

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 months ended March 31, 2009, together with certain trends and factors that are expected to impact the rest of its 2009 financial year. Information herein is presented as of May 8, 2009 and should be read in conjunction with the interim consolidated financial statements of the Corporation for the three months ended March 31, 2009 and the notes thereto, on file with the Canadian provincial securities regulatory authorities (referred to herein as the "consolidated financial statements"). The Corporation's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are in US dollars and tabular amounts are in thousands, except where otherwise indicated. Canadian dollars are referred to herein as C\$. South African rands are referred to herein as ZAR. Australian dollars are referred to herein as A\$.

References herein to "Q1 2008" and "Q1 2009" refer to the three months ended March 31, 2008 and March 31, 2009, respectively. All references herein to pounds sold or pounds produced are pounds of U₃O₈.

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

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

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

HIGHLIGHTS

- Total production during Q1 2009 was 708,500 pounds, an increase of 14% from total production of 618,900 pounds during Q1 2008. Attributable commercial production of 700,900 pounds was 62% higher than the 431,500 pounds produced during Q1 2008.
- Betpak Dala received higher volumes of sulphuric acid during Q1 2009 than expected and acidification of production blocks at South Inkai is ahead of schedule by approximately one month.
- The average total cash cost per pound sold was \$17 per pound during Q1 2009. The newly introduced Kazakh mineral extraction tax has not yet affected the cash cost per pound sold and is not reflected in the cash cost per pound sold in Q1 2009.
- The Akdala Uranium Mine achieved attributable production during Q1 2009 of 455,800 pounds; cash operating costs for Q1 2009 were \$13 per pound sold.
- The South Inkai Uranium Mine commenced commercial production on January 1, 2009. Attributable production during Q1 2009 was 245,100 pounds; cash operating costs for Q1 2009 were \$20 per pound sold.
- Attributable sales volumes during Q1 2009 were 880,600 pounds, an increase of 211% from attributable sales volumes of 283,300 pounds during Q1 2008 and an increase of 59% over the average quarterly sales volume during 2008.
- Average realized U_3O_8 sales price during Q1 2009 was \$49 per pound, generating revenue of \$43.0 million, compared to an average realized U_3O_8 sales price of \$79 per pound, generating revenue of \$22.5 million during Q1 2008.
- Earnings from mine operations were \$15.9 million during Q1 2009, a 2% decrease over earnings from mine operations of \$16.3 million during Q1 2008, primarily due to the decrease in the average realized U_3O_8 sales price offsetting the increase in sales volumes.
- The C\$270 million private placement and formation of a strategic relationship with a Japanese consortium announced in February 2009 will be completed following receipt of regulatory approval from the Kazakhstan Ministry of Energy and Mineral Resources, which is expected during Q2 2009.
- The Kharasan Uranium Project was officially opened by the Prime Minister of Kazakhstan on April 24, 2009; pilot production continued during Q1 2009, with attributable pre-commercial production in the quarter of 7,600 pounds.

OUTLOOK

- The Corporation's total production guidance for 2009 remains unchanged at 3.5 million pounds. Total production for 2010 is estimated to be 5.6 million pounds.
- During 2009, the average cash cost per pound sold is expected to be approximately \$16 per pound at Akdala, including Kazakh mineral extraction tax of approximately \$2 per pound. The average cash cost per pound sold is expected to be approximately \$22 per pound at South Inkai, including Kazakh mineral extraction tax of approximately \$4 per pound.
- The Corporation currently has contracts for the sale of an aggregate of 25 million attributable pounds, 16 million pounds of which are contracted at weighted average floor prices of approximately \$47 per pound. The remainder of contracted attributable sales are not subject to floors and such sales are related to the spot price of U_3O_8 , except for 910,000 pounds, which will be sold at an average fixed price of \$79 per pound, subject to escalation.
- For 2009, the Corporation expects to sell an aggregate of 2.8 million attributable pounds. The Corporation has already contracted for the sale of 2.2 million attributable pounds in 2009, of which 700,000 pounds have weighted average floor prices of approximately \$43 per pound.
- Attributable inventory levels at Betpak Dala are expected to increase from approximately 1.2 million pounds at December 31, 2008 to approximately 1.8 million pounds by the end of 2009.
- In 2009, capital expenditure by Betpak Dala is expected to be \$43 million at South Inkai and \$8 million at Akdala (on a 100% basis).
- In 2009, the Corporation expects to incur capital expenditures of \$21 million for the development of its assets in Wyoming.
- General and administrative expenses, excluding stock-based compensation, are expected to be approximately \$28 million for 2009; care and maintenance costs at Dominion are expected to be \$12 million for 2009.

KEY STATISTICS

TOTAL PRODUCTION	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Attributable production from Akdala (lbs)	455,800	524,400	482,400	435,300	431,500
Attributable production from South Inkai (lbs) ⁽¹⁾	245,100	244,200	146,400	257,100	144,500
Attributable pre-commercial production from Kharasan (lbs)	7,600	9,400	-	-	-
Pre-commercial production from Dominion (lbs)	-	-	71,900	74,700	42,900
Total production	708,500	778,000	700,700	767,100	618,900

Notes:

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

FINANCIAL

	Q1 2009	Q1 2008
Attributable production (lbs) ⁽¹⁾	700,900	431,500
Attributable sales (lbs) ⁽¹⁾	880,600	283,300
Average realized sales price (\$ per lb) ⁽²⁾	49	79
Average cash cost of production sold (\$ per lb) ⁽²⁾	17	12
Revenues (\$ millions)	43.0	22.5
Earnings from mine operations (\$ millions)	15.9	16.3
Net earnings / (loss) from continuing operations (\$ millions)	63.4	(10.3)
Earnings / (loss) per share from continuing operations – basic and diluted (\$ per share)	0.13	(0.02)
Loss from discontinued operations (\$ millions)	(2.2)	(104.6)
Loss per share from discontinued operations – basic and diluted (\$ per share)	(0.00)	(0.22)
Net earnings / (loss) (\$ millions)	61.1	(114.9)
Net earnings / (loss) per share – basic and diluted (\$ per share)	0.13	(0.25)
Adjusted net loss (\$ millions) ⁽²⁾	(5.5)	(9.4)
Adjusted net loss per share – basic (\$ per share) ⁽²⁾	(0.01)	(0.02)

Notes:

(1) Attributable production and sales are from assets in commercial production during the quarter (Akdala and South Inkai in Q1 2009 and Akdala in Q1 2008).

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

OVERVIEW

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

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

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

Operating mines

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

Advanced development project

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

The Corporation is also developing the following mineral properties:

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

Notes:

⁽¹⁾ The Kharasan Uranium Project is in the commissioning stage; production has commenced but the mine has not yet achieved commercial production. Commercial production is achieved when a pre-defined operating level, based on the design of the plant, is maintained and the Kazakhstan Government has issued an operating license.

REVIEW OF OPERATIONS

AKDALA URANIUM MINE

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

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

Production: In line with the production plan for 2009, Akdala produced 651,100 pounds (250 tonnes U) during Q1 2009, of which 455,800 pounds (175 tonnes U) is attributable to the Corporation.

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

	Total wells completed (including production wells)	Average no. of production wells in operation	Average flow rate (m³/hour)	Concentration in solution (mg U/l)	Production (lbs)
Q2 2008	89	167	1,359	83.6	621,800
Q3 2008	29	190	1,571	78.6	689,300
Q4 2008	-	185	1,614	79.3	749,100
Q1 2009	-	205	1,537	82.6	651,100

The well installation program for 2009, which is expected to commence during Q2 2009, provides for the installation of 164 wells to achieve the production target for the year.

Production block #24 was acidified in Q4 2008 and put into production early in Q1 2009. The block is performing well, with flow rates of 154 m³ per hour and a concentration of 341 mg U per litre by the end of Q1 2009. Akdala received more than its expected allotment of sulphuric acid in Q1 2009 and acidification of production block #25 commenced during the quarter.

The additional processing capacity installed in Q2 2008 provides Akdala with more production flexibility and production in Q1 2009 was accelerated slightly to allow for a scheduled 4 day shutdown in Q2 2009 for routine maintenance of the settling ponds.

The installation of the precipitation and filtration circuit in 2008 contained production costs in Q1 2009, particularly as offsite processing costs continue to rise. Akdala is planning to make use of excess drying capacity at South Inkai late in 2009 instead of using external processing facilities for drying and calcining.

Betpak Dala appointed Mr. Yuriy Fadeyev as its General Director in March 2009 following the resignation of the former General Director. Mr. Fadeyev is a metallurgical engineer and was previously the General Director of a tantalum operation in Kazakhstan, where he was responsible for some 700 employees and an operating budget of \$50 million per year.

Capital expenditure incurred by Betpak Dala at Akdala in 2009 is expected to be \$8 million on a 100% basis, of which \$0.3 million was spent in Q1 2009. Capital expenditure in 2009 is primarily related to wellfield development.

AKDALA URANIUM MINE - continued

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

(All figures are the Corporation's attributable share)	3 months ended							
	Mar 31, 2009	Dec 31, 2008	Sep 30, 2008	Jun 30, 2008	Mar 31, 2008	Dec 31, 2007	Sep 30, 2007	Jun 30, 2007
Production of U ₃ O ₈ in lbs	455,800	524,400	482,400	435,300	431,500	435,400	451,600	452,200
Sales of U ₃ O ₈ in lbs	355,600	393,900	848,100	685,600	283,300	689,200	70,000	244,300
Inventory U ₃ O ₈ in lbs	430,400	345,000	232,800	620,500	886,500	748,900	1,007,000	636,800
Revenues (\$000's)	18,410	21,146	56,723	49,390	22,517	61,010	8,019	23,265
Operating expenses (\$000's)	4,714	5,918	11,793	9,487	3,292	7,521	660	2,058
Operating expenses (\$/lb sold)	13	15	14	14	12	11	9	8
Depreciation and depletion (\$000's)	4,145	4,370	8,305	6,960	2,931	6,966	1,058	2,016
Depreciation and depletion (\$/lb sold)	12	11	10	10	10	10	15	8

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

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

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

The cost of production for Q1 2009 at \$13 per pound of U₃O₈ sold was below the Corporation's revised forecast of \$16 per pound sold. The U₃O₈ sold during Q1 2009 was primarily from inventory produced in 2008 and the unit cost therefore does not include mineral extraction tax, which is effective from January 1, 2009. Non-recurring savings on salary costs in Q1 2009 also contributed to the decreased unit cost.

SOUTH INKAI URANIUM MINE

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

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

Production: Commercial production for accounting purposes commenced at South Inkai on January 1, 2009. Production from South Inkai was 350,000 pounds (135 tonnes U) in Q1 2009, of which 245,100 pounds (94 tonnes U) is attributable to the Corporation.

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

	Total wells completed (including production wells)	Average no. of production wells in operation	Average flow rate (m³/hour)	Concentration in solution (mg U/l)	Production (lbs)
Q2 2008	90	30	253.0	258.2	367,300
Q3 2008	114	36	341.3	108.1	209,100
Q4 2008	105	46	430.4	136.8	349,000
Q1 2009	49	68	627.0	107.6	350,000

During Q1 2009, 49 wells were installed against a plan of 43 for the quarter. The addition of a second drilling contractor will accelerate drilling activities in Q2 2009 to ensure the well installation program of 343 wells for the year is achieved.

Production block #4 was put into production early in Q1 2009 and is performing well, with average flow rates of 211 m³ per hour and a concentration of 163 mg U per litre by the end of the quarter. Acidification of production block #5 commenced early in the quarter. The initial average flow rate from production block #5 was 130 m³ per hour with a concentration of 78 mg U per litre. Due to a higher than expected supply of sulphuric acid in Q1 2009, acidification of production blocks #6 and #7 have commenced as well.

Capital expenditure incurred by Betpak Dala at South Inkai in 2009 is expected to be \$43 million on a 100% basis, of which \$2.9 million was spent in Q1 2009. Capital expenditure in 2009 is primarily related to wellfield development and the installation of a drying circuit. The drying circuit is expected to be operational late in 2009 and will have sufficient excess capacity to also dry production from Akdala.

Financial information: The following table shows the attributable production, sales and production cost trends for South Inkai for Q1 2009:

(All figures are the Corporation's attributable share)	3 months ended Mar 31, 2009
Production in lbs	245,100
Sales in lbs	525,000
Inventory U ₃ O ₈ in lbs	532,500
Revenues (\$000's)	24,559
Operating expenses (\$000's)	10,297
Operating expenses (\$/lb sold)	20
Depreciation and depletion (\$000's)	7,886
Depreciation and depletion (\$/lb sold)	15

The cash cost of production at South Inkai for Q1 2009 is \$20 per pound sold. The U₃O₈ sold during Q1 2009 was primarily from inventory produced in 2008 and the unit cost does not therefore include mineral extraction tax, which is effective from January 1, 2009.

REVIEW OF DEVELOPMENT PROJECTS - KAZAKHSTAN

KHARASAN URANIUM PROJECT

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

The design capacity of Kharasan is 5,200,000 pounds (2,000 tonnes U) per year. It is expected that the annualized rate of production will reach this level in 2012. Pursuant to the terms of its subsoil use contract, Kharasan is allowed to ramp up production to 7,800,000 pounds (3,000 tonnes U) per year by 2014.

Pre-commercial production: Pre-commercial production from Kharasan was 25,600 pounds (10 tonnes U) in Q1 2009, of which 7,600 pounds (3 tonnes U) is attributable to the Corporation.

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

	Drill rigs on site ⁽¹⁾	Total wells completed (including production wells)	Average no. of production wells in operation	Average flow rate (m ³ /hour)	Concentration in solution (mg U/l)	Production (lbs)
Q2 2008	10	58	-	-	-	-
Q3 2008	10	74	28	6.9	47.8	-
Q4 2008	10	31	36	76.9	41.6	31,200
Q1 2009	10	32	37	155.5	32.3	25,600

Note:

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

The pilot block and production block #2 were in operation at the beginning of the quarter, with production blocks #1 and #5 in the process of being acidified. During the quarter, blocks #1 and #5 were put into production.

Performance of the well fields and uranium production were below expectations in Q1 2009. The average concentration remained low during the quarter, however the pilot block is now performing at over 100 mg per litre to date. Remedial work performed during the quarter to address wellfield under-performance has started to have a positive impact, with concentrations increasing subsequent to the end of quarter. By the end of April 2009, concentrations were up to 48 mg per litre from an average of 32.3 mg per litre during Q1 2009.

A detailed study was initiated in December 2008 to identify the factors contributing to the well field under-performance. The study concluded that mis-interpretation of the geology and unsatisfactory control over well installation contributed to the under-performance of the well fields. More experienced personnel have been appointed to improve geological interpretation and well installation control.

The investigation resulted in a re-interpretation of the field layout and a modification of 18 holes in the layout of the first 4 production blocks. Of the 18 holes defined, 9 were installed by the end of Q1 2009 and 5 were accepted into operation. Additional drill rigs were deployed to assist in the program. The installation of additional wells to address the layout of the well fields and to replace holes that were not producing, together with closer supervision by more experienced personnel, are expected to improve the performance of the well fields. Additional equipment to improve well field management, including more powerful pumps and additional flow meters, has been ordered and will be installed in Q2 2009.

Industrial production: A delineation drilling program, consisting of 210 holes in 2009, in order to convert a sufficient amount of resources from the Russian C2 category to the Russian C1 category to enable Kharasan to move to industrial production, is ongoing with 44 holes drilled during the quarter.

Kyzylkum intends to make an interim application for permission to move to industrial production based on the results of an ISR operation in close proximity to Kharasan which operates under similar geological conditions. The delineation holes drilled, as well as the performance of the pilot production block, will serve as the basis for the application. It is expected that the application will be made later in 2009 after completion of a feasibility study based on production of the first 100 tonnes of U.

Construction: The major operating facilities of the production complex have been inspected by the necessary regulatory authorities and final acceptance of the facilities is expected by Q2 2009.

The capital expenditure on Kharasan is funded by Kyzylkum from project finance facilities with Japan Bank for International Cooperation ("JBIC") and Citibank.

KHARASAN URANIUM PROJECT - continued

Infrastructure development: The main facilities of the trans-shipment base for production ramp up in 2009, including storage facilities for sulphuric acid, ammonium nitrate and caustic soda, is expected to be commissioned in Q2 2009.

The development of infrastructure is jointly funded by an adjacent uranium ISR development joint venture and by Kyzylkum from the JBIC and Citibank project finance facilities.

Project finance facilities: In addition to the original \$80 million loan from the Corporation, Kyzylkum negotiated unsecured bank loan facilities in 2007 and 2008 totalling \$160 million. One facility, in the amount of \$70 million, was obtained from JBIC and the other facility, in the amount of \$90 million, was obtained from Citibank. These facilities were fully drawn down as at March 31, 2009.

The original \$80 million loan from the Corporation (principal of \$40 million outstanding as at March 31, 2009) must be repaid in full before the JBIC and Citibank facilities can be repaid. As the Corporation proportionately consolidates its 30% interest in Kyzylkum, the Corporation's share of these facilities amounts to \$48 million. The loan facilities have floating interest rates of LIBOR plus 0.25% and 0.35%, respectively.

SULPHURIC ACID SUPPLY IN KAZAKHSTAN

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

Betpak Dala entered into a contract for the supply of 35,000 tonnes of sulphuric acid at market related prices during 2009. Together with the 60,000 tonnes allocated to Betpak Dala in 2009 by Kazatomprom, Betpak Dala is expected to have sufficient supplies of sulphuric acid to meet the 2009 production targets for both Akdala and South Inkai. Betpak Dala has received deliveries under this contract from February 2009 according to the agreed schedule.

Kyzylkum received a sufficient sulphuric acid allocation during Q4 2008 to enable Kharasan to continue planned well field acidification and to facilitate its planned production ramp-up. Kyzylkum's allocation of sulphuric acid from Kazatomprom is expected to be sufficient to meet the 2009 production target for Kharasan.

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

The Corporation has contributed \$11.4 million to date towards the construction of the sulphuric acid plant, of which \$2.7 million was contributed in April 2009, with the balance of approximately \$31 million to be funded in 2010 and 2011.

The Italian construction company Desmet Ballestra and LLP Joint Venture "Soyuzcomplex" Engineering completed the design for engineering work on the power plant. Equipment orders have been placed, with delivery of equipment and materials starting in mid-2009.

NEW TAX CODE IN KAZAKHSTAN

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

There is considerable uncertainty surrounding the interpretation and application of the new Tax Code to the operations of Betpak Dala and Kyzylkum, including with respect to both excess profits tax and the effect on the stability clause in Akdala's subsoil use contract. At the request of the Kazakhstan Ministry of Energy and Mineral Resources ("MEMR"), Betpak Dala and Kyzylkum will be entering into discussions with the MEMR later this year on the application of the new Tax Code to their operations. Pending the outcome of these discussions, the Corporation, together with its joint venture partners and its tax advisers, will continue to evaluate the impact of the new Code on its operations in Kazakhstan.

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

REVIEW OF DEVELOPMENT PROJECTS – UNITED STATES

In the western United States, the Corporation is focussed on permitting two ISR central processing plants in Wyoming, one at Moore Ranch in the Powder River Basin and the other at Antelope in the Great Divide Basin.

POWDER RIVER BASIN, WYOMING

The Powder River Basin in Wyoming hosts several of the Corporation's uranium projects. The most advanced project in the Powder River Basin is the Moore Ranch Project, located in Campbell County, 25 miles east of Edgerton, Wyoming. Moore Ranch has a NI 43-101 compliant measured resource suitable for in situ recovery. The Corporation intends to construct an in situ uranium recovery facility at Moore Ranch with capacity of 2,000,000 pounds per year. Uranium extraction is planned to commence at Moore Ranch in 2010. 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 U.S. Nuclear Regulatory Commission ("NRC") and the Wyoming Department for Environmental Quality ("WDEQ") are currently completing technical reviews of the Corporation's applications to build and operate an in situ uranium recovery facility at the Moore Ranch Project. The Corporation is continuing to progress these applications and expects to receive the license and permit during Q4 2009.

License and permit applications for the Ludeman project in Converse County will be submitted to the NRC and WDEQ in Q2 2009. Assuming a two year licensing process, the Corporation anticipates receiving the license and permit during Q2 2011, with initial production from Ludeman late in 2011. The Ludeman project will be licensed as three satellite operations that can feed either the Moore Ranch central processing plant or another plant.

The Corporation resumed well field development drilling at Moore Ranch in January 2009. During Q1 2009, 45 of the 90 drill holes planned to complete delineation of the first two well fields were installed. Another 270 drill holes are planned to be drilled in late 2009 to extend existing deeper mineralized trends on the property. Monitor well ring installation is also planned for 2009 after receipt of regulatory approval and finalization of the design of the first and second well fields.

The Corporation intends to complete additional delineation drilling and data purchases at its Ludeman property during 2009. Delineation drilling and data collection for permitting purposes are also scheduled in 2009 at other Powder River Basin properties, including the Allemand-Ross and Barge projects. 21 cased wells necessary for hydrologic testing of the aquifers were installed at Allemand-Ross during Q1 2009. Overall baseline characterization at Allemand-Ross is approximately 75% complete.

In total, capital expenditure of approximately \$17 million is planned in 2009 for the Corporation's Powder River Basin properties.

GREAT DIVIDE BASIN, WYOMING

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

A central processing facility is planned for construction at the Antelope project, with a satellite facility at JAB. The central processing facility has a design capacity of 2,000,000 pounds per year. In addition to processing resin from the satellite plant on JAB, the Antelope central processing facility would have the capacity to accept resins from other Uranium One projects in the Great Divide Basin. Those potential projects include Twin Buttes, Cyclone Rim, West JAB, Stewart Creek, Crooks Creek and Bull Springs. In July 2008, the Corporation submitted licensing and permit applications for Antelope and JAB to the NRC and WDEQ. The Corporation plans to drill 400 delineation holes at the Antelope Project and 420 holes at JAB in late 2009 to further delineate proposed wellfield areas.

In total, capital expenditure of approximately \$4 million is planned in 2009 for the Corporation's Great Divide Basin properties.

REVIEW OF DEVELOPMENT PROJECTS – AUSTRALIA

HONEYMOON URANIUM PROJECT

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

The project has a design capacity of 880,000 pounds per year, with an expected mine life (including production ramp-up) of six years. The capital expenditure estimate for the completion of construction at Honeymoon is A\$118 million, of which A\$42 million has been spent to date (on a 100% basis).

Detailed design activities and planning for the commencement of site works continued during the quarter and construction of the processing plant is expected to commence in Q2 2009.

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

CORPORATE

PRIVATE PLACEMENT WITH JAPANESE CONSORTIUM

On February 9, 2009, Uranium One entered into a subscription agreement with a special purpose corporation formed by The Tokyo Electric Power Company, Incorporated (“TEPCO”), Toshiba Corporation, and JBIC (collectively, the “Consortium”) providing for the private placement of an aggregate of 117,000,000 common shares of Uranium One, for gross proceeds of approximately C\$270 million. Concurrently with the execution of the subscription agreement, Uranium One also entered into a long-term offtake agreement and a strategic relationship agreement with the Consortium, both of which will become effective upon closing of the private placement. Upon closing of the private placement, the Consortium will have a 19.95% equity stake in Uranium One.

The private placement will be completed following receipt of regulatory approval from the MEMR, which is expected during Q2 2009.

SUMMARY OF QUARTERLY RESULTS

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

	3 months ended							
	Mar 31, 2009 \$	Dec 31, 2008 \$	Sep 30, 2008 \$	Jun 30, 2008 \$	Mar 31, 2008 \$	Dec 31, 2007 \$	Sep 30, 2007 \$	Jun 30, 2007 \$
Revenues	42,969	21,146	56,723	49,390	22,517	61,010	8,019	23,265
Net earnings / (loss) from continuing operations ⁽²⁾	63,356	(241,393)	(2,013,684)	(68,195)	(10,315)	5,879	(16,980)	(13,108)
Basic and diluted earnings / (loss) per share from continuing operations ^{(1) (2)}	0.13	(0.51)	(4.30)	(0.15)	(0.02)	0.01	(0.04)	(0.04)
(Loss) / earnings from discontinued operations ⁽²⁾	(2,223)	(17,412)	(567)	274	(104,555)	(508)	(277)	(586)
Basic and diluted (loss) / earnings per share from discontinued operations ^{(1) (2)}	(0.00)	(0.04)	(0.00)	0.00	(0.22)	(0.00)	(0.00)	(0.00)
Net earnings / (loss)	61,133	(258,805)	(2,014,251)	(67,921)	(114,870)	5,371	(17,257)	(13,694)
Basic and diluted earnings / (loss) per share ⁽¹⁾	0.13	(0.55)	(4.30)	(0.15)	(0.25)	0.01	(0.04)	(0.04)
Total assets	1,613,991	1,627,133	1,995,911	4,970,117	5,052,346	5,612,898	5,710,605	4,247,176

Notes:

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

NON-GAAP MEASURES

ADJUSTED NET EARNINGS / LOSS

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

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

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

	3 months ended	
	Mar 31, 2009 \$(000's)	Mar 31, 2008 \$(000's)
Net earnings / (loss) from continuing operations	63,356	(10,315)
Unrealized foreign exchange gain on future income tax liabilities	(68,899)	(1,138)
Loss on sale of available for sale securities	-	2,008
Adjusted net earnings / (loss)	(5,543)	(9,445)
Adjusted net loss per share – basic (\$)	(0.01)	(0.02)
Weighted average number of shares (thousands) – basic	469,614	467,451

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

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

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

RESULTS OF OPERATIONS AND DISCUSSION OF FINANCIAL POSITION

SELECTED FINANCIAL INFORMATION

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

(US dollars in thousands except per share and per lb amounts)	3 months ended	
	Mar 31, 2009 \$	Mar 31, 2008 \$
Revenue	42,969	22,517
Earnings / (loss) from continuing operations	63,356	(10,315)
Loss from discontinued operations	(2,223)	(104,555)
Net earnings / (loss)	61,133	(114,870)
Adjusted net earnings / (loss)	(5,543)	(9,445)
Cash flows from operating activities	13,180	39,457
Earnings / (loss) per share from continuing operations	0.13	(0.02)
Loss per share from discontinued operations	(0.00)	(0.22)
Earnings / (loss) per share	0.13	(0.25)
Adjusted net earnings / (loss) per share	(0.01)	(0.02)
Product inventory carrying value ⁽¹⁾	29,469	24,019
Total assets	1,613,991	5,052,346
Long term financial liabilities	551,734	1,672,749
Average realized uranium price per lb	49	79
Average U ₃ O ₈ spot price per lb	45	74
	lbs of U₃O₈	lbs of U₃O₈
Attributable sales volume	880,600	283,300
Attributable production volume	700,900	431,500
Attributable inventory ⁽¹⁾	962,900	886,500

Notes:

⁽¹⁾ Inventory as at March 31, 2008 is attributable to the Akdala Uranium Mine. Inventory as at March 31, 2009 is attributable to the Akdala and South Inkai Uranium Mines. Pre-commercial production from the Corporation's development projects is capitalized to the project as pre-production capital expenditure.

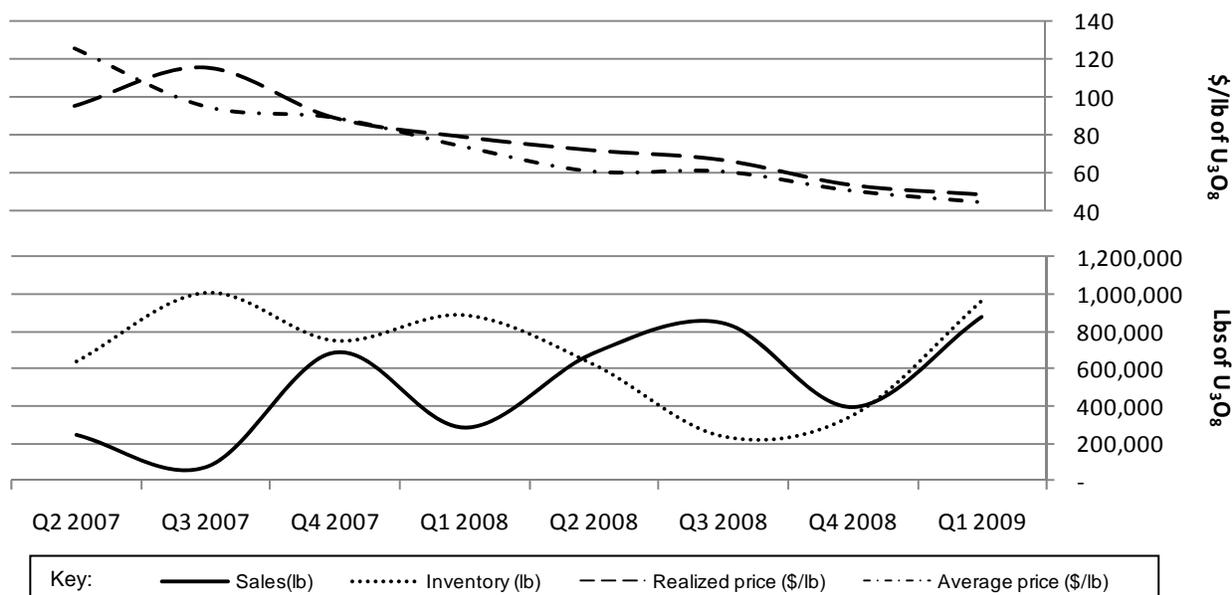
RESULTS OF OPERATIONS

URANIUM SALES, INVENTORY AND OPERATING COSTS

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

	Q1 2009			Q1 2008		
	Akdala	South Inkai	Total / Average	Akdala	South Inkai	Total / Average
Revenues (\$000's)	18,410	24,559	42,969	22,517	-	22,517
Attributable sales volumes (lb)	355,600	525,000	880,600	283,300	-	283,300
Average realized price (lb sold)			49			79
Average spot price (lb)			45			74
Closing spot price (lb)			42			71
Operating expenses (\$000's)	4,714	10,297	15,011	3,292	-	3,292
Operating expenses (\$/lb sold)	13	20	17	12		12
Depreciation and depletion (\$000's)	4,145	7,886	12,031	2,931	-	2,931
Depreciation and depletion (\$/lb sold)	12	15	14	10		10
Earnings from mine operations (\$000's)	9,551	6,376	15,927	16,294	-	16,294

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



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

Although the Corporation's sales volumes have increased by more than 200%, from 283,300 pounds in Q1 2008 to 880,600 pounds in Q1 2009, revenue only increased by 91% from \$22.5 million to \$43.0 million due to a 39% decrease in the average realized uranium price per pound sold.

Operating expenses per pound U₃O₈ sold increased by 42% from \$12 per pound in Q1 2008 to \$17 per pound in Q1 2009, mainly due to the initial cost of production at South Inkai of \$20 per pound. South Inkai commenced commercial operations on January 1, 2009. Akdala's operating expenses per pound sold increased by 8% from \$12 per pound to \$13 per pound. The increase in total average operating expenses, combined with the decrease in average realized sales price, resulted in a 2% decline in earnings from mine operations from \$16.3 million in Q1 2008 to \$15.9 million in Q1 2009. The increase in Akdala's cost to \$13 per pound was largely due to increased costs of sulphuric acid caused by sulphuric acid supply constraints in Kazakhstan for extended periods in 2008. As Q1 2009 sales were mostly from inventory on hand at January 1, 2009, the operating expenses do not fully reflect Kazakhstan mineral extraction taxes, which were introduced on January 1, 2009.

Even though more uranium was sold than produced in Q1 2009, attributable inventory increased from 345,000 pounds at December 31, 2008 to 962,900 pounds at March 31, 2009, due to the inclusion in inventory of 808,400 pounds produced during the pre-commercial period at South Inkai.

GENERAL AND ADMINISTRATIVE COSTS

General and administrative expenses, including stock option and restricted share expenses of \$1.5 million, amounted to \$9.1 million in Q1 2009, compared to \$15.3 million Q1 2008, including stock option and restricted share expenses of \$6.1 million. In 2007, the Corporation revalued the stock options acquired in several business combinations. Due to relatively low exercise prices and relatively short vesting periods from the date of acquisition, these options had high fair values which had to be expensed over short vesting periods. Stock option and restricted share expenses were therefore higher than usual in 2007 and declined steadily through 2008 as the acquired options vested. The stock based compensation expense for Q1 2008 was therefore higher than the expense in Q1 2009. The decrease in other general and administrative expenditure is the result of cost-reduction initiatives introduced by the Corporation in response to the deterioration of the economic climate since the latter half of 2008. The general and administrative expense for Q1 2009 includes salaries and directors' fees of \$5.2 million, consulting and advisor fees of \$0.8 million, office rent of \$0.5 million and travel expenses of \$0.4 million.

EXPLORATION

Exploration expenditure, which is largely discretionary, relates to exploration programs undertaken on the Corporation's tenures in the United States, South Africa, Canada and Australia and amounted to \$1.8 million during Q1 2009, compared to \$1.7 million during Q1 2008.

CARE AND MAINTENANCE

The Corporation's Dominion project was placed on care and maintenance in October 2008. The decision to place Dominion on care and maintenance reflected the significant deterioration in the project's economics, associated with the continuing decline in uranium prices during 2008 and significant inflation-related increases in project costs, together with a slower than expected ramp-up in development and production. The cost of care and maintenance at Dominion was \$2.2 million in Q1 2009.

In the United States, operation of the Hobson plant, and further capital expenditure at La Palangana, were suspended in late 2008 pending the delineation of additional resources and the completion of the permitting process for La Palangana. While the Corporation continues with planned delineation drilling and the acquisition of additional potential development areas, the cost of maintaining Hobson and La Palangana is classified as care and maintenance expenditure and was \$0.8 million in Q1 2009. The Shootaring mill in Utah was placed on care and maintenance in 2008 as the Corporation concluded that it could not be operated economically with the currently available resource base and care and maintenance costs of \$0.6 million were incurred in Q1 2009. Total care and maintenance costs in Q1 2009 were \$3.6 million.

INTEREST AND OTHER

Interest income amounted to \$1.0 million in Q1 2009, compared to \$2.8 million in Q1 2008. In addition to the interest earned on loans to joint ventures, interest is earned on funds held on deposit by the Corporation. The decline in interest earned is due to the decrease in loans from joint ventures from a consolidated balance of \$47.5 million at March 31, 2008 to \$28.6 million at March 31, 2009, combined with a general decrease in yields on the Corporation's funds on deposit. As a result of the global economic crisis, deposit interest rates have declined materially.

Interest accrued on the Corporation's convertible debentures was \$1.9 million in Q1 2009, compared to \$3.8 million in Q1 2008. The decrease is the result of a change in the estimated timing of the repayment of the debenture from December 2009 to December 2011.

The interest expense on the \$65 million drawn down in 2008 under the Corporation's credit facility was \$0.3 million in Q1 2009. The loan currently bears interest at 1.73%. Other charges related to the credit facility, including amortization of upfront costs and the availability fee were \$0.7 million in Q1 2009.

FOREIGN EXCHANGE GAIN / LOSS

The National Bank of Kazakhstan announced on February 4, 2009 that it will cease to maintain the Kazakhstan tenge within the previous range of 117-123 tenge to the US dollar and suggested that the rate be set to between 145 and 155 tenge to the US dollar. This amounted to a devaluation of 25% during Q1 2009, which had an impact on the translated values of the Corporation's monetary assets and liabilities, with the effect processed through the statement of operations in Q1 2009. The resulting unrealized foreign exchange gain arising from the translation of the future income tax liability in respect of the Corporation's investment in Kazakhstan was \$68.9 million, compared to a gain of \$1.1 million in Q1 2008.

The devaluation of the tenge was necessitated by a general devaluation of most currencies against the US dollar in 2008. According to the National Bank of Kazakhstan, for the period from January 2008 to January 2009, the national currencies of a number of other countries all significantly weakened against the U.S. dollar: Russia (44%), Belarus (28%), Ukraine (52.5%), the United Kingdom (38%), Europe (13%), Norway (28%), Brazil (31%), Australia (27%) and Canada (26%).

Unrealized foreign exchange gains during Q1 2009 were \$2.0 million, compared to unrealized foreign exchange gains of \$1.1 million in Q1 2008. The Corporation realized foreign exchange losses of \$0.5 million in Q1 2009, compare to a realized loss of \$4.8 million in Q1 2008.

INCOME TAXES

Current income tax expense for Q1 2009 of \$11.6 million mainly represents taxes paid and payable in Kazakhstan on profits from the Corporation's Akdala and South Inkai mines. For Q1 2008 a \$6.5 million income tax expense was recorded, largely relating to the Akdala mine.

The future income tax recovery for Q1 2009 of \$5.1 million arises from a recovery of the future income tax liability related to the acquisition of the Akdala and South Inkai Mines of \$3.2 million and an increase of \$1.9 million in future income tax assets due to temporary differences and tax loss carry forwards. In Q1 2008, a recovery of future income taxes of \$0.9 million was recorded, being a recovery of the future income tax liability related to the acquisition of the Akdala Mine of \$0.1 million and an increase of \$0.8 million in future income tax assets due to temporary differences and tax loss carry forwards.

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

LOSS FROM DISCONTINUED OPERATIONS

The Corporation realized a loss of \$2.2 million on the sale of 154.9 million Alease Gold shares for proceeds of \$16.1 million in Q1 2009. The sale reduced the Corporation's shareholding in Alease Gold from 34% at December 31, 2008 to 5% at March 31, 2009.

Alease Gold was classified as a discontinued operation in Q1 2008 and all items related to Alease Gold in the statement of operations were separated from normal operations. The net loss from discontinued operations of \$104.6 million in Q1 2008 includes an impairment charge, net of tax, of \$103.5 million.

NET EARNINGS / LOSS

The net earnings for Q1 2009 amounted to \$61.1 million or \$0.13 per share, compared to a net loss of \$114.9 million or \$0.25 per share for Q1 2008.

FINANCIAL CONDITION

On March 31, 2009, the Corporation had cash and cash equivalents of \$203.9 million, compared to \$176.2 million at December 31, 2008.

Inventories increased to \$42.8 million from the \$17.4 million held at December 31, 2008. Finished uranium concentrates and solutions and concentrates in process increased by \$21.5 million in line with the increase of product inventory from 345,000 pounds to 962,900 pounds. The increase in product inventory is due to the inclusion in inventory of South Inkai's pre-commercial production of 808,400 pounds on January 1, 2009. Materials and supplies increased by \$3.9 million in Q1 2009.

As at March 31, 2009 the Corporation had attributable inventory of 962,900 pounds, of which approximately 168,000 pounds is held at conversion facilities. Sales of product are normally completed at conversion facilities when material is transferred to customers by way of a book transfer. The product on hand at conversion facilities as at March 31, 2009 is committed for delivery under existing sales contracts subsequent to quarter end. Shipping times for finished product can be up to four months, depending on the distance between the mine site and conversion facility, where sales are completed through transfer of legal title and ownership.

Inventory as at March 31, 2009 is attributable to the Akdala and South Inkai Uranium Mines. Pre-commercial production from the Corporation's development projects is not accounted for as inventory. Attributable material produced and on hand from the Corporation's development projects at March 31, 2009 amounted to 16,300 pounds at Kharasan and 71,600 pounds at Dominion. In addition to the material produced, the Corporation held 150,000 pounds purchased to deliver into Dominion sales contracts subsequent to quarter end, accounted for as purchased uranium concentrates in other assets.

A summary of Akdala and South Inkai's attributable inventory carried at the end of Q1 2009 is as follows:

Category	Location	Lbs of U ₃ O ₈ (000's)
In process	Mine site	88.0
In process	In transit to external processing facilities	47.6
In process	External processing facilities	309.8
Finished product ready to be shipped	External processing facilities	349.5
Finished product In transit	In transit	-
Finished product at conversion facility	Conversion facilities	168.0
Total inventory		962.9

Scheduled repayments on the loan to Kyzylkum of \$6.7 million plus interest were received from Kyzylkum during Q1 2009, resulting in an outstanding loan balance of \$40.0 million as at March 31, 2009. Scheduled repayments from Kyzylkum during the remainder of 2009 are expected to be \$20.0 million.

The reporting values of mineral interests, plant and equipment reduced by \$31.4 million during Q1 2009, mainly due to the transfer of South Inkai's pre-commercial production from capitalized pre-production expenditures to inventory.

Other assets decreased by \$15.2 million in Q1 2009. In light of its plans to construct its own processing facility in the Powder River Basin in Wyoming, in Q1 2009 the Corporation terminated a 2007 toll processing agreement with a third party processing facility. The advance of \$10.1 million for future services previously recognized by the Corporation was therefore re-classified as accounts and other receivables in Q1 2009. The Corporation disposed of Alease Gold shares with a carrying value of \$7.6 million in Q1 2009 for proceeds of \$16.1 million, decreasing the carrying value of the Corporation's Alease Gold shares to \$1.5 million. Alease Gold is accounted for as a discontinued operation, which is included in other assets.

During Q1 2009, the Corporation classified the portion of the Dominion sales contracts into which purchased uranium will be delivered as financial instruments. The revaluation of these contracts resulted in the recognition of an asset of \$2.1 million in Q1 2009.

Future income tax liabilities decreased by \$74.1 million from December 31, 2008, mainly due to the unrealized foreign exchange loss of \$68.9 million resulting from the devaluation of the tenge during Q1 2009. A recovery of future income taxes on Akdala and South Inkai of \$3.2 million and an increase of \$1.9 million in future income tax assets due to temporary differences and tax loss carry forwards accounted for the majority of the remaining decrease.

The Corporation's 30% proportionate share of the Kyzylkum finance facility increased by \$12.0 million to \$47.5 million as Kyzylkum increased their drawdown against the facility from \$120 million to \$160 million during Q1 2009.

Changes in shareholders' equity consist mainly of the net earnings for Q1 2009 of \$61.1 million and the foreign translation loss of \$10.8 million realized on the sale of Alease Gold shares during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2009 the Corporation had working capital of \$265.6 million. Included in this amount is cash and cash equivalents of \$203.9 million, which includes the Corporation's proportionate share of 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. Approximately 75% of the Corporation's total cash balances were held in United States dollars, mainly with 5 Canadian chartered banks with a credit rating of at least A-1/P-1/R-1 high at March 31, 2009.

Cash held by the Corporation's joint venture operations is applied to the business of the joint ventures and cash flows between the Corporation and the joint ventures normally only occur through loans to the joint ventures and dividends paid by the joint ventures. The Corporation expects that Betpak Dala will fund its capital requirements from operations, without the need for finance from the Corporation or third parties.

Kyzylkum has fully drawn down its Citibank and JBIC project finance facilities. The Corporation expects that Kyzylkum will require additional funding in the second half of 2009 to finance its activities until the generation of positive cash flow from operations. If Kyzylkum is unsuccessful in obtaining further third party finance, the Corporation may have to defer receipt of a portion of the \$20.0 million repayment on the loan Kyzylkum received from the Corporation, which is due in the remainder of 2009.

The Corporation expects that its Australian operations will be self-funding in 2009, utilizing the proceeds from the Mitsui transaction for the development of Honeymoon and for general corporate purposes.

In addition to working capital at hand and the approximately \$220 million (C\$270 million) which will be available to the Corporation on the closing of the private placement to a Japanese consortium announced on February 10, 2009, the Corporation has access to an additional \$23.9 million through its credit facility, which was concluded with Bank of Montreal and The Bank of Nova Scotia at the end of Q2 2008. Under the credit agreement, the Corporation is required to maintain an interest coverage ratio of more than 2.5:1 on a rolling four quarters basis. The interest coverage ratio is the ratio of the Corporation's earnings before interest, tax, share based compensation, depreciation and depletion and other non-cash items to interest paid. The Corporation's interest coverage ratio as at March 31, 2009, calculated in accordance with the credit agreement, was 11.5.

During Q1 2009, the Corporation received cash proceeds of \$16.1 million from the sale of Aflase Gold shares.

The Corporation earns revenue from the sale of uranium from the Akdala and South Inkai Uranium Mines in Kazakhstan. Additional sales revenue will be earned from uranium sales when the Corporation's development projects reach commercial production.

Attributable inventory levels at Betpak Dala are expected to increase from approximately 1.2 million pounds at December 31, 2008 to approximately 1.8 million pounds by the end of 2009, mainly due to the ramp-up in production at South Inkai.

Uranium is sold under forward long-term delivery contracts. Contracted deliveries are planned to be filled from the Corporation's mining operations. The ability to deliver contracted product is therefore dependent upon the continued operation of the mining operations as planned. The Corporation has entered into market-related sales contracts with price mechanisms that reference the spot price in effect at or near the time of delivery. In addition, the Corporation has negotiated floor price protection in most of its sales contracts.

At March 31, 2009, there were outstanding sales commitments for 3,625,000 pounds in respect of sales contracts for the Dominion project. The Corporation plans to meet these commitments by delivering 221,600 pounds on hand for this purpose in Q1 2009, from the production of other group entities and, if required, additional purchases from third parties. The Corporation has floor price protection in all of the Dominion contracts and does not expect to incur material losses in satisfying its delivery commitments thereunder.

For 2009, committed sales under contract represent approximately 62% of expected production, without taking any available inventory into account.

In October 2008, the Corporation drew down \$65 million under its credit facility as an internal cash reserve and in February 2009 negotiated a C\$270 million private placement with a Japanese consortium. The Corporation will therefore have cash resources sufficient to sustain capital and corporate expenditures planned for 2009. Capital expenditures by the Betpak Dala and Kyzylkum joint ventures are funded through the joint ventures' operating cash flow or by way of third party debt facilities. The Corporation's Australian joint ventures, including Honeymoon, will be funded from the cash commitment of approximately \$73 million (A\$104 million) from Mitsui in 2009.

The Corporation is currently evaluating the application of the proceeds from the private placement with the Japanese consortium. The potential uses of these proceeds include acceleration of the Corporation's growth and development plans, the reduction of debt and working capital.

The Corporation's short term investments have not been affected by current financial market disruptions as these investments are primarily held in bearer deposit notes issued and guaranteed mainly by Canadian chartered banks. On their maturity, the Corporation plans on reinvesting the proceeds of these notes in similar short term instruments.

The outstanding amount under the credit facility is repayable on June 27, 2010, and the repayment date may be extended, if needed, to June 27, 2011, with lenders' consent. The \$65 million drawdown under the credit facility currently attracts interest of 1.73% per annum, payable on a monthly basis. Uranium One's convertible debentures mature on December 31, 2011. Fixed interest of 4.25% on the debentures is payable semi-annually in arrears.

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

CONTRACTUAL OBLIGATIONS

The only material change to the Corporation's contractual obligations during Q1 2009 resulted from the \$40 million drawdown by Kyzylkum against its Citibank project finance facility during the quarter. The Corporation's proportionate share of the liability is \$12 million, of which approximately \$6.7 million is repayable in 1 to 3 years and \$5.3 million in 4 to 5 years.

COMMITMENTS AND CONTINGENCIES

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of May 8, 2009, there were issued and outstanding 469,637,873 common shares, with a further 117,000,000 common shares reserved for issuance on closing of the private placement to the Consortium.

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. Uranium One has reserved a total of 407,100 common shares for issuance to third parties under certain property option and joint venture agreements.

As of May 8, 2009, there were 20,083,761 stock options outstanding under Uranium One's stock option plan and the security based compensation plans assumed by the Corporation pursuant to its acquisitions, at exercise prices ranging from C\$0.78 to C\$16.59. There were 568,754 restricted shares outstanding as of May 8, 2009.

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

DIVIDENDS

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

MINERAL INTERESTS, PLANT AND EQUIPMENT

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

ASSET RETIREMENT OBLIGATIONS

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

IMPAIRMENT OF LONG-LIVED ASSETS

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

TAXES

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

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

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

STOCK BASED COMPENSATION

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

NEW / CHANGES IN ACCOUNTING POLICIES

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

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

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

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

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

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

The Corporation is in the scope and planning phase and is also assessing the impact of policy alternatives on its consolidated financial statements, systems, processes and controls. As the transition progresses, the Corporation will provide increased clarity into the expected effects of accounting policy changes. The Corporation is in the process of developing a detailed project plan for 2009 and 2010, which will include staff communications, a training plan and an external stakeholder communication plan. The design and build phase will be completed in 2009 and implementation will begin during 2009 and will be completed by the end of 2010.

The Corporation is implementing new accounting and consolidation systems in various parts of its business in 2009 and expected changes in accounting policies, processes and collection of additional information for disclosure are being incorporated in the design and implementation of these systems. The impact on internal controls over financial reporting and disclosure controls and procedures will be determined during the design and implementation phases.

RISKS AND UNCERTAINTIES

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

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

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

STOCK OPTION AND RESTRICTED SHARE PLANS

During Q1 2009 stock options and restricted share rights activity was as follows:

- 6,139,800 options were granted during the quarter.
- 1,781,689 options lapsed.
- 3,241 restricted shares were exercised during the quarter and 30,500 expired.

DISCLOSURE CONTROLS AND PROCEDURES

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

INTERNAL CONTROLS AND PROCEDURES

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

There have been no material changes in the Corporation's internal control over financial reporting during the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

OUTLOOK

During the remainder of 2009, the Corporation is focused on maintaining production from Akdala at current levels, ramping up production at South Inkai towards a level of 5,200,000 pounds (2,000 tonnes U) in 2011, achieving commercial production from its development projects, controlling costs at its operations and remaining a reliable supplier of U_3O_8 to the nuclear fuel industry.

Based on allocations of sulphuric acid received in 2009 to the end of April, Betpak Dala and Kyzylkum are expected to have sufficient sulphuric acid to meet their 2009 production targets at Akdala, South Inkai and Kharasan. The Corporation's attributable production estimate for 2009 is 3.5 million pounds.

Attributable production for 2010 is estimated to be 5.6 million pounds. Attributable production estimates assume that Betpak Dala and Kyzylkum receive their projected allotments of sulphuric acid from sources in Kazakhstan and outside the country.

During 2009, the average cash cost per pound sold is expected to be approximately \$16 per pound at Akdala and \$22 per pound at South Inkai. Included in these costs is Kazakh mineral extraction tax of approximately \$2 per pound at Akdala and \$4 per pound at South Inkai. The Corporation estimates that inflationary increases in Kazakhstan during 2009 will eliminate the effect of the recent devaluation of the tenge. During the ramp-up to design capacity of 2,000 tonnes U per year, unit costs of production at South Inkai are expected to be higher than the costs during a steady state of operation. This is primarily due to the fact that sulphuric acid used to acidify production blocks is expensed in the period of acidification. During periods of production ramp-up, unit costs of production will therefore be higher and will only stabilize when the operation reaches steady state production. Even in steady state, production costs at South Inkai are expected to be higher than Akdala due to the fact that the ore body at South Inkai is deeper than at Akdala.

The Corporation currently has contracts for the sale of an aggregate of 25 million attributable pounds; 16 million pounds of this material is contracted at weighted average floor prices, subject to escalation, of approximately \$47 per pound. The remainder of contracted attributable sales is not subject to floors and such sales are related to the spot price of U_3O_8 , except for 910,000 pounds, which will be sold at an average fixed price of \$79 per pound, subject to escalation. For 2009, the Corporation expects to sell an aggregate of 2.8 million attributable pounds. The Corporation has already contracted for the sale of 2.2 million attributable pounds in 2009, of which 700,000 pounds have weighted average floor prices of approximately \$43 per pound.

For 2009, the Corporation expects to incur capital expenditures of \$21 million on fully owned development projects in the United States, including \$17 million on Moore Ranch and other Powder River Basin properties and \$4 million on JAB and Antelope in the Great Divide Basin. The Corporation is currently evaluating the application of the proceeds from the private placement with the Consortium. The potential uses of these proceeds include acceleration of capital expenditure in the United States, external growth opportunities, delevering the Corporation's balance sheet and working capital.

Capital expenditures by Betpak Dala and Kyzylkum are funded through the joint ventures' working capital or third party debt facilities. Capital expenditure by Betpak Dala in 2009 is expected to be \$43 million at South Inkai and \$8 million at Akdala on a 100% basis. The Corporation's Australian joint ventures, including Honeymoon, will be funded in 2009 from the cash commitment of approximately \$73 million (A\$104 million) from Mitsui.

General and administrative expenses, excluding stock based compensation, are expected to be approximately \$28 million and exploration expenditure is expected to be \$12 million for 2009.

The Corporation carries on its balance sheet unrealized foreign exchange translation losses of \$244.3 million relating to its investment in Uranium One Africa Limited. These losses would only be realized in the statement of operations if the Corporation sells its investment in Uranium One Africa Limited.

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, the timing of uranium processing facilities being fully operational, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, market conditions, corporate plans, objectives and goals, requirements for additional capital, government regulation of mining operations, 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, 2008 which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required under applicable securities laws, Uranium One undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events, or otherwise..

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

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

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