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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 six months ended June 30, 2008, together with certain trends and factors that are expected to impact the rest of its 2008 financial year. Information herein is presented as of August 12, 2008 and should be read in conjunction with the interim consolidated financial statements of the Corporation for the three and six months ended June 30, 2008 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 rand are referred to herein as ZAR.

Uranium One completed a business combination with UrAsia Energy Limited ("UrAsia Energy") on April 20, 2007. The transaction was treated as a reverse take-over under GAAP, with UrAsia Energy identified as the acquirer and Uranium One as the acquiree. Consequently, the historic figures used herein for periods up to and including March 31, 2007 are those of UrAsia Energy. References herein to "Q2 2007" and "Q2 2008" refer to the three months ended June 30, 2007 and the three months ended June 30, 2008, respectively and references to "H1 2007" and "H1 2008" refer to the six months ended June 30, 2007 and the six months ended June 30, 2008, respectively.

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 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

- Record total production in Q2 2008 of 767,100 pounds of U_3O_8, an increase of 24% from 618,900 pounds of U_3O_8 in Q1 2008 and 42% from 539,100 pounds of U_3O_8 in Q4 2007.
- Attributable sales of 685,600 pounds of U_3O_8 for Q2 2008, which was 142% more than attributable sales of 283,300 pounds of U_3O_8 in Q1 2008 and 70% more than the average quarterly sales of 402,200 pounds of U_3O_8 per quarter during 2007.
- Earnings from mine operations of $32.9 million in Q2 2008 increased 102% from $16.3 million in Q1 2008 and 72% from $19.2 million in Q2 2007.
- The Corporation's attributable production guidance for 2008 remains unchanged at 3.1 million pounds of U_3O_8, comprising 1.8 million pounds from Akdala and 1.3 million pounds of pre-commercial production from South Inkai, Dominion and Kharasan.
- Sulphuric acid constraints in Kazakhstan eased during the quarter with the commissioning of the Balkhash sulphuric acid plant in June.
- Measured resources in the United States increased by 80% from 10.7 million pounds of U_3O_8 to 19.2 million pounds of U_3O_8.
- Moore Ranch feasibility study completed with an after-tax NPV of $81 million. Expected life of mine average cash operating costs before taxes in 2008 terms, are expected to be $14 per pound of U_3O_8 and total cash costs are expected to be $26 per pound of U_3O_8, including state taxes and royalties.
- The Corporation concluded a senior secured revolving credit facility at the end of Q2 2008 for $100 million from Bank of Montreal and The Bank of Nova Scotia.
- The Corporation realized $66.7 million in cash from the sale of non-core assets during Q2 2008.

MANAGEMENT CHANGES

- Jean Nortier has been appointed President and Chief Executive Officer and a director of the Corporation. Mr. Nortier has extensive experience with the Uranium One group and has previously acted as Chief Financial Officer, Executive Vice-President Corporate Development and recently as Interim Chief Executive of the Corporation.
- The Corporation is establishing a Technical Services division in Denver, which will provide technical support to the Corporation's operations, including areas such as safety, health and environmental, project management, exploration, resource estimation, reserve calculation, metallurgy, mining, project evaluation and due diligences.
- The Corporation has appointed Eben Swanepoel as Senior Vice President, Africa & Europe succeeding Robert van Niekerk who has been appointed Executive Vice President, Technical Services. Mr. Swanepoel has over 25 years in mining experience in Southern Africa, including as General Manager of Tati Nickel Company in Botswana where he oversaw the successful turn-around of the open pit and trackless underground operations.

OPERATIONS

- Production from Akdala continued at expected rates of throughput and grade with total attributable production in Q2 2008 of 435,300 pounds of U_3O_8 at a cash operating cost of $14 per pound of U_3O_8 sold.

PROJECTS

- South Inkai continued to exceed targets during Q2 2008, with attributable pre-commercial production for the quarter of 257,100 pounds of U_3O_8. Attributable pre-commercial production from South Inkai in July was 48,000 pounds of U_3O_8, bringing the year to date total to 449,600 pounds of U_3O_8.
- Due to the better than expected ramp-up at South Inkai, attributable pre-commercial production guidance for 2008 has been raised from 500,000 pounds to 910,000 pounds U_3O_8, subject to permission to move to industrial production, now expected in H2 2008.
- Pre-commercial production from Dominion totalled 74,700 pounds of U_3O_8 in Q2 2008. Pre-commercial production in July 2008 was approximately 23,800 pounds of U_3O_8. The average grade of underground ore delivered to the plant was 0.43 kg/tonne during the quarter.
- Construction and refurbishment of the Hobson ISR Facility was successfully completed during the quarter.
- In July 2008, the Corporation submitted permit applications to the NRC and WDEQ to construct and operate an in situ recovery facility with an annual production capacity of 2 million pounds U_3O_8 at Antelope and a satellite plant at JAB.

KEY STATISTICS

TOTAL PRODUCTION	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Attributable production from Akdala (lbs of U_3O_8)	435,300	431,500	435,400	451,600
Attributable pre-commercial production from South Inkai (lbs of U_3O_8)	257,100	144,500	39,500	-
Pre-commercial production from Dominion (lbs of U_3O_8)	74,700	42,900	64,200	86,800
Total production	767,100	618,900	539,100	538,400

FINANCIAL	Q2 2008	Q2 2007	H1 2008	H1 2007
Attributable production (lbs of U_3O_8) (1)	435,300	452,200	866,800	940,200
Attributable sales (lbs of U_3O_8) (1)	685,600	244,200	968,900	849,500
Average sales price achieved ($ per lb of U_3O_8) (2)	72	95	74	77
Average cash cost of production sold ($ per lb of U_3O_8)(2)	14	8	13	11
Revenues ($ millions)	49.4	23.3	71.9	65.0
Earnings from mine operations ($ millions)	32.9	19.2	49.2	49.0
Net loss from continuing operations ($ millions)	(68.2)	(13.1)	(78.5)	(5.1)
Loss per share from continuing operations – basic and diluted ($ per share)	(0.15)	(0.04)	(0.17)	(0.02)
Earnings / (loss) from discontinued operations ($ millions)	0.3	(0.6)	(104.3)	(0.6)
Earnings / (loss) per share from discontinued operations – basic and diluted ($ per share)	0.00	(0.00)	(0.22)	(0.00)
Net loss ($ millions)	(67.9)	(13.7)	(182.8)	(5.7)
Net loss per share – basic and diluted ($ per share)	(0.15)	(0.04)	(0.39)	(0.02)
Adjusted net earnings / (loss) ($ millions)(2)	6.6	(6.9)	(3.7)	9.6
Adjusted net earnings / (loss) per share – basic and diluted ($ per share)(2)	0.01	(0.02)	(0.01)	0.04

Notes:

(1) Attributable production and sales are from assets that are in commercial production – currently only Akdala.

(2) The Corporation has included non-GAAP performance measures: sales price per pound of U_3O_8, cost per pound of U_3O_8 sold, adjusted net earnings and adjusted net earnings per share. 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. 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 uranium 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, South Africa, the United States, Australia and Canada. The Corporation is in the process of disposing of its remaining 36% interest in Aflease Gold Limited ("Aflease Gold"), which is engaged in the development of the Modder East Gold Project in South Africa.

Uranium One owns a 70% interest in both the producing Akdala Uranium Mine and the South Inkai Uranium Project, which is being commissioned. The Kharasan Project in Kazakhstan, in which the Corporation owns a 30% interest, is being developed by the Kyzylkum Joint Venture. The Corporation also owns the Dominion Uranium Project in South Africa. In the United States, the Corporation owns the Hobson Uranium Processing Facility and La Palangana Project in Texas, projects in the Powder River and Great Divide Basins in Wyoming and the Shootaring Canyon Mill in Utah. The Corporation is evaluating corporate development opportunities for its Honeymoon Uranium Project in Australia. The Corporation owns, either directly or through joint ventures, a large portfolio of uranium exploration properties in South Africa, the western United States, South Australia, and the Athabasca Basin of Saskatchewan in Canada.

The following mineral properties and operations of the Corporation referred to in the Corporation's Q2 2008 interim financial statements are discussed in more detail below.

The following are the Corporation's principal mineral properties and operations:

Operating mine

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

Advanced development projects

Entity	Project	Location	Status	Ownership
Betpak Dala LLP	South Inkai Uranium Project	Kazakhstan	Commissioning (1)	70% J.V. interest
Kyzylkum LLP	Kharasan Uranium Project	Kazakhstan	Development	30% J.V. interest
Uranium One Africa Limited	Dominion Uranium Project	South Africa	Commissioning (1)	100% interest (2)

Notes:

(1) The Dominion Uranium Project and the South Inkai Uranium Project are in the commissioning stage: production has commenced but the mines have not yet achieved commercial production. Commercial production is achieved when a pre-defined operating level, based on the design of the plant, is maintained.

(2) Uranium One's 100% interest is subject to a definitive purchase and sale agreement of an undivided 26% interest in the Dominion Uranium Project to its Black Economic Empowerment partner Micawber 397 (Proprietary) Limited ("Micawber 397"). The Micawber 397 transaction will be accounted for in the Corporation's financial statements when the risks and rewards of the transaction are deemed to have passed to Micawber 397.

The Corporation is also developing the following mineral properties:

Entity	Project	Location	Status	Ownership
Energy Metals Corp (US)	Powder River Basin, Wyoming Projects (Incl. Moore Ranch, Peterson, Ludeman, Allemand-Ross, and Barge)	USA	Development	100% interest
Energy Metals Corp (US)	Great Divide Basin, Wyoming Projects (Incl. JAB and Antelope)	USA	Development	100% interest
South Texas Mining Venture	Hobson Facility and La Palangana Project, Texas	USA	Development	99% interest
Uranium One Australia (Proprietary) Ltd.	Honeymoon Uranium Project	Australia	Development temporarily suspended	100% interest

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. The Betpak Dala Joint Venture Limited Liability Partnership, a Kazakhstan registered limited liability partnership ("Betpak Dala"), owns a 100% interest in the Akdala Mine. Uranium One owns a 70% joint venture interest in Betpak Dala. The remaining 30% is owned by JSC NAC Kazatomprom ("Kazatomprom"), a Kazakhstani state-owned company responsible for the mining, importing 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 of U_3O_8 (1,000 tonnes uranium ("U")) per year.

Production: In line with the production plan for 2008, Akdala produced 621,800 pounds of U_3O_8 (239 tonnes U) during Q2 2008 of which 435,300 pounds of U_3O_8 (167 tonnes U) is attributable to the Corporation. As Akdala is operating in steady state at licenced capacity, production for 2008 is expected to be similar to production achieved in 2007.

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 (m^3/hour)	Concentration in solution (mg U/l)	Production (lbs of U_3O_8)
Q3 2007	93	139	1,066	108.2	645,100
Q4 2007	90	138	1,047	98.2	622,100
Q1 2008	70	162	1,152	96.9	616,400
Q2 2008	89	167	1,359	83.6	621,800

Flow rate, concentration and the number of operating wells are carefully monitored and managed to produce the targeted amount of U_3O_8, in accordance with Akdala's licence. A new production block was acidified during Q2 2008 and commissioned in June 2008 to allow for an increase in the average flow rate and subsequent improved concentration in the solution. Acidification of two additional production blocks commenced in July 2008.

The construction of the precipitation and filtration circuit was completed in Q1 2008 and it was commissioned and became fully operational during Q2 2008. The filtration and precipitation circuit enables Akdala to produce yellowcake on site, reducing its dependency on external processing facilities, decreasing transport lead times and reducing costs.

AKDALA URANIUM MINE - continued

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

(All figures are the Corporation's attributable share)	3 months ended						2 months ended	3 months ended
	June 30 2008	**March 31 2008**	**Dec 31 2007**	**Sept 30 2007**	**June 30 2007**	**Mar 31 2007**	**Dec 31 2006**	**Oct 31 2006**
Production of U_3O_8 in lbs	435,300	431,500	435,400	451,600	452,200	488,000	426,500	513,100
Sales of U_3O_8 in lbs	685,600	283,300	689,200	70,000	244,300	605,200	880,700	99,300
Inventory U_3O_8 in lbs	620,500	886,500	748,900	1,007,000	636,800	436,500	565,400	1,026,900
Revenues ($000's)	49,390	22,517	61,010	8,019	23,265	41,730	46,256	4,193
Sales ($/lb of U_3O_8 sold)	72	79	89	115	95	69	53	42
Operating expenses ($000's)	9,487	3,292	7,521	660	2,058	7,043	7,872	1,417
Operating expenses ($/lb of U_3O_8 sold)	14	12	11	9	8	12	9	14
Depreciation and depletion ($000's)	6,960	2,931	6,972	1,067	2,024	4,859	7,240	1,209
Depreciation and depletion ($/lb of U_3O_8 sold)	10	10	10	15	8	8	8	12

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 could vary significantly from quarter to quarter as illustrated in the table above. It is estimated that attributable sales from Akdala for 2008 will be approximately 2 million pounds of U_3O_8 and will be met through production and inventories on hand.

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 U_3O_8 sold and are lower in periods when the quantity of U_3O_8 sold is lower. There is a corresponding build-up of inventory in periods when the quantity of U_3O_8 sold is lower.

The increase in operating expenses per pound sold from $12 in Q1 2008 to $14 in Q2 2008 is mainly due to a significant increase in the cost of sulphuric acid in Q1 and Q2 2008. Since the commencement of operations at the new Kazakhmys Balkhash sulphuric acid plant in June 2008, the cost of sulphuric acid has decreased significantly and the Corporation does not expect the cost per pound of U_3O_8 sold to increase further in the second half of the year.

REVIEW OF DEVELOPMENT PROJECTS - KAZAKHSTAN

SOUTH INKAI URANIUM PROJECT

South Inkai is an ISR uranium development project located in the Suzak region of South Kazakhstan. Betpak Dala owns a 100% interest in the South Inkai Project. Accordingly, the Corporation owns a 70% indirect interest in the project.

The design capacity of the South Inkai Project is 5,200,000 pounds of U_3O_8 (2,000 tonnes U) per year. It is expected that the annualized rate of production will reach this level in 2011.

Pre-commercial production: Pre-commercial production from South Inkai continued to exceed expectations and in Q2 2008 was 367,300 pounds of U_3O_8 (141 tonnes U) of which 257,100 pounds of U_3O_8 (99 tonnes U) is attributable to the Corporation. The Corporation expects pre-commercial production from South Inkai to be approximately 1,300,000 pounds of U_3O_8 (500 tonnes U) during 2008 of which 910,000 pounds of U_3O_8 (350 tonnes U) will be attributable to the Corporation. This level of production is dependent on the granting of permission for South Inkai to move to industrial production in the second half of 2008, as it is currently only permitted pilot production of 780,000 pounds of U_3O_8 (300 tonnes U) per year.

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 of U_3O_8)
Q3 2007	113	-	-	-	-
Q4 2007	92	30	106.0	122.7	56,500
Q1 2008	53	24	163.5	229.0	206,400
Q2 2008	90	30	253.0	258.2	367,300

Acidification of production blocks, flow rate, concentration and the number of operating wells are carefully monitored and managed to ensure that South Inkai does not exceed permitted levels of production, which is currently 780,000 pounds of U_3O_8 (300 tonnes U) per year as pilot production.

Pending the amendment of South Inkai's subsoil use contract to increase permitted production from 780,000 pounds of U_3O_8 per year to 5,200,000 pounds of U_3O_8 per year and the granting of permission to move to industrial production, production rates were reduced from May 2008 onwards and approximately 68,600 pounds of U_3O_8 was produced in July 2008.

Industrial production: South Inkai's subsoil use contract specifies a pilot production level of 300 tonnes U per year, with an industrial production level of 600 tonnes U per year. Uranium One has recently been advised that the Kazakhstan Ministry of Energy and Mineral Resources has, subject to the approval of reserves by the State Committee for Geology, approved the amendment to the South Inkai subsoil use contract to increase the permitted industrial production level at South Inkai from 1,560,000 lbs U_3O_8 (600 tonnes U) per year to 5.2 million lbs U_3O_8 (2,000 tonnes U) per year. Uranium One's attributable production at full capacity is expected to be 3.6 million lbs U_3O_8 per year.

The amendment of the subsoil use contract as well as the granting of permission to move to industrial production, previously anticipated in the first half of 2009, is now expected to become effective in the second half of 2008.

Construction: Uranium processing facilities being constructed at South Inkai are of a similar design to those at the Akdala Mine, which is facilitating a fast and smooth commissioning process. Construction of the production complex is on schedule and final completion of the production complex is expected by the second half of 2008.

To date, total expenditure incurred by Betpak Dala relating to the construction project at South Inkai is $56.2 million and further capital expenditure to complete the project to design capacity is expected to be $8 million.

KHARASAN URANIUM PROJECT

Kharasan is an ISR uranium development project located in the Suzak region of South Kazakhstan. Kyzylkum LLP ("Kyzylkum"), a Kazakhstan registered limited liability partnership, owns a 100% interest in the Kharasan Project. Uranium One owns a 30% joint venture interest in Kyzylkum and the remaining interests in Kyzylkum 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 design capacity of Kharasan is 5,200,000 pounds of U_3O_8 (2,000 tonnes U) per year. It is expected that the annualized rate of production will reach this level in 2011.

Pre-commercial production: Kharasan now expects to produce approximately 166,700 pounds of U_3O_8 (64 tonnes U) as pilot production during 2008, of which 50,000 pounds of U_3O_8 (19 tonnes U) will be attributable to the Corporation. Previously, 2008 production had been estimated at 715,000 pounds of U_3O_8 (275 tonnes U), with 220,000 pounds of U_3O_8 (85 tonnes U) attributable to the Corporation.

Although acidification of the first well field at Kharasan commenced in March 2008, the increase in concentration in the solution is slower than expected and commencement of production has been delayed. The longer acidification period, together with delays in wellfield construction and piping contributed to the revision of the expected production for 2008. The Corporation is continuing to assess the factors contributing to the slow increase in concentration.

Operations: The following is a summary of the operational statistics (100%) for Kharasan 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/l)	Production (lbs of U_3O_8)
Q3 2007	7	33	-	-	-	-
Q4 2007	10	47	-	-	-	-
Q1 2008	10	30	-	-	-	-
Q2 2008	10	58	-	-	-	-

Note:

(1) As at end of quarter

Industrial production: A delineation drilling program to convert a sufficient amount of resources from the Russian C2 category to the Russian C1 category is ongoing and 35 drill holes were completed in Q2 2008, with a total of 55 drill holes completed for the 6 months ending June 30, 2008. The deployment of additional drill rigs in June 2008 advanced the rate of exploration drilling in Q2 2008.

For Q2 2008, another 58 of the required wells for the pilot test program to prove the productivity of the well fields, had been completed, advancing the total number of wells completed for the year up to June 30, 2008 to 88.

Kyzylkum will make an interim application for permission to move to industrial production based on the 177 exploration holes already drilled as well as the performance of the first wellfield, which serves as the pilot production block for purposes of the application. It is expected that the application process will commence in December 2008 when sufficient information from the pilot production block is available and the application should be completed in Q2 2009.

The Corporation expects to achieve industrial production for Kharasan in the first half of 2009.

Construction: Significant advances in the completion of the industrial complex were made during Q2 2008 in warmer weather conditions. By the end of June 2008 the initial circuit for start up of production was substantially complete and the remainder of the 1,000 tonne circuit planned for 2008 will be completed during the second half of 2008.

To date, total expenditure incurred by Kyzylkum relating to the construction of the industrial complex at Kharasan is $44.4 million. Further capital expenditure to complete the project to design capacity of 2,000 tonnes per year is expected to be $16 million.

Infrastructure development: The construction of a railroad switching station was completed in Q2 2008 and Phase 1 of the railroad transhipment base to meet the requirements for pilot production is progressing on schedule and is expected to be completed in Q3 2008.

Total expenditure incurred by Kyzylkum to date relating to infrastructure development at Kharasan amounts to $51.2 million with further capital expenditure to complete the required infrastructure expected to be $10 million. A consortium agreement was concluded with an adjacent uranium ISR development joint venture to share in the development cost of the local infrastructure required to support both operations (road, bridge, rail and marshalling facilities). The agreement resulted in a return of $22.6 million in capital to Kyzylkum relating to infrastructure amounts expended to date.

KHARASAN URANIUM PROJECT - continued

Project finance facility: In addition to the $80 million loan from the Corporation, Kyzylkum negotiated unsecured bank loan facilities in Q2 2007 totalling $100 million. One facility, in the amount of $70 million, was obtained from the Japan Bank for International Cooperation ("JBIC") and the other facility, in the amount of $30 million, was obtained from Citibank. These facilities have been drawn down in full as at June 30, 2008. The $80 million loan from the Corporation (principal of $60 million outstanding as at June 30, 2008) has to be repaid in full before repayments can be made on the Japan Bank for International Cooperation and Citibank facilities. As the Corporation proportionately consolidates its 30% interest in Kyzylkum, the Corporation's share of these facilities amounts to $30 million. The loan facilities have floating interest rates of LIBOR plus 0.25% and 0.35%, respectively.

SULPHURIC ACID SUPPLY IN KAZAKHSTAN

The new Kazakhmys Balkhash sulphuric acid plant located in eastern Kazakhstan was commissioned and commenced acid production in June 2008. This plant, which has an annual capacity of 1.2 million tonnes of sulphuric acid, provides Kazakh uranium producers, including the Corporation's Betpak Dala and Kyzylkum Joint Ventures in Kazakhstan, with a significant additional source of sulphuric acid in the country. While production levels at the Corporation's operations in Kazakhstan have not, to date, been constrained by acid supply, the commissioning of the Balkhash plant is expected to ensure that this will continue to be the case.

To ensure long term supply continuity, the Corporation is establishing a joint venture with Kazatomprom and other affected parties to build a sulphuric acid plant at Zhanakorgan, which is near Kharasan. Progress on the project includes the selection of well established reliable technology and a suitable contractor for construction of the plant. The contractor will be supported by local Kazakhstan contractors where necessary and sulphur will be sourced from the oil and gas fields in western Kazakhstan. The Corporation's ownership percentage in the joint venture is expected to be 19%. The total construction cost of the plant is expected to be approximately $200 million of which 30% is planned to be funded by the joint venture partners during two years of construction and the balance potentially funded through debt financing. Construction of the plant is expected to be completed in 2011.

REVIEW OF DEVELOPMENT PROJECTS – SOUTH AFRICA

DOMINION URANIUM PROJECT

The Dominion Uranium Project is a conventional shallow underground mining operation, situated in the North West Province of South Africa, approximately 150 kilometres west-southwest of Johannesburg.

The design throughput capacity of the processing plant is 200,000 tonnes of material per month. The initial feasibility study considered a life of mine of 11 years.

Pre-commercial production: In Q2 2008, pre-commercial production from the Dominion Uranium Project was 74,700 pounds of U_3O_8 and 1,800 ounces of gold, compared to 42,900 pounds of U_3O_8 and 1,200 ounces of gold in Q1 2008. Pre-commercial production for 2008 is now estimated to be 320,000 pounds of U_3O_8, compared to previous estimates of 590,000 pounds of U_3O_8. Proceeds from sales of material produced during the commissioning period will be offset against capital expenditures.

Pre-commercial production from Dominion in July 2008 was approximately 23,800 pounds of U_3O_8.

Mine development: Mining operations over the last four quarters can be summarized as follows:

	Underground development achieved (metres)	Underground tonnes mined (tonnes)	Underground ore blasted grade[1] (kg U_3O_8/tonne)
Q3 2007	3,662	84,300	0.406
Q4 2007	3,130	86,800	0.358
Q1 2008	3,649	94,200	0.361
Q2 2008	3,883	98,500	0.536

Note:

(1) Underground blasted grade includes all in-stope mining dilution and on reef development. The underground blasted grade is based on underground sampling.

The grade of underground ore delivered to the plant averaged 0.43 kg per tonne during Q2 2008.

The average blasted grade increased from 0.361 kg/tonne in Q1 2008 to 0.536 kg/tonne in Q2 2008. Blasted grades will continue to increase as: the mining crews gain experience with the reef being mined; current reef development opens up higher grade areas for mining; and cut-off grades are strictly adhered to.

During Q2 2008, the Corporation reached a new two year collective wage agreement covering its unionized workforce at Dominion. The new agreement replaces the 2005 collective agreement, which expired in June 2008. It provides for graduated increases in base salary in line with the Corporation's expectations, as well as certain medical and pension benefits.

The mine development cost for the year to date amounted to $20.6 million, of which $10.9 million was spent in Q2 2008.

Metallurgical plant: Plant recoveries are improving in line with the increased volume of underground material processed. Throughput for Q2 2008 was approximately 94,300 tonnes from underground and 97,500 tonnes from surface tailings material. Total plant recoveries are approximately 70% at present. Based on current head grades and residues, the estimated U_3O_8 recovery is approximately 78% from underground material and approximately 40% from surface tailing material. Overall plant recoveries are expected to increase over time as the lower grade surface tailings material is displaced by higher grade and increased quantities of underground ore. In addition, once the surface tailings material has been entirely replaced with underground ore, recoveries are expected to increase in line with feasibility study test work.

To facilitate the expected ramp-up in processing to levels in excess of 100,000 tonnes per month in the plant, a second boiler is being installed and is expected to be commissioned in Q4 2008. Metallurgical test work has indicated that the grade of the surface tailings material being treated can be increased significantly with the introduction of cyclones. A cyclone is a device that separates course and fine particles in material using centrifugal forces. The cyclones are expected to be commissioned in Q4 2008.

Exploration activities: In June 2008, the Corporation received the required Certificate of Registration from the South African National Nuclear Regulator, allowing it to carry out exploration drilling on its prospecting rights between the current Dominion project area and Ottosdal. The Corporation has prospecting rights over approximately 56,600 hectares in the general vicinity of the Dominion Project, including a Dominion reef outcrop of approximately 14 kilometres in the Ottosdal area. A drilling campaign to test the extensions at Ottosdal is scheduled to commence in Q3 2008.

REVIEW OF DEVELOPMENT PROJECTS – UNITED STATES

The Corporation is developing new uranium production centers in the western United States. Renovations are essentially complete at the Hobson Central Processing Plant south of San Antonio, Texas. This fully licensed facility will be able to accept and process uranium bearing resins from remote ISR satellite operations across south Texas. In Wyoming, Uranium One is in the process of licensing two ISR central processing plants in the Powder River Basin (Moore Ranch) and Great Divide Basin (Antelope) to process uranium bearing resins from various Uranium One properties in Wyoming. Renovation and licensing updates are underway as pre-requisites to a restart of the Shootaring Canyon Mill in eastern Utah. This mill could serve as the processing hub for open pit and underground mines scattered across northern Arizona, western Colorado, and Utah.

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.

The Moore Ranch Project is located in the Pumpkin Buttes uranium district in Campbell County, 25 miles east of Edgerton in the Powder River Basin of Wyoming. Moore Ranch has a NI 43-101 compliant measured resource suitable for in situ recovery.

Feasibility study: A Feasibility Study ("Feasibility Study") for the Moore Ranch Project was prepared by engineering consulting companies TREC, Inc., and BRS Engineering, Inc. The Feasibility Study was prepared in accordance with NI 43-101 to evaluate the technical and economic feasibility of the Moore Ranch Project using the most current scientific and engineering information available. In summary, the Feasibility Study demonstrated both the technical and economic feasibility of the Moore Ranch Project. The Feasibility Study also demonstrated that the previously defined in-place measured resources at the Moore Ranch Project can be converted to probable mineral reserves in accordance with NI 43-101 as follows:

Category (June 17, 2008) [1,2,3]	Tons	Average Grade (%eU_3O_8)	Pounds U_3O_8
Measured Resource	5,507,616	0.060	6,566,871
Probable Reserve	4,263,420	0.054	4,596,810

Notes:

(1) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

(2) Mineral resources are inclusive of mineral reserves.

(3) Probable reserve based on 70% recovery of measured resource.

The Feasibility Study only considered reserves from the Moore Ranch deposit. The Corporation will continue to advance its other projects within the Powder River Basin with a view to supplementing production from the Moore Ranch deposit. Salient details of the Feasibility Study including key assumptions and conclusions are as follows:

- Two alternatives were evaluated: a satellite only option using toll processing of resins at Power Resources Inc., and a 2,000,000 pound per year capacity central processing plant ("CPP") option. Based on the results of the Feasibility Study, the Corporation will be proceeding with development of a Central Processing Plant.
- The economic analysis was based on the probable reserve of 4,596,810 pounds of U_3O_8.
- The analysis uses a constant sales price of $64 per pound over the project life.
- The analysis includes Wyoming sales, ad valorem, and mineral severance taxes and corporate income tax.
- Pre-tax cash operating cost per pound is $13.70 for the most favorable alternative (CPP). Total cash costs including royalties and state taxes are expected to be $26.30 per pound.
- Using a valuation date of January 1, 2008, the potential after-tax economic performance expressed as a net present value ("NPV") and an internal rate of return ("IRR") is summarized below:

Discount Rate (%)	NPV ($ millions)
5	$92.7
8	$80.5
10	$73.4
IRR	**106%**

Permitting: On October 3, 2007, the Corporation submitted an application to the U.S. Nuclear Regulatory Commission ("NRC") for a licence to construct and operate an in situ uranium recovery facility at Moore Ranch, the first application of its kind received by the NRC since 1988. The application contains plans for uranium extraction ramping up to a rate of a nominal 1,000,000 pounds of U_3O_8 per year from the Moore Ranch well fields beginning in 2010, with construction of a central processing plant with capacity of 2,000,000 pounds of U_3O_8 per year. Any excess plant capacity would be used to process uranium bearing resins from other properties owned by the Corporation in the Powder River Basin. The Corporation also submitted an application to the Wyoming Department for Environmental Quality ("WDEQ") for a mining permit in October 2007.

The NRC and WDEQ technical reviews of the application to build and operate an in situ uranium recovery facility at the Moore Ranch Project are currently in progress and the Corporation expects to receive the licence and permit during 2009. Production from Moore Ranch is anticipated to commence during 2010.

Other Powder River Basin properties where delineation drilling and environmental data collection for permitting purposes is ongoing, include the Ludeman, Allemand-Ross and Peterson projects.

GREAT DIVIDE BASIN, WYOMING

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

Permitting: A central processing facility is planned for construction at the Antelope project, with a satellite facility installed at JAB. The central processing facility is planned to have a capacity of 2 million pounds of U_3O_8 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 and Bull Springs.

In the first week of July 2008, the Corporation submitted applications to the NRC and WDEQ for the licence and permits to construct and operate an in situ uranium recovery facility for Antelope and JAB. Two of the four new pending ISR applications now before the NRC and WDEQ are the Corporation's Moore Ranch and JAB/Antelope projects.

Delineation and exploration: An extensive drilling program comprising 261 holes was concluded at JAB during 2007 to supplement the data from approximately 1,600 historic holes. Further delineation drilling will occur at Antelope during Q3 2008. Delineation drilling of the Antelope area, to supplement the data from approximately 4,000 historic holes, was initiated in late 2007, but was ceased in February 2008 due to heavy snow in the Great Divide Basin.

HOBSON AND LA PALANGANA

The Hobson Facility is an ISR uranium processing facility located about one mile south of the town of Hobson in Karnes County, Texas. The refurbishment of the processing plant to a capacity of a nominal 1,000,000 pounds of U_3O_8 per year of dried natural uranium concentrates was completed in July 2008.

The La Palangana Uranium Project is host to an ISR amenable uranium deposit. The Corporation plans to construct and operate a satellite plant at La Palangana where uranium-rich solutions from alkaline leaching well fields will be recovered in an ion exchange plant, producing uranium-laden resin. Periodically, the resin will be transported to the Hobson Central Processing Facility where it will be stripped of uranium. The barren resin will be recycled and reused at La Palangana. The current mine plan for the first and second production areas off the east side of the Palangana dome is based on the recovery of a nominal 0.7 million pounds U_3O_8 of proven and probable reserves at La Palangana during 2009 and 2010. The inferred resources of 2.0 million tons at a grade of 0.148% U_3O_8 containing 5.8 million pounds previously reported by Robert E. Blackstone, P.G. of Blackstone and Associates Geological Consulting (NI43-101 dated November 2005) for the La Palangana dome have not been included in the current mine plan.

Construction at La Palangana: The Corporation is continuing with a drilling program that commenced prior to acquisition of the property, to develop an area of the deposit for commercial production and to conduct exploration drilling on other areas of the property.

Permitting: The Corporation has applied for all permits necessary to conduct ISR operations at the Palangana site from the Texas Commission on Environmental Quality, including the Area Permit, Radioactive Materials Licence ("RML"), Production Area Authorization (for the first production area) and Disposal Well Permit. All applications are progressing through the regulatory process.

A public meeting on the Palangana Area Permit was held in January 2008 and was well received. The draft Area Permit to approve mining operations at La Palangana was issued in Q2 2008. Final approvals of the Area Permit, Production Area Authorization and Disposal Well Permit are anticipated to be received in the second half of 2008, with the approval of the RML now expected in the first half of 2009. Each of these four permits will authorize related construction activities as well as operations of portions of the project. However, actual injection of oxygen bearing waters into the ore body and recovery of natural uranium is authorized only by the RML.

During Q2, monitor wells were installed in the second production area at La Palangana and successful hydrologic testing of the area was completed in July. The baseline sampling of the monitor wells should be completed in Q3 with submission of the application for the second production area scheduled for Q4 2008.

Pre-commercial production: Due to an extended permitting process at La Palangana, pre-commercial production is now expected to commence in 2009 and accordingly the previously estimated pre-commercial production for 2008 of 35,000 pounds of U_3O_8 will not be achieved.

Refurbishment of the Hobson Facility: Refurbishment of the Hobson Facility was completed at the end of May 2008. The new instrumentation and control systems were installed at the plant. Successful wet testing of the resin processing and elution, precipitation circuits was conducted the first week of June 2008. All pumps and shakers required for the resin transfer are operable. The drying and packaging facility was completed in July 2008.

The Hobson Facility is fully permitted and licenced. With the completion of the refurbishment program, the facility is now ready to accept uranium-loaded resin from La Palangana, or any other facility. The schedule for initial production of U_3O_8 from the Hobson Facility is directly tied to the licencing and development of the La Palangana Uranium Project.

SHOOTARING CANYON MILL AND ASSOCIATED URANIUM PROPERTIES

The Shootaring Canyon Mill is located in Garfield County, Utah and is in proximity to the Corporation's Frank M, Velvet, Woods and Breccia Pipes properties.

The mill is in good condition and essential utilities were restored during 2008. The mill was assessed for detailed restoration requirements and detailed cost estimates for refurbishment have been completed.

The Corporation is continuing with a drill program to assess the resource potential of additional projects in close proximity to the Shootaring Canyon Mill.

EXPLORATION PROJECTS

The Corporation is exploring its other properties and has current exploration programs in progress on its properties in South Africa, the western United States, Canada and Australia.

RESERVE AND RESOURCE UPDATE FOR PROJECTS IN THE UNITED STATES

During Q2 2008, updated mineral resource and reserve estimates were completed for a number of the Corporation's development projects in the United States. The updated mineral resource and reserve estimates are shown below.

Table 1 - Updated United States Mineral Resource Estimates (June 17, 2008)[1,2,3]

Measured Mineral Resources

Project	Tons *(000's)*	Grade U_3O_8 *(%)*	lbs U_3O_8 *(000's)*	Ownership *(%)*
Wyoming				
Moore Ranch	5,508	0.060	6,567	100
Peterson	841	0.094	1,624	100
Barge	4,324	0.053	4,590	100
Jab	2,516	0.072	3,616	100
West Jab	361	0.115	830	100
Texas				
La Palangana	7	0.158	21	99
Utah				
New Velvet	363	0.271	1,966	100
Total Measured	**13,920**	**0.069**	**19,214**	

Indicated Mineral Resources

Project	Tons *(000's)*	Grade U_3O_8 *(%)*	lbs U_3O_8 *(000's)*	Ownership *(%)*
Wyoming				
Peterson	229	0.086	393	100
Jab	243	0.076	371	100
Texas				
La Palangana	383	0.134	1,027	99
Utah				
Old Velvet	62	0.410	509	100
Frank M	1,095	0.101	2,210	100
Total Indicated	**2,012**	**0.112**	**4,510**	

Inferred Mineral Resources

Project	Tons *(000's)*	Grade U_3O_8 *(%)*	lbs U_3O_8 *(000's)*	Ownership *(%)*
Wyoming				
Moore Ranch	44	0.102	89	100
Jab	241	0.031	150	100
West Jab	65	0.121	158	100
Texas				
La Palangana	1,982	0.148	5,834	99
Utah				
New Velvet	174	0.174	604	100
Frank M	42	0.090	75	100
Total Inferred	**2,548**	**0.136**	**6,910**	

Notes:

(1) The mineral resource for Moore Ranch, Peterson, Jab, West Jab, Barge, Frank M and Velvet was estimated by Mr. Douglas Beahm of BRS Inc. and reported to a grade-thickness (GT) cut-off of 0.25. Velvet is reported to a grade-thickness (GT) cut-off of 0.25 and 0.50 respectively for the measured and indicated resources.

(2) The measured and indicated mineral resource for La Palangana (Production Areas 1 and 2) was estimated by Mr. Sean Muller of SRK, and reported to a grade-thickness (GT) cut-off of 0.5. Mr. Sean Muller has also estimated 190,076 lbs U_3O_8 of inferred resource for the Production Areas 1 and 2, included in the 5.83 million lbs U_3O_8 total.

(3) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Portions of the Measured and Indicated Resources detailed in Table 1 have been converted into Proven and Probable Reserves, as shown in Table 2, through a process of mine planning and the application of appropriate modifying factors and is reported on the basis of delivery to the plant. The mineral reserves detailed below have been determined using a U_3O_8 price assumption of US$64/lb in order to determine the economic cut-offs.

Table 2 – United States Mineral Reserve Estimates (June 17, 2008)(1,2,3,4)

Proven Mineral Reserves

Project	**Tons** *(000's)*	**Grade** **U_3O_8** ***(%)***	**lbs U_3O_8** *(000's)*	**Ownership** ***(%)***
Texas				
La Palangana	6	0.158	18	99
Total Proven	**6**	**0.158**	**18**	

Probable Mineral Reserves

Project	**Tons** *(000's)*	**Grade** **U_3O_8** ***(%)***	**lbs U_3O_8** *(000's)*	**Ownership** ***(%)***
Wyoming				
Moore Ranch	4,263	0.054	4,597	100
Texas				
La Palangana	263	0.134	710	99
Utah				
Velvet	375	0.265	1,988	100
Total Probable	**4,901**	**0.074**	**7,295**	

Notes:

(1) The mineral reserve for the Moore Ranch Project and the Velvet Project was estimated by Mr. Douglas Beahm of BRS Inc.

(2) The mineral reserve for the La Palangana Project was estimated by Mr. Sean Muller of SRK, and verified by Mr. Al Kuestermeyer under the guidance and supervision of Dr. Neal Rigby of SRK.

(3) Tons and grade are stated on the basis of delivery to the plant.

(4) Mineral reserves are included in mineral resources.

Uranium resource and reserve estimates generally relied on geophysical log data from rotary drill holes representing radiometric equivalent grade augmented by chemical assays from core holes. For each project, radiometric equilibrium was evaluated and a disequilibrium factor (DEF) determined. With the exception of JAB and La Palangana, for which a positive DEF was applied, no correction for disequilibrium was made. Mineral resource and reserve estimates completed utilized the GT Contour method which is the CIM standard method of evaluation for ISL uranium deposits. The validation of resources and reserves for the La Palangana, Velvet, and Frank M projects, utilized the Inverse Distance method. Please refer to "Forward looking statements and other information" for more information on data verification.

The mineral resource estimates considered only mineralization of intrinsic economic interest and applied typical grade and/or GT cut-off criteria, minimum mining thicknesses, and dilution.

CORPORATE

CREDIT FACILITY

The Corporation concluded a senior secured revolving credit facility at the end of Q2 2008.

Under the terms of the facility, the Corporation has the ability to borrow up to $100 million from the lead lenders, Bank of Montreal and The Bank of Nova Scotia (the “Banks”). The facility has a two year term, and may be extended for a further year with lender consent.

Draw downs under the facility can be made with interest rates based on either the US dollar LIBOR rate or the Bank of Montreal base rate for US dollar denominated loans. The margin on LIBOR loans is between 1.25% and 2.00% per annum and between 0.25% and 1.00% per annum on US base rate loans. Undrawn amounts are subject to a commitment fee ranging from 0.40% to 0.50%.

Letters of credit can be issued under the facility at a fee of between 1.25% and 2.00% per annum.

The margin on the base interest rates, the commitment fee and the letter of credit fee is dependent on the ratio of the Corporation’s net debt (total debt less certain cash balances) to its earnings before interest, taxes, share based compensation, depreciation and depletion and other non-cash items.

Draw downs under the facility may be used for general corporate purposes, including working capital requirements and funding capital expenditures and acquisitions.

The Corporation incurred costs of $5.7 million in setting up the facility, which was deferred and will be amortized on a straight line basis over the initial period of the loan.

The facility was arranged by BMO Capital Markets and Scotia Capital as joint lead arrangers. Endeavour Financial acted as financial adviser to Uranium One.

URANIUM ONE AUSTRALIA

The Corporation suspended development activities at the Honeymoon Uranium Project and is considering corporate development opportunities for the Australian portfolio of assets. Rothschild has been appointed as its financial advisor to assist and to consider various alternatives. The Corporation is considering a wide range of partnership options and may also consider a separate listing of the Australian portfolio. The evaluation process is ongoing and the Corporation expects to reach a conclusion in the second half of 2008.

SALE OF SHAREHOLDING IN AFLEASE GOLD

On March 27, 2008, the Corporation entered into an agreement to sell its shareholding in Aflease Gold. On April 8, 2008 the Corporation sold 152.2 million Aflease Gold shares for $41.3 million, decreasing the Corporation's ownership to 38% of the common shares of Aflease Gold. An option granted to the purchaser to acquire Uranium One Africa’s remaining shareholding in Aflease Gold lapsed on May 8, 2008. In the first quarter of 2008, the Corporation’s investment in Aflease Gold was written down to its fair value, based on a combination of the contracted sales price and the market price on the JSE. The impairment, net of future income taxation recovery, amounted to $103.5 million.

During June 2008, the Corporation sold an additional 9.1 million Aflease Gold shares for $2.8 million, decreasing the Corporation’s shareholding to 36%. The Corporation realized a gain of $0.7 million on the sale of these shares. The tax on these transactions was offset against the assessed tax losses of Uranium One Africa Limited, a wholly owned subsidiary of the Corporation.

The assets and liabilities of Aflease Gold have been classified as discontinued operations for all periods presented in the Corporation’s financial statements. As a result of the Corporation’s partial disposal of its interest in Aflease Gold, consolidation of Aflease Gold is no longer appropriate. The Corporation has equity accounted for its investment in Aflease Gold for the three months ended June 30, 2008 and its share of Aflease Gold’s earnings is recorded in the discontinued operations line in the consolidated statement of operations for the three months ended June 30, 2008. The Corporation’s net equity investment in Aflease Gold is recorded as discontinued operations (non-current assets) in the consolidated balance sheet as at June 30, 2008. The Board of Directors has approved the sale of the remaining portion of Uranium One Africa's shareholding in Aflease Gold.

SALE OF NON-CORE ASSETS

During the quarter, Uranium One Africa disposed of its shareholding of 8.6 million shares in Randgold and Exploration Company Limited (“Randgold”) for proceeds of approximately $13.0 million. In 2005 Randgold was de-listed by the NASDAQ and suspended by the JSE for failure to file audited financial statements for its 2004 financial year. The Corporation therefore attributed no value to these shares during the business combination between Uranium One and UrAsia Energy on April 20, 2007. Taxes of $1.5 million on the capital gain realized on the sale were offset against loss carry-forwards of Uranium One Africa.

The Corporation sold other available for sale securities for net cash proceeds of $9.6 million during Q2 2008. A loss of $4.4 million was realized on the sale of these securities. Tax of $0.8 million on the capital gain was set off against the Corporation’s tax loss carry-forwards.

In March 2008 the Corporation decided to sell non-core properties and as a result certain exploration properties are classified as held for sale as at June 30, 2008. The Corporation has received letters of intent from potential buyers to acquire certain of these properties. These assets held for sale have been written down to their estimated fair value, less selling costs, resulting in an impairment charge of $105.1 million and a future income tax recovery of $23.9 million.

SUMMARY OF QUARTERLY RESULTS

	Jun 30 2008 $(000's)	Mar 31 2008 $(000's)	Dec 31 2007 $(000's)	Sept 30 2007 $(000's)	Jun 30 2007 $(000's)	Mar 31 2007 $(000's)	Dec 31 2006 (2) $(000's)	Oct 31 2006 $(000's)
Revenues	49,390	22,517	61,010	8,019	23,265	41,730	46,256	4,193
Net (loss) / earnings from continuing operations(3)	(68,195)	(10,315)	5,880	(16,980)	(13,108)	7,971	(6,228)	25,912
Basic and diluted (loss) / earnings per share from continuing operations(1) (3)	(0.15)	(0.02)	0.01	(0.04)	(0.04)	0.04	(0.03)	0.12
Earnings / (loss) from discontinued operations(3)	274	(104,555)	(509)	(277)	(586)	-	-	-
Basic and diluted loss per share from discontinued operations(3)	0.00	(0.22)	(0.00)	(0.00)	(0.00)	-	-	-
Net (loss) / earnings	(67,921)	(114,870)	5,371	(17,257)	(13,694)	7,971	(6,228)	25,912
Basic and diluted loss per share	(0.15)	(0.24)	0.01	(0.04)	(0.04)	0.04	(0.03)	0.12
Total assets	4,970,117	5,052,346	5,612,897	5,710,605	4,247,176	999,950	971,618	949,530

Notes:

(1) The basic and diluted earnings / loss per share is computed separately for each quarter presented and therefore may not sum to the year ended December 31, 2007 or the 5 months ended December 31, 2006.

(2) The December 31, 2006 quarter consists of a 2 month period.

(3) With the classification of Aflease Gold as a discontinued operation in Q1 2008, the operating results of Aflease Gold for periods up to Q1 2008 were reclassified from previously reported headings to earnings / (loss) from discontinued operations. The net impairment on Aflease Gold of $103.5 million in Q1 2008 is also reported under this heading.

NON-GAAP MEASURES

ADJUSTED NET EARNINGS / LOSS

The Corporation has included non-GAAP performance measures, adjusted net earnings and adjusted net earnings per share throughout this document. 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. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of adjusted net earnings to the financial statements:

(US dollars in thousands)	**3 Months ended June 30, 2008 $**	**3 Months ended June 30, 2007 $**	**6 Months ended June 30, 2008 $**	**6 Months ended June 30, 2007 $**
Net loss from continuing operations	(68,195)	(13,108)	(78,508)	(5,137)
Unrealized foreign exchange (gain) / loss on future income tax liabilities	(171)	6,177	(1,309)	14,777
Gain on sale of available for sale securities (net of tax of $2,397)	(6,205)	-	(5,070)	-
Impairment of assets held for sale (net of tax of $23,880)	81,209	-	81,209	-
Adjusted net earnings / (loss)	**6,638**	**(6,931)**	**(3,678)**	**9,640**
Adjusted net earnings / (loss) per share – basic and diluted ($)	0.01	(0.02)	(0.01)	0.04
Weighted average number of shares (thousands) – basic and diluted	468,166	332,956	467,809	275,380

SALES PER POUND OF U_3O_8 AND COST PER POUND OF U_3O_8 SOLD

The Corporation has included non-GAAP performance measures throughout this document: sales per pound of U_3O_8 and cost per pound of U_3O_8 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. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. As in previous periods, sales per pound of U_3O_8 and cost per pound of U_3O_8 sold are calculated by dividing the *Revenues* and *Operating expenses* found in the Statement of Operations in the Consolidated Financial Statements by the pounds of U_3O_8 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 June 30, 2008 $	3 Months ended June 30, 2007 $	6 Months ended June 30, 2008 $	6 Months ended June 30, 2007 $
Revenue	49,390	23,265	71,907	64,995
Loss from continuing operations[(1)]	(68,195)	(13,108)	(78,508)	(5,137)
Earnings / (loss) from discontinued operations [(1)]	274	(586)	(104,282)	(586)
Net loss	(67,921)	(13,694)	(182,790)	(5,723)
Adjusted net earnings / (loss)	6,638	(6,931)	(3,678)	(9,640)
Cash flows (used in) / from operating activities	(30,363)	(17,279)	9,096	34,139
Loss per share from continuing operations[(1)]	(0.15)	(0.04)	(0.17)	(0.02)
Loss per share from discontinued operations[(1)]	0.00	(0.00)	(0.22)	(0.00)
Loss per share	(0.15)	(0.04)	(0.39)	(0.02)
Adjusted net earnings / (loss) per share	0.01	(0.02)	(0.01)	0.04
Product inventory carrying value[(2)]	13,092	12,082	13,092	12,082
Total assets	4,970,117	4,247,176	4,970,117	4,247,176
Long term financial liabilities	1,587,847	1,470,452	1,587,847	1,470,452
Average realized uranium price per lb of U_3O_8	72	95	74	77
Average U_3O_8 spot price per lb	61	126	68	105
	lbs of U_3O_8	**lbs of U_3O_8**	**lbs of U_3O_8**	**lbs of U_3O_8**
Attributable sales volume	685,600	244,300	968,900	849,500
Attributable production volume	435,300	452,200	866,800	940,200
Attributable inventory[(3)]	620,500	636,800	620,500	636,800

Notes:

(1) With the classification of Aflease Gold as a discontinued operation in Q1 2008, the operating results of Aflease Gold for periods up to Q1 2008 were reclassified from previously reported headings to earnings / (loss) from discontinued operations.

(2) Inventory as at June 30, 2008 is attributable to the Akdala Uranium Mine. Pre-commercial production from the Corporation's development projects are capitalized to the project as pre-production capital expenditure.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2008

URANIUM SALES, INVENTORY AND OPERATING COSTS

The spot price of U_3O_8 reached record levels during Q2 2007 and closed the quarter off at $136 per pound of U_3O_8. Since then it has steadily retracted, reaching a low of $57 per pound of U_3O_8 in June and closing at $59 per pound of U_3O_8 at June 30, 2008. As the majority of the Corporation's sales contracts are related to the spot price of U_3O_8 at the time of delivery, fluctuations in the spot price of U_3O_8 have a direct impact on the Corporation's revenue.

In line with existing contracts, sales attributable to the Corporation during Q2 2008 amounted to 685,600 pounds of U_3O_8, compared to 244,300 pounds of U_3O_8 in Q2 2007. The Corporation's attributed share of revenue from sales in Q2 2008 amounted to $49.4 million, compared to $23.3 million in Q2 2007, with the higher sales volume partially offset by a 24% decrease in the average realized uranium price per pound of U_3O_8 compared to Q2 2007.

The average realized price per pound of U_3O_8 sold in Q2 2008 was $72, compared to an average spot price per pound of U_3O_8 of $61 in the quarter; the average realized price per pound of U_3O_8 sold in Q2 2007 was $95, compared to an average spot price per pound of U_3O_8 of $125 in Q2 2007.

Earnings from mining operations were $32.9 million in Q2 2008 after the deduction of operating expenses of $9.5 million ($14 per pound of U_3O_8 sold) and depreciation and depletion charges of $7.0 million ($10 per pound of U_3O_8 sold). During Q2 2008 attributable inventory decreased by 266,000 pounds of U_3O_8 as more U_3O_8 was delivered into sales contracts than the production for the quarter.

In Q2 2007, earnings from mining operations were $19.2 million after the deduction of operating expenses of $2.1 million ($8 per pound of U_3O_8 sold) and depletion costs of $2.0 million ($8 per pound of U_3O_8 sold).

GENERAL AND ADMINISTRATIVE COSTS

General and administrative expenses, including stock option and restricted share expenses of $4.5 million, amounted to $13.9 million for Q2 2008, compared to $18.0 million for Q2 2007, including stock option and restricted share expenses of $9.6 million. Stock-based compensation was unusually high in Q2 2007, due to the revaluation of options during the business combination between Uranium One and UrAsia Energy. Higher administrative costs are in line with the Corporation's forecasts and largely relate to the substantial increase in size of operations resulting from acquisition activities and growth. The expense for Q2 2008 includes salaries of $4.4 million and consulting fees of $1.0 million.

EXPLORATION

Exploration expenditure relates to exploration programs being undertaken on the Corporation's licence areas in the United States, South Africa, Canada, Australia and the Kyrgyz Republic and amounted to $5.0 million in Q2 2008 compared to $4.4 million in Q2 2007.

INTEREST INCOME AND EXPENSE

Interest income amounted to $3.1 million for Q2 2008, compared to $4.3 million for Q2 2007. In addition to the interest earned on loans to joint ventures, interest is earned on funds held on deposit by the Corporation. The Corporation's consolidated cash balance decreased from $288.0 million at the end of Q2 2007 to $133.1 million at the end of Q2 2008, which together with a decrease in yields on cash invested, contributed to the decrease in interest income.

Interest expense of $3.9 million for Q2 2008 includes interest accrued on the convertible debentures and the Corporation's proportionate share of the interest on the Kyzylkum loan facility. The interest expense of $3.0 million in Q2 2007 reflects the interest accrued on the convertible debentures between April 20, 2007, the date of the business combination between Uranium One and UrAsia Energy, and June 30, 2007.

IMPAIRMENT OF ASSETS HELD FOR SALE

The Corporation carries assets held for sale at fair value. Assets held for sale include Aurora and the Corporation's share in Sheep Mountain. The fair value of these assets was determined to be $15.5 million at June 30, 2008 and an impairment of $81.2 million (net of a future income tax recovery of $23.9 million) was recognized.

GAIN ON SALE OF AVAILABLE FOR SALE SECURITIES

The Corporation's portfolio of available for sale securities consists of listed shares, mostly in junior uranium exploration companies. These securities were acquired in business combinations and as part of proceeds for the sale or joint venturing of non-core assets. The Corporation disposes of these shares in a controlled fashion as and when opportunity arises and realized a gain of $8.6 million on the disposal of available for sale securities, including the Corporation's investment in Randgold during Q2 2008. Taxes of $2.3 million on the profits realized were offset against available tax loss carry forwards.

There were no sales of available for sale securities in Q2 2007.

FOREIGN EXCHANGE GAIN / LOSS

The net foreign exchange gain during Q2 2008 amounted to $2.4 million and consisted of a $0.2 million unrealized exchange gain arising from translation of the future income tax liability in respect of the Corporation's investment in Kazakhstan, which decreased as result of a weakening of the Kazakhstan tenge against the US dollar during the quarter, a realized gain of $1.0 million and an unrealized gain on other items of $1.3 million. For Q2 2007, a foreign exchange loss of $6.0 million was recorded.

INCOME TAXES

Current income tax expense for Q2 2008 was $17.5 million and represents taxes paid and payable in Kazakhstan on profits from the Corporation's Akdala Uranium Mine of $15.2 million and $2.3 million on the capital gains from the disposal of available for sale securities. For Q2 2007 a $7.8 million income tax expense was recorded for the Akdala Uranium Mine.

The future income tax recovery during Q2 2008 consists of $2.5 million arising from a reduction in the future income tax liability related to the acquisition of assets through the purchase of participating interests in the joint ventures in Kazakhstan, a future income tax recovery of $23.9 million on impairments recognized on assets held for sale, as well as an increase in future income tax assets due to temporary differences and tax loss carry forwards. In Q2 2007, a recovery of future income taxes of $2.2 million was recorded, being a reduction in future income tax liability.

EARNINGS FROM DISCONTINUED OPERATIONS

During Q2 2008 an after-tax gain of $0.7 million was realized on the sale of 161.3 million Aflease Gold shares. The tax payable on the gains realized was offset against loss carry-forwards of Uranium One Africa.

The after tax gain realized was offset by the Corporation's estimated share of Aflease Gold's net loss for the quarter of $0.4 million, resulting in earnings from discontinued operations of $0.3 million.

NET LOSS FOR THE PERIOD

The net loss for Q2 2008 amounted to $67.9 million or $0.15 per share (basic and diluted), compared to a net loss of $13.7 million or $0.04 per share (basic and diluted) for Q2 2007.

SIX MONTHS ENDED JUNE 30, 2008

URANIUM SALES, INVENTORY AND OPERATING COSTS

Revenue from uranium sales attributable to the Corporation during the six months ended June 30, 2008 amounted to $71.9 million for approximately 968,900 pounds of U_3O_8 sold. Mining operations reflected a pre-tax income of $49.2 million after the deduction of operating expenses of $12.8 million and depreciation and depletion charges of $9.9 million. Revenue from attributable uranium sales during the six months ended June 30, 2007 amounted to $65.0 million for approximately 849,200 pounds of U_3O_8 sold. Mining operations reflected a pre-tax income of $49.0 million after deduction of production and depletion costs totalling $16.0 million.

The average unit price received for sales in the six month period ended June 30, 2008 was $74 per pound of U_3O_8. The average price obtained in the six months ended June 30, 2007 was $77 per pound of U_3O_8. The average spot price per pound of U_3O_8 was $68 for the six months ended June 30, 2008 and $105 for the six months ended June 30, 2007.

Operating expenses for the six month period ended June 30, 2008 were $12.8 million or approximately $13 per pound of U_3O_8 sold. Operating expenses during the six months ended June 30, 2007 were $9.1 million or $16 per pound of U_3O_8 sold. The average unit cost of depletion was $10 per pound of U_3O_8 sold in the six months ended June 30, 2008 compared to $9 per pound for the of U_3O_8 sold in the six months ended June 30, 2007.

GENERAL AND ADMINISTRATIVE COSTS

General and administration expenses of $29.2 million were recorded for the six months ended June 30, 2008 compared to $22.7 million in the six months ended June 30, 2007. Due to the business combination between Uranium One and UrAsia Energy on April 20, 2007, the comparative period includes expenses for only UrAsia Energy up to April 20, 2007 and for the combined entity thereafter. General and administration costs are in line with expectations.

Stock option and restricted share expense included in general and administration costs of $10.6 million was recorded for the six months ended June 30, 2008 compared to $13.0 million for the six month period ended June 30, 2007.

EXPLORATION

Exploration expenditure relates to exploration programs being undertaken on the Corporation's licence areas in the United States, South Africa, Canada, Australia and the Kyrgyz Republic and amounted to $6.7 million during the six months ended June 30 2008 compared to $5.8 million during the six months ended June 30 2007.

INTEREST INCOME AND EXPENSE

Interest income amounted to $5.9 million for the six months ended June 30, 2008, compared to $5.3 million for the six months ended June 30, 2007. In addition to the interest earned on loans to joint ventures, interest is earned on funds held on deposit by the Corporation.

Interest expenses of $7.7 million for the six months ended June 30, 2008 include interest accrued on the convertible debentures and the Corporation's proportionate share of the interest on the Kyzylkum loan facility. The interest expense of $3.0 million for the six months ended June 30, 2007 reflects the interest accrued on the convertible debentures between April 20, 2007, the date of the business combination between Uranium One and UrAsia Energy, and June 30, 2007.

GAIN ON SALE OF AVAILABLE FOR SALE SECURITIES

A gain of $7.5 million was realized on the disposal of available for sale securities, including the Corporation's investment in Randgold during the six months ended June 30, 2008. Taxes of $2.3 million on the profits realized were offset against available tax loss carry forwards.

There were no sales of available for sale securities during the six months ended June 30, 2007.

FOREIGN EXCHANGE GAIN / LOSS

The net foreign exchange loss for the six months ended June 30, 2008 amounted to $0.2 million and consisted of a realized loss of $3.8 million, offset by an unrealized gain of $2.3 million and a $1.3 million unrealized exchange gain arising from translation of the future income tax liability in respect of the Corporation's investment in Kazakhstan, which decreased as result of a weakening of the Kazakhstan tenge against the US dollar during the quarter. For the six months ended June 30, 2007, a foreign exchange loss of $13.4 million was recorded.

INCOME TAXES

Current income tax expense for the six months ended June 30, 2008 was $23.9 million and represents taxes paid and payable in Kazakhstan on profits from the Corporation's Akdala Uranium Mine of $21.6 million and $2.3 million on the capital gains from the disposal of available for sale securities. For the six months ended June 30, 2007 a $20.4 million income tax expense was recorded, mainly for the Akdala Uranium Mine.

The future income tax recovery for the six months ended June 30, 2008 of $30.1 million arises from a reduction in the future income tax liability related to the acquisition of assets through the purchase of participating interests in the joint ventures in Kazakhstan of $3.6 million, a future income tax recovery of $23.9 million on impairments recognized on assets held for sale, as well as an increase in future income tax assets due to temporary differences and tax loss carry forwards. In the six months ended June 30, 2007, a recovery of future income taxes of $4.4 million was recorded, being a reduction in future income tax liability.

LOSS FROM DISCONTINUED OPERATIONS

Aflease Gold was classified as a discontinued operation in Q1 2008 and all items related to Aflease Gold in the Statement of Operations were separated from normal operations. The net loss from discontinued operations of $104.3 million includes an impairment charge, net of tax, of $103.5 million.

NET LOSS FOR THE PERIOD

The net loss for the six months ended June 30, 2008 amounted to $182.8 million or $0.39 per share, compared to a net loss of $5.7 million or $0.02 per share during the six months ended June 30, 2007.

FINANCIAL CONDITION

On June 30, 2008, the Corporation had cash and cash equivalents of $133.1 million, compared to $159.6 million at December 31, 2007. Due to the fact that Aflease Gold was treated as a discontinued operation from Q1 2008, cash held by Aflease Gold is not included in the consolidated cash balance of the Corporation and cash held by Aflease Gold as at December 31, 2007 was included in the Current assets of discontinued operations line on the Consolidated Balance Sheet for December 31, 2007.

Inventories increased to $23.1 million from the $20.9 million held at December 31, 2007, due to an increase in materials and supplies of $4.9 million, partially offset by the decrease of $2.7 million in finished uranium concentrates and solutions and concentrates. Materials and supplies increased in line with higher inventories of spares used in the maintenance of the Corporation's drill rigs deployed in Kazakhstan. The Corporation intensified its drill rig maintenance program to increase current drill rig performance. As at June 30, 2008 the Corporation had attributable inventory of 620,500 pounds of U_3O_8 of which approximately 287,000 pounds is held in the form of saleable product. Of the saleable product, 257,300 pounds were in transit to conversion facilities at June 30, 2008. All of the saleable product on hand as at June 30, 2008, 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 concluded through transfer of legal title and ownership.

Inventory as at June 30, 2008 is attributable to the Akdala Uranium Mine. Pre-commercial production from the Corporation's development projects are not accounted for as inventory. Attributable material produced and on hand from the Corporation's development projects at June 30, 2008 amounted to 434,000 pounds of U_3O_8 at South Inkai and 142,000 pounds of U_3O_8 at Dominion.

A summary of Akdala's attributable inventory carried at the end of Q2 2008 is as follows:

Category	Location	Thousands of pounds of U_3O_8
In process	Mine site	18.8
In process	External processing facilities	15.2
In transit	In transit	257.3
Finished product ready to be shipped	External processing facilities	299.5
Finished product at conversion facility	Conversion facilities	29.7
Total inventory		**620.5**

Short term loans advanced to Betpak Dala, of which $17.0 million was outstanding at December 31, 2007, were repaid in full by February 9, 2008.

Scheduled repayments on the loan to Kyzylkum, of $13.3 million plus interest, were received from Kyzylkum up to June 30, 2008 resulting in an outstanding loan balance of $60.8 million as at June 30, 2008.

A decrease in the reporting values of mineral interests, plant and equipment due to a 15% weakening of the South African rand against the US dollar during the six months, were offset by an 8% strengthening of the Australian dollar against the US dollar and cash additions to mineral interests, plant and equipment of $122.4 million.

Due to the Corporation's decision in Q1 2008 to dispose of Aflease Gold, it has been treated as a discontinued operation in comparative periods and its assets and liabilities are therefore presented as follows in December 31, 2007: current assets of $95.0 million; non-current assets of $286.6 million; current liabilities of $5.2 million; and non-current liabilities of $183.1 million, for a net asset value of $193.2 million. The decrease in the December 31, 2007 carrying value to the carrying value of $32.2 million as at June 30, 2008 mainly consist of an impairment of $103.5 million, and the sale of shares with a carrying value of $27.8 million.

Certain properties, with a carrying value of $122.2 million and associated future income tax liability of $25.5 million at December were classified as held for sale in during the period. An impairment of $105.1 million was recognized on these properties in Q2 2008, with an associated future income tax recovery of $23.9 million.

The decrease in current liabilities from December 31, 2007 can mainly be attributed to a decrease in taxes payable in Kazakhstan on the profits from the Akdala Uranium Mine.

Long term liabilities (excluding the long term liabilities associated with Aflease Gold) decreased by $78.7 million from December 31, 2007, primarily due to a decrease in future income tax liabilities of $87.0 million which mainly results from fluctuations in foreign exchange rates and a future income tax recovery arising on the impairment of assets held for sale of $23.9 million, partly offset by the increase in the Corporation's proportionate share of the Kyzylkum finance facility.

Kyzyllkum made additional draw downs of $40 million against its JBIC and Citibank facilities during the six months ended June 30, 2008, utilizing the full $100 million available under the facilities. As the Corporation proportionally consolidates its 30% interest in Kyzylkum, an increase in long term debt of $11.7 million over December 31, 2007 was reflected as at June 30, 2008.

Changes in shareholders' equity consist mainly of the net loss for the six months of $182.8 million and a foreign translation loss on the translation of continuing self-sustaining foreign operations, mainly in South Africa, of $180.8 million.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2008 the Corporation had working capital of $193.8 million. Included in this amount are cash and cash equivalents of $133.1 million, which includes the proportionate share of the Corporation's cash and cash equivalents at its joint venture operations in Kazakhstan. The interest earned on these cash balances will be applied to existing commitments in respect of the Corporation's development projects and other current commitments. Cash held by the Corporation's joint venture operations are 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 declared by the joint ventures.

In addition to working capital at hand, the Corporation has access to $100 million through a senior secured revolving credit facility concluded with Bank of Montreal and The Bank of Nova Scotia at the end of Q2 2008. The facility has a two year term, and may be extended for a further year with lender consent. The facility can also be used to provide letters of credit issued on behalf of the Corporation, therefore keeping cash available that would otherwise have been tied up as collateral for letters of credit. Draw downs under the facility may be used for general corporate purposes, including working capital requirements and funding capital expenditures and acquisitions. Please refer to "Corporate – Credit Facility".

The Corporation received cash proceeds of $69.1 million through the sale of non-core investments, including a portion of its shareholding in Aflease Gold ($44.1 million), Randgold ($13.0 million) and other available for sale securities ($11.8 million). The Corporation remains committed to dispose of other non-core investments, including its remaining shareholding in Aflease Gold, valued at approximately $52 million at a closing share price at August 8, 2008 of ZAR2.10 per share.

The Corporation earns revenue from the sale of uranium from the operating Akdala Uranium Mine in Kazakhstan. Additional sales revenue will be earned from uranium sales when the South Inkai and Kharasan Uranium Projects in Kazakhstan, the Dominion Uranium Project in South Africa, the Hobson ISR facility and its other development projects reach commercial production.

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 spot price in effect near the time of delivery. In addition, the Corporation has negotiated floor price protection in most of its sales contracts.

For the remaining two quarters of 2008, committed sales under contract represent 82% of expected production and in 2009, committed sales under contract account for 45% of expected production, without taking any available inventory into account.

The Corporation anticipates that it has sufficient liquidity and capital resources to meet the Corporation's approved development plans and corporate costs for at least the next twelve months.

Should Uranium One be required to provide additional funds to support the development of any of the Corporation's projects, prospective sources of additional funding include debt financing, the sale of non-core assets, the proceeds from the exercise of stock options and warrants and equity financing. Uranium One's ability to raise capital is highly dependent on the commercial viability of its projects and the underlying prices of uranium.

Other risk factors, for instance, 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 exclusion of Aflease Gold's contractual obligations contributed towards significant changes to contractual obligations from December 31, 2007 and revised figures as at June, 2008 are as follows:

Contractual obligations ($'000)		Payments due by period			
	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
Lease obligations					
- Short term	78	78	-	-	-
- Long term	7,291	1,024	3,463	1,265	1,539
Total	**7,369**	**1,102**	**3,463**	**1,265**	**1,539**
Kyzylkum long term debt	29,770	-	16,700	13,070	-
Capital commitments	20,320	19,939	381	-	-
Asset retirement obligation	16,168	-	-	-	16,168
Total contractual obligations	**73,627**	**21,041**	**20,544**	**14,335**	**17,707**

COMMITMENTS AND CONTINGENCIES

There were no significant changes to the Corporation's commitments and contingencies since December 31, 2007.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of August 12, 2008, there were issued and outstanding 468,463,054 common shares and common share purchase warrants for 2,431,619 warrants exercisable to acquire common shares at C$3.55 per common share. Each warrant is exercisable for one common share of Uranium One. In addition, 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 commencement of commercial production from the Kharasan Uranium Project.

As of August 12, 2008, there were 18,377,889 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$1.09 to C$16.87 and 763,897 restricted shares outstanding.

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

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenditures during the reporting period. Note 2 to the Corporation's consolidated financial statements for the year ended December 31, 2007 describes all of the Corporation's significant accounting policies.

NEW / CHANGES IN ACCOUNTING POLICIES

The Corporation's accounting policies have been consistently followed except that the Corporation has adopted the following CICA standards effective January 1, 2008, none of which had a material impact on the Corporation's consolidated financial statements:

(a) Section 3031 – Inventories

The new Section 3031 on inventories replaces Section 3030 and converges with the International Accounting Standard Board's recently amended standard IAS 2, Inventories. The standard introduces significant changes to the measurement and disclosure of inventory. Changes apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The main differences between the new section and Section 3030 include measurement of inventories at the lower of cost and net realizable value, with guidance on the determination of cost, including allocation of overhead expenses and other costs to inventory. The new section also requires consistent use of either first in, first out (FIFO) or weighted average cost formula to measure the cost of other inventories and the reversal of previous write downs to net realizable value when there is a subsequent increase in the value of inventories. Inventory policies, carrying amounts, amounts recognized as an expense, write downs and the reversals of write downs are required to be disclosed.

(b) Section 3862 – Financial Instruments – Disclosures and Section 3863 – Financial Instruments – Presentation

These sections apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. Section 3862 establishes standards for disclosures about financial instruments and non-financial derivatives. The main features of this Section are requirements for an entity to disclose the significance of financial instruments for its financial position and performance, revised from those of Section 3861. The requirements for disclosures about fair value are revised, but not substantially different, from those of Section 3861. The revised requirements for the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments are more extensive than those of Section 3861. The qualitative disclosures describe management's objectives, policies and processes for managing such risks. The quantitative disclosures provide information about the extent to which the entity is exposed to credit risk, liquidity risk and market risk (i.e., currency risk, interest rate risk, and other price risk). Section 3863 carries forward, unchanged from Section 3861, standards for presentation of financial instruments and non-financial derivatives.

(c) Section 1535 – Capital Disclosures

The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. This section will require the Corporation to disclose qualitative information about its objectives, policies and processes for managing capital and quantitative data about what the Corporation regards as capital. It will also be a requirement to disclose whether the Corporation has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance.

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. Earlier adoption of IFRS relating to fiscal years beginning on or after January 1, 2009 is allowed. 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. The Corporation is currently assessing the impact of this pending change on its financial statements as well as the possibility of early adoption of IFRS.

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 the South Inkai Uranium Project, Kharasan Uranium Project, Dominion Uranium Project and Honeymoon Uranium Project will become operating mines; or when the Shootaring Canyon Mill, the Hobson Uranium ISR Processing Facility or the Palangana Uranium Project will become fully 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 and gold; in the case of uranium, competition from other sources of energy and public acceptance of nuclear energy; volatility and sensitivity to uranium and gold prices; the capital requirements to complete the Corporation's current projects and expand its operations are substantial; currency fluctuations; 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 to be introduced by the Kazakhstan Ministry of Finance by October, 2008 to be effective from January 1, 2009 may adversely affect the Corporation, and in relation to South Africa, sustainable power supply, economic, social and political issues such as employment creation, black economic empowerment and land redistribution, crime, corruption, poverty and HIV/AIDS; the Corporation is dependent on key personnel; and potential conflicts of interest.

In November 2007, the parliament of Kazakhstan enacted legislation, giving the government the right in certain circumstances to re-negotiate previously concluded subsoil use permits. 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, 2007, 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 Q2 2008 stock options and restricted share rights activity was as follows:

- 2,287,090 options were granted to directors and employees at prices ranging from C$3.67 to C$4.93 per share, with expiry dates ranging from April 7, 2013 to June 16, 2013.
- 660,016 options were exercised and 2,524,462 were forfeit.
- 609,000 restricted shares were granted, 95,564 were exercised during the quarter and 1,020 lapsed.

DISCLOSURE CONTROLS AND PROCEDURES

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 Interim Chief Executive Officer and Chief Financial Officer, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, the President and Interim Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in Uranium One's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management including the President and Interim Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure.

INTERNAL CONTROLS AND PROCEDURES

The Corporation's management, with the participation of its Interim 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 have been no material changes in the Corporation's internal control over financial reporting during the quarter ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

OUTLOOK

During 2008, the Corporation is focused on achieving commercial production from its projects on schedule, controlling costs at its operations, remaining a reliable supplier of U_3O_8 to the nuclear fuel industry and maintaining production of U_3O_8 from Akdala. The Corporation's attributable production estimate for 2008 remains 3.1 million pounds of U_3O_8, comprising 1.8 million pounds of U_3O_8 from Akdala and 1.3 million pounds of pre-commercial production from South Inkai, Kharasan and Dominion.

Attributable pre-commercial production guidance for 2008 has been revised by the Corporation as follows: South Inkai from 500,000 pounds of U_3O_8 to 910,000 pounds of U_3O_8; Dominion from 590,000 pounds of U_3O_8 to 320,000 pounds of U_3O_8; Kharasan from 220,000 pounds of U_3O_8 to 50,000 pounds of U_3O_8; and Hobson from 35,000 pounds of U_3O_8 to zero.

The Corporation will continue to consider opportunities to unlock value from its non-core assets.

The cash cost per pound of U_3O_8 sold from Akdala is expected to be not greater than $14 per of U_3O_8 sold in 2008.

The Corporation expects to incur capital expenditures of $136 million on fully owned development projects for the remaining two quarters of 2008 and does not expect to be required to contribute towards additional capital expenditure by joint ventures in 2008. General and administrative expenses, excluding stock based compensation, are expected to be approximately $24 million for the remaining two quarters of 2008.

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 and gold, 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, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, 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, 2007 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. Uranium One expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

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 UrAsia Energy's profile, 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. Mr Douglas Beahm, PE, PG of BRS Inc, a qualified person for the purpose of NI43-101, is responsible for the scientific and technical information contained herein for Moore Ranch, Petersen, Barge, Jab, West Jab, Velvet and Frank M projects. Mr Douglas, H. Graves, PE, and Mr. Matthew J. Yovich, PE, MSME of TREC Inc. qualified persons for the purpose of NI43-101, are responsible for the scientific and technical information contained herein related to the feasibility study and mineral reserve for Moore Ranch. Dr. Neal Rigby, C Eng, MIMMM, AIME, and Registered SME, and Mr. Sean Muller, CPG, Texas P.Geo and Registered SME of SRK, qualified persons for the purpose of NI43-101, are responsible for the scientific and technical information contained herein related to Production Areas 1 and 2 at La Palangana with the exception of the inferred resources that were reported by Blackstone in 2005. Each of the named qualified persons verified the data for the reserve and resource estimates for which they were responsible. Verification was completed by the development of databases from existing and new drill data which were reviewed and confirmed against original maps, where applicable.