

management's discussion and analysis

Management's Discussion and Analysis

Set out below is a review of the activities, results of operations and financial condition of Uranium One Inc. ("Uranium One") and its subsidiaries (collectively, the "Corporation") for the three and nine months ended September 30, 2009, together with certain trends and factors that are expected to impact the rest of its 2009 financial year and its 2010 financial year. Information herein is presented as of November 12, 2009 and should be read in conjunction with the interim consolidated financial statements of the Corporation for the three and nine months ended September 30, 2009 and the notes thereto, on file with the Canadian provincial securities regulatory authorities (referred to herein as the "consolidated financial statements"). The Corporation's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are in US dollars and tabular amounts are in thousands, except where otherwise indicated. Canadian dollars are referred to herein as C\$. South African rands are referred to herein as ZAR. Australian dollars are referred to herein as A\$.

References herein to "Q3 2008" and "Q3 2009" refer to the three months ended September 30, 2008 and September 30, 2009, respectively. All references herein to pounds are pounds of U₃O₈.

The common shares of Uranium One are listed on the Toronto and Johannesburg stock exchanges ("TSX" and "JSE", respectively). Uranium One's convertible unsecured subordinated debentures due December 31, 2011 are also listed on the TSX.

Additional information about the Corporation and its business and operations can be found in its continuous disclosure documents. These documents, including the Corporation's annual information form, are available under the Corporation's profile at www.sedar.com.

This Management's Discussion and Analysis includes certain forward-looking statements. Please refer to "Forward-Looking Statements and Other Information".

HIGHLIGHTS

- Total attributable production during Q3 2009 was 834,800 pounds, 19% higher than total attributable production of 700,700 pounds during Q3 2008 and in line with total attributable production of 833,800 pounds during Q2 2009.
- The average total cash cost per pound sold was \$15 per pound during Q3 2009, 14% lower than the average total cash cost of \$17 per pound sold in Q2 2009.
- The Akdala Uranium Mine achieved attributable production during Q3 2009 of 464,200 pounds; total cash costs for Q3 2009 were \$12 per pound sold.
- Attributable production from the South Inkai Uranium Mine during Q3 2009 was 343,000 pounds; total cash costs for Q3 2009 were \$20 per pound sold.
- Attributable sales volumes during Q3 2009 were 423,100 pounds, a decrease of 50% from attributable sales volumes of 848,100 pounds during Q3 2008 and an increase of 10% from attributable sales volumes of 385,100 pounds during Q2 2009.
- The average realized sales price during Q3 2009 was \$50 per pound, generating revenue of \$21.3 million, compared to an average realized sales price of \$67 per pound during Q3 2008, generating revenue of \$56.7 million. The average spot price in Q3 2009 was \$45 per pound.
- Earnings from mine operations were \$9.4 million during Q3 2009, a 74% decrease from earnings from mine operations of \$36.6 million during Q3 2008, due to the decrease in both sales volumes and the average realized sales price per pound.
- On June 15, 2009 Uranium One announced the signing of a definitive purchase agreement to acquire a 50% interest in the Karatau Uranium Mine in Kazakhstan from JSC Atomredmetzoloto ("ARMZ") for consideration of 117 million common shares and a \$90 million cash payment (or equivalent promissory note). The purchase agreement also provides for a contingent payment to ARMZ of up to \$60 million, subject to certain post-closing tax related adjustments. Completion of the transaction includes receipt of regulatory approval from the Kazakhstan Ministry of Energy and Mineral Resources, which is expected by the end of Q4 2009.
- The C\$270 million private placement and formation of a strategic relationship with a Japanese consortium announced in February 2009 will be completed following receipt of regulatory approval from the Kazakhstan Ministry of Energy and Mineral Resources, which is expected by the end of Q4 2009.
- On August 7, the Corporation entered into a definitive agreement to acquire the licensed and permitted Irigaray ISR central processing plant, the Christensen Ranch satellite ISR facility and associated U₃O₈ resources located in the Powder River Basin of Wyoming for \$35 million in cash.
- With continued well field under-performance at the Kharasan Uranium Project during Q3 2009, more test work in more ISR amenable geological horizons are proposed with submission of an application for industrial production now expected in 2011.

OUTLOOK

- The Corporation's total attributable production guidance for 2009 remains unchanged at 3.5 million pounds. Assuming the completion of the acquisition of the 50% joint venture interest in Karatau, total attributable production guidance for 2010 has been revised from 7.5 million pounds to 6.8 million pounds. Total attributable production for 2011 is estimated to be 8.0 million pounds.
- The total attributable production guidance for 2010 consists of 1.8 million pounds from Akdala; 2.5 million pounds from South Inkai; 2.3 million pounds from Karatau; 0.1 million pounds from Kharasan; and 0.1 million pounds from Honeymoon. Production guidance for 2010 has been revised from 7.5 million pounds to 6.8 million pounds as a result of the revised production plan at Kharasan due to continued well field underperformance and a more gradual ramp-up profile at South Inkai.
- During 2010, the average cash cost per pound sold is expected to be approximately \$14 per pound at Akdala and Karatau and \$20 per pound at South Inkai.
- Excluding sales under offtake agreements negotiated with ARMZ and the Japanese Consortium, the Corporation currently has contracts for the sale of an aggregate of 24 million attributable pounds, 14 million pounds of which are contracted with weighted average floor prices of approximately \$47 per pound. The remainder of contracted attributable sales are not subject to floors and such sales are related to the market price of U₃O₈, except for 910,000 pounds, which will be sold at an average fixed price of \$79 per pound, subject to escalation.
- The Corporation expects to sell 2.5 million attributable pounds in 2009 and approximately 6 million attributable pounds in 2010. The Corporation expects to sell approximately 850,000 attributable pounds in Q4 2009, of which approximately 550,000 pounds have been sold in Q4 2009 to date.
- Attributable inventory levels at Betpak Dala are expected to increase from approximately 1.2 million pounds at January 1, 2009 to approximately 1.9 million pounds by the end of 2009.
- Betpak Dala's capital expenditure in 2010 is expected to be \$32 million at South Inkai and \$24 million at Akdala (on a 100% basis). Capital expenditure at Karatau, on a 100% basis, is expected to be \$49 million in 2010. It is expected that Betpak Dala and Karatau will fund capital expenditure from cash flow from operations.
- Kharasan's capital expenditures are expected to be \$25 million (on a 100% basis), with the Corporation's share at approximately \$8 million. The Corporation has committed funding of \$23 million in 2010 towards the construction of a sulphuric acid plant in Kazakhstan by SKZ-U Limited Liability Partnership ("SKZ-U"), in which the Corporation has a 19% interest. SKZ-U estimates capital expenditures in 2010 to be \$94 million (on a 100% basis).
- In addition to the funds provided by Mitsui, the Corporation expects to contribute an estimated \$15 million to the Honeymoon joint venture in 2010 to fund its share of Honeymoon estimated capital expenditure of \$47 million in 2010 (on a 100% basis).
- In 2010, the Corporation expects to incur capital expenditures of \$35 million for the development of its assets in Wyoming, including Christensen Ranch and Irigaray.
- In 2010, general and administrative expenses, excluding stock-based compensation, are expected to be approximately \$29 million; exploration expenses are expected to be \$7 million; and care and maintenance costs are expected to be \$1 million.

KEY STATISTICS

TOTAL ATTRIBUTABLE PRODUCTION	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Attributable commercial production (lbs)					
Akdala	464,200	438,800	455,800	524,400	482,400
South Inkai ⁽¹⁾	343,000	376,700	245,100	-	-
Subtotal	807,200	815,500	700,900	524,400	482,400
Attributable production during commissioning (lbs)					
South Inkai ⁽¹⁾	-	-	-	244,200	146,400
Kharasan	27,600	18,300	7,600	9,400	-
Dominion	-	-	-	-	71,900
Subtotal	27,600	18,300	7,600	253,600	218,300
Total attributable production	834,800	833,800	708,500	778,000	700,700

Notes:

⁽¹⁾ South Inkai commenced commercial production on January 1, 2009. South Inkai's production for periods up to and including Q4 2008 is therefore production during commissioning.

FINANCIAL	Q3 2009	Q3 2008	YTD 2009	YTD 2008
Attributable production (lbs) ⁽¹⁾	807,200	482,400	2,323,600	1,349,200
Attributable sales (lbs) ⁽¹⁾	423,100	848,100	1,688,800	1,817,000
Average realized sales price (\$ per lb) ⁽²⁾	50	67	49	71
Average cash cost of production sold (\$ per lb) ⁽²⁾	15	14	17	14
Revenues (\$ millions)	21.3	56.7	82.9	128.6
Earnings from mine operations (\$ millions)	9.4	36.6	31.9	85.9
Net loss from continuing operations (\$ millions)	(15.3)	(2,013.7)	(217.7)	(2,092.2)
Loss per share from continuing operations – basic and diluted (\$ per share)	(0.03)	(4.30)	(0.46)	(4.47)
Earnings / (loss) from discontinued operations (\$ millions)	3.4	(0.6)	2.0	(104.8)
Earnings (loss) per share from discontinued operations – basic and diluted (\$ per share)	0.01	(0.00)	0.00	(0.22)
Net loss (\$ millions)	(11.9)	(2,014.3)	(215.7)	(2,197.0)
Net loss per share – basic and diluted (\$ per share)	(0.03)	(4.30)	(0.46)	(4.69)
Adjusted net (loss) / earnings (\$ millions) ⁽²⁾	(7.8)	5.6	(26.2)	2.9
Adjusted net (loss) / earnings per share – basic (\$ per share) ⁽²⁾	(0.02)	0.01	(0.06)	0.01

Notes:

⁽¹⁾ Attributable production and sales are from assets in commercial production during the quarter (Akdala and South Inkai in Q3 2009 and YTD 2009 and Akdala in Q3 2008 and YTD 2008).

⁽²⁾ The Corporation has included non-GAAP performance measures: average realized sales price per pound, cash cost per pound sold, adjusted net earnings and adjusted net earnings per share. In the uranium mining industry, these are common performance measures but do not have any standardized meaning, and are non-GAAP measures. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, the Corporation and certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. See "Non-GAAP Measures".

OVERVIEW

Uranium One is a Canadian corporation engaged through subsidiaries and joint ventures in the mining and production of uranium, and in the acquisition, exploration and development of properties for the production of uranium in Kazakhstan, the United States, Australia and Canada.

Through the Betpak Dala joint venture, Uranium One owns a 70% interest in the Akdala and South Inkai Uranium Mines in Kazakhstan. The Corporation holds a 30% interest in the Kyzylkum joint venture, which owns the Kharasan Uranium Project in Kazakhstan. In the United States, the Corporation owns projects in the Powder River and Great Divide basins in Wyoming. The Corporation owns a 51% interest in the Honeymoon Uranium Project in Australia. The Corporation owns, either directly or through joint ventures, a large portfolio of uranium exploration properties in the western United States, South Australia, South Africa and Canada. The Corporation owns a 19% interest in the SKZ-U joint venture, which is constructing a sulphuric acid plant in Kazakhstan.

The following are the Corporation's principal mineral properties and operations (discussed in more detail below):

Operating mines

Entity	Mine	Location	Status	Ownership
Betpak Dala LLP	Akdala Uranium Mine	Kazakhstan	Producing	70% J.V. interest
Betpak Dala LLP	South Inkai Uranium Mine	Kazakhstan	Producing	70% J.V. interest

Advanced development project

Entity	Project	Location	Status	Ownership
Kyzylkum LLP	Kharasan Uranium Project	Kazakhstan	Commissioning ⁽¹⁾	30% J.V. interest

The Corporation is also developing the following mineral properties:

Entity	Project	Location	Status	Ownership
Energy Metals Corp. (US)	Powder River Basin, Wyoming (Moore Ranch, Peterson, Ludeman, Allemand-Ross, and Barge)	USA	Development	100% interest
Energy Metals Corp. (US)	Great Divide Basin, Wyoming (JAB and Antelope)	USA	Development	100% interest
Uranium One Australia (Proprietary) Ltd.	Honeymoon Uranium Project	Australia	Development	51% J.V. interest

Notes:

- (1) The Kharasan Uranium Project has commenced production but is in the commissioning stage. Commissioning will be completed when a pre-defined operating level, based on the design of the plant, is maintained and the Kazakhstan Government has issued an operating license.

REVIEW OF OPERATIONS

AKDALA URANIUM MINE

Akdala is an operating acid in situ recovery ("ISR") uranium mine located in the Suzak region of South Kazakhstan, owned indirectly as to 70% by the Corporation through the Betpak Dala joint venture, a Kazakhstan registered limited liability partnership ("Betpak Dala"). The other 30% interest is owned by JSC NAC Kazatomprom ("Kazatomprom"), a Kazakhstan state-owned company responsible for the mining and exporting of uranium in Kazakhstan.

Pursuant to the terms of its subsoil use contract, the permitted production rate at the Akdala Mine is 2,600,000 pounds (1,000 tonnes uranium ("U")) per year.

Production: Akdala produced 663,100 pounds (255 tonnes U) during Q3 2009, of which 464,200 pounds (179 tonnes U) is attributable to the Corporation.

Operations: The following is a summary of the operational statistics (100%) for Akdala over the last four quarters:

	Total wells completed (including production wells)	Average no. of production wells in operation	Average flow rate (m³/hour)	Concentration in solution (mg U/l)	Production (lbs)
Q4 2008	-	185	1,614	79.3	749,100
Q1 2009	-	205	1,537	82.6	651,100
Q2 2009	58	190	1,386	81.0	626,900
Q3 2009	65	191	1,608	73.1	663,100

The well installation program at Akdala is on schedule with 123 of the 164 wells planned for 2009 installed by the end of Q3 2009.

Production block #26, which commenced acidification in Q2 2009, was put into production during Q3 2009. Acidification of production block #31 commenced during Q3 2009 and the block is expected to be put into production in Q4 2009. Production rates were increased in Q3 2009 to make up for the production shortfall caused by power outages in Q2 2009 and year to date production of 1,941,100 pounds is on schedule to meet Akdala's production target of 2,600,000 pounds for 2009.

A report by a technology institute in Kazakhstan suggested minor changes to the processing facilities at Akdala to remove iron and other impurities from the product, which will in future be shipped to South Inkai for drying. The drying circuit at South Inkai is expected to be completed late in 2009. With the changes to the processing facilities and the drying circuit at South Inkai still to be commissioned and tested after installation, extensions to contracts for processing and calcining product offsite are being negotiated up to the end of Q2 2010 to guarantee supply of product to customers.

In Q3 2009, Akdala contracted an engineering company in Kazakhstan to design a satellite plant to facilitate treatment of solutions from production blocks located approximately 11 km to the east of the current central processing facilities in an area known as Letniy. Production from new well fields in the Letniy area is expected to commence in 2011. Construction of the satellite plant is scheduled for 2010 and is expected to cost approximately \$17 million.

Capital expenditure incurred by Betpak Dala at Akdala in 2009 is expected to total \$6 million on a 100% basis, of which \$4 million was spent up to September 30, 2009. Capital expenditure in 2009 is primarily related to wellfield development.

AKDALA URANIUM MINE - continued

Financial information: The following table shows the attributable production, sales and production cost trends for Akdala over the prior eight quarters:

(All figures are the Corporation's attributable share)	3 months ended							
	Sep 30, 2009	Jun 30, 2009	Mar 31, 2009	Dec 31, 2008	Sep 30, 2008	Jun 30, 2008	Mar 31, 2008	Dec 31, 2007
Production in lbs	464,200	438,800	455,800	524,400	482,400	435,300	431,500	435,400
Sales in lbs	259,000	210,100	355,600	393,900	848,100	685,600	283,300	689,200
Inventory in lbs	849,300	655,100	430,400	345,000	232,800	620,500	886,500	748,900
Revenues (\$000's)	12,936	9,985	18,410	21,146	56,723	49,390	22,517	61,010
Operating expenses (\$000's)	3,047	2,731	4,714	5,918	11,793	9,487	3,292	7,521
Operating expenses (\$/lb sold)	12	13	13	15	14	14	12	11
Depreciation and depletion (\$000's)	2,863	2,498	4,145	4,370	8,305	6,960	2,931	6,966
Depreciation and depletion (\$/lb sold)	11	12	12	11	10	10	10	10

Uranium revenues are recorded upon delivery of product to utilities and intermediaries and do not occur evenly throughout the year. Timing of deliveries is usually at the contracted discretion of customers within a quarter or similar time period. Annual sales of product from a mine, which is normally determined from opening inventory plus a percentage of forecast production for the year, does not always occur evenly throughout the year and can vary significantly from quarter to quarter as illustrated in the table above.

Changes in revenues, net earnings / loss and cash flow are therefore affected primarily by fluctuations in contracted delivery of product from quarter to quarter, as well as by changes in the price of uranium.

Operating expenses are directly related to the quantity of U₃O₈ sold and are lower in periods when the quantity of U₃O₈ sold is lower. There is a corresponding build-up of inventory in periods when the quantity of U₃O₈ sold is lower.

The cash cost of production for Q3 2009 at \$12 per pound of U₃O₈ sold was below the Corporation's revised forecast of \$16 per pound sold. Up to September 30, 2009, inflationary increases in production cost were not as substantial as estimated and the US dollar cash cost of production sold was therefore lower than anticipated.

SOUTH INKAI URANIUM MINE

South Inkai is an operating ISR uranium mine located in the Suzak region of South Kazakhstan, owned indirectly as to 70% by the Corporation through the Betpak Dala joint venture. The other 30% interest is held by Kazatomprom.

The design capacity of the South Inkai mine is 5,200,000 pounds (2,000 tonnes U) per year. It is expected that the annualized rate of production will reach this level in 2011.

Production: Commercial production for accounting purposes commenced at South Inkai on January 1, 2009. Production from South Inkai was 489,900 pounds (189 tonnes U) in Q3 2009, of which 343,000 pounds (132 tonnes U) is attributable to the Corporation.

Operations: The following is a summary of the operational statistics (100%) for South Inkai over the last four quarters:

	Total wells completed (including production wells)	Average no. of production wells in operation	Average flow rate (m ³ /hour)	Concentration in solution (mg U/l)	Production (lbs)
Q4 2008	105	46	430.4	136.8	349,000
Q1 2009	49	68	627.0	107.6	350,000
Q2 2009	85	94	1,000.6	96.3	538,300
Q3 2009	156	128	1,249.0	69.4	489,900

The well installation program at South Inkai is ahead of schedule with 290 of the 343 wells planned for 2009 installed by the end of Q3 2009.

Lower than expected concentrations of uranium in solution during Q3 2009 were partially offset by increased flow rates. While Q3 2009 production was less than forecast, the Corporation expects that with the completion of the acidification process for a number of new production blocks and with incremental production from these blocks during Q4 2009, annual production of an attributable 1,500,000 pounds in 2009 is achievable. As of the end of October 2009, flow rates are in excess of 2,000 m³ per hour and concentrations in solution had increased from the average in Q3 2009.

The average flow rate was increased in Q3 2009, due to the installation of new, larger production and injection pumps at the processing plant during Q2 2009. Acidification of production blocks #8, #9, #11 and #14 commenced during Q3 2009 and the blocks are expected to be put into production in Q4 2009.

A report by a technology institute in Kazakhstan suggested minor changes to the processing facilities at South Inkai to remove iron and other impurities from the product. The two yellowcake dryers, which were procured earlier in the year, arrived on site in Q3 2009 and are planned to be installed and commissioned in Q4 2009. With the changes to the processing facilities and the drying circuit still to be commissioned and tested after installation, extensions to contracts for processing and calcining product offsite are being negotiated up to the end of Q2 2010 to guarantee supply of product to customers.

Capital expenditure incurred by Betpak Dala at South Inkai in 2009 is expected to be \$28 million on a 100% basis, of which \$21 million was spent up to September 30, 2009. Capital expenditure in 2009 is primarily related to wellfield development and the installation of the drying circuit. The drying circuit is expected to be operational late in 2009 and will have sufficient excess capacity to also dry product from Akdala.

Financial information: The following table shows the attributable production, sales and production cost trends for South Inkai since the commencement of commercial production on January 1, 2009:

(All figures are the Corporation's attributable share)	3 months ended		
	Sep 30, 2009	Jun 30, 2009	Mar 31, 2009
Production in lbs	343,000	376,700	245,100
Sales in lbs	164,100	175,000	525,000
Inventory in lbs	897,700	729,500	532,500
Revenues (\$000's)	8,397	8,572	24,559
Operating expenses (\$000's)	3,284	3,994	10,297
Operating expenses (\$/lb sold)	20	23	20
Depreciation and depletion (\$000's)	2,713	2,753	7,886
Depreciation and depletion (\$/lb sold)	17	16	15

The cash cost of production at South Inkai for Q3 2009 was \$20 per pound sold. During the ramp-up to design capacity of 2,000 tonnes U per year, unit costs of production at South Inkai are expected to be higher than the costs during a steady state of operation. This is primarily due to the fact that sulphuric acid used to acidify production blocks is expensed in the period of acidification. The Corporation expects that the cash cost of production sold will decrease over time from current levels as the production ramp-up continues.

REVIEW OF DEVELOPMENT PROJECTS - KAZAKHSTAN

KHARASAN URANIUM PROJECT

Kharasan is an ISR uranium development project located in the Suzak region of South Kazakhstan, owned indirectly as to 30% by the Corporation through the Kyzylkum joint venture ("Kyzylkum"), a Kazakhstan registered limited liability partnership. The remaining interests are owned as to 30% by Kazatomprom and as to 40% by Energy Asia (BVI) Ltd., which is owned by a consortium of Japanese utilities and a trading company. The project, which is currently being commissioned, was officially opened by the Prime Minister of Kazakhstan on April 24, 2009.

The design capacity of Kharasan is 5,200,000 pounds (2,000 tonnes U) per year, with a current installed capacity of 2,600,000 pounds (1,000 tonnes U) per year. Pursuant to the terms of its subsoil use contract, Kharasan is allowed to ramp up production to 7,800,000 pounds (3,000 tonnes U) per year by 2014.

Production in commissioning: Production in commissioning from Kharasan was 91,900 pounds (35 tonnes U) in Q3 2009, of which 27,600 pounds (11 tonnes U) is attributable to the Corporation.

Operations: The following is a summary of the operational statistics for Kharasan (on a 100% basis) over the last four quarters:

	Drill rigs on site ⁽¹⁾	Total wells completed (including production wells)	Average no. of production wells in operation	Average flow rate (m ³ /hour)	Concentration in solution (mg U/l)	Production (lbs)
Q4 2008	10	31	36	76.9	41.6	31,200
Q1 2009	10	32	37	155.5	32.3	25,600
Q2 2009	10	72	49	213.0	51.3	61,100
Q3 2009	7	55	69	284.1	56.6	91,900

Note:

(1) As at end of quarter for well field development

Performance of the well fields and uranium production continued to be below expectations in Q3 2009. Several causes for the underperformance of the well field have been identified. Flow rate from the production wells has been lower than expected. Sanding out of the production wells caused by the fine grain size of the deposit and poor quality control over screen size utilized is creating a significant amount of well repair work, reducing the flow rate. Flow rate can also be reduced by chemically plugged screens caused by ineffective manual attempts to balance the well fields or erratic acidification. An automated well field control system is being proposed to decrease chemical build-up problems.

By the end of September 2009, the concentration from the well fields had increased to an average of 63 mg/l for the month, which is now expected to be the norm for the Maastrich ore horizon currently being mined.

Improved control over the operation by the new staff appointed in 2009 is having a positive effect on well field performance and well field controls are being improved continuously. A well expert with prior experience in performance improvement of uranium wells at other operations in Kazakhstan has been engaged to investigate well performance issues at Kharasan and his report is expected in Q4 2009.

Industrial production: Due to the problems being experienced in the current well field and with recoveries from the well field currently below 50%, it is not expected that an application for industrial production approval based on current results will be successful. It is apparent from the information obtained during the current ramp up that the Maastrich ore horizon selected for the pilot block is not representative of the deposit as a whole. New well fields in the Campan and the Santon horizons, which lie directly below the Maastrich horizon, are being proposed. The geology of the Campan and the Santon horizons is more consistent and favourable to ISR mining and the carbonate level is half of that in the Maastrich horizon, which should reduce the period of time required for acidification.

Production from the new Campan and Santon well fields is expected to commence in 2010. Based on expected improved performance from the Campan and Santon well fields, a feasibility study and application for industrial production are forecast to be prepared in 2011, with industrial production approvals granted in 2012. It is therefore expected that production from Kharasan will be constrained until permission is received to commence with industrial production.

Project finance facilities: In addition to the original \$80 million loan from the Corporation, Kyzylkum negotiated unsecured bank loan facilities in 2007 and 2008 totalling \$160 million. One facility, in the amount of \$70 million, was obtained from JBIC and the other facility, in the amount of \$90 million, was obtained from Citibank. These facilities were fully drawn down as at September 30, 2009.

The original \$80 million loan from the Corporation (principal of \$35 million outstanding as at September 30, 2009) must be repaid in full before the JBIC and Citibank facilities can be repaid. As the Corporation proportionately consolidates its 30% interest in Kyzylkum, the Corporation's share of these facilities amounts to \$48 million. The loan facilities have floating interest rates of LIBOR plus 0.25% and 0.35%, respectively. Negotiations are currently under way to extend the terms of these facilities, due to the delayed ramp-up schedule at Kharasan.

SULPHURIC ACID SUPPLY IN KAZAKHSTAN

In Kazakhstan, ISR uranium operations are highly dependent on sulphuric acid for the extraction of uranium from the host ore body. The supply of sulphuric acid is therefore of critical importance to the Corporation's operations in Kazakhstan.

Sulphuric acid supply to Betpak Dala and Kyzylkum in 2009 to date and scheduled for the remainder of the year is expected to be sufficient to achieve production targets at Akdala, South Inkai and Kharasan.

To ensure long term sulphuric acid supply, the Corporation has established the SKZ-U joint venture with Kazatomprom and its other joint venture partners to build a sulphuric acid plant near Kharasan at Zhanakorgan. The Corporation's ownership percentage in SKZ-U is 19%. The total construction cost of the plant is expected to be approximately \$217 million, of which approximately 30% has been funded by the joint venture partners to date, with the balance to be funded by the partners through debt financing. Construction of the plant is expected to be completed in 2011.

The Corporation has contributed \$11.4 million to date towards the construction of the sulphuric acid plant and expects to contribute a further \$3 million during the remainder of 2009, with the balance of approximately \$27 million to be funded in 2010 and 2011.

The Italian construction company Desmet Ballestra and LLP Joint Venture "Soyuzcomplect" Engineering completed the design for engineering work on the power plant. Equipment orders have been placed, with delivery of equipment and materials starting in mid-2009. Work on the site infrastructure and ancillary facilities commenced in Q2 2009 and the access road, rail spur, construction power, camp facilities and site offices were complete at the end of Q3 2009. Plant construction civil work on the excavation for the plant site area is complete and construction of the water ponds is ongoing.

NEW TAX CODE IN KAZAKHSTAN

Kazakhstan adopted a new Tax Code effective January 1, 2009. Among other things, the new Code reduces the corporate income tax rate from 30% to 20% for 2009, amends the basis for determining excess profits tax and replaces royalty charges with a mineral extraction tax. Mineral extraction tax, which has a different tax basis from the system of royalty charges it replaced, is levied at a rate of 22% for 2009. In October 2009, the Majilis (the lower house of the Kazakh parliament) approved amendments to the tax code to maintain the corporate income tax rate at 20% and the mineral extraction rate at 22% for 2010 to 2012. For uranium, the mineral extraction tax is calculated according to a formula related to the cost of production, rather than revenue. The new Tax Code also abolished the former contractual "stabilization" regime relating to the taxation of subsoil users, except for those operating under production sharing agreements and subsoil use contracts approved by the President of Kazakhstan (Akdala has a stability clause in its subsoil use contract; the subsoil use contracts for South Inkai and Kharasan, which are of more recent date, do not have such provisions).

At the request of the Kazakhstan Ministry of Energy and Mineral Resources ("MEMR"), Betpak Dala and Kyzylkum have entered into discussions with the MEMR on the application of the new Tax Code to their operations. Submissions have been made to the MEMR to amend the subsoil use contracts for Akdala, South Inkai and Kharasan and discussions with the MEMR is ongoing. Pending the outcome of these discussions, the Corporation, together with its joint venture partners and its tax advisers, will continue to evaluate the impact of the new Code on its operations in Kazakhstan.

Given the current uncertainty relating to the interpretation and application of the new Tax Code, the Corporation has not fully given effect to the provisions of the new Tax Code in its consolidated financial statements.

KAZAKHSTAN INVESTIGATIONS

The Kazakh authorities are conducting an investigation into certain of the activities of Kazatomprom, the Corporation's partner in Betpak Dala and Kyzylkum. The former President and other former officials of Kazatomprom have been detained for questioning with respect to certain activities. The terms of reference of this investigation have not been disclosed but the Corporation and its Kazakh joint ventures continue to cooperate with the Kazakh authorities in their investigation.

Uranium One believes that acquisitions in Kazakhstan by Uranium One and its predecessor companies were completed in accordance with the requirements of Kazakh law, and all transactions were approved by the Kazakh authorities. Operations at Uranium One's Kazakh projects are continuing and have not been affected by the investigations.

REVIEW OF DEVELOPMENT PROJECTS – UNITED STATES

POWDER RIVER BASIN, WYOMING

The Powder River Basin in Wyoming hosts several of the Corporation's uranium projects. The most advanced project in the Powder River Basin is the Moore Ranch Project, located in Campbell County, 25 miles east of Edgerton, Wyoming. Moore Ranch has a NI 43-101 compliant measured resource suitable for in situ recovery. Assuming completion of the acquisition of the Irigaray central plant (refer to Corporate - Acquisition of Christensen Ranch and Irigaray in Wyoming), Moore Ranch is expected to become a satellite ISR facility and uranium laden resin will be transported to Irigaray for final processing. Uranium extraction is now planned to commence at Moore Ranch in 2012, a one year deferral based on the addition of production operations at Christensen Ranch by the end of 2011.

The U.S. Nuclear Regulatory Commission ("NRC") and the Wyoming Department for Environmental Quality ("WDEQ") are currently completing technical reviews of the Corporation's applications to build and operate an in situ uranium recovery facility at the Moore Ranch Project. The NRC is completing a supplemental environmental impact statement in addition to a generic environmental impact statement. The Corporation expects to receive the license and permit to build and operate an in situ uranium recovery facility at Moore Ranch in the first half of 2010.

License and permit applications for the Ludeman project in Converse County will be submitted to the NRC and WDEQ in Q4 2009. Submission of the applications has been delayed to ensure that, before submission, the applications address all the questions and requests for additional information the Corporation received from the NRC and WDEQ on the Moore Ranch applications. Assuming a two year licensing process, the Corporation anticipates receiving the license and permit during Q4 2011, with initial production from Ludeman during Q1 2013. Ludeman production has been rescheduled from 2012 to 2013 due to the acquisition of Christensen Ranch and Irigaray. The Ludeman project will be licensed as three satellite operations that can feed a central processing plant such as Irigaray, assuming the completion of the acquisition.

At Moore Ranch, a mine plan has been completed for well fields 1 and 2, based on the results of the 2009 delineation drilling program. The design of a central processing plant for Moore Ranch was substantially completed in Q3 2009 and design work commenced for a satellite plant at Moore Ranch. With the pending acquisition of the Irigaray central plant, a satellite plant is expected to be constructed at Moore Ranch and the design work for a central processing plant can be used to advance the development of the Antelope Project in the Great Divide Basin.

The Corporation also resumed additional delineation drilling at its Ludeman and Allemand-Ross properties during 2009. Through September 30, 2009, a total of 373 test holes were drilled (224,340 feet) at Ludeman to complete the delineation drilling program for the year. All data purchases were completed for Ludeman; incorporation of the new data into the geologic data base is ongoing and is expected to be beneficial to the definition of future drill targets. Delineation drilling and data collection for permitting purposes were completed at the Allemand-Ross project during Q3 2009. To the end of Q3 2009 a total of 105 delineation holes were drilled (120,950 feet), plus 9 cased wells necessary for hydrologic testing of the aquifers. Overall baseline characterization at Allemand-Ross is approximately 80% complete.

In total, capital expenditure of approximately \$12 million is planned during 2009 for the Corporation's Powder River Basin properties, of which \$8.8 million was spent up to September 30, 2009.

GREAT DIVIDE BASIN, WYOMING

The Corporation's principal properties in the Great Divide Basin are the JAB and Antelope projects. JAB has a NI 43-101 compliant measured and indicated resource suitable for in situ recovery.

A central processing facility is planned for construction at the Antelope project, with a satellite facility at JAB. The central processing facility has a design capacity of 2,000,000 pounds per year. In addition to processing resin from the satellite plant on JAB, the Antelope central processing facility would have the capacity to accept resins from other Uranium One projects in the Great Divide Basin. Those potential projects include Twin Buttes, Cyclone Rim, West JAB, Stewart Creek, Crooks Creek Bull Springs and Red Rim. In September 2009, the Corporation received comments from the NRC on its licensing and permit applications for Antelope and JAB submitted to the NRC and WDEQ in July 2008. The Corporation has drilled 147 (118,860 feet) of a 220 hole program at the Antelope Project during the quarter. Additional drilling at JAB has been deferred until 2010.

The Corporation plans to scale back its activities and expenditures in the Great Divide Basin, including the NRC review of its applications, pending the outcome of a regulatory review that could lead to possible restrictions on development of projects in the Great Divide Basin due to concerns about the habitat of the sage grouse.

In total, capital expenditure of approximately \$2 million is now planned in 2009 for the Corporation's Great Divide Basin properties, of which \$1.0 million was spent up to September 30, 2009.

REVIEW OF DEVELOPMENT PROJECTS – AUSTRALIA

HONEYMOON URANIUM PROJECT

The Honeymoon Uranium Project is located in South Australia, approximately 75 kilometres northwest of the city of Broken Hill, New South Wales. The Corporation owns 51% of the Honeymoon Uranium Project Joint Venture, which owns the Honeymoon Uranium Project. The remaining 49% of the joint venture is owned by Mitsui & Co., Ltd, (“Mitsui”) who committed A\$104 million towards the purchase of its interest in Uranium One Australia’s business and the development of the Honeymoon Uranium Project.

The project has a design capacity of 880,000 pounds per year, with an expected mine life (including production ramp-up) of six years. The current capital expenditure estimate for the Honeymoon project, including contingencies, is A\$138 million (on a 100% basis). To date, a total of A\$66.3 million has been spent (on a 100% basis). The capital expenditure estimate increased by 17% from the previous estimate, due to anticipated cost overruns on the structural, mechanical and piping works, as well as the electrical and instrumentation works cost estimates.

Construction of the processing plant and well field continued during Q3 2009 and pre-leach monitor wells are being installed.

Pursuant to the terms of the Honeymoon joint venture agreement, the Corporation committed up to A\$49.8 million of the proceeds from the investment by Mitsui to fund its share of Honeymoon’s development expenditures. Mitsui will fund its proportionate share of the capital expenditure as part of its funding commitment of A\$104 million.

CORPORATE

ACQUISITION OF A 50% INTEREST IN THE KARATAU URANIUM MINE

The Corporation announced on June 15, 2009 the signing of a definitive purchase agreement to acquire a 50% interest in the Karatau Uranium Mine in Kazakhstan from JSC Atomredmetzoloto ("ARMZ"), the Russian state-owned uranium mining company. Closing of the acquisition is subject to completion of a legal due diligence review by ARMZ. Closing is also subject to the approval of the Kazakh regulatory authorities and to certain other regulatory and stock exchange approvals, as well as other usual and customary closing conditions. The acquisition is not subject to technical or financial due diligence conditions. Uranium One expects to close the acquisition by the end of Q4 2009.

The purchase price will be paid by way of the issuance of 117 million common shares of Uranium One and a cash payment of \$90 million (or equivalent promissory note due within one year of closing). The purchase agreement also provides for a contingent payment to ARMZ of up to \$60 million, payable in three equal tranches over the period between 2010 and 2012 subject to certain post-closing tax related adjustments.

Concurrently with the purchase agreement, Uranium One has also entered into a long-term offtake agreement and a framework agreement with ARMZ, both of which will become effective upon closing of the Karatau acquisition.

Under the offtake agreement, so long as the framework agreement remains in effect, ARMZ has an option to purchase on an annual basis, on industry-standard terms, the greater of 50% of Karatau's annual production and 20% of Uranium One's available attributable production from assets in respect of which it has the marketing rights. The framework agreement provides Uranium One with a right of first offer on ARMZ's assets outside the Russian Federation in the event ARMZ determines to offer any of these for sale in the future.

ARMZ has also agreed to assist Uranium One in the opening of accounts with Russian uranium converters and to use Russian uranium conversion and enrichment facilities for the benefit of Uranium One's customers. Since Uranium One currently receives payment for its production at conversion facilities located in North America and Europe, access to Russian facilities will potentially significantly shorten the time period required for the Corporation to turn production into sale proceeds, and assist utility customers with access to enrichment services, particularly those customers located in Europe and Asia.

Upon closing of the Karatau acquisition (after giving effect to the C\$270 million investment of the Japanese consortium), ARMZ will hold an indirect 16.6% interest in Uranium One. ARMZ has agreed to a standstill covenant under which it may not (subject to certain exceptions), without Uranium One's prior consent, for a period of at least five years from closing acquire more than 19.95% of Uranium One's outstanding common shares.

Uranium One has agreed to appoint Vadim Zhivov, Director General of ARMZ, to its board of directors effective on closing and subject to regulatory approval. Uranium One has agreed to appoint a second representative of ARMZ to its board in May 2010 subject to receipt of shareholder approval to increase the size of its board by one additional director.

PRIVATE PLACEMENT WITH JAPANESE CONSORTIUM

On February 9, 2009, Uranium One entered into a subscription agreement with a special purpose corporation formed by The Tokyo Electric Power Company, Incorporated ("TEPCO"), Toshiba Corporation, and JBIC (collectively, the "Consortium") providing for the private placement of an aggregate of 117,000,000 common shares of Uranium One, for gross proceeds of approximately C\$270 million. Concurrently with the execution of the subscription agreement, Uranium One also entered into a long-term offtake agreement and a strategic relationship agreement with the Consortium, both of which will become effective upon closing of the private placement. Under the strategic relationship agreement, the Consortium may appoint two directors to the Uranium One board. Upon closing of the private placement (and after giving effect to the shares to be issued to ARMZ in connection with the Karatau Uranium Mine transaction), the Consortium will have a 16.6% equity stake in Uranium One.

The private placement will be completed following receipt of regulatory approval from the MEMR, which is expected by the end of Q4 2009.

ACQUISITION OF CHRISTENSEN RANCH AND IRIGARAY IN WYOMING

On August 7, the Corporation entered into a definitive agreement to acquire 100% of the MALCO Joint Venture ("MALCO") from wholly-owned subsidiaries of AREVA and Électricité de France for \$35 million in cash. Pursuant to the acquisition agreement, the Corporation placed a deposit of \$8.8 million in escrow, which is refundable if the transaction does not close under certain circumstances.

The assets of MALCO include the licensed and permitted Irigaray ISR central processing plant, the Christensen Ranch satellite ISR facility and associated U₃O₈ resources located in the Powder River Basin of Wyoming.

The Irigaray and Christensen Ranch facilities are expected to form the basis of a new operating plan for the Corporation's projects in Wyoming. Uranium One anticipates that its Moore Ranch project will now become a satellite ISR operation, with loaded resins being transported to Irigaray for further processing into dried U₃O₈. Uranium One's additional projects in the Powder River Basin, including Ludeman, Peterson, Allemand-Ross and Barge could also be developed as satellite operations with final processing through Irigaray.

The Committee on Foreign Investment in the United States approved the transaction early in November 2009. Closing of the transaction is expected to take place during the first half of 2010 and is subject to regulatory approvals including NRC, WDEQ and Texas Commission on Environmental Quality. Closing is also subject to a financing condition which the Corporation expects to be satisfied with the completion of the private placement with the Japanese Consortium.

SUMMARY OF QUARTERLY RESULTS

(US dollars in thousands
except per share and per
lb amounts)

	3 months ended							
	Sep 30, 2009 \$	Jun 30, 2009 \$	Mar 31, 2009 \$	Dec 31, 2008 \$	Sep 30, 2008 \$	Jun 30, 2008 \$	Mar 31, 2008 \$	Dec 31, 2007 \$
Revenues	21,333	18,557	42,969	21,146	56,723	49,390	22,517	61,010
Net (loss) / earnings from continuing operations ⁽²⁾	(15,309)	(265,726)	63,356	(241,393)	(2,013,684)	(68,195)	(10,315)	5,879
Basic and diluted (loss) / earnings per share from continuing operations ^{(1) (2)}	(0.03)	(0.57)	0.13	(0.51)	(4.30)	(0.15)	(0.02)	0.01
Earnings / (loss) from discontinued operations ⁽²⁾	3,408	806	(2,223)	(17,412)	(567)	274	(104,555)	(508)
Basic and diluted earnings / (loss) per share from discontinued operations ^{(1) (2)}	0.01	0.00	(0.00)	(0.04)	(0.00)	0.00	(0.22)	(0.00)
Net (loss) / earnings	(11,901)	(264,920)	61,133	(258,805)	(2,014,251)	(67,921)	(114,870)	5,371
Basic and diluted (loss) / earnings per share ⁽¹⁾	(0.03)	(0.56)	0.13	(0.55)	(4.30)	(0.15)	(0.25)	0.01
Total assets	1,625,528	1,609,845	1,613,991	1,627,133	1,995,911	4,970,117	5,052,346	5,612,898

Notes:

- (1) The basic and diluted earnings / loss per share are computed separately for each quarter presented and therefore may not add up to the basic and diluted earnings / loss per share for the year ended December 31, 2008.
- (2) With the classification of Gold One International Ltd ("Gold One") (formerly Alease Gold) as a discontinued operation in Q1 2008, the operating results of Gold One for periods up to Q1 2008 were reclassified from previously reported headings to earnings / (loss) from discontinued operations. The net impairment on Gold One of \$121.3 million in 2008 is also reported under this heading.

NON-GAAP MEASURES

ADJUSTED NET EARNINGS / LOSS

The Corporation has included the following non-GAAP performance measures throughout this document: adjusted net earnings / loss and adjusted net earnings / loss per share. Adjusted net earnings / loss and adjusted net earnings / loss per share do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures reported by other companies. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. This is provided as additional information and should not be considered in isolation of, or as a substitute for, measures of performance prepared in accordance with GAAP.

Adjusted net earnings / loss is calculated by adjusting the net profit / loss from continuing operations with unrealized foreign exchange gains / losses on future income tax liabilities, impairments, cost of suspension of operations and gains / losses from the sale of assets. These items are added back due to their inherent volatility and/or infrequent occurrence. Before 2008, adjusted net earnings / loss was not adjusted for impairments, cost of suspension of operations and gains / losses from the sale of assets, as these items were not material in those financial years.

The following table provides a reconciliation of adjusted net earnings / loss to the financial statements:

	3 months ended		9 months ended	
	Sep 30, 2009 \$(000's)	Sep 30, 2008 \$(000's)	Sep 30, 2009 \$(000's)	Sep 30, 2008 \$(000's)
Net loss from continuing operations	(15,309)	(2,013,684)	(217,679)	(2,092,192)
Unrealized foreign exchange loss / (gain) on future income tax liabilities	(1,326)	2,725	(68,449)	1,416
Impairment of mineral interests, plant and equipment (net of tax of \$815,711 and \$839,591 for the 3 and 9 months ended September 30, 2008 respectively)	8,969	2,015,267	260,033	2,096,476
(Gain) / loss on sale of available for sale securities (net of tax of \$2,397 for the 9 months ended September 30, 2008)	(134)	1,272	(126)	(2,845)
Adjusted net (loss) / earnings	(7,800)	5,580	(26,221)	2,855
Adjusted net (loss) / earnings per share – basic (\$)	(0.02)	0.01	(0.06)	0.01
Weighted average number of shares (thousands) – basic	469,799	468,518	469,702	468,047

AVERAGE REALIZED SALES PRICE PER POUND AND CASH COST PER POUND SOLD

The Corporation has included the following non-GAAP performance measures throughout this document: average realized sales price per pound and cash cost per pound sold. The Corporation reports total cash costs on a sales basis. In the uranium mining industry, these are common performance measures but do not have any standardized meaning, and are non-GAAP measures. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, the Corporation and certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. This is provided as additional information and should not be considered in isolation of, or as a substitute for, measures of performance prepared in accordance with GAAP.

As in previous periods, sales per pound and cash cost per pound sold are calculated by dividing the revenues and operating expenses found in the statement of operations in the consolidated financial statements by the pounds sold in the period.

RESULTS OF OPERATIONS AND DISCUSSION OF FINANCIAL POSITION

SELECTED FINANCIAL INFORMATION

The Corporation's consolidated financial statements and the financial data set out below have been prepared in accordance with GAAP. Uranium One and its operating subsidiaries use the United States dollar, the South African rand, the Australian dollar and the Canadian dollar as measurement currencies.

(US dollars in thousands except per share and per lb amounts)	3 months ended		9 months ended	
	Sep 30, 2009 \$	Sep 30, 2008 \$	Sep 30, 2009 \$	Sep 30, 2008 \$
Revenue	21,333	56,723	82,859	128,630
Loss from continuing operations	(15,309)	(2,013,684)	(217,679)	(2,092,192)
Earnings / (loss) from discontinued operations	3,408	(567)	1,991	(104,849)
Net loss	(11,901)	(2,014,251)	(215,688)	(2,197,041)
Adjusted net (loss) / earnings	(7,800)	5,580	(26,221)	2,855
Cash flows from operating activities	8,120	26,471	2,001	35,567
Loss per share from continuing operations	(0.03)	(4.30)	(0.46)	(4.47)
Earnings / (loss) per share from discontinued operations	0.01	(0.00)	0.00	(0.22)
Loss per share	(0.03)	(4.30)	(0.46)	(4.69)
Adjusted net (loss) / earnings per share	(0.02)	0.01	(0.06)	0.01
Product inventory carrying value ⁽¹⁾	50,981	5,331	50,981	5,331
Total assets	1,625,528	1,995,911	1,625,528	1,995,911
Long term financial liabilities	500,618	732,378	500,618	732,378
Average realized uranium price per lb	50	67	49	71
Average U ₃ O ₈ spot price per lb	45	61	46	65
	lbs	lbs	lbs	lbs
Attributable sales volume	423,100	848,100	1,688,800	1,817,000
Attributable production volume	807,200	482,400	2,323,600	1,349,200
Attributable inventory ⁽¹⁾	1,747,000	232,800	1,747,000	232,800

Notes:

⁽¹⁾ Inventory as at September 30, 2008 is attributable to the Akdala Uranium Mine. Inventory as at September 30, 2009 is attributable to the Akdala and South Inkai Uranium Mines. Revenue from production during commissioning of the Corporation's development projects is netted against capital expenditures.

RESULTS OF OPERATIONS

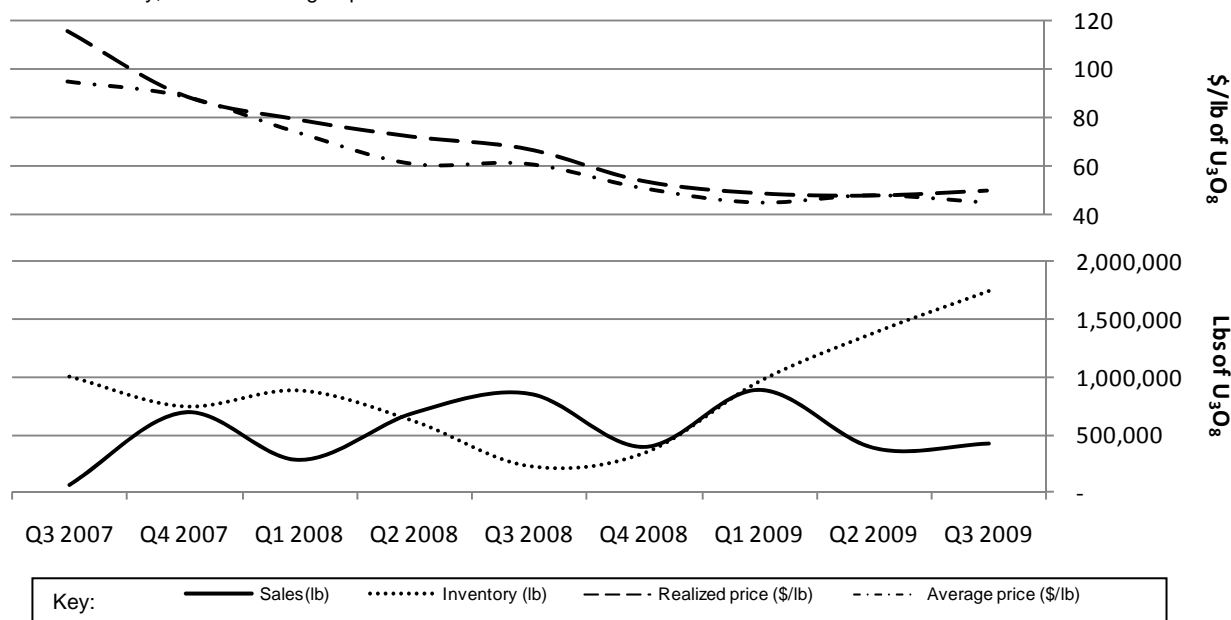
THREE MONTHS ENDED SEPTEMBER 30, 2009

URANIUM SALES, INVENTORY AND OPERATING COSTS

The Corporation's uranium sales, costs of uranium sales and earnings from mine operations were as follows:

	Q3 2009			Q3 2008		
	Akdala	South Inkai	Total / Average	Akdala	South Inkai	Total / Average
Revenues (\$000's)	12,936	8,397	21,333	56,723	-	56,723
Attributable sales volumes (lb)	259,000	164,100	423,100	848,100	-	848,100
Average realized price (\$/lb sold)			50			67
Average spot price (\$/lb)			45			61
Closing spot price (\$/lb)			43			59
Operating expenses (\$000's)	3,047	3,284	6,331	11,793	-	11,793
Operating expenses (\$/lb sold)	12	20	15	14	-	14
Depreciation and depletion (\$000's)	2,863	2,713	5,576	8,305	-	8,305
Depreciation and depletion (\$/lb sold)	11	17	13	10	-	10
Earnings from mine operations (\$000's)	7,026	2,400	9,426	36,625	-	36,625

The average realized uranium price per pound sold relative to the average spot price per pound, and the relationship between volumes sold and inventory, over the last eight quarters are as follows:



The Corporation's sales volumes are determined by the terms of long term sales contracts with customers and the delivery schedules which customers select each given year. Sales volumes can therefore vary significantly from quarter to quarter. There is normally an inventory build-up prior to quarters with high contracted sales volumes. The average realized sales price per pound sold by the Corporation is related to the spot price and has been declining in line with the spot price since Q3 2007.

Revenue of \$21.3 million in Q3 2009 decreased by 62% compared to the \$56.7 million in Q3 2008 due to a decrease in both volumes sold (50% less than in Q3 2008) and the average realized uranium price (25% lower than in Q3 2008). Betpak Dala entered into a location swap transaction with a third party during Q3 2009, whereby Betpak Dala received material at North American converters in exchange for shipping material produced in Kazakhstan to the third party. Due to logistical constraints in shipping the material, the third party only accepted ownership of the material produced by Betpak Dala in Q4 2009. Although Betpak Dala delivered an attributable 245,000 pounds of the material, with a sales value of approximately \$10.5 million, received pursuant to this transaction to customers in Q3 2009, the revenue arising from these sales will be recognized in Q4 2009 when the material produced by the Corporation is delivered to the third party.

Operating expenses per pound sold increased by 8% from \$14 per pound in Q3 2008 to \$15 per pound in Q3 2009, mainly due to the higher initial cash cost of production at South Inkai of \$20 per pound. South Inkai commenced commercial operations on January 1, 2009. Akdala's operating expenses per pound sold decreased by 15% from \$14 per pound to \$12 per pound. The increase in total average operating expenses, combined with the decreased revenue, resulted in a 74% decline in earnings from mine operations from \$36.6 million in Q3 2008 to \$9.4 million in Q3 2009. The decrease in Akdala's cost to \$12 per pound was largely due to the fact that

inflation in Kazakhstan did not increase in line with the devaluation of the tenge by approximately 25% in Q1 2009. The exchange rate related savings more than offset tenge based cost increases and the effect of Kazakhstan mineral extraction taxes, which were introduced on January 1, 2009.

Attributable inventory increased from 1,384,600 pounds at June 30, 2009 to 1,747,000 pounds at September 30, 2009, as more U₃O₈ was produced than sold during Q3 2009.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses, including stock option and restricted share expenses of \$1.9 million, amounted to \$9.0 million in Q3 2009, compared to \$10.6 million Q3 2008, including stock option and restricted share expenses of \$3.0 million. In 2007, the Corporation revalued the stock options acquired in several business combinations. Due to relatively low exercise prices and relatively short vesting periods from the date of acquisition, these options had high fair values which had to be expensed over short vesting periods. Stock option and restricted share expenses were therefore higher than usual in 2007 and declined steadily through 2008 as the acquired options vested. The stock based compensation expense for Q3 2008 was therefore higher than the expense in Q3 2009. The decrease in other general and administrative expenditure is the result of cost-reduction initiatives introduced by the Corporation in response to the deterioration of the economic climate since the latter half of 2008. The general and administrative expense for Q3 2009 includes salaries and directors' fees of \$4.6 million, consulting and advisor fees of \$1.6 million, office rent of \$1.0 million and travel expenses of \$0.7 million.

EXPLORATION

Exploration expenditure, which is largely discretionary, relates to exploration programs undertaken on the Corporation's tenures in the United States, South Africa, Canada and Australia and amounted to \$2.3 million during Q3 2009, compared to \$5.4 million during Q3 2008.

IMPAIRMENT OF MINERAL INTERESTS, PLANT AND EQUIPMENT

The Corporation committed to a plan to sell some of its non-producing properties during Q2 2009 and Q3 2009 and have classified these properties as held for sale. The fair value of these assets was determined to be \$46.2 million as at September 30, 2009 and an impairment of \$9.0 million was recognized in Q3 2009.

The total impairment on mineral interest, plant and equipment was \$2.8 billion in Q3 2008, including impairments on the Dominion project (\$1.8 billion), United States exploration and development projects (\$0.8 billion), as well as the Honeymoon and Australian exploration projects (\$0.2 billion).

CARE AND MAINTENANCE

The Corporation's Dominion project was placed on care and maintenance in October 2008. The decision to place Dominion on care and maintenance reflected the significant deterioration in the project's economics, associated with the continuing decline in uranium prices during 2008 and significant inflation-related increases in project costs, together with a slower than expected ramp-up in development and production. The cost of care and maintenance at Dominion was \$3.2 million in Q3 2009.

In the United States, operation of the Hobson plant, and further capital expenditure at La Palangana, were suspended in late 2008 pending the delineation of additional resources and the completion of the permitting process for La Palangana. Pending the sale of these properties, the cost of maintaining Hobson and La Palangana is classified as care and maintenance expenditure and was \$0.4 million in Q3 2009. The Shootaring mill in Utah was placed on care and maintenance in 2008 as the Corporation concluded that it could not be operated economically with the currently available resource base and care and maintenance costs of \$0.5 million were incurred in Q3 2009.

Total care and maintenance costs in Q3 2009 were \$4.1 million.

INTEREST AND OTHER

Interest income amounted to \$1.3 million in Q3 2009, compared to \$2.7 million in Q3 2008. In addition to the interest earned on loans to joint ventures, interest is earned on funds held on deposit by the Corporation. The decline in interest earned is due to the decrease in loans to joint ventures from a consolidated balance of \$38.1 million at September 30, 2008 to \$26.3 million at September 30, 2009, combined with a general decrease in yields on the Corporation's funds on deposit. As a result of the global economic crisis, deposit interest rates have declined materially.

Interest accrued on the Corporation's Canadian dollar denominated convertible debentures was \$2.3 million in Q3 2009, compared to \$4.0 million in Q3 2008. The decrease is the result of a change in the estimated timing of the repayment of the debenture from December 2009 to December 2011.

The interest expense on the \$65 million drawn down in 2008 under the Corporation's credit facility was \$0.4 million in Q3 2009 compared to \$0.3 million in Q3 2008. The loan currently bears interest at 1.62%. Other charges related to the credit facility, including amortization of upfront costs and the availability fee were \$0.7 million in Q3 2009 and \$0.9 million in Q3 2008.

FOREIGN EXCHANGE GAIN / LOSS

The unrealized foreign exchange gain arising from the translation of the future income tax liability in respect of the Corporation's investment in Kazakhstan in Q3 2009 was \$1.3 million, compared to a loss of \$2.7 million in Q3 2008.

Unrealized foreign exchange losses during Q3 2009 were \$8.9 million, compared to unrealized foreign exchange gains of \$1.0 million in Q3 2008. The Corporation realized foreign exchange gains on cash and other items of \$1.1 million in Q3 2009, compared to a realized loss of \$1.1 million in Q3 2008.

INCOME TAXES

The current income tax expense for Q3 2009 of \$3.8 million mainly consists of income tax paid and payable in Kazakhstan on profits from the Corporation's Akdala and South Inkai mines. For Q3 2008 a \$16.0 million income tax expense was recorded, largely relating to the Akdala mine.

The future income tax recovery for Q3 2009 of \$10.3 million arises from a recovery of the future income tax liability related to the acquisition of the Akdala and South Inkai Mines of \$1.5 million and an increase of \$8.8 million in future income tax assets due to temporary differences. In Q3 2008, a recovery of future income taxes of \$818.8 million was recorded, being a recovery of the future income tax liability related to the acquisition of the Akdala Mine of \$3.1 million, a future income tax recovery of \$814.3 million on impairments recognized mineral interests, plant and equipment, as well as an increase in future income tax assets due to temporary differences and tax loss carry forwards.

There is currently uncertainty relating to the interpretation and application of the new Tax Code in Kazakhstan and the Corporation has not fully given effect to the provisions of the new Tax Code in its consolidated financial statements. Please refer to "New tax code in Kazakhstan".

EARNINGS FROM DISCONTINUED OPERATIONS

The Corporation disposed of its remaining Gold One International Ltd ("Gold One") (formerly Alease Gold) shares during Q3 2009. The Corporation realized a gain of \$3.4 million on the sale of the remaining 24.2 million Gold One shares for proceeds of \$6.3 million in Q3 2009.

Gold One was classified as a discontinued operation in Q1 2008 and all items related to Gold One in the statement of operations were separated from normal operations. The net loss from discontinued operations was \$0.6 million in Q3 2008.

NET EARNINGS / LOSS

The net loss for Q3 2009 amounted to \$11.9 million or \$0.03 per share, compared to a net loss of \$2.0 billion or \$4.30 per share for Q3 2008.

NINE MONTHS ENDED SEPTEMBER 30, 2009

URANIUM SALES, INVENTORY AND OPERATING COSTS

Revenue decreased by 36% from \$128.6 million in the nine months ended September 30, 2008 to \$82.9 million in the nine months ended September 30, 2009. The decrease was driven by decreases in both the volume sold (7%) and the average realized sales price (31%). Sales volumes decreased from 1,817,000 pounds in the 9 months ended September 30, 2008 to 1,688,800 pounds for the nine months ended September 30, 2009 and average realized sales prices decreased from \$71 per pound for the nine months ended September 30, 2008 to \$49 for the nine months ended September 30, 2009.

Operating expenses per pound sold increased by 23% to \$17 per pound in the nine months ended September 30, 2009 from \$14 per pound in the nine months ended September 30, 2008, mainly due to the higher initial cash cost of production at South Inkai of \$20 per pound up to September 30, 2009. South Inkai commenced commercial operations on January 1, 2009. Akdala's operating expenses per pound sold decreased 6% to \$13 per pound for the nine months ended September 30, 2009 from \$14 per pound in the nine months ended September 30, 2008. The increase in total average operating expenses, combined with the decrease in revenue, resulted in a 63% decline in earnings from mine operations from \$85.9 million in the nine months ended September 30, 2008 to \$31.9 million in the nine months ended September 30, 2009.

Attributable inventory increased from 345,000 pounds at December 31, 2008 to 1,747,000 pounds at September 30, 2009, due to the inclusion in inventory of 808,400 pounds produced during the commissioning period at South Inkai and the fact that more material was produced than sold during the period.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses, including stock option and restricted share expenses of \$5.7 million, amounted to \$27.2 million in the nine months ended September 30, 2009, compared to \$39.8 million the nine months ended September 30, 2008, including stock option and restricted share expenses of \$13.6 million. The decrease in stock option and restricted share expenses are due to higher than normal expenses in 2008 which increased due to the business combinations the Corporation entered into in 2007. The decrease in other general and administrative expenditure is the result of cost-reduction initiatives introduced by the Corporation in response to the deterioration of the economic climate since the latter half of 2008.

EXPLORATION

Exploration expenditure, which is largely discretionary, relates to exploration programs undertaken on the Corporation's tenures in the United States, South Africa, Canada and Australia and amounted to \$6.8 million during the nine months ended September 30, 2009, compared to \$12.1 million during the nine months ended September 30, 2008.

CARE AND MAINTENANCE

The cost of care and maintenance at Dominion was \$8.5 million in the nine months ended September 30, 2009 with care and maintenance expenditure at Hobson and La Palangana of \$1.5 million and \$1.7 million at the Shootaring mill. These operations were suspended in the second half of 2008. The total care and maintenance expense was \$11.7 million for the nine months ended September 30, 2009.

INTEREST AND OTHER

Interest income amounted to \$4.0 million in the nine months ended September 30, 2009, compared to \$8.5 million in the nine months ended September 30, 2008.

Interest accrued on the Corporation's convertible debentures was \$6.3 million in the nine months ended September 30, 2009, compared to \$11.7 million in the nine months ended September 30, 2008. The decrease is the result of a change in the estimated timing of the repayment of the debenture from December 2009 to December 2011.

The interest expense on the \$65 million drawn down in Q3 2008 under the Corporation's credit facility was \$1.1 million in the nine months ended September 30, 2009, compared to \$0.3 million in the nine months ended September 30, 2008. Other charges related to the credit facility, including amortization of upfront costs and the availability fee were \$2.1 million in the nine months ended September 30, 2009, compared to \$0.9 million in the nine months ended September 30, 2008.

FOREIGN EXCHANGE GAIN / LOSS

The National Bank of Kazakhstan announced on February 4, 2009 that it will cease to maintain the Kazakhstan tenge within the previous range of 117 to 123 tenge to the US dollar and suggested that the rate be set to between 145 and 155 tenge to the US dollar. This amounted to a devaluation of 25% during Q1 2009, which had an impact on the translated values of the Corporation's monetary assets and liabilities, with the effect processed through the statement of operations in the nine months ended September 30, 2009. The resulting unrealized foreign exchange gain arising from the translation of the future income tax liability in respect of the Corporation's investment in Kazakhstan was \$68.4 million, compared to a loss of \$1.4 million in the nine months ended September 30, 2008.

Unrealized foreign exchange losses during the nine months ended September 30, 2009 were \$7.9 million, compared to unrealized foreign exchange gains of \$3.3 million in the nine months ended September 30, 2008. The Corporation realized foreign exchange gains of \$2.2 million in the nine months ended September 30, 2009, compared to a realized loss of \$4.9 million in the nine months ended September 30, 2008.

INCOME TAXES

The current income tax expense for the nine months ended September 30, 2009 of \$18.7 million consists mainly of \$16.6 million in taxes paid and payable in Kazakhstan on profits from the Corporation's Akdala and South Inkai mines. A further \$1.9 million is payable in Kazakhstan on foreign exchange gains owing to the devaluation of the tenge in February 2009. For the nine months ended September 30, 2008 a \$37.6 million income tax expense relating to the Akdala mine was recorded, with \$2.3 million on the capital gains from the disposal of available for sale securities.

The future income tax recovery for the nine months ended September 30, 2009 of \$16.3 million arises from a recovery of the future income tax liability related to the acquisition of the Akdala and South Inkai Mines of \$6.0 million and an increase of \$10.3 million in future income tax assets due to temporary differences and tax loss carry forwards. In the nine months ended September 30, 2008, a recovery of future income taxes of \$848.9 million was recorded, being a recovery of the future income tax liability related to the acquisition of the Akdala Mine of \$6.8 million, a future income tax recovery of \$839.6 million on impairments recognized on mineral interests, plant and equipment, as well as an increase in future income tax assets due to temporary differences and tax loss carry forwards.

There is currently uncertainty relating to the interpretation and application of the new Tax Code in Kazakhstan and the Corporation has not fully given effect to the provisions of the new Tax Code in its consolidated financial statements. Please refer to "New tax code in Kazakhstan".

EARNINGS FROM DISCONTINUED OPERATIONS

The Corporation realized a gain of \$2.0 million on the sale of its remaining 186.8 million Gold One shares for proceeds of \$21.0 million in the nine months ended September 30, 2009. The Corporation's shareholding in Gold One was 34% at December 31, 2008.

Gold One was classified as a discontinued operation in Q1 2008 and all items related to Gold One in the statement of operations were separated from normal operations. The net loss from discontinued operations of \$104.8 million in the nine months ended September 30, 2008 includes an impairment charge, net of tax, of \$103.5 million.

NET EARNINGS / LOSS

The net loss for the nine months ended September 30, 2009 amounted to \$215.7 million or \$0.46 per share, compared to a net loss of \$2.2 billion or \$4.69 per share for the nine months ended September 30, 2008.

FINANCIAL CONDITION

CASH AND CASH EQUIVALENTS

On September 30, 2009, the Corporation had cash and cash equivalents of \$170.7 million, compared to \$176.2 million at December 31, 2008. Cash and cash equivalents on September 30, 2009 include \$13.5 million held by Betpak Dala, \$0.1 million held by Kyzylkum and \$1.3 million held by SKZ-U. Betpak Dala and Kyzylkum had \$0.7 million and \$0.1 million respectively on December 31, 2008. Cash held by the joint ventures is used to fund joint venture operations.

LOANS TO JOINT VENTURES

The Corporation received repayments on the loan to Kyzylkum of \$11.7 million plus interest during the nine months ended September 30, 2009, resulting in an outstanding loan principal balance of \$35.0 million as at September 30, 2009. Kyzylkum has suspended scheduled payments of principal and interest to the Corporation pending receipt of additional finance currently being arranged by the Corporation and its partners in the Kyzylkum joint venture. The repayments of the \$35 million due from Kyzylkum are likely to be deferred as part of the financing of Kyzylkum's activities. The Corporation therefore classified the amount outstanding on the loan to Kyzylkum as non-current.

In addition to its capital contribution to SKZ-U, the Corporation advanced \$1.3 million on loan to SKZ-U towards the development of a sulphuric acid plant up to September 30, 2009. After elimination of the Corporation's proportionate share, the amounts outstanding from Kyzylkum and SKZ-U on September 30, 2009 were \$25.3 million and \$1.1 million respectively.

BORROWED URANIUM CONCENTRATES AND URANIUM CONCENTRATES LOANS

During Q3 2009, Betpak Dala entered into an agreement whereby a third party transferred ownership of an attributable 273,000 pounds to Betpak Dala at North American conversion facilities. Betpak Dala agreed to ship an equivalent amount of material, produced by Betpak Dala, to the third party in September 2009. This type of transaction, known as a location swap transaction, is common in the uranium industry and is beneficial to both parties as it eliminates or shortens shipping times and reduces transportation costs.

Even though 245,000 pounds of the material received from the third party have been delivered to customers, the Corporation only recognize revenue and the associated operating expenses in the statement of operations once an equivalent amount of material produced has been delivered to the third party. Although Betpak Dala had sufficient finished product on hand in September 2009 to ship to the third party, logistical constraints delayed delivery of the material to Q4 2009. Betpak Dala therefore classified the 273,000 pounds received from the third party as a uranium concentrates loan and included the 28,000 pounds not delivered to customers at September 30, 2009 in borrowed uranium concentrates under other assets on the balance sheet. Revenue was not recognized on the 245,000 pounds delivered to customers and the material produced is included in inventory as at September 30, 2009.

Also included in uranium concentrates loans, is 200,000 pounds borrowed in Q3 2008 by the Corporation to mitigate the risks of delivery delays. Pursuant to the loan agreement, this material is to be returned in Q3 2010 and the loan has therefore been classified as a current liability in Q3 2009. The corresponding asset, included in borrowed uranium concentrates in other assets, has also been reclassified as current.

INVENTORIES AND PURCHASED URANIUM CONCENTRATES

Inventories increased to \$57.0 million from the \$17.4 million held at December 31, 2008. Finished uranium concentrates and solutions and concentrates in process increased by \$43.0 million in line with the increase of product inventory from 345,000 pounds to 1,747,000 pounds. The increase in product inventory is due to the fact that production exceeded sales in the nine months up to September 30, 2009, the deferral of sales to Q4 2009 as discussed above and the inclusion in inventory of South Inkai's production during commissioning of 808,400 pounds on January 1, 2009.

Materials and supplies decreased by \$3.4 million in the nine months ended September 30, 2009, mainly due to the inclusion of materials and supplies at Dominion in assets held for sale at September 30, 2009.

As at September 30, 2009 the Corporation had attributable inventory of 1,747,000 pounds, of which approximately 292,800 pounds is held at conversion facilities. Sales of product are normally completed at conversion facilities when material is transferred to customers by way of a book transfer. The product on hand at conversion facilities as at September 30, 2009 is committed for delivery under existing sales contracts subsequent to quarter end. Shipping times for finished product can be up to four months, depending on the distance between the mine site and conversion facility, where sales are completed through transfer of legal title and ownership.

A summary of Akdala and South Inkai's attributable inventory carried at September 30, 2009 is as follows:

Category	Location	Lbs (000's)
In process	Mine site	56.0
In process	In transit to external processing facilities	92.7
In process	External processing facilities	327.0
Finished product ready to be shipped	External processing facilities	786.9
Finished product In transit	In transit	191.6
Finished product at conversion facility	Conversion facilities	292.8
Total inventory		1,747.0

Inventory as at September 30, 2009 is attributable to the Akdala and South Inkai Uranium Mines. Production during commissioning of the Corporation's development projects is not accounted for as inventory. Attributable material produced and on hand from the

Corporation's development projects at September 30, 2009 amounted to 62,200 pounds at Kharasan. In addition to the material produced, the Corporation held 46,700 pounds, purchased to deliver into Dominion sales contracts subsequent to quarter end. This material, valued at \$2.0 million, is accounted for as purchased uranium concentrates in other assets.

OTHER ASSETS

In light of its plans to construct its own processing facility in the Powder River Basin in Wyoming, in Q1 2009 the Corporation terminated a 2007 toll processing agreement with a third party processing facility and received a settlement on the advance of \$10.1 million for future services in Q2 2009.

The Corporation delivered 103,300 pounds purchased for delivery into Dominion sales contracts to customers during the nine months ended September 30, 2009, reducing the purchased uranium concentrates balance by \$7.7 million.

In Q3 2009, the Corporation paid a deposit of \$8.8 million to AREVA and Électricité de France pursuant to the acquisition of MALCO, which owns Christensen Ranch and Irigaray. If the MALCO acquisition does not close, the deposit is refundable in certain circumstances.

The Corporation disposed of its remaining Gold One shares with a carrying value of \$9.0 million in the nine months ended September 30, 2009 for proceeds of \$21.0 million.

Other assets of \$8.5 million related to Uranium One Africa and other properties were reclassified as assets held for sale during Q2 2009.

The Corporation reclassified a \$5.9 million advance for investment in sulphuric acid plant as an investment in the SKZ-U joint venture in Q3 2009 and now proportionally consolidates the operating results and financial position of SKZ-U.

MINERAL INTERESTS, PLANT AND EQUIPMENT AND ASSETS HELD FOR SALE

The reporting values of mineral interests, plant and equipment reduced by \$58.6 million during the nine months ended September 30, 2009, mainly due to depreciation and depletion, the transfer of South Inkai's production during commissioning from capitalized commissioning expenditures to inventory and the classification of assets, including Uranium One Africa, with a fair value of \$41.4 million as held for sale. The reduction in reporting values were offset by additions of \$50.4 million during the nine months ended September 30, 2009.

An impairment of \$25.5 million (net of accumulated translation losses on Uranium One Africa of \$234.5 million) was recognized on assets held for sale during the nine months ended September 30, 2009.

NON-CURRENT LIABILITIES

The outstanding amount on the Corporation's convertible debentures increased mainly as a result of the 11% strengthening of the Canadian dollar against the US dollar during the nine months ended September 30, 2009. The convertible debentures are denominated in Canadian dollars.

All liabilities related to assets held for sale, including asset retirement obligations, have been reclassified as assets held for sale under Non-current liabilities on the Corporation's balance sheet.

Future income tax liabilities decreased by \$83.4 million from December 31, 2008, mainly due to the unrealized foreign exchange gain of \$68.4 million resulting from the devaluation of the tenge during the nine months ended September 30, 2009. A recovery of future income taxes on Akdala and South Inkai of \$6.0 million and an increase of \$10.6 million in future income tax assets due to temporary differences and tax loss carry forwards accounted for the majority of the remaining decrease.

The Corporation's 30% proportionate share of the Kyzylkum finance facility increased by \$12.0 million to \$47.5 million as Kyzylkum increased their drawdown against the facility from \$120 million to \$160 million during the nine months ended September 30, 2009.

EQUITY

Changes in shareholders' equity consist mainly of the net loss for the nine months ended September 30, 2009 of \$215.7 million, an unrealized gain of \$19.2 million recognized on translation of self-sustaining foreign operations, the realization of the \$234.5 million accumulated translation loss on Uranium One Africa and the foreign translation loss of \$13.1 million realized on the sale of Gold One shares during the quarter. The unrealized gain on translation of self-sustaining foreign operations arose on the strengthening of the Australian dollar against the US dollar by 20% during the nine months ended September 30, 2009.

LIQUIDITY AND CAPITAL RESOURCES

WORKING CAPITAL AND CASH GENERATED FROM OPERATIONS

At September 30, 2009 the Corporation had working capital of \$165.1 million. Included in this amount is cash and cash equivalents of \$170.7 million, which includes the Corporation's proportionate share of cash and cash equivalents at its joint venture operations in Kazakhstan. Cash held by the Corporation's joint venture operations is applied to the business of the joint ventures and cash flows between the Corporation and the joint ventures normally only occur through loans to the joint ventures and dividends paid by the joint ventures. The Corporation expects that Betpak Dala will fund its capital requirements from operations, without the need for finance from the Corporation or third parties.

The interest earned on the Corporation's cash balances will be applied to existing commitments in respect of the Corporation's development projects and other current commitments. Approximately 71% of the Corporation's total cash balances were held in United States dollars, in bearer deposit notes issued and guaranteed mainly by 5 Canadian chartered banks with a credit rating of at least A-1/P-1/R-1 high at September 30, 2009. On their maturity, the Corporation plans on reinvesting the proceeds of these notes in similar short term instruments.

The Corporation earns revenue from the sale of uranium from the Akdala and South Inkai Uranium Mines in Kazakhstan. Additional sales revenue will be earned from uranium sales when the acquisition of Karatau closes and when the Corporation's development projects are commissioned.

Attributable inventory levels at Betpak Dala are expected to increase from approximately 1.2 million pounds at January 1, 2009 to approximately 1.9 million pounds by the end of 2009, mainly due to the ramp-up in production at South Inkai.

Uranium is sold under forward long-term delivery contracts. Contracted deliveries are planned to be filled from the Corporation's mining operations. The ability to deliver contracted product is therefore dependent upon the continued operation of the mining operations as planned. The Corporation has entered into market-related sales contracts with price mechanisms that reference the market price in effect at or near the time of delivery. In addition, the Corporation has negotiated floor price protection in most of its sales contracts. For 2009 and 2010, committed sales under contract (excluding sales under the offtake agreement negotiated with ARMZ) represent respectively approximately 74% and 55% of expected production for those years, without taking any available inventory into account.

At September 30, 2009, there were outstanding sales commitments for 3,250,000 pounds in respect of sales contracts for the Dominion project. The Corporation plans to meet these commitments by delivering 46,700 pounds on hand for this purpose at September 30, 2009, from the production of other group entities and, if required, additional purchases from third parties. The Corporation has floor price protection in all of the Dominion contracts and does not expect to incur material losses in satisfying its delivery commitments thereunder.

CURRENT AND FUTURE SOURCES OF FUNDING

Kyzylkum has fully drawn down its Citibank and JBIC project finance facilities. The Corporation is working with its partners in the Kyzylkum joint venture to arrange additional funding to finance Kyzylkum's activities until it generates positive cash flows from operations. The repayments of \$35 million due from Kyzylkum on the loan from the Corporation are likely to be deferred as part of the financing of Kyzylkum's activities.

The Corporation expects that its Australian operations will be self-funding in 2009, utilizing the proceeds from the Mitsui transaction for the development of Honeymoon and for general corporate purposes in Australia. In addition to the funds provided by Mitsui, the Corporation expects to contribute \$15 million towards the funding of Honeymoon in 2010.

Under its credit facility, which was arranged with Bank of Montreal and The Bank of Nova Scotia at the end of Q2 2008, the Corporation is required to maintain an interest coverage ratio of more than 2.5:1 on a rolling four quarters basis. The interest coverage ratio is the ratio of the Corporation's earnings before interest, tax, share based compensation, depreciation and depletion and other non-cash items to interest paid. The Corporation's interest coverage ratio as at September 30, 2009, calculated in accordance with the credit agreement, was 3.0:1. The Corporation's earnings, and therefore the interest coverage ratio, were negatively affected in Q3 2009, due to the deferral of revenue of on the sale of 245,000 pounds to Q4 2009 as a result of the delayed shipment of material swapped with a third party.

During the nine months ended September 30, 2009, the Corporation received cash proceeds of \$21.0 million from the sale of its remaining Gold One shares.

In October 2008, the Corporation drew down \$65 million under its credit facility as an internal cash reserve and in February 2009 negotiated a C\$270 million private placement with a Japanese consortium. The Corporation will therefore have cash resources sufficient to sustain capital and corporate expenditures planned for 2009 and 2010. Capital expenditures by the Betpak Dala and Karatau joint ventures are expected to be funded through the joint ventures' operating cash flow.

The Corporation expects to use working capital on hand and the proceeds from the private placement with the Japanese consortium to fund operations, capital expenditures as well as the \$90 million payment to ARMZ for the acquisition of a 50% joint venture interest in Karatau and the \$35 million payable for the acquisition of Christensen Ranch and Irigaray. If payable, the \$60 million contingent payments under the Karatau acquisition, of which \$20 million may be due 2010, will also be funded from the proceeds of the private placement. If the private placement with the Japanese consortium has not closed by the time the \$90 million becomes payable, the Corporation will issue a \$90 million promissory note to ARMZ, due within one year of closing the Karatau transaction.

The outstanding amount under the credit facility is repayable on June 27, 2010, and the repayment date may be extended, if needed, to June 27, 2011, with lenders' consent. The \$65 million drawdown under the credit facility currently attracts interest at a rate of 1.62% per annum, payable on a monthly basis. Uranium One's convertible debentures mature on December 31, 2011. Fixed interest at a rate of 4.25% on the debentures is payable semi-annually in arrears.

In addition to the factors described above, Uranium One's ability to raise capital is highly dependent on the commercial viability of its projects and the underlying price of uranium. Other risk factors, including the Corporation's ability to develop its projects into commercially viable mines, international uranium industry competition, public acceptance of nuclear power and governmental regulation, can also adversely affect Uranium One's ability to raise additional funding. There is no assurance that additional sources of funding, if required, will be forthcoming. Please refer to "Risks and Uncertainties".

CONTRACTUAL OBLIGATIONS

The only material change to the Corporation's contractual obligations during the nine months ended September 30, 2009 resulted from the \$40 million drawdown by Kyzylkum against its Citibank project finance facility during the quarter. The Corporation's proportionate share of the liability is \$12 million, of which approximately \$6.7 million is repayable in 1 to 3 years and \$5.3 million in 4 to 5 years.

COMMITMENTS AND CONTINGENCIES

Due to the size, complexity and nature of the Corporation's operations, various legal and tax matters arise in the ordinary course of business. The Corporation accrues for such items when a liability is both probable and the amount can be reasonably estimated. In the opinion of management, these matters will not have a material effect on the consolidated financial statements of the Corporation.

On closing of the purchase of a 50% joint venture interest in Karatau, Uranium One will issue 117 million common shares and make a cash payment of \$90 million (or issue an equivalent promissory note due within one year of closing). The purchase agreement also provides for a contingent payment to ARMZ of up to \$60 million, payable in three equal tranches over the period between 2010 and 2012 subject to certain post-closing tax related adjustments.

There were no other material changes to the Corporation's commitments and contingencies since December 31, 2008.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of November 12, 2009, there were issued and outstanding 470,281,716 common shares, with a further 334,000,000 common shares reserved for issuance on closing of the private placement to the Japanese Consortium and to ARMZ for the acquisition of a 50% joint venture interest in Karatau (117,000,000 shares are reserved for each transaction).

A warrant was issued in connection with the acquisition of the Corporation's interest in Kyzylkum entitling the holder to acquire 6,964,200 shares in Uranium One for no additional consideration upon completion of commissioning of the Kharasan Uranium Project. Uranium One has reserved a total of 149,500 common shares for issuance to third parties under certain property option and joint venture agreements.

As of November 12, 2009, there were 18,811,218 stock options outstanding under Uranium One's stock option plan and the security based compensation plans assumed by the Corporation pursuant to its acquisitions, at exercise prices ranging from C\$0.78 to C\$16.59. There were 487,159 restricted shares outstanding as of November 12, 2009.

Uranium One has 155,250 convertible debentures outstanding, each convertible to 50 common shares of Uranium One, representing 7,762,500 common shares.

DIVIDENDS

There have been no dividend payments on the common shares of Uranium One. Holders of common shares are entitled to receive dividends if, as and when declared by the Board of Directors. There are no restrictions on Uranium One's ability to pay dividends except as set out under its governing statute.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Note 2 to the Corporation's consolidated financial statements for the year ended December 31, 2008 describes all of the Corporation's significant accounting policies.

The preparation of financial statements in conformity with GAAP requires the Corporation's management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Actual results may differ from those estimates.

MINERAL INTERESTS, PLANT AND EQUIPMENT

Depreciation and depletion of mineral interests, plant and equipment is primarily calculated using the unit of production method. This method allocates the cost of an asset to each period based on the current period's production as a portion of the total expected production of the life of the mine, or a portion of the estimated recoverable ore reserves. Estimates of the production over the life of the mine and amounts of recoverable reserves are subject to judgment and significant change over time. If actual mineral reserves prove to be significantly different than the estimates, there could be a material impact on the amounts of depreciation and depletion charged to the statement of operations.

ASSET RETIREMENT OBLIGATIONS

Significant decommissioning and reclamation activities are often not undertaken until substantial completion of the useful lives of the productive assets. Regulatory requirements and alternatives with respect to these activities are subject to change over time. A significant change to either the estimated costs or recoverable reserves may result in a material change in the amount charged to earnings.

IMPAIRMENT OF LONG-LIVED ASSETS

The Corporation assesses the carrying value of mineral interests, plant and equipment annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of the mineral interest, plant and equipment cannot be recovered, the unrecoverable amounts are written off. Recoverability is dependent upon assumptions and judgments regarding future prices, costs of production, sustaining capital requirements and economically recoverable reserves. A material change in assumptions may significantly impact the potential impairment of these assets.

TAXES

The Corporation operates in a number of tax jurisdictions and is therefore required to estimate its income taxes in each of these tax jurisdictions in preparing its consolidated financial statements. In calculating income taxes, consideration is given to factors such as tax rates in the different jurisdictions, non-deductible expenses, valuation allowances, changes in tax laws and management's expectations of future results.

The Corporation estimates future income taxes based on temporary differences between the income and losses reported in its financial statements and its taxable income and losses as determined under the applicable tax laws. The tax effect of these temporary differences is recorded as future tax assets or liabilities in the consolidated financial statements. The calculation of income taxes requires the use of judgment and estimates. If these judgments and estimates prove to be inaccurate, future earnings may be materially impacted. The determination of the ability of the Corporation to utilize tax loss carry-forwards to offset future income tax payable requires management to exercise judgment and make certain assumptions about the future performance of the Corporation. Management is required to assess whether the Corporation is "more likely than not" to benefit from these prior losses and other future tax assets.

Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses. In the event that it is determined that certain of the losses are not likely to be utilized, a valuation allowance would have to be recorded against the recognized future tax assets through a charge to the statement of operations. Conversely, where amounts that are considered not likely to be utilized to reduce future tax payable are determined to be likely to be utilized in the future, the valuation allowances against these losses would be removed by recording a future income tax recovery in the statement of operations.

STOCK BASED COMPENSATION

The Corporation grants stock options and restricted share rights to employees of the Corporation under its stock option and restricted share rights plans. The Corporation uses the fair value method of accounting for all stock based compensation awards ("Awards"). Under this method, the Corporation determines the fair value of the compensation expense for all Awards on the date of grant using the Black-Scholes pricing model. The fair value of the Awards is expensed over the vesting period of the Awards. In estimating fair value, management is required to make certain assumptions and estimates regarding such items as the life of options and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

NEW / CHANGES IN ACCOUNTING POLICIES

The Corporation's accounting policies have been consistently followed except that the Corporation has adopted Section 3064 – Goodwill and intangible assets, effective January 1, 2009.

Section 3064 – Goodwill and Intangible Assets, aligns Canadian GAAP for goodwill and intangible assets with IFRS. The new standard provides more comprehensive guidance on intangible assets, in particular for internally developed intangible assets. The adoption of this standard did not have a material impact on the Corporation's consolidated financial statements.

New standards on Business combinations (Section 1582), Consolidated Financial statements (Section 1601) and Non controlling interests (Section 1602) are effective for the Corporation for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Corporation has not assessed the possibility of early adoption and has not yet determined the impact of the adoption of these standards on its consolidated financial statements.

Emerging Issues ("EIC") Abstract 173 – "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" ("EIC-173") provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Corporation's interim and annual consolidated financial statements for its fiscal year ending December 31, 2009, with retrospective application. The adoption of EIC-173 did not result in a material impact on the Corporation's consolidated financial statements.

EIC Abstract 174 – "Mining Exploration Costs" ("EIC-174") superseded EIC Abstract 126 – Accounting by Mining Enterprises for Exploration Costs ("EIC-126") and provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC-174 is applicable for the Corporation's interim and annual consolidated financial statements for its fiscal year ending December 31, 2009, with retrospective application. The adoption of EIC-174 did not result in a material impact on the Corporation's consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

The Canadian Accounting Standards Board will require all public companies to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the fiscal year immediately preceding the year in which they first adopt IFRS. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed.

To ensure a smooth transition to IFRS, the Corporation established an IFRS conversion project team to achieve a clearly scoped conversion of financial reporting from Canadian GAAP to IFRS by Q1 2011. The project team comprises representatives from as many stakeholder groups as possible to ensure complete information transfer and consideration of the implications as the project progresses. Stakeholders include senior management from finance, treasury, tax, the Corporation's regional business units, information technology, human resources, the Board of Directors through the Audit Committee, among others.

The Corporation has a multi-year transition plan that comprises three major phases, including a scope and planning phase, a design and build phase and an implement and review phase culminating in the reporting of financial information in accordance with IFRS for Q1 2011.

The Corporation has completed the scoping and planning phase. The scoping and planning phase involved establishing a project management team, identifying and allocating resources required for the conversion, identifying major areas affected by the conversion and developing a project charter, implementation plan and communication strategy. The Corporation has designated the appropriate resources to the conversion project to develop an effective plan and continues to assess resource and training requirements as the project progresses.

The Corporation is currently busy with the assessment phase of the project which will result in the selection of IFRS accounting policies and transitional exemptions decisions, estimates of quantification of financial statement impacts and the preparation of shell financial statements. The Corporation expects to have completed shell financial statements, made estimates of the quantified impacts of a significant portion of anticipated changes to the Corporation's current accounting policies on the Corporation's IFRS opening balance sheet and identified business processes and resources impacted by the end of Q4 2009.

The Corporation is also in the process of implementing changes to its systems and reporting processes to support preparation of the IFRS opening balance sheet at January 1, 2010 are expected to be implemented by the end of 2009.

The International Accounting Standards Board continues to amend and add to current IFRS standards with several projects currently underway. The Corporation's conversion process includes monitoring actual and anticipated changes to IFRS standards and related rules and regulations and assessing the impacts of these changes on the Corporation and its reporting, including expected dates of when such impacts are effective.

The Corporation is implementing new accounting and consolidation systems in various parts of its business in 2009 and expected changes in accounting policies, processes and collection of additional information for disclosure are being incorporated in the design and implementation of these systems.

The impact of the transition to IFRS on internal controls over financial reporting and disclosure controls and procedures will be determined during the design and implementation phases.

RISKS AND UNCERTAINTIES

The Corporation's operations and results are subject to various risks and uncertainties. These include, but are not limited to, the following: exploration and mining involves operational risks and hazards; mineral resources and mineral reserves are estimates only; there is no certainty that further exploration will result in new economically viable mining operations or yield new reserves to replace and expand current reserves; Uranium One cannot give any assurance that any of its development projects will become operating mines; or that any of its operations on care and maintenance will become operational; mineral rights and tenures may not be granted or renewed on satisfactory terms and may be revoked, altered or challenged by third parties; limited supply of desirable mineral lands for acquisition; risks and problems associated with integrating acquisitions; competition in marketing uranium; competition from other sources of energy and public acceptance of nuclear energy; volatility and sensitivity to uranium prices; the capital requirements to complete the Corporation's current projects and expand its operations are substantial; the integration of acquisitions; currency fluctuations; potential conflicts of interest; the Corporation's operations and activities are subject to environmental risks; government regulation may adversely affect the Corporation; the risks of obtaining and maintaining necessary licences and permits; risks associated with foreign operations including, in relation to Kazakhstan, the risk of future sulphuric acid constraints and the risk that the new tax code introduced by the Kazakhstan Ministry of Finance effective from January 1, 2009 may adversely affect the Corporation; and the Corporation is dependent on key personnel.

In November 2007, Kazakhstan enacted legislation giving the government the right in certain circumstances to re-negotiate previously concluded subsoil use contracts. Together with its joint venture partner, Kazatomprom, the Corporation has been reviewing the potential impact and application of this legislation. Based on these discussions, the Corporation understands that the legislation is not directed at the uranium mining industry in Kazakhstan.

Uranium One's risk factors are discussed in detail in its Annual Information Form for the year ended December 31, 2008, which is available on SEDAR at www.sedar.com, and should be reviewed in conjunction with this document.

STOCK OPTION AND RESTRICTED SHARE PLANS

During Q3 2009 stock options and restricted share rights activity was as follows:

- 107,851 options were granted during the quarter.
- 30,093 options were exercised.
- 577,564 options lapsed.
- 24,241 restricted shares were exercised during the quarter and 36,000 expired.

DISCLOSURE CONTROLS AND PROCEDURES

The Corporation's management, with the participation of its President and Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate Disclosure controls. Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including Uranium One's President and Chief Executive Officer and Chief Financial Officer, so that appropriate decisions can be made regarding public disclosure, and information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in securities legislation.

INTERNAL CONTROLS AND PROCEDURES

The Corporation's management, with the participation of its President and Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, the Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

There has been no material changes in the Corporation's internal control over financial reporting during the quarter ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

OUTLOOK

During the remainder of 2009 and in 2010, the Corporation is focused on maintaining production from Akdala at current levels, ramping up production at South Inkai towards a level of 5,200,000 pounds (2,000 tonnes U) in 2011, successfully commissioning its development projects, controlling costs at its operations and remaining a reliable supplier of U₃O₈ to the nuclear fuel industry. The Corporation's total attributable production guidance for 2009 remains unchanged at 3.5 million pounds.

Assuming the completion of the acquisition of the 50% joint venture interest in Karatau by the end of 2009, the Corporation's attributable production estimate for 2010 is 6.8 million pounds of U₃O₈ and is made up as follows:

Operation	Status	Total estimated 2010 production (millions of lbs)	Ownership %	Estimated attributable 2010 production (millions of lbs)
Akdala	Producing	2.6	70%	1.8
South Inkai	Producing	3.6	70%	2.5
Karatau	Producing	4.6	50%	2.3
Kharasan	Commissioning	0.3	30%	0.1
Honeymoon	Commissioning	0.2	51%	0.1
Totals:		11.3		6.8

Production guidance for 2010 has been revised from 7.5 million pounds to 6.8 million pounds as a result of the revised production plan at Kharasan due to continued well field underperformance and a more gradual ramp-up profile at South Inkai.

Attributable production for 2011 is estimated to be 8.0 million pounds. This includes initial production from the Powder River Basin in Wyoming.

During 2010, the average cash cost, including Kazakh mineral extraction tax, per pound sold are expected to be as follows:

Mine	2010 - Estimated average cash cost (\$/lb) ⁽¹⁾
Akdala	14
Karatau	14
South Inkai	20

Notes:

⁽¹⁾ Includes Kazakh mineral extraction tax of approximately \$2 per pound at Akdala and Karatau, and \$3 per pound at South Inkai.

During the ramp-up to design capacity of 2,000 tonnes U per year, unit costs of production at South Inkai are expected to be higher than the costs during a steady state of operation. This is primarily due to the fact that sulphuric acid used to acidify production blocks is

expensed in the period of acidification. During periods of production ramp-up, unit costs of production will therefore be higher and will only stabilize when the operation reaches steady state production. During steady state, production costs at South Inkai are expected to be higher than Akdala and Karatau mainly due to higher sulphuric acid consumption rates at South Inkai.

Excluding sales under offtake agreements negotiated with ARMZ and the Japanese Consortium, the Corporation currently has contracts for the sale of an aggregate of 24 million attributable pounds; 14 million pounds of this material is contracted with weighted average floor prices, subject to escalation, of approximately \$47 per pound. The remainder of contracted attributable sales is not subject to floors and such sales are related to the market price of U₃O₈, except for 910,000 pounds, which will be sold at an average fixed price of \$79 per pound, subject to escalation.

For 2009, the Corporation expects to sell approximately 2.5 million attributable pounds. Of the attributable pounds expected to be sold, 1.1 million pounds have weighted average floor prices of approximately \$44 per pound. For 2010, the Corporation expects to sell approximately 6 million attributable pounds. Excluding sales under the offtake agreement negotiated with ARMZ, the Corporation has already contracted for the sale of 3.7 million attributable pounds in 2010, of which 0.9 million pounds have weighted average floor prices of approximately \$49 per pound. Sales of U₃O₈ into the spot market will be at Uranium One's discretion and will be dependent upon spot market conditions at the time.

The Corporation expects its attributable inventory at Betpak Dala to be 1.9 million pounds by December 31, 2009.

The Corporation's estimated capital expenditure and funding per project for 2010 are expected to be as follows:

Mine / project	Ownership %	2010 - Estimated capital expenditure in \$'millions	
		Total (100%)	Attributable
Kazakhstan			
Akdala	70%	24	17
South Inkai	70%	32	22
Karatau	50%	49	24
Kharasan	30%	25	8
SKZ-U	19%	94	18
Subtotal - Kazakhstan		224	89
Australia and United States			
Honeymoon	51%	47	25
Powder River Basin	100%	34	34
Great Divide Basin	100%	1	1
Other		1	1
Subtotal - Australia and United States		83	61
Totals:		307	150

Capital expenditures for Akdala and South Inkai are funded from Betpak Dala's operations. Capital expenditure in 2010 at Akdala makes provision for the construction of a satellite processing plant. Karatau's capital expenditures are expected to be funded from cash flow from its operations in 2010.

Kharasan utilized the proceeds from its project finance facilities as well as proceeds from sales of production in commissioning and toll processing agreements to fund its capital expenditures in 2009. The Corporation is working with its partners in the Kyzylkum joint venture to arrange additional funding to finance Kyzylkum's activities until it generates positive cash flow from operations. The repayments of \$35 million due from Kyzylkum on the loan from the Corporation are likely to be deferred as part of the financing of Kyzylkum's activities.

The Corporation has committed to funding of \$14 million in 2009 and \$23 million in 2010 toward the construction of a sulphuric acid plant by the SKZ-U joint venture. The Corporation's Australian joint ventures, including Honeymoon, will be funded in 2009 from the cash commitment of approximately \$73 million (A\$104 million) from Mitsui. In addition to the funds provided by Mitsui, the Corporation plans to contribute an estimated \$15 million towards the development of Honeymoon in 2010. Capital expenditure on the Corporation's fully owned development projects in the Powder River basin, including capital expenditure at Irigaray and Christensen Ranch is expected to be \$34 million in 2010.

Other estimated expenditures by the Corporation in 2010 are expected to be as follows:

Item	2010 - Estimated in \$'millions
General and administrative (excluding stock based compensation)	29
Exploration	7
Care and maintenance	1

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, the timing of uranium processing facilities being fully operational, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, market conditions, corporate plans, objectives and goals, requirements for additional capital, government regulation of mining operations, the estimation of mineral resources and reserves, the realization of resource and reserve estimates, environmental risks, unanticipated reclamation expenses, the timing and potential effects of proposed acquisitions and divestitures, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, possible shortages of sulphuric acid in Kazakhstan, possible changes to the tax code in Kazakhstan, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions, to international operations, to prices of uranium and gold as well as those factors referred to in the section entitled "Risk factors" in Uranium One's Annual Information Form for the year ended December 31, 2008 which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required under applicable securities laws, Uranium One undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events, or otherwise..

Readers are advised to refer to independent technical reports for detailed information on the Corporation's material properties. Those technical reports, which are available at www.sedar.com under Uranium One's profile, and also under the profiles of UrAsia Energy and Energy Metals Corp., provide the date of each resource or reserve estimate, details of the key assumptions, methods and parameters used in the estimates, details of quality and grade or quality of each resource or reserve and a general discussion of the extent to which the estimate may be materially affected by any known environmental, permitting, legal, taxation, socio-political, marketing, or other relevant issues. The technical reports also provide information with respect to data verification in the estimation.

This document and the Corporation's other publicly filed documents use the terms "measured", "indicated" and "inferred" resources as defined in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects. United States investors are advised that while these terms are recognized and required by Canadian regulations, the SEC does not recognize them. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility and it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Investors are cautioned not to assume that all or any part of an inferred resource exists or is economically or legally mineable. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Scientific and technical information contained herein has been reviewed on behalf of the Corporation by Mr. M.H.G. Heyns, Pr.Sci.Nat. (SACNASP), MSAIMM, MGSSA, Senior Vice President Technical Services of the Corporation, a qualified person for the purposes of NI 43-101.