



MESA URANIUM CORP.
QUARTERLY REPORT FOR THE NINE MONTHS ENDED DECEMBER 31, 2007

Mesa Uranium Corp.
Management's Discussion & Analysis
Nine months ended December 31, 2007, as of February 20, 2008

General

This Management's Discussion and Analysis of Mesa Uranium Corp. (the "Corporation") has been prepared by management as of February 20, 2008 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, 2007 and the unaudited financial statements of the Corporation for nine months ended December 31, 2007 and 2006. 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 December 31, 2007 under the rules and policies of the TSX Venture Exchange.

The Corporation is engaged in the exploration and development of mineral properties and owns three mineral property interests including one in Utah and two in 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 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. Subsequent to December 31, 2007, it was mutually agreed by both parties to terminate the LOI.

During February 2007, the Corporation acquired an additional uranium property. The property, known as the Moonshine Springs project, is owned 100% by Mesa, 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. Mesa 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. Subsequent to December 31, 2007, it was mutually agreed by both parties to terminate the LOI.

Overview of Performance

The Corporation’s working capital as of December 31, 2007 was \$543,091 (March 31, 2007 - \$245,594). The increase 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 nine months ended December 31, 2007, the Corporation used \$535,075 in operating activities and \$2,005,403 in acquisition of mineral properties and exploration activities. The loss for the nine months ended December 31, 2007 was \$882,788 or \$0.03 per share compared with a net loss of \$331,085 or \$0.02 per share for the nine months ended December 31, 2006.

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.

	December 31, 2007	December 31, 2006	March 31, 2007	Restated March 31, 2006
	\$	\$	\$	\$
Net loss	882,788	331,085	510,691	606,615
Net loss per share	0.03	0.02	0.03	0.07
Total cash and cash equivalents	598,707	508,521	277,959	2,255,121
Working capital	543,091	501,738	245,594	2,280,311
Total liabilities	79,506	18,513	42,719	34,036
Total assets	4,773,878	2,572,450	2,420,305	2,865,788
Shareholders’ equity	4,694,372	2,553,937	2,377,586	2,831,752

Results of Operations

For the nine months ended December 31, 2007, the Corporation had a net loss of \$882,788 or \$0.03 per share compared to a net loss of \$331,085 or \$0.02 per share with the corresponding period in 2006. Stock-based compensation expense for this period was increased to \$347,713 from \$15,770 in 2006. Interest income increased to \$51,686 from \$37,348 which was the direct result of increased cash balances from the April 2007 financing for the current period compared to the same period during 2006. General and administrative costs increased slightly to \$79,006 from \$69,318. Public company expenses increased to \$186,785 from \$118,188 primarily as a result of increased investor relations spending.

Exploration office expenses increased to \$74,031 in the nine months period from \$56,736 in 2006. 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:

	<u>Interest income</u>	<u>Net loss</u>	<u>Net loss per share</u>
	\$	\$	\$
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

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 \$49,612. The Corporation also paid \$87,350, issued 245,300 agent's units and granted 600,000 non-transferable compensation warrants as agent's commission. The agent's unit have the same terms as the above units. Each agent's warrants are exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009.

The Corporation's working capital as at December 31, 2007 was \$543,091 (March 31, 2007 - \$245,594). During the nine months ended December 31, 2007, \$2,005,403 was used in mineral acquisitions and exploration activities and \$535,075 was used in operating and administrative expenses.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangement.

Transactions with Related Parties

During the period ended December 31, 2007 year, the Corporation incurred the following related party transactions:

- a) Management and administration services of \$67,500 (2007 - \$67,500) was incurred from a company with common directors.
- b) Consulting fees of \$118,641 (2007 - \$41,500) were incurred from the President of the Corporation or a company controlled by the President and reported as mineral property engineering and environmental costs.
- c) Management and geological consulting expenses of \$72,249 (2007 - \$77,612) were paid to directors 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.

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.

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.

New Accounting Policy

Effective April 1, 2007, the Corporation has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Corporation now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations. This change in accounting policy had no material effect on the Corporation’s previous financial statements.

Comprehensive Income (CICA handbook Section 1530)

Comprehensive income is the change in shareholders’ equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Corporation now reports a consolidated statement of comprehensive loss and a new category, accumulated other comprehensive income, and has been added to the shareholders’ equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

Financial Instruments and Other Instruments

The Corporation’s financial instruments consist of cash and cash equivalents, amounts receivable, reclamation bonds, accounts payable and accrued liabilities. 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.

Mesa Uranium Corp.

Consolidated Financial Statements
For the nine months ended December 31, 2007

(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.

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

Mesa Uranium Corp.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	December 31, 2007	March 31, 2007
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	598,707	277,959
Amounts receivable	23,890	10,354
Prepaid expenses	12,469	-
	635,066	288,313
Reclamation bonds (Note 4)	94,178	92,761
Mineral properties (Note 5)	4,041,319	2,035,916
Office equipment (Note 6)	3,315	3,315
	4,773,878	2,420,305
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	79,506	42,719
SHAREHOLDERS' EQUITY:		
Share capital (Note 8)	5,631,824	2,987,154
Contributed surplus (Note 9)	1,062,642	507,738
Deficit	(2,000,094)	(1,117,306)
	4,694,372	2,377,586
	4,773,878	2,420,305

Nature of Operations and Continuance of Business (Note 1)

Commitments (Note 10)

APPROVED ON BEHALF OF THE BOARD,

Signed: Brian P. Kirwin

Director

Signed: Foster Wilson

Director

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

Mesa Uranium Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
INCOME				
Interest	9,430	10,081	51,686	37,348
EXPENSES				
Exploration	21,562	13,561	74,031	56,736
General and administrative	28,117	23,733	79,006	69,318
Management and geological consulting fees	60,073	35,248	209,504	90,446
Professional fees	13,529	7,745	32,716	17,975
Public company expenses	46,632	55,476	186,785	118,188
Foreign exchange	4,378	-	4,719	-
Stock based compensation (Note 8)	-	-	347,713	15,770
	174,291	135,763	934,474	368,433
Net Loss for the period	164,861	125,682	882,788	331,085
Deficit, Beginning of period	1,835,233	635,025	1,117,306	429,622
Deficit, End of period	2,000,094	760,707	2,000,094	760,707
Net Loss Per Share – Basic and Diluted	0.01	0.01	0.03	0.02
Weighted Average Number of Shares Outstanding	26,892,953	18,647,652	26,559,141	18,621,413

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 Ended December 31,		Nine Months Ended December 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(164,861)	(125,682)	(882,788)	(331,085)
Non-cash items				
Stock-based compensation	-	-	347,713	15,770
	(164,861)	(125,682)	(535,075)	(315,315)
Changes in non-cash working capital items				
Amounts receivable	29,481	9,616	(13,536)	43,196
Prepaid expenses	4,677	4,299	(12,469)	4,299
Reclamation bond	(1,417)	-	(1,417)	-
Accounts payable and accrued liabilities	61,353	376	36,787	(15,523)
	(70,767)	(111,391)	(525,710)	(283,343)
INVESTING ACTIVITIES				
Acquisition of mineral properties and exploration expenses	(736,307)	(275,994)	(2,005,403)	(1,500,757)
FINANCING ACTIVITIES				
Issuance of common shares, net of issue costs	-	-	2,851,861	37,500
Increase (Decrease) in Cash and Cash Equivalents	(807,074)	(387,385)	320,748	(1,746,600)
Cash and Cash Equivalents, Beginning of period	1,405,781	895,906	277,959	2,255,121
Cash and Cash Equivalents, End of period	598,707	508,821	598,707	508,821
Supplemental Disclosures				
Interest Paid	-	-	-	-
Interest Received	9,430	10,081	51,686	37,348

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, 2007 (Unaudited – Prepared by Management)

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.

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

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 Company. In the opinion of management, all of the adjustments necessary to fairly present the interim consolidated financial statement have been made.

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) and BZU Holdings, Inc. (incorporated in Nevada, USA). All inter-company transactions and balances have been eliminated on consolidation.

3. CHANGES IN ACCOUNTING POLICIES

Effective April 1, 2007, the Corporation has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Corporation now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations. This change in accounting policy had no material effect on the Corporation’s previous financial statements.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

3. CHANGES IN ACCOUNTING POLICIES (continued)

Comprehensive Income (CICA handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Corporation now reports a consolidated statement of comprehensive loss and a new category, accumulated other comprehensive income, and has been added to the shareholders' equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

4. RECLAMATION BONDS

As of December 31, 2007, the Corporation recorded environmental bonds of \$94,178, 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 Dar property. Subsequent to December 31, 2007, it was mutually agreed by both parties to terminate the LOI.

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.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

5. MINERAL PROPERTIES (continued)

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.

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. Subsequent to December 31, 2007, it was mutually agreed by both parties to terminate the LOI.

Mineral property expenditures are comprised as follows:

	Lisbon Valley	Moonshine Springs	Breccia Pipe & Other	December 31, 2007	March 31, 2007
	\$	\$	\$	\$	\$
Balance, beginning	2,026,636	9,280	-	2,035,916	550,019
Drilling	1,390,865	-	-	1,390,865	958,474
Assaying and surveying	9,659	8,764	-	18,423	5,870
Geophysics	1,593	-	-	1,593	56,018
Engineering and environmental	308,523	42,315	-	350,838	204,406
Land Fees, permit, licenses	95,964	19,007	12,214	127,185	104,757
Property acquisition and related	32,550	-	12,443	44,993	146,721
Site maintenance and camp	44,031	-	27,475	71,506	9,651
	1,883,185	70,086	52,132	2,005,403	1,485,897
Balance, ending	3,909,821	79,366	52,132	4,041,319	2,035,916

6. OFFICE EQUIPMENT

			December 31, 2007	March 31, 2007
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Value
	\$	\$	\$	\$
Office equipment	4,034	719	3,315	3,315

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

7. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2007, the Corporation incurred the following related party transactions:

- Management and administration services of \$67,500 (2007 – \$67,500) was incurred from a company with common directors.
- Consulting fees of \$118,641 (2007 - \$41,500) 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).
- Management and geological consulting expenses of \$72,249 (2007 - \$77,612) were paid to directors 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 cash share issue costs	6,245,300	2,863,038
Shares issued for private placement – cost of agent’s warrants	-	(207,191)
Special warrants exercised	1,925,000	-
Shares issued for private placement – cost of agent’s warrants	-	(11,177)
Balance, December 31, 2007	26,892,953	5,631,824

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 share issue costs of \$49,612. The Corporation also paid \$87,350, issued 245,300 agent’s units and granted 600,000 non-transferable compensation warrants as agent’s commission and recorded \$207,191 issue cost as a non-cash item. On September 7, 2007, the Corporation recorded additional issued costs of \$11,177. The agent’s units have the same terms as the above units. Each agent’s warrants are exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

8. SHARE CAPITAL (continued)

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

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 officers at a price of \$0.70 per share expiring April 13, 2012 and recorded \$284,678 as stock-based compensation expense. All of these options vested upon grant.

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 7, 2012 and recorded \$63,035 as stock based compensation expense.

	Number of Options	Exercise Price	Expiry Date
Granted: December 21, 2005	1,225,000	\$0.50	December 21, 2010
Granted: February 2, 2006	580,000	\$0.72	February 2, 2011
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 7, 2012
Balance, December 31, 2007	2,680,000		

At December 31, 2007, the weighted average remaining contractual life for the options outstanding is 4.6 years (2007 – 3.79 years).

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

8. SHARE CAPITAL (continued)

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 \$0.36 per option (2007 - \$0.38):

	December 31, 2007	March 31, 2007
Interest rate	4.16%	4.2%
Expected life (in years)	4.6	4
Expected volatility	69.95%	60.6%
Expected dividend yield	0.0%	0.0%

Warrants

Warrants issued and exercised are as follows:

	Number of Warrants	Exercise Price	Expiry Date
Private Placement of 625,000 units – June 2, 2005	312,500	\$0.60	May 30, 2006
Finders fee	23,438	\$0.60	May 30, 2006
	335,938		
Special warrants issued	4,000,000	\$0.00	December 21, 2015
Private Placement of 5,919,000 units	5,919,000	\$0.75	December 21, 2007
Agent warrant and finders fee	841,900	\$0.75	December 21, 2007
Special Warrants exercised	(1,500,000)	\$0.00	December 21, 2015
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 warrant and finders fee	600,000	\$0.55	April 11, 2009
Agent warrant of 245,300 units	122,650	\$0.75	April 11, 2009
Warrants expired	(6,760,900)	\$0.75	December 21, 2007
Balance, December 31, 2007	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.

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

8. SHARE CAPITAL (continued)

On April 11, 2007, the Corporation completed a private placement of 6,000,000 and each unit consisted of one common share and one-half of one transferable common share purchase warrant 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 compensation warrants as agent's commission. The agent's units have the same terms as the above units and the warrants are exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009.

The following table summarizes the share purchase warrants outstanding and exercisable as at December 31, 2007:

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		

Securities held in escrow

Pursuant to the escrow agreement on shares and warrants issued to acquire BZU, 5,055,000 common shares and 3,645,000 warrants issued and outstanding were escrowed and are scheduled for release at 10% on date of issue and at 15% on every six months from date of grant to December 21, 2008. At December 31, 2007, 2,610,000 common shares remained in escrow.

9. CONTRIBUTED SURPLUS

Contributed surplus is comprised as follows:

	Amount
	\$
Fair value of stock options granted	488,713
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	347,713
Fair value of agent's warrants	207,191
Balance, December 31, 2007	1,062,642

Mesa Uranium Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended December 31, 2007 (Unaudited – Prepared by Management)

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. During 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.

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

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Exploration Office

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Reno, Nevada
United States, 89502
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INVESTOR RELATIONS CONTACT

Myra Murray
*Telephone (775) 826-9888
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

Lisa Ng
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 February 28, 2008)
Shares Issued and Outstanding: 26,892,953

AUDITOR

Manning Elliott, Chartered Accountants
Vancouver, Canada

LEGAL COUNSEL

Axium Law Corporation
Vancouver, Canada