



**MESA URANIUM CORP.**  
**Annual Report**

**Mesa Uranium Corp.**  
(formerly “Fintry Enterprises Inc.”)

Management Discussion and Analysis  
For the period ended March 31, 2006

## **General**

This Management Discussion and Analysis of Mesa Uranium Corp. (the “Corporation”) has been prepared by management as of July 26, 2006 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, 2006. No comparative information is presented for March 31, 2005 as the legal subsidiary, BZU Minerals Ltd (“BZU”), which is identified as the continuity entity, was not incorporated until October 2005. 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 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, the Corporation acquired the shares of BZU through an exchange of shares which resulted in a Reverse Takeover (“RTO”). Fintry Enterprises Inc. had been inactive since December 18, 2003 and changed its name to Mesa Uranium Corp. Pursuant to the transaction the Corporation issued the following securities to acquire BZU (all numbers post-consolidation): 6,000,000 common shares and 4,000,000 special warrants exercisable to acquire common shares on a one-for-one basis for no additional consideration for a period of 10 years. Of these securities, 8,700,000 are subject to escrow restrictions in accordance with the rules of the TSX Venture Exchange. In contemplation of the RTO, on the same date the Corporation completed a 2:1 share consolidation and issued 2,014,826 common shares in connection with a debt settlement with existing creditors of \$1,611,861 at a deemed price of \$0.80 per share.

In addition, the Corporation completed a concurrent private placement raising gross proceeds of \$2,959,500 by the issuance of 5,919,000 units at \$0.50 per unit. Each unit consists of one common share and one transferable share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.75 per share until December 21, 2007. The warrants are listed for trading on the TSX Venture Exchange as of April 24, 2006. The Corporation also issued 591,900 agent’s warrants to Canaccord Capital Corporation exercisable to purchase 591,900 common shares of the Corporation at a price of \$0.75 per share until December 21, 2007 and 250,000 units as a corporate finance fee having the same terms as the above units.

All of the securities issued for these transactions are subject to a four-month hold period expiring April 22, 2006.

The Corporation is engaged in the exploration and development of mineral properties. The Corporation has mineral property interests in the Lisbon Valley uranium mining district. The Lisbon Valley uranium mining district is located in the Colorado Plateau region, in southeastern Utah in San Juan County near the border with Colorado. Over 85 million pounds of uranium were produced in the 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 most famous being the Mi Vida mine discovered by in 1952. 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 principal target area is the northeast flank of the Lisbon Valley anticline which has been downthrown by the Lisbon Valley fault. Immediately adjacent to the Mineral Claims is the Lisbon Mine which was the largest deposit in the district, producing over 18 million pounds of uranium from the downthrown flank of the anticline. The deposit was discovered in 1968 by wild cat drilling and was mined by Rio Algom for 16 years beginning in 1972. With the exception of the discovery of the Lisbon mine, the downthrown flank remains virtually unexplored. With an additional 15 mining claims through staking in May of 2006, BZU controls approximately 27 square miles of the northeast flank of the Lisbon Valley anticline and is currently establishing drill targets.

### **Overall performance**

In April, 2006 works were being carried out in preparation of the drilling operations expected to commence. The 2006 drilling program is planned to consist of 40 holes for 30,400 meter of drilling. An initial phase of 10 holes will concentrate on targets within 1,500 feet of the Lisbon Mine shaft. Bob Beeman Drilling Company of Moab, Utah has been selected as the drilling contractor to the 2006 drilling program. The necessary drilling approvals have been received and the initial phase of the 2006 drilling program has commenced May 31, 2006.

In May, 2006 the Corporation has acquired, through staking, an additional 15 mining claims totaling 310 acres at the Lisbon Valley uranium project in the Lisbon Valley Mining District. Overall the Corporation control approximately 27 square miles of mining claims and state mineral leases.

### **Selected Information**

The following table sets forth selected consolidated annual financial information of the Corporation for, and as of the end of, March 31, 2006. The selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements of the Corporation.

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Management Discussion & Analysis  
For the period ended March 31, 2006, as of July 26, 2006

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	<b>March 31, 2006</b>
	\$
Net loss	429,622
Net loss per share	0.05
Total cash and cash equivalents	2,255,121
Working capital	2,280,311
Total liabilities	34,036
Total assets	2,865,788
Shareholders’ equity	2,831,752

### **Results of Operations**

For the period ended March 31, 2006, the Corporation had a net loss of \$429,622 or \$0.05 per share. Under the reverse take over arrangement, \$102,696 was incurred for accounting, legal and regulatory filing expenses. Stock-based compensation of \$311,720 was recognized in this period for options granted to directors and officers.

### **Summary of Quarterly Results**

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

	<b>Interest income</b>	<b>Net loss</b>	<b>Net loss per share</b>
March 31, 2006	19,294	429,622	0.05
December 31, 2005	-	81,914	0.01

### **Liquidity and Capital Resources**

The Corporation’s working capital as at March 31, 2006 was \$2,280,311. The working capital was a result of the Corporation completing two private placements in the period for a total of \$3,209,500 which was offset by share issue costs for net proceeds of \$2,836,737. Concurrent with the closing of the acquisition (note 2) the Corporation settled and paid holders of the convertible debentures a total of \$1,611,861 inclusive of accumulated interest. Under the terms of the agreement the Corporation issued 2,014,826 common shares at a deemed price of \$0.80 per common share for a total payment of \$1,611,861.

### **Off-Balance Sheet Arrangements**

The Corporation has no off-balance sheet arrangement.

### **Transactions with Related Parties**

None

### **Subsequent Events**

The following events occurred subsequent to March 31, 2006:

1. 500,000 special warrants at \$0.00 and 62,500 warrants at \$0.60 were exercised.
2. 50,000 stock options were granted a contractor at an exercisable price of \$0.76 expiring April 11, 2011.
3. 273,438 warrants expired.

### **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. All documents are circulated to responsible members of management and the board of directors according to the disclosure time-lines contained within the disclosure policy. The disclosure controls conform with the Corporation’s Corporate Governance policies.

The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Corporation’s disclosure controls and procedures have concluded that, as of such date, 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 and extraction 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 impairment determination and resulting estimated net recoverable value on its mineral projects are based on estimated underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. 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.

### **Financial Instruments 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

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principal financial instruments affecting the Corporation’s financial condition and results of operations is currently its cash and cash equivalents.

**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](http://www.sedar.com).

On behalf of the Board of Directors,

*“Giulio T. Bonifacio”*

Giulio T. Bonifacio,  
Director and Chief Financial Officer

**Mesa Uranium Corp.**  
(formerly Fintry Enterprises Inc.)

Consolidated Financial Statements  
For the period ended March 31, 2006  
Together with the Auditors' Report



MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

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## AUDITORS' REPORT

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To the Shareholders of  
Mesa Uranium Corp.

We have audited the consolidated balance sheet of Mesa Uranium Corp. as at March 31, 2006 and the consolidated statements of loss and deficit and cash flows for the period then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2006 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

*"MANNING ELLIOTT"*

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

July 12, 2006

**Mesa Uranium Corp.** (formerly Fintry Enterprises Inc.)

**CONSOLIDATED BALANCE SHEETS**

(Expressed in Canadian Dollars)

As at March 31, 2006

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\$

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	2,255,121
Accounts receivable	51,820
Prepaid expenses	<u>7,406</u>
	2,314,347

MINERAL PROPERTIES (Note 4) 550,019

OFFICE EQUIPMENT (Note 5) 1,422

2,865,788

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	<u>34,036</u>
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**SHAREHOLDERS' EQUITY:**

Share capital (Note 6)	2,822,389
Contributed surplus (Note 7)	438,985
Deficit	<u>(429,622)</u>
	<u>2,831,752</u>
	<u>2,865,788</u>

SUBSEQUENT EVENTS (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.** (formerly Fintry Enterprises Inc)

**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

	\$
<b>INCOME</b>	
Interest	19,294
<b>EXPENSES</b>	
Amortization	203
General and administrative	24,931
Professional fees	73,440
Shareholder relations	9,366
Stock based compensation to directors and officers	311,720
Transfer agent and filing fees	29,256
	448,916
<b>LOSS FOR THE PERIOD AND DEFICIT, end of the period</b>	<b>429,622</b>
<b>LOSS PER COMMON SHARE</b>	
Basic and diluted	0.05
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>	<b>9,158,946</b>

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

**Mesa Uranium Corp.** (formerly Fintry Enterprises Inc)

**CONSOLIDATED STATEMENTS OF CASH FLOW**

(Expressed in Canadian Dollars)

For the period October 12, 2005 (Date of Incorporation) to March 31, 2006

<b>OPERATING ACTIVITIES</b>	\$
Loss for the period	(429,622)
Non-cash items	
Amortization	203
Stock-based compensation	311,720
	<u>(117,699)</u>
Changes in non-cash working capital items	
Accounts receivable	(51,820)
Prepaid expenses	(7,406)
Accounts payable and accrued liabilities	34,036
	<u>(142,889)</u>
<b>INVESTING ACTIVITIES</b>	
Acquisition of mineral properties and exploration expenses	(550,019)
Purchase of equipment	(1,625)
	<u>(551,644)</u>
<b>FINANCING ACTIVITIES</b>	
Issuance of common shares, net of issue costs	2,949,654
	<u>2,949,654</u>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<u><u>2,255,121</u></u>
<b>SUPPLEMENTARY INFORMATION:</b>	
Interest Paid	<u>-</u>
Interest Received	<u>19,294</u>
Income Tax Paid	<u>-</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

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**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 is incorporated in British Columbia and its shares commenced trading on Tier 2 of the TSX Venture Exchange under the trading symbol MZU on December 23, 2005.

The Corporation acquired its subsidiary of BZU Minerals Ltd. ("BZU") through an exchange of shares in December 2005 with a concurrent name change. As the transaction constitutes a reverse takeover, these consolidated financial statements are a continuation of the historical financial statements of BZU since its incorporation in October 2005 as it is identified as the continuing entity.

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 additional financing to complete its long-term business objectives and/or generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

**2. ACQUISITION OF BZU MINERALS LTD AND CONCURRENT TRANSACTIONS.**

In December 2005, Fintry completed a 2:1 share consolidation and issued 2,014,826 common shares to settle debts of \$1,611,861 inclusive of accumulated interest with holders of convertible debentures

The Corporation then acquired all of the shares in BZU through the issuance of: 6,000,000 of its common shares and 4,000,000 special warrants convertible to common shares on a one-for-one basis for no additional consideration for a period of 10 years (the "Securities"). Of these Securities, 8,700,000 are subject to escrow restrictions in accordance with the rules of the TSX Venture Exchange. No consideration was attributed to the shares issued for the acquisition as the Corporation was inactive at the time and did not have identifiable tangible net assets.

Concurrently it also completed a private placement raising gross proceeds of \$2,959,500 by the issuance of 5,919,000 units. All of these securities are subject to a four-month hold period expiring April 22, 2006.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Principles of consolidation**

These financial statements include the accounts of the Corporation and its subsidiaries, BZU Minerals Ltd. and BZU Holdings Inc. (incorporated in Nevada, USA). All inter-company transactions and balances have been eliminated.

**Use of estimates**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

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**3. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Foreign currency translation**

The reporting and functional currency of the Corporation is the Canadian dollar. The functional currency of its Canadian subsidiaries is also the Canadian dollar. The Corporation's foreign subsidiary is dependent on funding from the Corporation.

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

**Cash and cash equivalents**

Cash and cash equivalents consists of cash on deposit with banks or highly liquid short-term interest bearing securities.

**Financial instruments**

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

**Mineral properties and deferred exploration costs**

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

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

**Asset retirement obligations**

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related asset using the present value of the estimated future cash outflows. The liability is subsequently adjusted for the passage of time, and the increase in the carrying value of the asset is amortized on the same basis as exploration properties.

**Environmental protection and reclamation costs**

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

# Mesa Uranium Corp. (formerly Fintry Enterprises Inc.)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Office equipment

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

#### Income taxes

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

#### Loss per share

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

### 4. MINERAL PROPERTIES

BZU holds mineral claims and leases in the Lisbon Valley uranium mining district of Utah comprising an area of approximately 16,640 acres (6,735 hectares) of which unpatented United States federal mining claims cover 11,124 acres (4,502 hectares) and Utah State mineral leases cover 5,517 acres (2,233 hectares). The Lisbon Valley uranium mining district is located in the Colorado Plateau region, in southeastern Utah in San Juan County.

Costs capitalized as of March 31, 2006 consisted of the following:

Property acquisition costs	<u>\$447,066</u>
Exploration expenses	
Geological, survey and consulting	83,374
Camp and expediting	11,868
Permits, filing fees and other	7,711
	<u>102,953</u>
Total	<u>\$550,019</u>

### 5. EQUIPMENT

	Accumulated	Net Book	2006
	Cost	Amortization	Net Book
	\$	\$	Value
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Office and computer equipment	<u>1,625</u>	<u>203</u>	<u>1,422</u>

# Mesa Uranium Corp. (formerly Fintry Enterprises Inc.)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

### 6. SHARE CAPITAL

#### Authorized

Unlimited common shares without par value

Issued	Number of Common Shares (post- consolidation)	Amount
		\$
<b>Balance, March 31, 2005</b>	<b>1,730,576</b>	<b>6,114,611</b>
Shares issued for private placement – net of issue costs	670,750	250,000
Shares issued to settle debts	2,014,826	664,893
Elimination of Fintry's share capital on RTO	-	(7,029,504)
Shares issued on RTO	6,000,000	
Substitution of BZU's share capital on RTO	-	362,917
Shares issued for private placement – net of issue costs	6,169,000	2,586,737
Agents warrants issued	-	(127,265)
Special warrants exercised	1,500,000	-
<b>Balance, March 31, 2006</b>	<b>18,085,152</b>	<b>2,822,389</b>

On June 2, 2005 the Corporation completed a non-brokered private placement of units for gross proceeds of \$250,000 by the issuance of 625,000 units at \$0.40 per unit. Each unit consists of one common share and one non-transferable half-share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.60 per share until May 30, 2006. The Corporation also issued a finders fee of 46,875 units with the same terms.

On December 21, 2005 the Corporation completed a private placement for gross proceeds of \$2,959,500 by the issuance of 5,919,000 units at \$0.50 per unit. Each unit consists of one common share and one transferable share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.75 per share until December 21, 2007. Subject to regulatory approval, the warrants are expected to be listed for trading on the TSX Venture Exchange on April 22, 2006. The Corporation also issued 591,900 agent's warrants to Canaccord Capital Corporation exercisable to purchase 591,900 common shares of the Corporation at a price of \$0.75 per share until December 21, 2007 and 250,000 units as a corporate finance fee having the same terms as the above units. All of these securities are subject to a four-month hold period expiring April 22, 2006.

#### 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 Toronto Stock Venture Exchange ("TSX.V"). 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 5 years, and the term will be reduced to one year following the date of death. If the Optionee ceases to be qualified to receive options from the Corporation those options shall immediately expire. All options vest when granted unless otherwise specified by the Board of Directors.

# Mesa Uranium Corp. (formerly Fintry Enterprises Inc.)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

### 6. SHARE CAPITAL (continued)

#### Options (continued)

During the period the Corporation granted the following options to directors and officers, all of which were outstanding at March 31, 2006, and recorded \$311,720 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
<b>Balance, March 31, 2006</b>	<b>1,805,000</b>	<b>\$0.57</b>	

The Company 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 \$.17 per option:

Risk free interest rate	4.04%
Expected dividend yield	0%
Expected stock price volatility	75%

#### Warrants

Warrants issued and exercised during the period 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	Nil	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
<b>Balance, March 31, 2006</b>	<b>9,596,838</b>	<b>\$0.55</b>	

Share issue costs of \$127,265 were recorded for the agents' warrants issued, using the same pricing model and similar assumptions that were applied to the options above.

The following table summarizes the share purchase warrants outstanding and exercisable as at March 31, 2006:

Number of warrants	Exercise Price	Expiry Date
335,938	\$0.60	May 30, 2006
2,500,000	Nil	December 21, 2015
6,760,900	\$0.75	December 21, 2007
<b>9,596,838</b>		

# Mesa Uranium Corp. (formerly Fintry Enterprises Inc.)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the period from October 12, 2005 (Date of Incorporation) to March 31, 2006

### 6. SHARE CAPITAL (continued)

#### Securities held in escrow

At March 31, 2006, 7,830,000 securities of the 10,000,000 Securities issued to acquire BZU remained in escrow and are subject to further release for a period of up to 36 months from the date of the acquisition on December 21, 2005.

### 7. CONTRIBUTED SURPLUS

Contributed surplus arose from the following items:

Stock-based compensation	\$ 311,720
Agents warrants issued as financing fees	<u>127,265</u>
	<u>\$438,985</u>

### 8. SEGMENTED INFORMATION

The Company operates in the single business segment of mineral exploration and development in the USA.

The Company operates in two geographic segments. The accounting policies of the segments are the same as those described in Note 3.

Geographic distribution of operating results in the four geographic segments is as follows:

	<u>Canada</u>	<u>USA</u>	<u>Total</u>
Total assets	2,315,769	550,019	2,865,788
Mineral properties	-	550,019	550,019
Net loss	429,017	605	429,622
Property and equipment additions	1,625	-	1,625
Interest revenue	19,294	-	19,294
Amortization	203	-	203

### 10. SUBSEQUENT EVENTS

Subsequent to March 31, 2006:

- the Corporation granted 50,000 stock options to employees and officers at price of \$0.76 expiring in April 2011.
- 500,000 special warrants and 62,500 warrants referred to in note 6 were exercised.
- 273,438 warrants referred to in note 6 expired

## **CORPORATE INFORMATION**

### **DIRECTORS**

Brian P. Kirwin  
*Reno, United States*

Giulio T. Bonifacio  
*Vancouver, Canada*

Foster Wilson  
*Reno, United States*

Greg Andrews  
*Vancouver, Canada*

### **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 6, 290 Gentry Way*  
*Reno, Nevada*  
*United States, 89502*  
*Telephone (775) 826-9888*  
*Fax (775) 826-9886*

### **OFFICERS**

Brian P. Kirwin  
*Chairman & Chief Executive Officer*

Giulio T. Bonifacio  
*Executive Vice President & Chief Financial Officer*

Greg French  
*Vice President, Exploration*

Joe Chan  
*Vice President, Controller*

### **REGISTRAR AND TRANSFER AGENT**

Computershare Investor Services Inc.  
*Vancouver, Canada*

### **SHARES LISTED**

TSX Venture Exchange: MZU

### **CAPITALIZATION**

(As at July 31, 2006)  
Shares Issued and Outstanding: 18,647,652

### **AUDITOR**

Manning Elliott, Chartered Accountants  
*Vancouver, Canada*

### **LEGAL COUNSEL**

Axium Law Corporation  
*Vancouver, Canada*

### **WEBSITE**

Additional information about the Corporation can be found at our website [www.mesauranium.com](http://www.mesauranium.com)

### **INVESTOR RELATIONS CONTACT**

Wayne Marsden  
*Telephone 866-337-1235*  
*Email info@mesauranium.com*