



**MESA URANIUM CORP.**  
**2009 ANNUAL REPORT**

**Mesa Uranium Corp.**  
**Management's Discussion & Analysis**  
**Year ended March 31, 2009, as of July 20, 2009**

**General**

This Management's Discussion and Analysis of Mesa Uranium Corp. (the "Corporation") has been prepared by management as of July 20, 2009 and should be read in conjunction with the audited annual financial statements and related notes thereto of the Corporation for the years ended March 31, 2009 and 2008. 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, none remain subject to escrow restrictions as of March 31, 2009 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% U3O8 (8 pounds per ton). This high grade uranium mineralization is within a stream channel in the Chinle sandstone. The 6 million pound Moonshine Springs uranium deposit is located within 2 miles of the project and is hosted in the Chinle formation. In 2007, the Corporation commenced a planned drilling program which consisted of 10-12 holes for a total footage of 6,000 feet.

During May 2007, the Corporation increased its landholdings in the Arizona Strip Uranium District known as the Breccia Pipe Project. 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. 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 Pocket. The Silvey Pocket 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.

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

### **Overview of Performance**

The Corporation’s working capital as of March 31, 2009 was \$12,349 (March 31, 2008 - \$246,341). The source of working capital was provided by the private placement raising proceeds of \$195,786, net of issue costs. The funding available was used primarily for acquisition of mineral property and exploration expenses. During the twelve months ended March 31, 2009, the Corporation used \$218,003 in operating activities and \$258,840 in acquisition of

mineral properties and exploration activities. The loss for the twelve months ended March 31, 2009 was \$1,690,085 or \$0.18 per share compared with a net loss of \$1,086,515 or \$0.12 per share for the twelve months ended March 31, 2008.

### 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.

	<b>March 31, 2009</b>	<b>March 31, 2008</b>
	\$	\$
Net loss	1,690,085	1,086,515
Net loss per share	0.18	0.12
Total cash and cash equivalents	25,173	306,230
Working capital	12,349	246,341
Total liabilities	55,217	81,167
Total assets	3,170,805	4,642,846
Shareholders' equity	3,115,588	4,561,679

### Results of Operations

For the twelve months ended March 31, 2009, the Corporation had a net loss of \$1,690,085 or \$0.18 per share compared to a net loss of \$1,086,515 or \$0.12 per share with the corresponding period in 2008. Stock-based compensation expense for this year ended March 31, 2009 was decreased to \$48,208 from \$418,747 in 2008. Interest income decreased to \$1,134 from \$54,699 which was the direct result of decreased cash balances. As a result of reduced business activities, general and administrative costs decreased to \$23,411 from \$107,955; public company expenses decreased to \$44,234 from \$196,308; management and consultant fees decreased to \$69,976 from \$266,370 and professional fees decreased to \$33,805 from \$58,390. These reductions of expenses, however, were off-set by \$1,412,000 on mineral property write-down and \$30,089 loss on mineral claims disposal.

Exploration office expenses decreased to \$41,672 from \$89,184. Activities relating to property evaluations and investigations are ongoing. Exploration expenses in the year also include all costs associated with maintaining the Corporations' exploration offices in Reno, Nevada.

### Summary of Quarterly Results

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

	<b>2009</b>		<b>2008</b>				<b>2007</b>	
	<b>Mar. 31</b>	<b>Dec. 31</b>	<b>Sept. 30</b>	<b>Jun. 30</b>	<b>Mar. 31</b>	<b>Dec. 31</b>	<b>Sept. 30</b>	<b>Jun. 30</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	25,173	40,052	36,429	19,712	306,230	598,707	1,405,781	2,689,384
Working capital	12,349	3,806	25,299	(8,756)	246,341	555,560	1,458,145	2,629,786
Total assets	3,170,805	4,616,691	4,596,078	4,495,872	4,642,846	4,773,878	4,877,386	5,131,641
Shareholder's equity	3,115,588	4,578,314	4,580,476	4,456,448	4,561,679	4,694,372	4,859,233	5,032,207
Net loss	(1,510,936)	(2,162)	(71,756)	(105,231)	(203,727)	(164,861)	(224,832)	(493,095)
Net loss per share	(0.16)	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.06)

## **Liquidity and Capital Resources**

The Corporation's working capital as at March 31, 2009 was \$12,349 (March 31, 2008 - \$246,341). During the twelve months ended March 31, 2009, \$258,840 was used in mineral acquisitions and exploration activities and \$218,003 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 July 23, 2008, the Corporation completed a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant 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 Corporation incurred cash share issue costs of \$4,214. All the consideration received for the units was allocated to share capital and no value was allocated to the half warrants.

## **Off-Balance Sheet Arrangements**

The Corporation has no off-balance sheet arrangement.

## **Commitments**

The Corporation is committed to a management and administration service agreement to a company with common directors and common management for management services at \$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 May 1, 2009.

## **Transactions with Related Parties**

During the year ended March 31, 2009, the Corporation incurred the following related party transactions:

- a) Management and administration services expenses of \$41,042 (2008 - \$90,000) were incurred to a company with common directors.
- b) Consulting fees of \$9,297 (2008 - \$145,941) were incurred to a company controlled by the President and capitalized as mineral property engineering and environmental costs (Note 5).
- c) Management and geological consulting expenses of \$3,985 (2008 - \$48,789) were incurred to a company controlled by the President.
- d) At March 31, 2009, accounts payable and accrued liabilities include an amount of \$nil (2008 - \$2,209) owed to the President and a company controlled by the President.

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

## Fourth Quarter

	2009	2008				2007		
	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	25,173	40,052	36,429	19,712	306,230	598,707	1,405,781	2,689,384
Working capital	12,349	3,806	25,299	(8,756)	246,341	555,560	1,458,145	2,629,786
Total assets	3,170,805	4,616,691	4,596,078	4,495,872	4,642,846	4,773,878	4,877,386	5,131,641
Shareholder's equity	3,115,588	4,578,314	4,580,476	4,456,448	4,561,679	4,694,372	4,859,233	5,032,207
Net loss	(1,510,936)	(2,162)	(71,756)	(105,231)	(203,727)	(164,861)	(224,832)	(493,095)
Net loss per share	(0.16)	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.06)

The Corporation reported a net loss of \$1,510,936 in the fourth quarter of 2009 compared to \$203,727 during the fourth quarter of 2008. The increased loss in the fourth quarter of 2009 compared to 2008 was the result of mineral property write down and the loss on mineral claims disposal. The loss was offset by the decreased in other expense items compared to the fourth quarter in 2008. Over the last eight quarters the Corporation's financial performance has largely been a function of the level of administrative expenses required to operate a public company and manage its exploration activities. In certain quarters these expenses have been offset to varying degrees by foreign exchange and interest income.

### Controls and Procedures

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

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

### Disclosure Controls and Procedures

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

The Chief Executive Officer and the Chief Financial Officer have concluded, base on an evaluation as of March 31, 2009, that the disclosure controls and procedures for the Corporation was effective to provide reasonable assurance that material information related to the Corporation is made know. It should be noted that while the Corporation's Chief Executive Officer and the Chief Financial Officer believe that the Corporation's disclosure controls and procedures provide a reasonable level of assurance that the system of internal control are effective, they do not guarantee that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

## **Critical Accounting Estimates and Risk Factors**

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

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

## **Changes in Accounting Policies and Recent Accounting Pronouncements**

### **Changes in Accounting Policy**

Effective on April 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation". These sections carry forward the former presentation requirements and increase the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. The adoption of these sections had no impact on the financial position or net earnings for the year ended March 31, 2009.

Effective on April 1, 2008, the Company adopted the CICA Handbook Section 1535, "Capital Disclosures", which requires disclosure of information about an entity's capital and its objectives, policies and processes for managing capital. Disclosure requirements pertaining to this new standard are contained in Note 12.

Effective on April 1, 2008, the Company adopted CICA Handbook Section 1400, "General Standards of Financial Statement Presentation". This section provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. The adoption of this section had no significant impact on the Company's financial statements.

### **Recent Accounting Pronouncements**

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and 1602, Non-controlling interests, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Corporation's interim and annual consolidated financial statements commencing April 1, 2009. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the year ended March 31, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Corporation continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

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

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

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

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

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

### **Outlook**

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

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

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

### **Other Requirements**

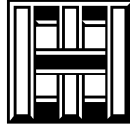
Additional disclosure pertaining to the Corporation's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **Subsequent Events**

Subsequent to March 31, 2009, 1,240,883 share purchase warrants expired.

**MESA URANIUM CORP.**

Consolidated Financial Statements  
For the years ended March 31, 2009 and 2008  
together with the Auditors' Report



MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

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To the Shareholders of  
Mesa Uranium Corp.

We have audited the consolidated balance sheets of Mesa Uranium Corp. as at March 31, 2009 and 2008 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

/s/ "Manning Elliott LLP"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

July 14, 2009

**MESA URANIUM CORP.**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in Canadian Dollars)  
 As at March 31, 2009 and 2008

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	25,173	306,230
Amounts receivable	40,393	13,486
Prepaid expenses	2,000	7,792
	<u>67,566</u>	327,508
Reclamation bonds (note 4)	105,229	94,178
Mineral properties (note 5)	2,996,197	4,218,562
Office equipment (note 6)	1,813	2,598
	<u>3,170,805</u>	4,642,846
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	<u>55,217</u>	81,167
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital (note 8)	5,763,149	5,567,363
Contributed surplus (note 9)	1,246,345	1,198,137
Deficit	<u>(3,893,906)</u>	<u>(2,203,821)</u>
	<u>3,115,588</u>	4,561,679
	<u>3,170,805</u>	4,642,846

Nature of Operations and Continuance of Business (note 1)  
 Commitment (note 10)  
 Subsequent Event (note 15)

**APPROVED ON BEHALF OF THE BOARD,**

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

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

## **MESA URANIUM CORP.**

### **CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT**

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>EXPENSES</b>		
Amortization	785	717
Exploration office expenses	41,672	89,184
General and administrative	23,411	107,955
Management and geological consulting fees	69,976	266,370
Professional fees	33,805	58,390
Public company expenses	44,234	196,308
Stock based compensation (note 8)	48,208	418,747
	<b>262,091</b>	<b>1,137,671</b>
<b>OTHER INCOME (EXPENSE)</b>		
Impairment of mineral properties	(1,412,000)	-
Interest income	1,134	54,699
Foreign exchange gain (loss)	12,961	(3,543)
Loss on disposal of mineral claims (note 5)	(30,089)	-
	<b>(1,427,994)</b>	<b>51,156</b>
<b>Net Loss and Comprehensive Loss for the Year</b>	<b>(1,690,085)</b>	<b>(1,086,515)</b>
<b>Deficit, Beginning of Year</b>	<b>(2,203,821)</b>	<b>(1,117,306)</b>
<b>Deficit, End of Year</b>	<b>(3,893,906)</b>	<b>(2,203,821)</b>
<b>Net Loss Per Share - Basic and Diluted</b>	<b>(0.18)</b>	<b>(0.12)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>9,381,088</b>	<b>8,880,713</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)

For the years ended March 31, 2009 and 2008

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	<b>(1,690,085)</b>	(1,086,515)
Non-cash items		
Amortization	<b>785</b>	717
Impairment of mineral properties	<b>1,412,000</b>	-
Loss on disposal of mineral claims	<b>30,089</b>	-
Stock-based compensation	<b>48,208</b>	418,747
Unrealized foreign exchange gain	<b>(11,051)</b>	-
	<b>(210,054)</b>	(667,051)
Changes in non-cash working capital items		
Amounts receivable	<b>12,209</b>	(3,132)
Prepaid expenses	<b>5,792</b>	(7,792)
Accounts payable and accrued liabilities	<b>(25,950)</b>	38,448
	<b>(218,003)</b>	(639,527)
<b>INVESTING ACTIVITIES</b>		
Purchase of reclamation bonds	-	(1,417)
Acquisition of mineral properties and exploration expenses, net	<b>(258,840)</b>	(2,182,646)
	<b>(258,840)</b>	(2,184,063)
<b>FINANCING ACTIVITY</b>		
Issuance of common shares, net of issue costs	<b>195,786</b>	2,851,861
Increase (Decrease) in Cash and Cash Equivalents	<b>(281,057)</b>	28,271
Cash and Cash Equivalents, Beginning of Year	<b>306,230</b>	277,959
Cash and Cash Equivalents, End of Year	<b>25,173</b>	306,230
<b>Non-cash Financing and Investing Activities</b>		
Proceeds on disposal of mineral claim included in accounts receivable	<b>39,116</b>	-
<b>Supplemental Disclosures</b>		
Interest Paid	-	-
Income Tax Paid	-	-

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

# Mesa Uranium Corp.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

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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. On September 15, 2008, the trading symbol changed from MZU to MSA.

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Principles of consolidation

These consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, BZU Holdings, Inc. (incorporated in Nevada, USA). All inter-company transactions and balances have been eliminated on consolidation.

The comparative figures as at March 31, 2008 also include the accounts of BZU Minerals Ltd. (incorporated in British Columbia), which was dissolved on February 18, 2008.

#### Use of estimates

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

#### Foreign currency translation

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

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

# Mesa Uranium Corp.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Cash and cash equivalents**

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

#### **Financial instruments**

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

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

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

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

#### **Mineral properties and deferred exploration costs**

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

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

# Mesa Uranium Corp.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Asset retirement obligations**

The Corporation follows CICA Handbook Section 3110, "Asset Retirement Obligations", which established standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the mineral property asset is amortized on the same basis as the related asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at March 31, 2009, the Corporation has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

#### **Office equipment**

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

#### **Impairment of long-lived assets**

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

#### **Income taxes**

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

#### **Stock-based compensation**

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

#### **Loss per share**

Basic loss per share is calculated using the treasury stock method to determine the weighted average number of common shares outstanding. Outstanding stock options and share purchase warrants have not been included in the computation of diluted loss per share because they are anti-dilutive. The weighted average number of issued and outstanding common shares for the year ended March 31, 2008 has been adjusted retroactively to reflect the September 2008 share consolidation.

#### **Comprehensive loss**

Comprehensive loss reflects net loss and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

# Mesa Uranium Corp.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

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### 3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

#### Changes in Accounting Policies

Effective on April 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation". These sections carry forward the former presentation requirements and increase the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. The adoption of these sections had no impact on the financial position or net earnings for the year ended March 31, 2009 and the additional disclosure is described in Note 11.

Effective on April 1, 2008, the Company adopted the CICA Handbook Section 1535, "Capital Disclosures", which requires disclosure of information about an entity's capital and its objectives, policies and processes for managing capital. Disclosure requirements pertaining to this new standard are contained in Note 12.

Effective on April 1, 2008, the Company adopted CICA Handbook Section 1400, "General Standards of Financial Statement Presentation". This section provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. The adoption of this section had no significant impact on the Company's financial statements.

#### Recent Accounting Pronouncements

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and 1602, Non-controlling interests, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Corporation's interim and annual consolidated financial statements commencing April 1, 2009. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the year ended March 31, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Corporation continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

# Mesa Uranium Corp.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

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### 4. RECLAMATION BONDS

As of March 31, 2009, the Corporation recorded environmental bonds of \$105,229 (2008 - \$94,178) which includes \$20,722 (2008 - \$18,991) and \$84,507 (2008 - \$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. During the year an impairment provision was taken for the Lisbon Valley properties as detailed in the table following.

On March 28, 2009, the Corporation disposed 25 mineral claims and 4 fractional mineral claims for proceeds of \$39,116, resulting in a loss of \$30,089.

On May 22, 2008, the Corporation signed a definitive agreement with Energy Fuels Inc. to form an exploration joint venture, West Lisbon JV, LLC for the Dar property. The Dar property is located in the Lisbon Valley Mining District of San Juan County, Utah 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 the property. On discovery of an economic uranium deposit on the Dar property, Energy Fuels Inc. will operate any mine that is developed.

#### 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.

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. During January, 2008, it was mutually agreed by both parties to terminate the LOI.

#### d) Silvey Pocket

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

#### e) 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.

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 5. MINERAL PROPERTIES (continued)

Mineral property expenditures are comprised as follows:

	<b>Lisbon Valley</b>	<b>Moonshine Springs</b>	<b>Breccia Pipe</b>	<b>Other</b>	<b>2009 Total</b>	<b>2008 Total</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>
Property acquisition (disposal)	(53,379)	-	-	-	(53,379)	65,235
Drilling	2,083	-	-	-	2,083	1,407,118
Assaying and surveying	344	2,604	-	-	2,948	78,720
Geophysics	-	-	-	-	-	68,199
Engineering and environmental	14,657	6,061	1,065	3,463	25,246	329,262
Land fees, permit, licenses	47,724	44	85,560	74,227	207,555	157,745
Site maintenance and camp	2,126	1,857	-	1,199	5,182	76,367
Impairment of mineral properties	(1,412,000)	-	-	-	(1,412,000)	-
	(1,398,445)	10,566	86,625	78,889	(1,222,365)	2,182,646
<b>Balance, ending</b>	<b>2,573,090</b>	<b>176,715</b>	<b>133,737</b>	<b>112,655</b>	<b>2,996,197</b>	<b>4,218,562</b>

### 6. OFFICE EQUIPMENT

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2009 Net Carrying Amount</b>	<b>2008 Net Carrying Amount</b>
	\$	\$	\$	\$
Office equipment	4,034	2,221	1,813	2,598

### 7. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2009, the Corporation incurred the following related party transactions:

- Management and administration services expenses of \$41,042 (2008 – \$90,000) were incurred to a company with common directors.
- Consulting fees of \$9,297 (2008 - \$145,941) were incurred to a company controlled by the President and capitalized as mineral property engineering and environmental costs (Note 5).
- Management and geological consulting expenses of \$3,985 (2008 - \$48,789) were incurred to a company controlled by the President.
- At March 31, 2009, accounts payable and accrued liabilities include an amount of \$nil (2008 - \$2,209) owed to the President and a company controlled by the President.

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

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 8. SHARE CAPITAL

#### Authorized

Unlimited common shares without par value.

Issued	Number of	Amount
	Common Shares	\$
<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	195,786
Share consolidation 3:1	(19,140,758)	-
<b>Balance, March 31, 2009</b>	<b>9,570,376</b>	<b>5,763,149</b>

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

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

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

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

On July 23, 2008, the Corporation completed a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant 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 Corporation incurred cash share issue costs of \$4,216. All the consideration received for the units was allocated to share capital and no value was allocated to the half warrants.

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

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 8. SHARE CAPITAL (continued)

#### Options

The Corporation grants incentive stock options as permitted pursuant to the Corporation's Stock Option Plan (the "Plan") approved by the shareholders on December 21, 2005 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.

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

- On April 13, 2007, the Corporation granted 750,000 stock options to employees and consultants at a price of \$0.70 per share expiring April 13, 2012 and recorded \$363,189 as stock-based compensation expense.
- On May 31, 2007, 100,000 options at \$0.72 per option were cancelled.
- On July 29, 2007, 50,000 stock options at \$0.70 per option were cancelled.
- On September 7, 2007, the Corporation granted 225,000 stock options to a director at a price of \$0.40 per share expiring September 13, 2012 and recorded \$55,558 as stock based compensation expense.
- On January 2, 2008, 50,000 options at \$0.50 per option were cancelled.
- On April 30, 2008, 50,000 options at \$0.76 per option were cancelled.
- On May 31, 2008, 50,000 options at \$0.70 per option were cancelled.
- On July 23, 2008, the Board of Directors of the Corporation approved the repricing of 2,530,000 stock options currently outstanding under the Corporation's Stock Option Plan to be reduced to \$0.14. The Corporation recorded stock based compensation expense of \$48,208 as a result of the exercise price modification.

As of March 31, 2009, subsequent to the three-for-one share consolidation, the Corporation has stock options outstanding to acquire an aggregate of 843,334 common shares to directors, officers, employees and consultants exercisable at \$0.42.

	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<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
Share consolidation 3:1	(1,686,666)		
<b>Balance, March 31, 2009</b>	<b>843,334</b>		

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 8. SHARE CAPITAL (continued)

#### Options (continued)

Details of stock options outstanding (post-consolidation):

Expiry Date	Exercise Price	Stock Options Outstanding
December 21, 2010	\$0.42	391,667
February 1, 2011	\$0.42	160,000
April 13, 2012	\$0.42	216,667
September 7, 2012	\$0.42	75,000
		843,334

At March 31, 2009, the weighted average remaining contractual life for the options outstanding and exercisable is 2.25 years (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 \$0.07 per option repriced during fiscal year ended March 31, 2009 (2008 - \$0.51 and \$0.25 per option):

	2009 repriced	2008
	2,630,000 options	975,000 options
Risk free interest rate	3.33%	4.13%
Expected life (in years)	3	3
Expected volatility	121%	110%
Expected dividend yield	0.0%	0.0%

#### Warrants

Warrants issued and exercised are as follows:

	Number of Warrants	Exercise Price	Expiry Date
<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, 2008</b>	<b>3,722,650</b>		
Private Placement of 6,000,000 units	909,090	\$0.15	January 23, 2010
Share consolidation 3:1	(3,087,827)		
<b>Balance, March 31, 2009</b>	<b>1,543,913</b>		

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 8. SHARE CAPITAL (continued)

#### Warrants (continued)

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

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

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

- On May 30, 2008, the Corporation completed a non-brokered private placement of 1,818,181 units at \$0.11 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.15 per share until November 30, 2009.

The following table summarizes the share purchase warrants outstanding and exercisable as at March 31, 2009 (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
303,030	\$0.45	January 23, 2010
<b>1,543,913</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 March 31, 2009, no common shares remained in escrow (2008 – 870,000 shares).

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 9. CONTRIBUTED SURPLUS

Contributed surplus is comprised as follows:

	<u>Amount</u>
	\$
<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
	<hr/>
<b>Balance, March 31, 2008</b>	<b>1,198,137</b>
Modification of stock options	48,208
	<hr/>
<b>Balance, March 31, 2009</b>	<b>1,246,345</b>

### 10. COMMITMENT

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 May 1, 2009.

### 11. FINANCIAL INSTRUMENTS

#### Financial risk factors

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

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

#### a) Foreign Exchange Risk

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

#### b) Interest Rate Risk

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

#### c) Credit Risk

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

# Mesa Uranium Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

### 11. FINANCIAL INSTRUMENTS (continued)

#### d) Liquidity Risk

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

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

#### e) Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact on the net income for the year which could be caused by a change in foreign exchange rates during the year ended March 31, 2009.

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

The result of the sensitivity analysis shows an increase of 10% in the USD exchange rate could cause an impact of a decrease of approximately \$6,400 on the Company's net income and vice versa.

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

### 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.

### 13. SEGMENTED INFORMATION

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

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

	2009		
	Canada	USA	Total
Mineral properties and office equipment	\$ -	\$ 2,998,010	\$ 2,998,010
Interest income	\$ 1,134	\$ -	\$ 1,134

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For the years ended March 31, 2009 and 2008

### 13. SEGMENTED INFORMATION (continued)

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

### 14. INCOME TAXES

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

	2009	2008
Combined statutory income tax rate	31%	33%
Income tax recovery at statutory rate	\$ 523,927	\$ 362,244
(Decrease) increase resulting from:		
Difference between Canadian and US rates	116,371	-
Stock based compensation	(14,643)	(139,610)
Share issue costs	1,280	49,390
Non-deductible items	27,050	(2,071)
Non-capital losses expired	(78,383)	(116,365)
Reduction in tax rate	(111,839)	(76,655)
Valuation allowance	(463,763)	(76,933)
Income tax recoverable	\$ -	\$ -

The tax effects of temporary differences that give rise to significant portions of the future tax assets at March 31, 2009 and 2008 are as follow:

	2009	2008
Non-capital losses carried forward	\$1,138,000	\$ 656,000
Property, plant and equipment	22,000	-
Share issue costs	42,000	82,000
Valuation allowance	(1,202,000)	(738,000)
	\$ -	\$ -

The Corporation has approximately \$3,627,000 (2008 - \$2,128,000) in non-capital losses, which can be applied to reduce future taxable income. These losses expire as follows:

2010	\$ 169,000
2014	181,000
2015	52,000
2026	212,000
2027	473,000
2028	780,000
2029	1,760,000
	<u>\$ 3,627,000</u>

# **Mesa Uranium Corp.**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the years ended March 31, 2009 and 2008

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### **14. INCOME TAXES (continued)**

The Corporation has not recognized any future income tax assets. The future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements due to the uncertainty of their recovery, and are offset by a full valuation allowance.

### **15. SUBSEQUENT EVENT**

Subsequent to March 31, 2009, 1,240,883 share purchase warrants expired unexercised on April 11, 2009.

## **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 July 29, 2009)  
Shares Issued and Outstanding: 9,570,378

### **AUDITOR**

Manning Elliott, Chartered Accountants  
*Vancouver, Canada*

### **LEGAL COUNSEL**

Axium Law Corporation  
*Vancouver, Canada*