

interim financial statements

**Interim Consolidated Financial Statements
for the three months ended March 31, 2009**

Uranium One Inc.

Interim Consolidated Balance Sheets

As at March 31, 2009 and December 31, 2008
(in United States dollars)

	Notes	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	12	203,909	176,225
Accounts and other receivables		28,380	39,926
Current portion of loans to joint ventures	3.2	19,219	19,158
Inventories	4	42,817	17,390
Other assets	6	8,600	12,043
		302,925	264,742
Non-current assets			
Mineral interests, plant and equipment	5	1,253,975	1,285,415
Loans to joint ventures	3.2	9,333	14,000
Other assets	6	47,758	62,976
		1,311,066	1,362,391
		1,613,991	1,627,133
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		25,589	47,423
Income taxes payable		11,761	12,639
		37,350	60,062
Non-current liabilities			
Long term debt	7	61,910	61,275
Convertible debentures		117,557	118,042
Asset retirement obligations		12,258	12,999
Future income tax liabilities		301,215	375,293
Other long term liabilities		58,794	48,924
		551,734	616,533
SHAREHOLDERS' EQUITY			
Share capital	8	3,522,867	3,522,824
Contributed surplus	9	133,025	131,602
Equity component of convertible debentures		46,480	46,480
Accumulated other comprehensive loss		(235,938)	(247,708)
Deficit		(2,441,527)	(2,502,660)
		1,024,907	950,538
		1,613,991	1,627,133

Basis of presentation and principles of consolidation (note 2.1)

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

Uranium One Inc.

Interim Consolidated Statements of Operations

For the three months ended March 31, 2009 and 2008
(in United States dollars)

	Notes	Mar 31, 2009 \$'000	Mar 31, 2008 \$'000
Revenues		42,969	22,517
Operating expenses		(15,011)	(3,292)
Depreciation and depletion		(12,031)	(2,931)
Earnings from mine operations		15,927	16,294
General and administrative (1)		(9,091)	(15,281)
Exploration expense		(1,791)	(1,680)
Care and maintenance		(3,576)	-
Operating earnings / (loss)		1,469	(667)
Interest and other	10	(2,066)	(1,011)
Foreign exchange gain / (loss)	11	70,459	(2,626)
Other		(4)	(480)
Earnings / (loss) from continuing operations before income taxes		69,858	(4,784)
Current income tax expense		(11,617)	(6,459)
Future income tax recovery		5,115	928
Earnings / (loss) from continuing operations		63,356	(10,315)
Loss from discontinued operations	6	(2,223)	(104,555)
Net earnings / (loss)		61,133	(114,870)
(1) Stock option and restricted share expense (non-cash) included in general and administrative	9	1,466	6,114
Earnings / (loss) per share from continuing operations			
Basic	13	\$0.13	\$(0.02)
Diluted	13	\$0.13	\$(0.02)
Loss per share from discontinued operations			
Basic	13	\$(0.00)	\$(0.22)
Diluted	13	\$(0.00)	\$(0.22)
Net earnings / (loss) per share			
Basic	13	\$0.13	\$(0.25)
Diluted	13	\$0.13	\$(0.25)
Weighted average number of shares (in thousands)			
Basic	13	469,614	467,451
Diluted	13	477,625	467,451

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

Uranium One Inc.

Interim Consolidated Statements of Changes in Equity

For the three months ended March 31, 2009 and year ended December 31, 2008
(in United States dollars)

	Share capital \$'000	Contributed surplus \$'000	Equity component of convertible debentures \$'000	Accumulated other comprehen- sive income / (loss) \$'000	Deficit \$'000	Total \$'000
Balance as at January 1, 2008	3,496,884	134,387	46,480	51,967	(46,813)	3,682,905
Net loss for the year	-	-	-	-	(2,455,847)	(2,455,847)
Stock options and restricted shares vested	-	15,423	-	-	-	15,423
Exercise of warrants	15,791	(11,460)	-	-	-	4,331
Exercise of stock options and restricted shares	10,149	(6,748)	-	-	-	3,401
Unrealized loss recognized on translation of self-sustaining foreign operations	-	-	-	(282,170)	-	(282,170)
Unrealized loss recognized on translation of self-sustaining foreign discontinued operations	-	-	-	(27,480)	-	(27,480)
Realized loss on sale of Alease Gold	-	-	-	10,163	-	10,163
Fair value adjustments on available for sale securities and realized loss on sale	-	-	-	(188)	-	(188)
Balance as at December 31, 2008	3,522,824	131,602	46,480	(247,708)	(2,502,660)	950,538
Net earnings for the period	-	-	-	-	61,133	61,133
Stock options and restricted shares vested	-	1,466	-	-	-	1,466
Exercise of restricted shares	43	(43)	-	-	-	-
Unrealized gain recognized on translation of self-sustaining foreign operations	-	-	-	807	-	807
Realized loss on sale of Alease Gold	-	-	-	10,840	-	10,840
Fair value adjustments on available for sale securities and realized gain on sale	-	-	-	123	-	123
Balance as at March 31, 2009	3,522,867	133,025	46,480	(235,938)	(2,441,527)	1,024,907

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

Uranium One Inc.

Interim Consolidated Statements of Comprehensive Income / (Loss)

For the three months ended March 31, 2009 and 2008
(in United States dollars)

Notes	Mar 31, 2009 \$'000	Mar 31, 2008 \$'000
Net earnings / (loss)	61,133	(114,870)
Unrealized gain / (loss) recognized on translation of self-sustaining foreign operations	807	(229,958)
Unrealized loss recognized on translation of self-sustaining foreign discontinued operations	-	(29,411)
Realized loss on sale of Alease Gold	10,840	-
Fair value adjustments on available for sale securities	123	(873)
Comprehensive income / (loss)	72,903	(375,112)

Interim Consolidated Statements of Accumulated Other Income / (Loss)

As at March 31, 2009 and December 31, 2008
(in United States dollars)

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
Accumulated other comprehensive (loss) / income at January 1	(247,708)	51,967
Other comprehensive income / (loss) for the period	11,770	(299,675)
	(235,938)	(247,708)
Components of accumulated other comprehensive loss at the end of the period:		
Unrealized foreign exchange adjustment - continuing operations ⁽¹⁾	(233,827)	(234,634)
Unrealized foreign exchange adjustment - discontinued operations	(2,234)	(13,074)
Available for sale marketable securities and investments	123	-
	(235,938)	(247,708)

⁽¹⁾ Includes foreign exchange losses of \$244.3 million relating to the translation of the investment in Uranium One Africa Limited

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

Uranium One Inc.

Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2009 and 2008

(in United States dollars)

		Mar 31, 2009	Mar 31, 2008
	Notes	\$'000	\$'000
Net earnings / (loss) from continuing operations		63,356	(10,315)
Items not affecting cash:			
- Depreciation and depletion		12,031	2,931
- Stock option and restricted share expense	9	1,466	6,114
- Interest accrued on loans and debentures		2,437	3,691
- Unrealized foreign exchange loss	11	(70,923)	(2,213)
- Future income tax recovery		(5,115)	(928)
- Other		1,339	1,031
Movement in non-cash working capital	12	8,589	39,146
Cash flows from operating activities		13,180	39,457
Acquisition of mineral interests, plant and equipment		(10,183)	(54,017)
Advance cash payments for other assets		(1,302)	(802)
Cash advance for sulphuric acid plant investment		(2,729)	-
Proceeds on sale of Alease Gold		12,999	-
Proceeds on sale of mineral interests, plant and equipment		3,679	-
Uranium purchased		(2,407)	-
Cash proceeds from joint ventures		4,667	9,767
Other		-	2,377
Cash flows from / (used) in investing activities		4,724	(42,675)
Common shares issued, net of issue costs		-	2,143
Loans received by Kyzylkum	3.1	12,000	6,000
Cash flows from financing activities		12,000	8,143
Effects of exchange rate changes on cash and cash equivalents		(2,220)	(4,291)
Net (decrease) / increase in cash and cash equivalents from continuing operations		27,684	634
Cash and cash equivalents at the beginning of the year		176,225	159,592
Cash and cash equivalents at the end of the year		203,909	160,226
Cash flows of discontinued operations			
Cash flows from operating activities		-	(6,941)
Cash flows used in investing activities		-	(5,351)
Cash flows used in financing activities		-	(13,741)

Supplemental cash flow information (note 12)

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

1 NATURE OF OPERATIONS

Uranium One Inc. ("Uranium One"), its subsidiaries and joint ventures (collectively, the "Corporation") is a Canadian corporation engaged through subsidiaries and joint ventures in the mining and production of uranium, and in the acquisition, exploration and development of properties for the production of uranium in Kazakhstan, the United States, Australia and South Africa.

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation and principles of consolidation

These interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information, they follow the same accounting policies, and methods of application as the audited consolidated financial statements of the Corporation for the year ended December 31, 2008, except as discussed in note 2.2. These interim unaudited consolidated financial statements do not include all the information and note disclosure required by the generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited consolidated financial statements.

The consolidated financial statements include the accounts of Uranium One, its subsidiaries and the proportionate share of its interests in joint ventures. All intercompany balances and transactions have been eliminated.

The following are the Corporation's principal mineral properties as at March 31, 2009:

Operating mine:				
Entity	Mineral property/Operation	Location	Ownership	Status
Betpak Dala LLP	Akdala Mine	Kazakhstan	70%	Proportionately consolidated
Betpak Dala LLP	South Inkai Mine ⁽¹⁾	Kazakhstan	70%	Proportionately consolidated
Advanced development projects:				
Entity	Mineral property/Operation	Location	Ownership	Status
Kyzylkum LLP	Kharasan Project	Kazakhstan	30%	Proportionately consolidated

The Corporation is also developing the following mineral properties:

Entity	Mineral property/Operation	Location	Ownership	Status
Energy Metals Corp (US)	United States development projects	United States	100%	Consolidated
Honeymoon Uranium Project Joint Venture	Honeymoon Project	Australia	51%	Proportionately consolidated

⁽¹⁾ South Inkai commenced commercial operations on January 1, 2009

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new standards and recent accounting pronouncements

Goodwill and intangible assets

Effective January 1, 2009, the Corporation adopted the new Canadian Institute of Chartered Accountants ("CICA") Section 3064 – "Goodwill and Intangible Assets", which aligns Canadian GAAP for goodwill and intangible assets with IFRS. The new standard provides more comprehensive guidance on intangible assets, in particular for internally developed intangible assets. CICA Standards concerning goodwill are unchanged from the standards included in CICA Section 3062. On adoption of CICA Section 3064, Emerging Issues Committee Abstract 27 – "Revenues and expenditures during the pre-operating period" no longer applies to the Corporation. The adoption of this standard did not have a material impact on the Corporation's consolidated financial statements.

International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Corporation's reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Corporation's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency, certain contractual arrangements, debt covenants and capital requirements. The Corporation is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a successful conversion.

Business combinations

CICA Section 1582 – "Business Combinations", which replaces CICA Section 1581 – "Business Combinations", establishes standards for the accounting for a business combination. It is the Canadian GAAP equivalent to International Financial Reporting Standard IFRS 3, Business Combinations. This standard is effective for the Corporation for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Corporation has not yet determined the impact of the adoption of this standard on its consolidated financial statements.

Consolidated financial statements and non-controlling interests

CICA Section 1601 – "Consolidated Financial Statements" and Section 1602 – "Non-controlling Interests" replaces CICA Section 1600. CICA Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. CICA Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, Consolidated and Separate Financial Statements. These standards are effective for the Corporation for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Corporation has not yet determined the impact of the adoption of these standards on its consolidated financial statements.

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

3 JOINT VENTURES**3.1 Proportionate interests in joint ventures**

The Corporation owns the following interests in joint ventures:

Betpak Dala	70%
Kyzylkum	30%
Honeymoon	51%
Australia Exploration	51%

The Corporation's proportionate share of the assets and liabilities of the joint ventures are as follows:

As at March 31, 2009	Betpak Dala	Kyzylkum	Honeymoon	Australia exploration	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	25,335	5,556	3,662	207	34,760
Other current assets	48,932	1,535	224	25	50,716
Mineral interests, plant and equipment	665,397	197,986	27,375	14,012	904,770
Other assets	1,005	1,139	24	-	2,168
Current liabilities	(13,509)	(3,180)	(1,000)	(92)	(17,781)
Long term debt ⁽¹⁾	(43)	(47,488)	(19)	-	(47,550)
Other	(1,571)	(563)	-	-	(2,134)
Future income taxes	(212,836)	(57,449)	(3,338)	-	(273,623)
Asset retirement obligation	(3,490)	(95)	(223)	-	(3,808)
Net Assets	509,220	97,441	26,705	14,152	647,518

(1) In addition to the \$40 million loan (note 3.2) from the Corporation, Kyzylkum negotiated unsecured bank loan facilities totaling \$160 million in prior periods. 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 \$90 million, was obtained from Citibank. These facilities were fully drawn down as at March 31, 2009, and the Corporation's share of these facilities is \$48 million.

As at December 31, 2008	Betpak Dala	Kyzylkum	Honeymoon	Australia exploration	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	725	92	-	-	817
Other current assets	8,641	656	16	-	9,313
Mineral interests, plant and equipment	700,006	193,019	26,017	12,603	931,645
Other assets	703	4,005	-	-	4,708
Current liabilities	(18,098)	(3,084)	(653)	-	(21,835)
Long term debt	(54)	(35,453)	(11)	-	(35,518)
Other long term liabilities	(1,582)	(556)	-	-	(2,138)
Future income taxes	(270,411)	(72,019)	(3,271)	-	(345,701)
Asset retirement obligation	(4,609)	(117)	(223)	-	(4,949)
Net Assets	415,321	86,543	21,875	12,603	536,342

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

3 JOINT VENTURES (continued)**3.1 Proportionate interests in joint ventures (continued)**

The Corporation's proportionate share of revenue, expenses, net earnings / (loss) and cash flows for the periods ended March 31, 2009 and 2008 are as follows:

Three months ended March 31, 2009

	Betpak Dala \$'000	Kyzylkum \$'000	Honeymoon \$'000	Australian exploration \$'000	Total \$'000
Revenue	42,969	-	-	-	42,969
Expenses and other income	(26,727)	(272)	9	(189)	(27,179)
Foreign exchange gain	59,204	13,175	-	-	72,379
Earnings / (loss) before income taxes	75,446	12,903	9	(189)	88,169
Current income tax expense	(9,703)	(3)	-	-	(9,706)
Future income tax recovery	3,246	-	-	-	3,246
Earnings / (loss)	68,989	12,900	9	(189)	81,709
Cash flows from / (used in) operating activities	26,027	(75)	120	(53)	26,019
Cash flows used in investing activities	(1,270)	(6,395)	(999)	-	(8,664)
Cash flows from financing activities	-	12,000	7	-	12,007
Net increase / (decrease) in cash	24,757	5,530	(872)	(53)	29,362

Three months ended March 31, 2008

	Betpak Dala \$'000	Kyzylkum \$'000	Total \$'000
Revenue	22,517	-	22,517
Expenses and other income	(4,949)	(46)	(4,995)
Foreign exchange loss	(118)	(7)	(125)
Earnings / (loss) before income taxes	17,450	(53)	17,397
Current income tax expense	(6,465)	(33)	(6,498)
Future income tax recovery	123	-	123
Earnings / (loss)	11,108	(86)	11,022
Cash flows from / (used in) operating activities	34,818	(308)	34,510
Cash flows used in investing activities	(12,398)	(4,148)	(16,546)
Cash flows (used in) / from financing activities	(11,909)	4,126	(7,783)
Net increase / (decrease) in cash	10,511	(330)	(10,181)

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

3 JOINT VENTURES (continued)

3.2 Loans to joint ventures

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
Kyzylkum		
Current portion	19,219	19,158
Long term portion	9,333	14,000
Total	28,552	33,158

Kyzylkum loan

The Corporation made loans to Kyzylkum pursuant to its obligation to provide project financing for construction and commissioning of the Kharasan Project in the amount of \$80 million. The loans bear interest at LIBOR plus 1.5% per annum, with interest payable on a semi-annual basis, commencing within two years of initial funding.

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
Balance at January 1	46,666	73,333
Repaid during the period	(6,666)	(26,667)
	40,000	46,666
Interest accrued	789	702
	40,789	47,368
Less: elimination of proportionate share – 30%	(12,237)	(14,210)
	28,552	33,158
Less: current portion	(19,219)	(19,158)
Long term portion	9,333	14,000

The loans to Kyzylkum are unsecured.

4 INVENTORIES

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
Finished uranium concentrates	15,992	5,401
Solutions and concentrates in process	13,477	2,584
Product inventory	29,469	7,985
Materials and supplies	13,348	9,405
	42,817	17,390

All operating expenses and depreciation and depletion are expensed through inventory.

5 MINERAL INTERESTS, PLANT AND EQUIPMENT

March 31, 2009	Cost \$'000	Accumulated amortization \$'000	Net carrying amount \$'000
Mineral interests	1,036,543	(59,615)	976,928
Plant and equipment	296,028	(18,981)	277,047
	1,332,571	(78,596)	1,253,975

December 31, 2008	Cost \$'000	Accumulated amortization \$'000	Net carrying amount \$'000
Mineral interests	1,035,043	(46,850)	988,193
Plant and equipment	312,360	(15,138)	297,222
	1,347,403	(61,988)	1,285,415

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

5 MINERAL INTERESTS, PLANT AND EQUIPMENT (continued)

A summary by property of the net book value is as follows:

March 31, 2009		Mineral interests				
	Country	Depletable \$'000	Non- depletable \$'000	Total \$'000	Plant and equipment \$'000	Total \$'000
Akdala Mine	Kazakhstan	89,086	74,358	163,444	26,766	190,210
South Inkai Mine	Kazakhstan	206,608	181,068	387,676	87,099	474,775
Kharasan Project	Kazakhstan	-	144,722	144,722	53,264	197,986
Dominion Project	South Africa	-	-	-	38,492	38,492
United States development projects	United States	-	92,434	92,434	16,461	108,895
United States exploration projects	United States	-	122,586	122,586	-	122,586
Hobson Facility and La Palangana project	United States	-	-	-	21,950	21,950
United States conventional mining projects	United States	-	39,215	39,215	1,517	40,732
Honeymoon Project	Australia	-	25,114	25,114	16,273	41,387
Corporate and other		-	1,737	1,737	15,225	16,962
Total		295,694	681,234	976,928	277,047	1,253,975

December 31, 2008		Mineral interests				
	Country	Depletable \$'000	Non- depletable \$'000	Total \$'000	Plant and equipment \$'000	Total \$'000
Akdala Mine	Kazakhstan	92,739	74,358	167,097	28,622	195,719
South Inkai Mine	Kazakhstan	-	396,963	396,963	107,017	503,980
Kharasan Project	Kazakhstan	-	144,722	144,722	48,296	193,018
Dominion Project	South Africa	-	-	-	44,586	44,586
United States development projects	United States	-	90,255	90,255	15,589	105,844
United States exploration projects	United States	-	122,586	122,586	-	122,586
Hobson Facility and La Palangana Project	United States	-	-	-	22,026	22,026
United States conventional mining projects	United States	-	39,215	39,215	1,497	40,712
Honeymoon Project	Australia	-	25,652	25,652	12,967	38,619
Corporate and other		-	1,703	1,703	16,622	18,325
Total		92,739	895,454	988,193	297,222	1,285,415

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

6 OTHER ASSETS

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
Current		
Purchased uranium concentrates	6,300	9,743
Future income tax assets	1,206	1,206
Reclamation bond payment on behalf of UPC joint venture	1,094	1,094
	8,600	12,043
Non-current		
Asset retirement fund	19,719	19,939
Advances for future services	-	10,054
Borrowed uranium concentrates	8,400	8,621
Sales contracts revaluation	2,061	-
Advances for investment in sulphuric acid plant	8,688	5,959
Advances for plant and equipment	968	3,938
Long term deposits and guarantees	2,222	2,489
Available for sale securities	709	593
Discontinued operations	1,542	9,024
Other	3,449	2,359
	47,758	62,976

Borrowed uranium concentrates

The Corporation entered into a uranium concentrates borrowing agreement to mitigate the risk of delivery delays, enabling the Corporation to meet its contractual obligations in terms of current uranium sales contracts. The asset represents the borrowed uranium concentrates, which are held at a conversion facility in the Corporation's account. The asset is recorded at its fair value. A corresponding financial liability, which was classified as held for trading, is also carried at fair value in other long-term payables.

Purchased uranium concentrates

The Corporation entered into uranium concentrates purchasing agreements to ensure that it could meet its short-term contractual obligations in terms of uranium sales contracts for Dominion. The asset represents the balance of the purchased uranium concentrates, which are held at a conversion facility in the Corporation's account. The asset is recorded at its fair value.

Discontinued operations

During the three months ended March 31, 2009, the Corporation sold 154.9 million Alease Gold shares for proceeds of \$16.1 million, realizing a net loss of \$2.2 million. The Corporation's shareholding in Alease Gold was 5% on March 31, 2009.

7 LONG TERM DEBT

Credit facility	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
Opening balance	61,275	-
Drawn down during the period	-	65,000
Financing fees deferred	-	(5,151)
Financing fees amortized	734	1,275
Interest paid	(386)	(386)
Interest accrued	287	537
Closing balance	61,910	61,275

The debt can be repaid any time before June 27, 2010. Letters of credit in the amount of \$11.1 million have been issued under the credit facility.

The Corporation has a balance of \$23.9 million available to draw down from the credit facility.

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

8 SHARE CAPITAL

	Number of shares	Value of shares \$'000
Issued and outstanding common shares		
Common shares on January 1, 2008	467,173,423	3,496,884
Exercise of warrants	1,190,000	15,791
Exercise of stock options	1,043,016	7,358
Exercise of restricted shares	206,517	2,791
Common shares on December 31, 2008	469,612,956	3,522,824
Exercise of restricted shares	3,241	43
Issued and outstanding common shares at March 31, 2009	469,616,197	3,522,867

On February 9, 2009, Uranium One entered into a subscription agreement with a corporation formed by The Tokyo Electric Power Company, Incorporated ("TEPCO"), Toshiba Corporation, and The Japan Bank for International Cooperation ("JBIC") providing for the private placement of an aggregate of 117,000,000 common shares of Uranium One, for gross proceeds of approximately C\$270 million.

The private placement issue price of C\$2.30 per share represented a 15% premium to the 20-day volume weighted average price of Uranium One common shares on the Toronto Stock Exchange prior to the announcement of the transaction. Upon closing, the consortium will have a 19.95% equity interest in Uranium One.

9 CONTRIBUTED SURPLUS

The following table details the movement of contributed surplus during the period:

	Warrants \$'000	Restricted shares \$'000	Options \$'000	Total \$'000
As at December 31, 2007	25,372	3,119	105,896	134,387
Stock options issued and vested	-	-	14,145	14,145
Stock options exercised	-	-	(3,957)	(3,957)
Restricted shares issued and vested	-	1,278	-	1,278
Restricted shares exercised	-	(2,791)	-	(2,791)
Warrants exercised	(11,460)	-	-	(11,460)
As at December 31, 2008	13,912	1,606	116,084	131,602
Stock options issued and vested	-	-	1,237	1,237
Restricted shares issued and vested	-	229	-	229
Restricted shares exercised	-	(43)	-	(43)
As at March 31, 2009	13,912	1,792	117,321	133,025

Assumptions

The fair value of stock options and restricted shares used to calculate the compensation expense was estimated using the Black-Scholes option pricing model with the following assumptions:

	March 31, 2009	Dec 31, 2008
Risk free interest rate	1.70%	2.52% - 3.60%
Expected dividend yield	0%	0%
Expected volatility of the Uranium One's share price	98%	66% - 120%
Expected life	5 years	5 years

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

9 CONTRIBUTED SURPLUS (continued)**Stock options**

The following is a summary of options granted under the stock-based compensation plan:

	Number of options	Weighted average exercise price Cdn \$
Outstanding options as at January 1, 2008	20,824,788	8.55
Granted options	2,559,948	3.56
Exercised options	(1,043,016)	3.74
Forfeitures of stock options	(6,483,203)	9.12
Outstanding options as at December 31, 2008	15,858,517	7.82
Granted options	6,139,800	2.22
Forfeitures of stock options	(1,781,689)	8.08
Outstanding options as at March 31, 2009	20,216,628	6.10

The stock option compensation expense for the period ended March 31, 2009 was \$1.2 million and for the period ended March 31, 2008 it was \$5.8 million. As at March 31, 2009, the aggregate unexpensed fair value of unvested stock options granted amounted to \$11.6 million. The fair value of options granted during the period amounts to \$7.9 million (\$1.29 per option).

The following table summarizes stock options outstanding at March 31, 2009:

Options outstanding				Options exercisable		
Range of exercise prices Cdn \$	Number outstanding as at March 31, 2009	Weighted average remaining life (years)	Weighted average exercise price Cdn \$	Number exercisable as at March 31, 2009	Weighted average remaining life (years)	Weighted average exercise price Cdn \$
0.78 to 2.74	7,116,495	4.52	2.17	805,617	1.14	2.10
2.75 to 4.76	4,014,664	3.83	3.86	2,158,686	3.69	4.02
4.77 to 7.79	2,319,963	3.00	6.89	2,233,666	2.96	6.96
7.80 to 9.90	3,093,035	6.34	8.44	3,053,871	6.37	8.44
9.91 to 12.93	1,979,992	3.32	12.12	1,635,183	3.37	12.12
12.94 to 15.63	651,225	2.99	13.91	415,147	3.00	13.97
15.64 to 16.59	1,041,254	3.08	16.52	380,642	2.98	16.49
	20,216,628	4.25	6.10	10,682,812	4.01	7.83

Restricted share rights

The following is a summary of Uranium One's restricted shares issued under the Restricted Share Plan:

	Number of restricted shares
Balance at January 1, 2008	295,532
Granted	609,000
Exercised during the year	(206,517)
Expired	(74,520)
Balance at December 31, 2008	623,495
Exercised during the period	(3,241)
Expired	(30,500)
Balance at March 31, 2009	589,754

Restricted share rights will not expire while the rights holder is an employee of the Corporation.

The restricted share rights expense for the period ended March 31, 2009 was \$0.2 million and for the period ended March 31, 2008 was \$0.4 million. As at March 31, 2009 the aggregate unexpensed fair value of unvested restricted share rights granted amounted to \$1.2 million.

Contingently issuable shares

The Corporation assumed all of the obligations of Energy Metals Corporation Inc. and its subsidiaries arising under certain option and joint venture agreements with third parties. Uranium One has reserved a total of 407,100 common shares for issuance pursuant to the assumed obligations under contingent share rights agreements.

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

10 INTEREST AND OTHER

	Period ended	
	Mar 31, 2009	Mar 31, 2008
	\$'000	\$'000
Interest income	974	2,760
Interest paid	(347)	-
Convertible debenture interest	(1,943)	(3,771)
Credit facility charges	(658)	-
Interest and costs incurred on uranium concentrates loan	(92)	-
	(2,066)	(1,011)

11 FOREIGN EXCHANGE GAIN / (LOSS)

A summary of the foreign exchange gain / (loss) by item is as follows:

	Period ended	
	Mar 31, 2009	Mar 31, 2008
	\$'000	\$'000
Unrealized foreign exchange gain on future income tax liabilities	68,899	1,138
Unrealized foreign exchange gain on other items	2,024	1,075
Realized foreign exchange loss on other items	(464)	(4,839)
	70,459	(2,626)

The National bank of Kazakhstan announced on February 4, 2009 that it has ceased to maintain the Kazakhstan tenge ("tenge") within the previous range of 117-123 tenge to the US dollar and suggested the rate be set within a range of 145-155 tenge to the US dollar. The tenge closed at 151 tenge to the US dollar on March 31, 2009. The resulting devaluation affected the translated values of monetary assets and liabilities, including the \$68.4 million gain on future income tax liabilities.

12 CASH FLOW INFORMATION

	Mar 31, 2009	Mar 31, 2008
	\$'000	\$'000
Changes in non-cash working capital excluding business combinations:		
Decrease in accounts and other receivables	24,150	35,451
Increase in accrued interest receivable on loans to joint ventures	-	(67)
Decrease in prepaid expenses and other	-	17,917
Increase in inventories	(2,335)	(5,970)
Decrease in accounts payable and accrued liabilities	(15,056)	(14,166)
Increase in income taxes payable	1,830	5,981
	8,589	39,146
Supplemental cash flow information		
Cash interest paid	386	-
Cash tax paid	9,787	7,998
Cash equivalents		
Money market instruments, including cashable guaranteed investment certificates, bearer deposit notes and commercial paper	127,976	63,357

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

13 BASIC AND DILUTED WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING

	Period ended March 31, 2009		
	Earnings from continuing operations \$'000	Loss from discontinued operations \$'000	Net earnings \$'000
Net earnings / (loss)	63,356	(2,223)	61,133
Effect of dilutive convertible debentures	1,047	-	1,047
Net earnings adjusted for dilution	64,403	(2,223)	62,180
Basic weighted-average number of shares outstanding ('000)	469,614	469,614	469,614
Effect of dilutive securities:			
-convertible debentures	7,763	-	7,763
-restricted shares	84	-	84
-stock options	164	-	164
Diluted weighted-average number of shares outstanding	477,625	469,614	477,625
Earnings / (loss) per share	\$0.13	\$(0.00)	\$0.13
Diluted earnings / (loss) per share	\$0.13	\$(0.00)	\$0.13

For the period ended March 31, 2008, convertible debentures, stock options, warrants and restricted shares were not included in the dilutive weighted average number of shares outstanding as they were anti-dilutive.

14 FINANCIAL INSTRUMENTS

The Corporation's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The global nature of the Corporation's business exposes the reported financial results and cash flows of operating segments to risks arising from fluctuations in exchange rates.

The Corporation continuously monitors its exposure to risk. The risk management carried out by the Corporation is approved by the Board of Directors. The following section describes the type of significant risks that the Corporation is exposed to and its objectives and policies for managing those risk exposures.

(i) Foreign exchange risk

The foreign exchange risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates.

The Corporation is primarily exposed to foreign currency risk through the following assets and liabilities denominated in currencies other than US dollars:

March 31, 2009	Financial assets and liabilities				Non-financial assets and liabilities	
	Cash and cash equivalents \$'000	Accounts receivable \$'000	Accounts payable and accrued liabilities \$'000	Convertible debentures \$'000	Mineral interests plant and equipment ⁽¹⁾ \$'000	Future income tax liabilities \$'000
Canadian dollar	428	2,457	3,159	117,557	-	-
South African rand	12,961	2,808	9,229	-	38,492	-
Kazakhstan tenge	1,237	8,045	9,079	-	-	270,285
Australian dollar	35,406	519	1,654	-	41,387	3,338
	50,032	13,829	23,121	117,557	79,879	273,623

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

14 FINANCIAL INSTRUMENTS (CONTINUED)

December 31, 2008	Financial assets and liabilities				Non-financial assets and liabilities	
	Cash and cash equivalents \$'000	Accounts receivable \$'000	Accounts payable and accrued liabilities \$'000	Convertible debentures \$'000	Mineral interest plant and equipment ⁽¹⁾	Future income tax liabilities
					\$'000	\$'000
Canadian dollar	438	2,436	3,477	118,042	-	-
South African rand	5,227	4,821	17,506	-	44,586	-
Kazakhstan tenge	1,251	5,978	11,515	-	-	342,430
Australian dollar	44,597	1,212	7,558	-	38,619	3,271
	51,513	14,447	40,056	118,042	83,205	345,701

⁽¹⁾ Only includes mineral interests, plant and equipment of self-sustaining operations.

The following table shows the effect on earnings and other comprehensive income after tax as at March 31, 2009 of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporation.

	Other comprehensive income \$'000	Net earnings \$'000
A 10% appreciation in all foreign currencies against the US dollar, with all other variables held constant.	3,404	(27,914)

A 10% depreciation in exchange rates would have the exact opposite effect on other comprehensive income and net earnings.

(ii) Interest rate risk

The Corporation is exposed to interest rate risk on its outstanding borrowings and short-term investments. The only outstanding interest-bearing borrowings as at March 31, 2009 are the loan facility obtained by Kyzylkum (note 3.1) which bears interest at floating rates, the drawn-down amount on the credit facility which bears interest at floating rates (note 7), and the convertible debentures, with a fixed interest rate.

A 100 basis point change in the interest rate would impact the Corporation's net earnings as follows:

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
A 100 basis point appreciation in interest rates, with all other variables held constant	239	811

A 100 basis point depreciation in the interest rate would have the exact opposite effect on net earnings.

(iii) Commodity price risk

The Corporation is exposed to price risk with respect to commodity prices. The Corporation does not hedge its exposure to price risk, other than having market related pricing structures in the long term sales contracts which the Corporation has entered into. Increases in uranium prices would have a positive impact on profitability given that the majority of the Corporation's sales contracts are priced based on market values for uranium.

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

14 FINANCIAL INSTRUMENTS (CONTINUED)

A 10% change in commodity prices would impact the Corporation's net earnings as follows:

	Mar 31, 2009 \$'000	Dec 31, 2008 \$'000
A 10% appreciation in commodity prices, with all other variables held constant	4,297	14,978

A 10% depreciation in commodity prices would have the exact opposite effect on net earnings.

15 SEGMENTED INFORMATION

The Corporation's reportable operating segments are summarized in the table below:

For the three months ended March 31, 2009: (in \$'000)

	Country	Revenues \$'000	Operating expenses \$'000	Depreciation and depletion \$'000	Exploration expense \$'000	Net earnings/ (loss) from continuing operations \$'000	Capital expenditure \$'000
Akdala Mine	Kazakhstan	18,410	(4,714)	(4,145)	-	15,211	175
South Inkai Mine	Kazakhstan	24,559	(10,297)	(7,886)	-	54,684	2,018
Kharasan Project	Kazakhstan	-	-	-	-	12,900	2,581
Dominion Project	South Africa	-	-	-	(221)	(1,095)	-
United States development projects	United States	-	-	-	-	(12)	3,093
United States exploration projects	United States	-	-	-	(1,107)	354	-
Hobson Facility and La Palangana Project	United States	-	-	-	-	(791)	-
United States conventional mining projects	United States	-	-	-	-	(209)	20
Honeymoon Project	Australia	-	-	-	(190)	(180)	2,047
Corporate and other		-	-	-	(273)	(17,506)	249
Total		42,969	(15,011)	(12,031)	(1,791)	63,356	10,183

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

15 SEGMENTED INFORMATION (continued)

For the three months ended March 31, 2008: (in \$'000)

	Country	Revenues \$'000	Operating expenses \$'000	Depreciation and depletion \$'000	Exploration expense \$'000	Net earnings/ (loss) from continuing operations \$'000	Capital expenditure \$'000
Akdala Mine	Kazakhstan	22,517	(3,292)	(2,931)	-	9,177	2,319
South Inkai Mine	Kazakhstan	-	-	-	-	340	7,529
Kharasan Project	Kazakhstan	-	-	-	-	183	5,038
Dominion Project	South Africa	-	-	-	(52)	(447)	23,639
United States development projects	United States	-	-	-	-	(20)	2,624
United States exploration projects	United States	-	-	-	(369)	95	223
Hobson Facility and La Palangana Project	United States	-	-	-	-	(105)	3,496
United States conventional mining projects ⁽¹⁾	United States	-	-	-	-	(57)	1,490
Honeymoon Project	Australia	-	-	-	(277)	(714)	6,383
Corporate and other		-	-	-	(982)	(18,767)	1,276
Total		22,517	(3,292)	(2,931)	(1,680)	(10,315)	54,017

⁽¹⁾Previously Shooting Canyon Mill

As at March 31, 2009: (in \$'000)

	Country	Mineral interest plant and equipment \$'000	Total assets \$'000	Future income tax liabilities \$'000	Total liabilities \$'000
Akdala Mine	Kazakhstan	190,210	215,555	51,746	64,379
South Inkai Mine	Kazakhstan	474,775	500,802	161,090	169,311
Kharasan Project	Kazakhstan	197,986	205,979	57,449	108,775
Dominion Project	South Africa	38,492	52,028	-	13,784
United States development projects	United States	108,895	109,431	-	514
United States exploration projects	United States	122,586	124,677	22,242	22,597
Hobson Facility and La Palangana Project	United States	21,950	23,847	-	1,040
United States conventional mining projects	United States	40,732	48,424	5,350	8,265
Honeymoon Project	Australia	41,387	45,752	3,338	4,674
Corporate and other		16,962	287,496	-	195,745
Total		1,253,975	1,613,991	301,215	589,084

Notes to the Interim Consolidated Financial Statements

as at March 31, 2009 and December 31, 2008
(in United States dollars)

15 SEGMENTED INFORMATION (continued)

As at December 31, 2008: (in \$'000)

	Country	Mineral interest plant and Equipment \$'000	Total assets \$'000	Future income tax liabilities \$'000	Total liabilities \$'000
Akdala Mine	Kazakhstan	195,719	200,497	66,156	81,385
South Inkai Mine	Kazakhstan	503,980	506,648	204,255	212,082
Kharasan Project	Kazakhstan	193,018	197,561	72,019	111,230
Dominion Project	South Africa	44,586	69,253	-	28,629
United States development projects	United States	105,844	107,538	-	724
United States exploration projects	United States	122,586	123,532	24,182	24,418
Hobson Facility and La Palangana Project	United States	22,026	24,064	-	1,506
United States conventional mining projects	United States	40,712	55,098	5,410	8,282
Honeymoon Project	Australia	38,619	38,858	3,271	4,158
Corporate and other		18,325	295,060	-	204,181
Total		1,285,415	1,618,109	375,293	676,595