Consolidated Financial Statements, which replaces CICA Handbook Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting CICA Handbook Section 1601 for a fiscal year beginning before January 1, 2011 also must adopt CICA Handbook Section 1582, and CICA Handbook Section 1602.

Non-controlling Interests

In December 2008, the AcSB issued CICA Handbook Section 1602, Non-controlling Interests, which establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting CICA Handbook Section 1602 for a fiscal year beginning before January 1, 2011 also must adopt CICA Handbook Section 1582, and CICA Handbook Section 1601.

Conversion to International Financial Reporting Standards

In February 2008, the Accounting Standards Board announced that the accounting framework under which the financial statements are prepared for all publicly accountable companies will be replaced by International Financial Reporting Standards ("IFRS") starting January 2011. The first set of interim financial statements under IFRS will be for the quarter ending June 30, 2011, including comparative information for the quarter ending June 30, 2010.

The conversion requirement from GAAP to IFRS raises both financial and non-financial issues with potential implications of risk, financial reporting, internal controls and stakeholder relations, however the fact that the Corporation is a development stage company limits such impact.

The Corporation is using a three step roadmap to convert to IFRS:

1. Planning and diagnostic

The Corporation currently is in the diagnostic stage of assessing possible areas of GAAP differences and areas where processes may require changes. Currently, the Corporation is focusing its GAAP difference analysis in the following accounting areas that may identify GAAP differences; Impairment of long-lived assets, Income taxes, foreign currency and functional currency determination, exploration and evaluation expenditures, property plant and equipment, flow-through shares accounting and stock-based compensation .

The Corporation is also in the initial states of examining and assessing transitional options and exemptions under IFRS 1, “First-Time Adoption of International Financial Reporting Standards” (“IFRS”). The Corporation currently expects to complete its diagnostic assessments and transitional option assessments and elections in January 2011.

The Corporation anticipates that IFRS will require expanded financial statement disclosures. The Corporation currently plans to quantify IFRS and GAAP differences and prepare draft financial statement disclosures in January and February 2011.

The Corporation’s key personnel responsible for financial reporting have received required IFRS training. However, IFRS education will continue throughout the conversion project. The conversion team will be reporting regularly throughout the project to the Audit Committee and will involve the external auditors in the conversion process throughout each stage of the project.

The Corporation has made the following preliminary determinations:

The Corporation expects minimal impact on its data systems upon transition to IFRS.

Property, plant & equipment:

IFRS 1 provides a choice between measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical cost basis under Canadian GAAP. The Corporation has made a preliminary decision to use the historical cost carrying values as determined under Canadian GAAP for transitional purposes.

Exploration and Evaluation Costs

Upon adoption of IFRS, the Corporation will have a choice between retaining its existing policy of capitalizing all pre-feasibility evaluation and exploration (“E&E”) expenditures or electing to change its policy retrospectively to expense all pre-feasibility E&E costs.

The Corporation has made a preliminary decision to continue to defer E&E costs and classify them as tangible or intangible according to their nature.

Provision for environmental rehabilitation

IFRS – IFRS 37 applies to a constructive obligation, where the event creates valid expectations that the entity will discharge the obligation, as well as a legal obligation. The amount recognized should be the best estimate of the expenditure required to settle the obligation at the balance sheet date. Present value should be used where the effect of the time value of money is material. The discount rate (or rates) utilized should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate. Canadian GAAP – CICA Section 3110 applies to legal obligations associated with the retirement of a tangible long-lived asset. Such an obligation is to be initially measured at fair value in the period in which the obligation is incurred, unless it cannot be reliably measured at that date.

The Corporation does not expect any significant transitional impact.

2. Implementation

In this stage the Corporation will finalise its identified IFRS GAAP difference and IFRS compliant financial statement and implement any required business process and internal control changes.

3. Post implementation

During this stage the Corporation will perform a review of the IFRS transition and ensure the preparation of financial statements continue to be in compliance with IFRS.

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, potash and lithium 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.

The Corporation will continue to evaluate its funding requirements on a going forward basis in an effort 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.

Share Data

Capital Structure as of February 25, 2011:

Common shares issued and outstanding: 12,245,376

Total stock options outstanding: 1,222,667

Number of Options	Exercise Price	Expiry Date
200,001	\$0.42	April 13, 2012
75,000	\$0.42	September 7, 2012
947,666	\$0.77	February 3, 2016
1,222,667		

Total share purchase warrants outstanding: 1,987,500

Number of Warrants	Exercise Price	Expiry Date
500,000	\$0.30	November 20, 2011
187,500	\$0.30	December 1, 2011
1,300,000	\$0.35	December 6, 2012
1,987,500		

Subsequent Events

- a) Subsequent to December 31, 2010, 16,666 stock options were exercised at a price of \$0.42 per share.
- b) On February 1, 2011, 160,000 stock options expired with an exercise price of \$0.42 per share.
- c) On February 3, 2011, 947,666 stock options were granted at an exercise price of \$0.77 per share expiring February 3, 2016.
- d) On February 17, 2011 the Corporation announced a non-brokered private placement, subject to TSX-V approval, of up to 500,000 units at a price of \$1.10 per unit for gross proceeds of up to \$550,000. Each unit will consist of one common share and one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$1.60 per warrant expiring in 24 months from the date of issue.

MESA URANIUM CORP.

Consolidated Financial Statements
For the nine months ended December 31, 2010

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Corporation have been prepared by management and approved by the Audit Committee and Board of Directors of the Corporation.

The Corporation’s independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditors.

MESA URANIUM CORP.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	December 31, 2010	March 31, 2010
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	259,206	170,474
Amounts receivable	6,103	790
Marketable securities (note 4)	140,000	-
	<u>405,309</u>	171,264
Reclamation bonds (note 5)	12,930	26,847
Mineral properties (note 6)	1,405,197	1,409,232
Deferred financing costs	28,500	28,500
Office equipment (note 7)	880	880
	<u>1,852,816</u>	1,636,723
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	<u>4,475</u>	25,204
SHAREHOLDERS' EQUITY		
Share capital (note 9)	6,347,519	6,031,541
Contributed surplus (note 10)	1,246,345	1,246,345
Accumulated Other Comprehensive Income (note 11)	90,000	-
Deficit	<u>(5,835,523)</u>	(5,666,367)
	<u>1,848,341</u>	1,611,519
	<u>1,852,816</u>	1,636,723

NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS (note 1)

COMMITMENTS (note 12)

SUBSEQUENT EVENTS (note 16)

APPROVED ON BEHALF OF THE BOARD,

Signed: /s/ "Brian P. Kirwin"
Brian P. Kirwin, Director

Signed: /s/ "Foster Wilson"
Foster Wilson, Director

MESA URANIUM CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS LOSS AND DEFICIT

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Three Months		Nine Months	
	Ended December 31,		Ended December 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
EXPENSES				
Exploration office expenses	5,677	11,507	13,581	16,027
General and administrative	15,763	16,726	28,529	26,181
Management and geological consulting fees	-	-	53,703	-
Professional fees	604	1,200	14,354	5,056
Public company expenses	20,952	14,677	57,636	21,955
	<u>42,996</u>	<u>44,110</u>	<u>167,803</u>	<u>69,219</u>
OTHER INCOME (EXPENSE)				
Foreign exchange loss	5	(856)	(1,353)	(19,990)
	<u>5</u>	<u>(856)</u>	<u>(1,353)</u>	<u>(19,990)</u>
Net Loss for the period	<u>(42,991)</u>	<u>(44,966)</u>	<u>(169,156)</u>	<u>(89,209)</u>
Deficit, Beginning of period	<u>(5,792,532)</u>	<u>(3,938,149)</u>	<u>(5,666,367)</u>	<u>(3,893,906)</u>
Deficit, End of period	<u>(5,835,523)</u>	<u>(3,983,115)</u>	<u>(5,835,523)</u>	<u>(3,983,115)</u>
Net Loss Per Share - Basic and Diluted	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.02)</u>	<u>(0.01)</u>
Weighted Average Number of Shares Outstanding	<u>11,298,639</u>	<u>10,138,313</u>	<u>11,063,560</u>	<u>9,760,378</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Three Months		Nine Months	
	Ended December 31,		Ended December 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
LOSS FOR THE PERIOD	<u>(42,991)</u>	<u>-</u>	<u>(169,156)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME:				
Unrealized gain on available-for-sale marketable securities (notes 4, 11)	90,000	-	90,000	-
COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD (note 4)	<u>47,009</u>	<u>-</u>	<u>(79,156)</u>	<u>-</u>

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

MESA URANIUM CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Three Months		Nine Months	
	Ended December 31,		Ended December 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the year	(42,991)	(44,966)	(169,156)	(89,209)
Non-cash items				
Unrealized foreign exchange loss	765	388	417	8,589
	<u>(42,226)</u>	<u>(44,578)</u>	<u>(168,739)</u>	<u>(80,620)</u>
Changes in non-cash working capital items				
Amounts receivable	(3,075)	(2,202)	(5,313)	37,502
Prepaid expenses	-	-	-	2,000
Accounts payable and accrued liabilities	(41,578)	(18,752)	(20,729)	(48,020)
Refund of reclamation bonds	13,500	-	13,500	75,906
	<u>(73,379)</u>	<u>(65,532)</u>	<u>(181,281)</u>	<u>(13,232)</u>
INVESTING ACTIVITIES				
Acquisition of mineral properties and exploration expenses, net	10,652	(12,916)	(45,965)	(42,884)
FINANCING ACTIVITIES				
Issuance of common shares, net of issue costs	315,978	270,919	315,978	270,919
Increase (Decrease) in cash and cash equivalents	253,251	192,471	88,732	214,803
Cash and cash equivalents, beginning of period	5,955	47,505	170,474	25,173
Cash and cash equivalents, end of period	<u>259,206</u>	<u>239,976</u>	<u>259,206</u>	<u>239,976</u>
Supplemental Disclosures				
Interest Paid	-	-	-	-
Interest Received	-	-	-	-
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 nine months ended December 31, 2010 and 2009

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, lithium, and potash mineral properties located in the United States. The Corporation was incorporated in British Columbia and its shares are listed on the TSX Venture Exchange. On September 15, 2008, the trading symbol changed from MZU to MSA.

The Corporation acquired its wholly-owned subsidiary, BZU Minerals Ltd. ("BZU") on December 21, 2005 and then changed 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 particularly in light of current challenges faced by exploration stage companies in raising capital through public markets. 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. BASIS OF PRESENTATION

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") using standards for interim financial statements and do not contain all of the information required for annual financial statements. These statements follow the same accounting policies and methods of application of the most recent annual audited financial statements. Accordingly, they should be read in conjunction with the most recent annual audited financial statements of the Corporation. In the opinion of management, all of the adjustments necessary to fairly present the interim consolidated financial statements have been made.

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards newly adopted

Effective April 1, 2009, the Corporation adopted new accounting standards as follows:

EIC-173, Credit risk and the fair value of financial assets and financial liabilities

In April 2009, the Corporation adopted the CICA's EIC-173, "Credit risk and the Fair value of Financial Assets and Financial Liabilities". The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. The Company currently has no financed assets with credit risk and has no derivative instruments. Adoption of this EIC did not have any effect on the Corporation's financial statements.

EIC-174, Mining exploration costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs". The EIC clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Corporation has evaluated this new guidance and has determined that the adoption of this EIC has not had any effect on the Corporation's financial statements.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

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

Financial Instruments, *Disclosure and Presentation*

Effective April 1, 2009, the Corporation adopted the enhanced disclosure requirements of the amended CICA Section 3862, "Financial Instruments – Disclosures". The additional disclosures required by this standard are described in Note 11.

Recent Accounting Pronouncements

Adoption of International Financial Reporting Standards

The Canadian Accounting Standards Board has announced that Canadian publicly accountable enterprises will adopt IFRS as issued by the International Accounting Standards Board effective January 1, 2011. The Corporation is in the process of developing a plan for the implementation of IFRS and will assess the impact of the differences in accounting standards on the Corporation's consolidated financial statements. The Corporation expects to make changes to processes and systems before the 2011 fiscal year, in time to enable the Corporation to record and present transactions under IFRS.

Business Combination

In December 2008, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, Business Combinations, which is converged with International Financial Reporting Standards ("IFRS") 3, Business Combinations, and replaces CICA Handbook Section 1581, Business Combinations. Section 1582 provides guidance on the application of the purchase method of accounting for business combinations. In particular, Section 1582 addresses the determination of the carrying amount of the assets and liabilities of a subsidiary company, goodwill and accounting for a non-controlling interest at the time of the business combination. The new standard is effective on a prospective basis to business combinations for which the acquisition date is on or after January 1, 2011. Earlier application is permitted. If an entity applies this Section before January 1, 2011, it shall also adopt CICA Handbook Section 1601 "Consolidated Financial Statements" and CICA Handbook Section 1602 "Non-controlling Interests" concurrently. This new standard will only have an impact on the Corporation's financial statements for future acquisitions if the Corporation early adopts the standard.

Consolidated Financial Statements and Non-controlling Interests

In December 2008, the AcSB issued CICA Handbook Section 1601 "Consolidated Financial Statements", which replaces CICA Handbook Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting CICA Handbook Section 1601 for a fiscal year beginning before January 1, 2011 also must adopt CICA Handbook Section 1582 and CICA Handbook Section 1602 concurrently.

Non-controlling Interests

In December 2008, the AcSB issued CICA Handbook Section 1602 "Non-controlling Interests", which establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1602 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting CICA Handbook Section 1602 for a fiscal year beginning before January 1, 2011 also must adopt CICA Handbook Section 1582, and CICA Handbook Section 1601 concurrently.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

4. MARKETABLE SECURITIES

	December 31, 2010		
	Fair Value	Cost	Accumulated unrealized gains
	\$	\$	\$
- Passport Potash Inc.	140,000	50,000	90,000

In September, 2010, the Corporation signed a mineral property option agreement with Passport Potash Inc. ("PPI") on the Holbrook Potash project in Arizona. The project consists of Arizona State Land Department exploration leases covering 1,950 acres and is 100% wholly-owned by Mesa. Under the agreement, Mesa received 500,000 shares of PPI valued at \$0.10 per share giving a cost base of \$50,000, \$20,000 in cash and a 2% NSR subject to a buyback for \$300,000. As of December 31, 2010 these shares were valued at \$140,000 providing an unrealized gain of \$90,000.

5. RECLAMATION BONDS

As of December 31, 2010, the Corporation recorded the following mineral property environmental bonds:

	December 31, 2010	March 31, 2010
	\$	\$
Lisbon Valley		
US\$	10,000	11,429
Foreign Exchange	(54)	181
Moonshine Springs		
US\$	3,000	15,000
Foreign Exchange	(16)	237
	12,930	26,847

Reclamation bonds are held as security for the estimated cost of reclamation of the Corporation's land and unproven mineral interests. Once reclamation of the properties is complete, the bonds will be returned to the Corporation.

6. MINERAL PROPERTIES

a) Lisbon Valley

The Corporation 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.

During the year ended March 31, 2010, management's evaluation of the Corporation's future plans for the project determined the property to be impaired as exploration plans had been delayed on the property. Although the Corporation may continue to hold the related claims, an impairment charge of \$1,273,196 (March, 2009 - \$1,412,000) was recorded to the statement of operations.

On May 22, 2008, the Corporation signed a definitive agreement with Energy Fuels Inc. to form an exploration joint venture, West Lisbon JV, LLC for the Dar property. The Dar property is located in the Lisbon Valley Mining District of San Juan County, Utah and consists of 60 staked mining claims (approximately 1,240 acres). The joint venture contemplates a 50-50 shared expenditure agreement to

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

6. MINERAL PROPERTIES (continued)

a) Lisbon Valley (continued)

conduct exploration drilling on the property. On discovery of an economic uranium deposit on the Dar property, Energy Fuels Inc. will operate any mine that is developed. No exploration work was undertaken by the Corporation under the proposed joint venture agreement.

b) Moonshine Springs

The Moonshine Springs project is located in Mohave County, Arizona. The project is wholly-owned by the Corporation and consists of 1,770 acres.

During the year ended March 31, 2010, the total carrying amount of \$178,907 was written off as the Corporation has no exploration activity planned for the property in the foreseeable future.

c) Breccia Pipe

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.

During the year ending March 31, 2010, management chose not to renew state leases to further explore the property. Consequently, the carrying value of this property of \$147,516 was written off.

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. The property was dropped during the year ended March 31, 2010 and the carrying value of \$56,804 was written off.

e) Potash Projects

During September, 2008, the Corporation filed applications for potash exploration permits with the Bureau of Land Management ("BLM"). The White Cloud potash property contains potash from both solution mining and naturally-occurring potash brines.

During May, 2009, the White Cloud potash project was expanded to 35,510 acres. The property is located 40 miles north of the Lisbon Valley uranium project in southeastern Utah. Applications were also filed for two new projects, Salt Wash at 21,184 acres and Whipsaw with 17,968 acres. A total of 74,662 acres (116 square miles) of the Corporation's applications have passed BLM Suitability Reviews.

During January, 2009, Exploration permits were granted from the Arizona State Land Department covering 1,950 acres (3 square miles) in the Holbrook Evaporite Basin.

On July 14, 2010, the Corporation signed a non-binding letter of intent ("LOI") with Passport Potash ("PPI") on the Holbrook Potash project. The project consists of Arizona State Land Department exploration leases covering 1,950 acres and is wholly-owned by the Corporation. Under the LOI, PPI will acquire a 75% interest in the leases by issuing to the Corporation 500,000 shares of PPI, paying \$20,000 cash, and paying exploration expenditures as required by the Arizona State Land Department. Any additional work will be paid for by PPI on a 100% basis. PPI will have the right to acquire the remaining 25% interest by paying the Corporation an additional \$100,000 cash or PPI stock equivalent with equivalent value. The Corporation will retain a 2% NSR royalty which PPI has the option to purchase for US \$300,000.

During September, 2010, the mineral property option agreement with Passport Potash for the Holbrook Potash project was signed.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

6. MINERAL PROPERTIES (continued)

f) Green Energy

During November, 2009, the Corporation acquired, by staking, the Green Energy lithium project located in Utah. The project consists of mining claims covering an area of approximately 10 square miles (6,000 acres) and is wholly-owned.

During March, 2010, additional lithium claims have been staked bringing the total acreage under the Corporation's control to 7,850 acres, or approximately 12 square miles.

Mineral property expenditures are comprised as follows:

	Lisbon Valley	Other	December 31, 2010 Total	March 31, 2010 Total
	\$	\$	\$	\$
Balance, beginning	1,339,320	69,912	1,409,232	2,996,197
Property acquisition (disposal)	24,249	-	24,249	-
Drilling	-	-	-	1,057
Engineering and environmental	-	26,569	26,569	6,686
Land fees, permit, licenses	1,874	21,911	23,785	60,106
Site maintenance and camp	-	-	-	1,607
Impairment of mineral properties	-	-	-	(1,656,421)
Joint venture contribution	(8,638)	(70,000)	(78,638)	-
	17,485	(21,520)	(4,035)	(1,586,965)
Balance, ending	1,356,805	48,392	1,405,197	1,409,232

7. OFFICE EQUIPMENT

	Cost	Accumulated Amortization	December 31, 2010 Net Carrying Amount	March 31, 2010 Net Carrying Amount
	\$	\$	\$	\$
Office equipment	4,034	3,154	880	880

8. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2010, the Corporation incurred management and administration services expenses of \$27,000 (fiscal year ended March, 2010 – \$25,500) from a company with common directors.

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.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

9. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Issued	Number of	Amount
	Common Shares	\$
Balance, March 31, 2008	26,892,953	5,567,363
Shares issued for private placement - net of share issue costs	1,818,181	195,786
Share consolidation 3:1	(19,140,758)	-
Balance, March 31, 2009	9,570,376	5,763,149
Shares issued for private placement	1,375,000	275,000
Share issue costs	-	(6,608)
Balance, March 31, 2010	10,945,376	6,031,541
Shares issued for private placement	1,300,000	325,000
Share issue costs	-	(9,022)
Balance, December 31, 2010	12,245,376	6,347,519

The Corporation incurred the following share transactions, which were recorded on a pre-consolidation basis:

On July 23, 2008, the Corporation completed 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 was exercisable to acquire one common share at a price of \$0.15 per share until January 24, 2010. The Corporation incurred cash share issue costs of \$4,214. All consideration received for the units were allocated to share capital and no value was allocated to the half warrants.

On September 15, 2008, the TSX Venture Exchange approved a three-for-one share consolidation for the Corporation's common shares and the consolidation became effective as of the close of business on September 16, 2008.

On November 20, 2009, the Corporation closed a non-brokered private placement of 1,000,000 units at \$0.20 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 purchase one additional common share at a price of \$0.30 per share until November 20, 2011. No value was allocated to the warrants included in these units as the warrants had no intrinsic value at the time the units were issued.

On December 1, 2009, the Corporation closed a non-brokered private placement of 375,000 units at \$0.20 per unit for gross proceeds of \$75,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.30 per share until December 1, 2011. No value was allocated to the warrants included in these units as the warrants had no intrinsic value at the time the units were issued.

On December 6, 2010 the Corporation closed a non-brokered private placement of 1,300,000 units at a price of \$0.25 per unit for gross proceeds of \$325,000. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.35 per warrant share. The warrants will expire 24 months from the date of issue unless the closing price of the common shares has been \$0.50 or higher for 20 consecutive trading days, in

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

9. SHARE CAPITAL (continued)

which case the warrants will expire if not exercised within 30 days. The securities issued under the Offering are subject to a four month hold period expiring April 6, 2011.

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 and subsequently reapproved by shareholders on September 22, 2010. 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.

The Corporation incurred the following option transactions, which were recorded on a pre-consolidation basis:

- On April 30, 2008, 50,000 options at \$0.76 per option were cancelled.
- On May 31, 2008, 50,000 options at \$0.70 per option were cancelled.
- On July 23, 2008, the Board of Directors of the Corporation approved the repricing of 2,530,000 stock options currently outstanding under the Corporation's Stock Option Plan to a reduced exercise price of \$0.14. The Corporation recorded stock based compensation expense of \$48,208 as a result of the exercise price modification.

As a result of the September 15, 2008 three-for-one share consolidation, the Corporation had stock options outstanding to directors, officers, employees and consultants to acquire an aggregate of 843,334 common shares at an exercise price of \$0.42.

At December 31, 2010, the Corporation has 451,667 stock options outstanding.

	Number of Options	Exercise Price	Expiry Date
Balance, March 31, 2008	2,630,000		
Cancelled: April 30, 2008	(50,000)	\$0.76	April 11, 2011
Cancelled: May 31, 2008	(50,000)	\$0.70	April 13, 2012
Share consolidation 3:1	(1,686,666)		
Balance, March 31, 2009	843,334	\$0.42	
	-		
Balance, March 31, 2010	843,334	\$0.42	
Expired	(391,667)	\$0.42	December 21, 2010
Balance, December 31, 2010	451,667	\$0.42	

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

9. SHARE CAPITAL (continued)

Options (continued)

Details of stock options outstanding (post-consolidation):

Expiry Date	Exercise Price	Stock Options Outstanding
February 1, 2011	\$0.42	160,000
April 13, 2012	\$0.42	216,667
September 7, 2012	\$0.42	75,000
		451,667

At December 31, 2010, the weighted average remaining contractual life for the options outstanding and exercisable is 0.93 years (March, 2010 – 1.24 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 \$0.07 per option repriced during fiscal year ended March 31, 2009.

	Fiscal 2009 repriced
	2,630,000 options
Risk free interest rate	3.33%
Expected life (in years)	3
Expected volatility	121%
Expected dividend yield	0.0%

Warrants

Warrants issued and exercised are as follows:

	Number of Warrants	Exercise Price	Expiry Date
Balance, March 31, 2008	3,722,650		
Private Placement of 6,000,000 units	909,090	\$0.15	January 24, 2010
Share consolidation 3:1	(3,087,827)		
Balance, March 31, 2009	1,543,913		
Warrants expired	(1,240,883)	\$2.16	April 11, 2009
Private Placement of 1,000,000 units	500,000	\$0.30	November 20, 2011
Private Placement of 375,000 units	187,500	\$0.30	December 1, 2011
Warrants expired	(303,030)	\$0.45	January 24, 2010
Balance, March 31, 2010	687,500	\$0.30	
Private Placement of 1,300,000 units	1,300,000	\$0.35	December 6, 2012
Balance, December 31, 2010	1,987,500	\$0.33	

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

9. SHARE CAPITAL (continued)

Warrants (continued)

The following table summarizes the share purchase warrants outstanding and exercisable as at December 31, 2010 (post-consolidation):

Number of warrants	Exercise Price	Expiry Date
500,000	\$0.30	November 20, 2011
187,500	\$0.30	December 1, 2011
1,300,000	\$0.35	December 6, 2012
1,987,500		

10. CONTRIBUTED SURPLUS

Contributed surplus is comprised as follows:

	Amount
	\$
Balance, March 31, 2008	1,198,137
Modification of stock options	48,208
Balance, March 31, 2009	1,246,345
	-
Balance, March 31, December 31, 2010	1,246,345

11. ACCUMULATED OTHER COMPREHENSIVE INCOME

	Amount
	\$
Balance, March 31, 2010:	-
- Unrealized gain on available-for-sale marketable securities (note 4)	90,000
Balance, December 31, 2010	90,000

The components of accumulated other comprehensive income are:

	December 31, 2010	March 31, 2010
	\$	\$
Unrealized gain on Passport Potash Inc.	90,000	-
	90,000	-

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

12. COMMITMENTS

The Corporation is committed to a management and administration service agreement to a company with common directors and common management for management services at \$3,000 per month. This agreement is automatically extended for successive six-month terms unless terminated by the Corporation or the company.

13. FINANCIAL INSTRUMENTS

Fair values in the consolidated balance sheet:

The carrying amounts reported in the consolidated balance sheet for short term financial assets and liabilities, which include cash and cash equivalents, amounts receivable and accounts payable approximate their fair values due to the immediate or short-term maturities of these financial instruments.

Following is a classification of fair value measurements recognized in the consolidated balance sheet using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

	<u>Fair value measurement at reporting date using:</u>			
	December 31, 2010	Quoted prices in active markets identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Cash and cash equivalents	259,206	259,206	-	-

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Cash and cash equivalents are classified as held for trading and therefore are recorded at fair value.

Financial risk factors

The Corporation manages its exposure to financial risks, including foreign exchange risk and interest rate risk, based on a conservative framework to protect itself against adverse rate movements. All transactions undertaken are to support the Corporation's ongoing business and the Corporation does not acquire or issue derivative financial instruments for trading or speculative purposes. The Corporation's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements.

The Corporation's activities are exposed to currency risk, interest rate risk, credit risk and liquidity risk.

a) Foreign Exchange Risk

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

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

13. FINANCIAL INSTRUMENTS (continued)

b) Interest Rate Risk

The Corporation is not exposed to significant interest rate risk at this time since it is not party to interest bearing instruments.

c) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Corporation to credit risk consist of cash and cash equivalent and amounts receivable. The Corporation has reduced its credit risk by placing its cash and cash equivalent with high credit quality financial institutions.

d) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. The Corporation handles liquidity risk through the management of its capital structure.

The Corporation monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Corporation does not have investments in any asset backed deposits.

e) Sensitivity analysis

The Corporation has completed a sensitivity analysis to estimate the impact on the net income caused by changes in foreign exchange rates during the nine months ended December 31, 2010.

The sensitivity analysis includes the assumption that changes in individual foreign exchange rates do not cause foreign exchange rates in other countries to alter.

The result of the sensitivity analysis shows an increase of 10% in the USD exchange rate could cause an increase or decrease of approximately \$3,957 USD on the Corporation's net income and vice versa.

The above impact arises primarily as a result of the Corporation having USD denominated amounts receivable and accounts payable balances. The financial position of the Corporation may vary at the time that a change in foreign exchange rate occurs, causing the impact on the Corporation's results to differ from that shown above.

14. MANAGEMENT OF CAPITAL

The Corporation's objectives of capital management are intended to safeguard the entity's ability to support the Corporation's development and exploration of its mineral properties and support any expansionary plans.

The capital of the Corporation consists of the items included in shareholders' equity and debt obligations net of cash and cash equivalents. The Corporation manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Corporation's underlying assets.

To effectively manage the entity's capital requirements, the Corporation has in place a rigorous planning and budgeting process to help determine the funds required. The Corporation may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements. The Corporation is not subject to externally imposed capital requirements.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2010 and 2009

15. 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:

	December 31, 2010		
	Canada	USA	Total
Mineral properties and office equipment	\$ -	\$ 1,406,077	\$ 1,406,077
Interest income	\$ -	\$ -	\$ -

	March 31, 2010		
	Canada	USA	Total
Mineral properties and office equipment	\$ -	\$ 1,410,112	\$ 1,410,112
Interest income	\$ -	\$ 6,807	\$ 6,807

16. SUBSEQUENT EVENTS

- Subsequent to December 31, 2010, 16,666 stock options were exercised at a price of \$0.42 per share.
- On February 1, 2011, 160,000 stock options expired with an exercise price of \$0.42 per share.
- On February 3, 2011, 947,666 stock options were granted at an exercise price of \$0.77 per share expiring February 3, 2016.
- On February 17, 2011 the Corporation announced a non-brokered private placement, subject to TSX-V approval, of up to 500,000 units at a price of \$1.10 per unit for gross proceeds of up to \$550,000. Each unit will consist of one common and one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$1.60 per warrant expiring in 24 months from the date of issue.

CORPORATE INFORMATION

DIRECTORS

Giulio T. Bonifacio
Vancouver, Canada

Joseph Giuffre
Vancouver, Canada

Brian P. Kirwin
Reno, United States

Foster Wilson
Reno, United States

OFFICES

Corporate Office

*Suite 305 – 675 West Hastings St.
Vancouver, British Columbia
Canada, V6B 1N2
Telephone (604) 681-5152
Fax (604) 681-0122*

Exploration Office

*Suite 7, 290 Gentry Way
Reno, Nevada
United States, 89502
Telephone (775) 824-4533*

INVESTOR RELATIONS CONTACT

*Telephone (604) 681-5152
Email info@mesauranium.com*

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: MSA

CAPITALIZATION

(As at February 25, 2011)
Shares Issued and Outstanding: 12,262,042

AUDITOR

Manning Elliott, Chartered Accountants
Vancouver, Canada

LEGAL COUNSEL

Axium Law Corporation
Vancouver, Canada