



**MESA URANIUM CORP.**  
**QUARTERLY REPORT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2008**

**Mesa Uranium Corp.**  
**Management's Discussion & Analysis**  
**Six months ended September 30, 2008, as of November 21, 2008**

**General**

This Management's Discussion and Analysis of Mesa Uranium Corp. (the "Corporation") has been prepared by management as of November 21, 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, 2008 and the unaudited financial statements of the Corporation for six months ended September 30, 2008 and 2007. All amounts are expressed in Canadian Dollars unless otherwise indicated.

**Forward-Looking Statements**

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

**Description of Business**

On December 21, 2005, the Corporation acquired all the shares of BZU Minerals Ltd. ("BZU") through an exchange of shares which resulted in a Reverse Takeover ("RTO") by the shareholders of Pursuant to the transaction, the Corporation issued to the shareholders of BZU the following securities to acquire all of the issued shares of BZU: 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, 1,305,000 (post-consolidation, note 8) remain subject to escrow restrictions as of September 30, 2008 under the rules and policies of the TSX Venture Exchange.

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

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

During February 2007, the Corporation acquired an additional uranium property. The property, known as the Moonshine Springs project, is owned 100% by the Corporation, and is located in Mohave County, Arizona, consisting of a 590-acre lease from the State of Arizona. During April 2007, the Corporation acquired an additional 2,460 acres, bringing the total acreage for the project to 3,050 acres (4.8 square miles). The previous owner of the property conducted uranium exploration drilling in 1979. The Corporation possesses data on four widely spaced drill holes completed and the best intercept was six feet grading 0.4% U<sub>3</sub>O<sub>8</sub> (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 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% U<sub>3</sub>O<sub>8</sub>. 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 U<sub>3</sub>O<sub>8</sub> in Breccia Pipes on 13 Arizona State School sections currently leased by the Corporation. Under the agreement the Corporation would contribute 13 Arizona State School Sections to the Joint Venture. During January, 2008, it was mutually agreed by both parties to terminate the LOI.

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

During September, 2008 the Corporation filed applications for potash exploration permits with the Bureau of Land Management. 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.

## **Overview of Performance**

The Corporation’s working capital as of September 30, 2008 was \$25,299 (March 31, 2008 - \$246,341). The source of working capital was provided by a private placement on July 23, 2008 for a net proceed of \$195,784 and the private placement on April 11, 2007 raising proceeds of \$2,863,038, net of issue costs. The Corporation has been actively exploring on its 100% owned Lisbon Valley property and the Moonshine Property. During the six months ended September 30, 2008, the Corporation used \$225,746 in operating activities and \$239,839 in acquisition of mineral properties and exploration activities. The loss for the six months ended September 30, 2008 was \$176,987

or \$0.02 per share compared with a net loss of \$717,927 or \$0.08 per share for the six months ended September 30, 2007.

### Selected Information

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

	Six months Ended		Year Ended March 31,		Restated
	September 30,	2007	2008	2007	March 31,
	2008		2008		2006
	\$	\$	\$	\$	\$
Net loss	176,987	717,927	1,086,515	510,691	606,615
Net loss per share	0.02	0.08	0.12	0.08	0.20
Total cash and cash equivalents	36,429	1,405,781	306,230	277,959	2,255,121
Working capital	25,299	1,458,145	246,341	245,594	2,280,311
Total liabilities	15,602	18,153	81,167	42,719	34,036
Total assets	4,596,078	4,877,386	4,642,846	2,420,305	2,865,788
Shareholders' equity	4,580,476	4,859,233	4,561,679	2,377,586	2,831,752

### Results of Operations

For the six months ended September 30, 2008, the Corporation had a net loss of \$176,987 or \$0.02 per share compared to a net loss of \$717,927 or \$0.08 per share with the corresponding period in 2007. For the six months ended September 30, 2008, interest income totalled \$1,129 (2007 - \$42,256). General and administrative costs totalled \$17,546 (2007 - \$50,889). Public company and investors relations expenses totalled \$31,136 (2007 - \$140,153). There was no stock-based compensation expense during this quarter (2007 - \$347,713). Activities relating to property evaluations and investigations are ongoing. Exploration expenses in the year also include all costs associated with maintaining the Corporations' exploration office in Reno, Nevada.

### Summary of Quarterly Results

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

	Interest	Net loss	Net loss per
	income		share
	\$	\$	\$
September 30, 2008	-	71,756	0.01
June 30, 2008	1,129	105,231	0.01
March 31, 2008	3,013	203,727	0.02
December 31, 2007	9,430	164,861	0.02
September 30, 2007	20,163	224,832	0.03
June 30, 2007	22,093	493,095	0.06
March 31, 2007	2,440	179,606	0.03
December 31, 2006	10,081	125,682	0.03

## **Liquidity and Capital Resources**

The Corporation's working capital as at September 30, 2008 was \$25,299 (March 31, 2008 - \$246,341). During the six months ended September 30, 2008, \$239,839 was used in mineral acquisitions and exploration activities and \$225,746 was used in operating and administrative expenses.

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

On May 30, 2008, the Corporation announced a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.15 per share until 18 months following the closing of the transaction. The transaction was approved by the shareholders and TSX Venture Exchange and closed on July 23, 2008.

## **Off-Balance Sheet Arrangements**

The Corporation has no off-balance sheet arrangement.

## **Transactions with Related Parties**

The Corporation shares certain premises and facilities with companies which have certain directors in common, under cost-sharing arrangements. During the six months ended September 30, 2008 the Corporation incurred general and administration expenses of \$32,500 (2007 - \$45,000) to 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.

## **Controls and Procedures**

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

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

## **Disclosure Controls and Procedures**

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

Officer and our Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for our Corporation.

The Chief Executive Officer and the Chief Financial Officer have concluded, base on an evaluation as of September 30, 2008, that the disclosure controls and procedures for the Corporation was effective to provide reasonable assurance that material information related to the Corporation is made 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**

On January 1, 2008, the Corporation adopted new accounting standards related to general standard of financial statement presentation, capital disclosure and financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). The new CICA standards are as follows:

#### Inventories, Section 3031

In June 2007, the Canadian Institute of Chartered Accountants (CICA) issued section 3031, "Inventories," to replace existing section 3030. The new section, which was effective January 1, 2008, establishes standards for the measurement and disclosure of inventories. The application of this section did not have a significant impact on the Corporation's financial statements.

#### Goodwill and intangible assets, Section 3064

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective for us beginning January 1, 2009. Concurrent with the adoption of this standard, EIC-27, "Revenues and Expenditures in the Pre-operating Period," will be withdrawn. This will result in a change to our accounting for the start up of mining operations, as pre-commercial production costs will no longer be capitalized as an asset. The application of this section did not have a significant impact on the Corporation's financial statements.

### Section 1400, General Standard of Financial Statement Presentation

This section specifies requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The Corporation's disclosure reflects such assessment.

### Section 1535, Capital Disclosures

This section specifies the disclosure of information that enables users of an entity's financial statements to evaluate its objectives, policies and processes for managing capital such as qualitative information about its objectives, policies and processes for managing capital, summary quantitative data about what the entity manages as capital, whether it has complied with any capital requirements and, if it has not complied, the consequences of non-compliance. Disclosure requirements pertaining to this section are contained in note 12.

### Section 3862, Financial Instruments Disclosures

### Section 3863, Financial Instruments Presentation

These sections replace Section 3861, Financial Instruments Disclosure and Presentation, revising and enhancing disclosure requirements while carrying forward its presentation requirements. These new sections place increased emphasis on disclosure about the nature and extent of risk arising from financial instruments and how the entity manages those risks. Disclosure requirements pertaining to these sections are contained in note 11.

### **Financial Instruments and Other Instruments**

The Corporation's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and commitments. It is management's opinion that we are not exposed to significant interest, currency or credit risks arising from our cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities unless otherwise noted.

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

### **Use of Financial and Other Instruments**

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

### **Outlook**

The Corporation intends to focus the majority of its exploration and development efforts in the United States for purposes of acquiring, exploring and developing high-grade uranium and potash 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 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](http://www.sedar.com).



**MESA URANIUM CORP.**

Consolidated Financial Statements  
For the six months ended September 30, 2008

(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)

	September 30, 2008	March 31, 2008
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	36,429	306,230
Amounts receivable	4,472	13,486
Prepaid expenses	-	7,792
	<b>40,901</b>	327,508
RECLAMATION BOND (note 4)	94,178	94,178
MINERAL PROPERTIES (note 5)	4,458,401	4,218,562
OFFICE EQUIPMENT, net (note 6)	2,598	2,598
	<b>4,596,078</b>	4,642,846
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	15,602	81,167
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	5,763,147	5,567,363
Contributed surplus (note 9)	1,198,137	1,198,137
Deficit	(2,380,808)	(2,203,821)
	<b>4,580,476</b>	4,561,679
	<b>4,596,078</b>	4,642,846

NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS (note 1)

COMMITMENTS (note 10)

### APPROVED ON BEHALF OF THE BOARD,

Signed: /s/ "Brian P. Kirwin"

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Brian P. Kirwin, Director

Signed: /s/ "Foster Wilson"

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Foster Wilson, Director

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

# MESA URANIUM CORP.

## CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three Months		Six Months	
	Ended September 30,		Ended September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>EXPENSES (INCOME)</b>				
Exploration office expenses	10,788	20,884	42,804	52,469
Foreign exchange	846	(4,445)	3,760	341
General and administrative	8,188	24,135	17,546	50,889
Management and geological consulting fees	24,550	93,069	66,409	149,431
Professional fees	12,729	15,191	16,461	19,187
Public company expenses	14,655	33,126	31,136	140,153
Stock-based compensation (note 8)	-	63,035	-	347,713
Interest income	-	(20,163)	(1,129)	(42,256)
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>71,756</b>	<b>224,832</b>	<b>176,987</b>	<b>717,927</b>
<b>DEFICIT</b> , beginning of period	<b>2,309,052</b>	<b>1,610,401</b>	<b>2,203,821</b>	<b>1,117,306</b>
<b>DEFICIT</b> , end of period	<b>2,380,808</b>	<b>1,835,233</b>	<b>2,380,808</b>	<b>1,835,233</b>
<b>NET LOSS PER SHARE – BASIC AND DILUTED</b>	<b>0.01</b>	<b>0.03</b>	<b>0.02</b>	<b>0.08</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b> (note 8)	<b>9,418,863</b>	<b>8,964,317</b>	<b>9,192,832</b>	<b>8,797,108</b>

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		Six Months	
	Ended September 30,	2007	Ended September 30,	2007
	2008		2008	
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net loss for the year	(71,756)	(224,832)	(176,987)	(717,927)
Non-cash items				
Stock-based compensation	-	63,035	-	347,713
	(71,756)	(161,797)	(176,987)	(370,214)
Changes in non-cash working capital items				
Amounts receivable	412	(13,535)	9,014	(43,017)
Prepaid expenses	6,072	(17,146)	7,792	(17,146)
Accounts payable and accrued liabilities	(23,822)	(81,281)	(65,565)	(24,566)
	(89,094)	(273,759)	(225,746)	(454,943)
<b>INVESTING ACTIVITIES</b>				
Acquisition of mineral properties and exploration expenses	(89,973)	(998,667)	(239,839)	(1,269,096)
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares, net of issue costs	195,784	(11,177)	195,784	2,851,861
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>16,717</b>	<b>(1,283,603)</b>	<b>(269,801)</b>	<b>1,127,822</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>19,712</b>	<b>2,689,384</b>	<b>306,230</b>	<b>277,959</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>36,429</b>	<b>1,405,781</b>	<b>36,429</b>	<b>1,405,781</b>
<b>SUPPLEMENTARY DISCLOSURE</b>				
Interest paid	-	-	-	-
Interest received	-	20,163	1,129	42,256
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 six months ended September 30, 2008 (Unaudited – Prepared by Management)

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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 was incorporated in British Columbia and its shares are listed on the TSX Venture Exchange under the trading symbol MZU. On September 16, 2008, the trading symbol was changed to MSA.

On December 21, 2005 the Corporation acquired BZU Minerals Ltd. (“BZU”), through an exchange of shares and 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. 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. ADOPTION OF NEW ACCOUNTING STANDARD**

On January 1, 2008, the Corporation adopted new accounting standards related to general standard of financial statement presentation, capital disclosure and financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”). The new CICA standards are as follows:

#### **Inventories, Section 3031**

In June 2007, the Canadian Institute of Chartered Accountants (CICA) issued section 3031, “Inventories,” to replace existing section 3030. The new section, which was effective January 1, 2008, establishes standards for the measurement and disclosure of inventories. The application of this section did not have a significant impact on the Corporation’s financial statements.

#### **Goodwill and intangible assets, Section 3064**

In February 2008, the CICA issued Section 3064, “Goodwill and Intangible Assets,” which replaces Section 3062, “Goodwill and Other Intangible Assets.” This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective for us beginning January 1, 2009. Concurrent with the adoption of this standard, EIC-27, “Revenues and Expenditures in the Pre-operating Period,” will be withdrawn. This will result in a change to our accounting for the start up of mining operations, as pre-commercial production costs will no longer be capitalized as an asset. The application of this section did not have a significant impact on the Corporation’s financial statements.

# MESA URANIUM CORP.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

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### 3 ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

#### **Section 1400, General Standard of Financial Statement Presentation**

This section specifies requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The Corporation's disclosure reflects such assessment.

#### **Section 1535, Capital Disclosures**

This section specifies the disclosure of information that enables users of an entity's financial statements to evaluate its objectives, policies and processes for managing capital such as qualitative information about its objectives, policies and processes for managing capital, summary quantitative data about what the entity manages as capital, whether it has complied with any capital requirements and, if it has not complied, the consequences of non-compliance. Disclosure requirements pertaining to these sections are contained in note 12.

#### **Section 3862, Financial Instruments Disclosures**

#### **Section 3863, Financial Instruments Presentation**

These sections replace Section 3861, *Financial Instruments Disclosure and Presentation*, revising and enhancing disclosure requirements while carrying forward its presentation requirements. These new sections place increased emphasis on disclosure about the nature and extent of risk arising from financial instruments and how the entity manages those risks. Disclosure requirements pertaining to this section are contained in note 11.

### 4. RECLAMATION BONDS

As of September 30, 2008, the Corporation recorded environmental bonds of \$94,178, (March 2008 – \$94,178) which includes \$18,991 and \$75,187 for the Moonshine Springs and Lisbon Valley properties respectively.

### 5. 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.

#### **b) Moonshine Springs**

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

#### **c) Breccia Pipe Project**

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

# MESA URANIUM CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

### 5. MINERAL PROPERTIES (continued)

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

#### d) Dar

The Dar property in the Lisbon Valley Mining District of San Juan County, Utah consists of 60 staked mining claims (approximately 1,240 acres). On May 22, 2008, the Corporation signed a definitive agreement with Energy Fuels Inc. to form an exploration joint venture, West Lisbon JV, LLC. The joint venture contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the Dar property. On discovery of an economic uranium deposit on the Dar property, Energy Fuels Inc. will operate any mine that is developed.

#### e) 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.

#### f) Potash Project

During September, 2008 the Corporation filed applications for potash exploration permits with the Bureau of Land Management. 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.

#### Schedule of mineral property expenditures:

	<b>Lisbon Valley</b>	<b>Moonshine Springs</b>	<b>Breccia Pipe</b>	<b>Other</b>	<b>September 30, 2008</b>	<b>March 31, 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, beginning</b>	<b>3,971,535</b>	<b>166,149</b>	<b>47,112</b>	<b>33,766</b>	<b>4,218,562</b>	<b>2,035,916</b>
Drilling	2,083	-	-	-	2,083	1,407,118
Assaying and surveying	344	2,604	-	-	2,948	78,720
Geophysics	-	-	-	-	-	68,199
Engineering and environmental	12,949	6,061	1,065	2,577	22,652	329,262
Land fees, permit, licenses	1,745	44	85,560	40,212	127,561	157,745
Property acquisition and related	55,647	-	-	23,747	79,394	65,235
Site maintenance and camp	2,145	1,857	-	1,199	5,201	76,367
	74,913	10,566	86,625	67,735	239,839	2,182,646
<b>Balance, ending</b>	<b>4,046,448</b>	<b>176,715</b>	<b>133,737</b>	<b>101,501</b>	<b>4,458,401</b>	<b>4,218,562</b>

# MESA URANIUM CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

### 6. OFFICE EQUIPMENT

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>September 30, 2008 Net Carrying Amount</b>	<b>March 31, 2008 Net Carrying Amount</b>
	\$	\$	\$	\$
Office equipment	4,034	1,436	<b>2,598</b>	2,598

### 7. RELATED PARTY TRANSACTIONS

- (a) The Corporation shares certain premises and facilities with companies which have certain directors in common, under cost-sharing arrangements. During the six months ended September 30, 2008 the Corporation incurred general and administration expenses of \$32,500 (2007 - \$45,000) to a company with common directors.
- (b) 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

<b>Issued</b>	<b>Number of Common Shares</b>	<b>Amount \$</b>
<b>Balance, March 31, 2006</b>	<b>18,085,153</b>	<b>2,949,654</b>
Agents warrants exercised	62,500	37,500
Special warrants exercised	575,000	-
<b>Balance, March 31, 2007</b>	<b>18,722,653</b>	<b>2,987,154</b>
Shares issued for private placement - net of share issue costs	6,245,300	2,580,209
Special warrants exercised	1,925,000	-
<b>Balance, March 31, 2008</b>	<b>26,892,953</b>	<b>5,567,363</b>
Shares issued for private placement - net of share issue costs	1,818,181	195,784
Share consolidation	(19,140,756)	-
<b>Balance, September 30, 2008</b>	<b>9,570,378</b>	<b>5,763,147</b>

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

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

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

# MESA URANIUM CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

### 8) SHARE CAPITAL (continued)

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

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

On May 30, 2008, the Corporation announced a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.15 per share until 18 months following the closing of the transaction. The transaction was approved by the shareholders and TSX Venture Exchange and closed on July 23, 2008.

#### Share option re-pricing and share consolidation

On April 10, 2008, the Corporation proposed to amend an aggregate of 2,530,000 stock options by reducing the exercise price to \$0.14 per share (2,280,000 of which are held by insiders of the Corporation). The proposal received shareholders approval on July 9, 2008 and TSX Venture Exchange approval on July 25, 2008.

On July 9, 2008, shareholders approved a three-for-one share consolidation for its common shares and was effective as of the close of business on September 16, 2008.

#### 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 July 9, 2008. 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.

As of September 30, 2008 the Corporation has stock option outstanding to acquire an aggregate of 843,334 common shares to directors, officers, employees and consultants exercisable at \$0.42.

	Number of Options	Exercise Price	Expiry Date
<b>Balance, March 31, 2006</b>	<b>1,805,000</b>	<b>\$0.57</b>	
Granted: April 11, 2006	50,000	\$0.76	April 11, 2011
<b>Balance, March 31, 2007</b>	<b>1,855,000</b>	<b>\$0.58</b>	
Granted: April 13, 2007	750,000	\$0.70	April 13, 2012
Cancelled: May 31, 2007	(100,000)	\$0.72	February 2, 2011
Cancelled: July 29, 2007	(50,000)	\$0.70	April 13, 2012
Granted: September 7, 2007	225,000	\$0.40	September 13, 2012
Cancelled: January 2, 2008	(50,000)	\$0.50	December 21, 2010
<b>Balance, March 31, 2008</b>	<b>2,630,000</b>		
Cancelled: April 30, 2008	(50,000)	\$0.76	April 11, 2011
Cancelled: May 31, 2008	(50,000)	\$0.70	April 13, 2012
Consolidation	(1,686,666)		
<b>Balance, September 30, 2008 (Consolidated and re-priced)</b>	<b>843,334</b>	<b>\$0.42</b>	

# MESA URANIUM CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

### 8) SHARE CAPITAL (continued)

At September 30, 2008, the weighted average remaining contractual life for the options outstanding and exercisable is 2.27 years (March 31, 2008 – 3.25 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 \$0.45 per option granted during fiscal year ended March 31, 2008:

	<b>September 30, 2008</b>	<b>March 31, 2008</b>
	-	975,000 options
Risk free interest rate	n/a	4.13%
Expected life (in years)	n/a	3
Expected volatility	n/a	110%
Expected dividend yield	n/a	0.0%

#### Warrants

Warrants issued and exercised are as follows:

	<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<b>Balance, March 31, 2006</b>	<b>9,596,838</b>		
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
<b>Balance, March 31, 2007</b>	<b>8,685,900</b>		
Special warrants exercised	(1,925,000)	\$0.00	December 21, 2015
Private Placement of 6,000,000 units	3,000,000	\$0.75	April 11, 2009
Agent's warrants	600,000	\$0.55	April 11, 2009
Agent's warrants related to 245,300 units	122,650	\$0.75	April 11, 2009
Warrants expired	(6,760,900)	\$0.75	December 21, 2007
<b>Balance, March 31, June 30, 2008</b>	<b>3,722,650</b>		
Consolidation	(2,481,767)		
<b>Balance, September 30, 2008</b>	<b>1,240,883</b>		

On April 11, 2007, the Corporation completed a private placement of 6,000,000 units. The Corporation also granted 600,000 non-transferable warrants as agent's commission. The agent's warrants are exercisable to acquire one common share at a price \$0.55 per share until April 11, 2009. The fair value of the 600,000 stand-alone agent's warrants was estimated to be \$271,652 using a Black-Scholes option pricing model with the following assumptions:

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

# MESA URANIUM CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

### 8) SHARE CAPITAL (continued)

The following table summarizes the share purchase warrants outstanding and exercisable as at September 30, 2008 (post-consolidation):

<b>Number of warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
200,000	\$1.65	April 11, 2009
1,040,883	\$2.25	April 11, 2009
<b>1,240,883</b>		

### Securities held in escrow (post-consolidation)

Pursuant to the escrow agreement covering the shares and warrants issued to acquire BZU, 1,685,000 common shares and 1,215,000 common shares obtained on exercise of special warrants were subject to an escrow agreement (total shares subject to escrow – 2,900,000). Under the escrow agreement these shares are scheduled for release at 10% on December 22, 2005 and 15% every six months thereafter to December 21, 2008. As of September 30, 2008, 1,305,000 common shares remained in escrow.

### 9. CONTRIBUTED SURPLUS

Contributed surplus is comprised as follows:

	<b>Amount</b>
	\$
<b>Balance, March 31, 2006</b>	<b>488,713</b>
Fair value of stock options granted	19,025
<b>Balance, March 31, 2007</b>	<b>507,738</b>
Fair value of stock options granted	418,747
Fair value of the 600,000 stand-alone agent's warrants	271,652
<b>Balance, March 31, September 30, 2008</b>	<b>1,198,137</b>

### 10. 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 \$5,000 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 November 1, 2008.

### 11. FINANCIAL INSTRUMENTS

#### Financial risk factors

The Corporation manages its exposure to financial risks, including foreign exchange risk and interest rate risk, base on a conservative framework to protect itself against adverse rate movements. All transactions undertaken are to support the Corporation's ongoing business and 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 financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

# MESA URANIUM CORP.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the six months ended September 30, 2008 (Unaudited – Prepared by Management)

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### 11. FINANCIAL INSTRUMENTS (continued)

#### a) Market risks

##### i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market

rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature and non-interest bearing.

##### ii) Currency risk

The Corporation is exposed to currency fluctuations in the acquisition of foreign currencies. The Corporation holds balances in cash and cash equivalents, and accounts payable and accrued liabilities in foreign currencies (US dollars) and is therefore exposed to gain or losses on foreign exchange. Based on the balance in foreign currencies as at September 30, 2008, a variance in foreign currency exchange rate of 1% would not have a significant impact on the Corporation's financial statements.

#### b) 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 accounts receivable. The Corporation has reduced its credit risk by investing its cash and cash equivalent in guaranteed investment certificates with a Canadian chartered bank.

#### c) 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.

### 12. 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.

## **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) 826-9888  
Fax (775) 826-9886*

### **INVESTOR RELATIONS CONTACT**

*Telephone (604) 681-5152  
Email [info@mesauranium.com](mailto:info@mesauranium.com)*

### **WEBSITE**

Additional information about the Corporation can be found at our website [www.mesauranium.com](http://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 November 28, 2008)  
Shares Issued and Outstanding: 9,570,378

### **AUDITOR**

Manning Elliott, Chartered Accountants  
*Vancouver, Canada*

### **LEGAL COUNSEL**

Axium Law Corporation  
*Vancouver, Canada*