

management 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. (formerly srx Uranium One Inc.) ("Uranium One") and its subsidiaries (collectively, the "Corporation") for the year ended December 31, 2007, together with certain trends and factors that are expected to impact its 2008 financial year. Information herein is presented as of March 31, 2008 and should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 2007 and the notes thereto, the December 31, 2006 audited consolidated financial statements, and the related annual Management's Discussion and Analysis of the Corporation's predecessor companies, srx Uranium One Inc. and UrAsia Energy Ltd. ("UrAsia Energy") and the July 31, 2006 audited consolidated financial statements, and the related annual Management's Discussion and Analysis of UrAsia Energy, on file with the Canadian provincial securities regulatory authorities (referred to herein as the "consolidated financial statements"). The Corporation's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are in US dollars and tabular amounts are in thousands, except where otherwise indicated. Canadian dollars are referred to herein as C\$. South African rand are referred to herein as ZAR.

Uranium One completed a business combination with UrAsia Energy on April 20, 2007. The transaction was treated as a reverse take-over under GAAP, with UrAsia Energy identified as the acquirer and Uranium One as the acquiree. For periods subsequent to the acquisition date, the comparative figures are those contained in the financial statements of UrAsia Energy. During 2006, UrAsia Energy changed its fiscal year end from July 31 to December 31. Accordingly, the comparative figures used herein are those for the five months ended December 31, 2006 and the year ended July 31, 2006. References herein to "the December 2006 Period", "the July 2006 Year" and "the 2007 financial year" refer to the five months ended December 31, 2006, the year ended July 2006 and the year ended December 31, 2007, respectively.

The common shares of Uranium One are listed on the Toronto and Johannesburg stock exchanges ("TSX" and "JSE" respectively). Uranium One's convertible unsecured subordinated debentures due December 31, 2011 are also listed on the TSX. The shares of Uranium One's majority-owned subsidiary, Aflase Gold Limited ("Aflase Gold"), are listed on the JSE and its convertible bonds due December 2012 are listed on the Open Market of the Frankfurt Stock Exchange.

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".

KEY STATISTICS

	Q4 2007	Full year 2007
Attributable production (lbs of U ₃ O ₈) ⁽¹⁾	435,400	1,827,200
Attributable sales (lbs of U ₃ O ₈) ⁽¹⁾	689,200	1,608,700
Average sales price achieved (\$ per lbs of U ₃ O ₈) ⁽²⁾	\$89	\$83
Average cash cost of production sold (\$ per lbs of U ₃ O ₈) ⁽²⁾	\$11	\$11
Revenue (\$ millions)	\$61.0	\$134.0
Earnings from mine operations (\$ millions)	\$46.5	\$101.8
Net earnings / (loss) (\$ millions)	\$5.4	(\$17.6)
Earnings / (loss) per share – basic and diluted (\$ per share)	\$0.01	(\$0.05)

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

(2) The Corporation has included non-GAAP performance measures: sales per pound of U₃O₈ and cost per pound of U₃O₈ sold. The Corporation reports total cash costs on a sales basis. In the uranium mining industry, these are common performance measures but do not have any standardized meaning, and are non-GAAP measures. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, the Corporation and certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

HIGHLIGHTS

OPERATIONS

- Akdala continues to produce at expected rates of throughput and grade. 100% production for the year was 2,610,300 pounds of U_3O_8 .
- National shortage of sulphuric acid supply has not affected production at Akdala.

PROJECTS

- At the South Inkai Project in Kazakhstan, pre-commercial production of U_3O_8 has commenced and the completion of the production complex is on track for mid-year 2008. The industrial production license is expected to be awarded in the first half of 2009.
- At South Inkai, pre-commercial production totalled 56,500 pounds of U_3O_8 (39,600 pounds of U_3O_8 attributable) in 2007. Pre-commercial production for the year 2008 to date, on a 100% basis, was approximately 26,000 pounds of U_3O_8 in January 2008, 52,000 pounds of U_3O_8 in February 2008 and is currently at 3,900 – 5,200 lbs of U_3O_8 per day.
- Acidification of the first wellfield at the Kharasan Project in Kazakhstan commenced in March 2008. Construction work at Kharasan is expected to be completed by the end of 2008. The industrial production licence is expected to be awarded in the first half of 2009.
- The shortage of sulphuric acid has not constrained the ramp-up of production levels at the South Inkai Project and the Kharasan Project.
- At the Dominion Project in South Africa, pre-commercial production of U_3O_8 has commenced. The pressure leach circuit of the plant was commissioned in December 2007 and underground mine development is ongoing.
- Pre-commercial production from Dominion totalled 171,300 pounds of U_3O_8 in 2007. In line with the revised production plan, Dominion has produced approximately 12,000 pounds of U_3O_8 in January 2008 and 18,000 pounds of U_3O_8 in February 2008.
- Refurbishment of the Hobson ISR Uranium Processing Facility in Texas, USA is well underway and resource delineation and exploration is continuing at the Corporation's La Palangana Project, which will provide feed for the Hobson Facility.
- The U.S. Nuclear Regulatory Commission has completed its acceptance review of Uranium One's permit application to build and operate an in situ uranium recovery facility at the Moore Ranch Project in the Powder River Basin, Wyoming, USA. The technical review by the U.S. Nuclear Regulatory Commission is now underway. A feasibility study for the Moore Ranch Project has been completed and is now being reviewed externally.

CORPORATE

- In line with the Corporation's increased focus on its development projects, Jean Nortier was appointed as Interim Chief Executive Officer and David Hodgson was appointed as Acting Chief Operating Officer of the Corporation in February 2008.
- On March 27, 2008, the Corporation entered into an agreement to sell a portion of its shareholding in Aflease Gold for \$40 million and granted an option to sell its remaining shareholding for additional proceeds of approximately \$49 million.

OUTLOOK

- The Corporation is focused on achieving commercial production from its projects on schedule, controlling costs at its operations and remaining a reliable supplier of U_3O_8 to the nuclear fuel industry.
- The Corporation seeks to dispose of its non-core assets.
- The Corporation's attributable production in 2008 is expected to be approximately 3.1 million pounds of U_3O_8 including 1.8 million pounds from Akdala and 1.3 million pounds of pre-commercial production from development projects.
- The Corporation's attributable production (including pre-commercial production) in 2009 is expected to be approximately 6.8 million pounds of U_3O_8 .
- The Corporation expects to incur capital expenditures of \$200 million on fully owned development projects for 2008.
- The Corporation does not expect to be required to contribute towards additional capital expenditure of \$70 million by joint ventures in 2008 (of which the Corporation's pro-rata share is \$32 million).
- General and administrative expenses, excluding stock based compensation, are expected to be \$45 million for 2008.
- Akdala's average cash production cost per pound of U_3O_8 sold is expected to be approximately \$12 in 2008.

OVERVIEW

Uranium One is a Canadian uranium corporation engaged through subsidiaries and joint ventures in the mining and production of uranium, and in the acquisition, exploration and development of properties for the production of uranium, in Kazakhstan, South Africa, the United States, Australia and Canada. The Corporation is in the process of disposing of its 67% interest in Alease Gold, which is engaged in the development of the Modder East Gold Project in South Africa.

Uranium One owns a 70% interest in both the producing Akdala Uranium Mine and the South Inkai Uranium Project and it is developing the Kharasan Project in Kazakhstan, in which it owns a 30% interest. The Corporation also owns the Dominion Uranium Project in South Africa. In the United States, the Corporation owns projects in the Powder River and Great Divide Basins in Wyoming, the Hobson ISR Uranium Processing Facility and La Palangana ISR Project in Texas and the Shootaring Mill in Utah. The Corporation also owns the Honeymoon Uranium Project in Australia. The Corporation owns, either directly or through joint ventures, a large portfolio of uranium exploration properties in South Africa, the western United States, South Australia, and the Athabasca Basin of Saskatchewan in Canada.

The following mineral properties and operations of the Corporation referred to in the Corporation's 2007 annual financial statements are discussed in more detail in the Management's Discussion and Analysis below:

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

Operating mine	Project	Location	Status	Ownership
Betpak Dala LLP	Akdala Uranium Mine	Kazakhstan	Producing	70% J.V. interest
Advanced development projects	Project	Location	Status	Ownership
Betpak Dala LLP	South Inkai Uranium Project	Kazakhstan	Commissioning ⁽²⁾	70% J.V. interest
Kyzylkum LLP	Kharasan Uranium Project	Kazakhstan	Development	30% J.V. interest
Uranium One Africa Limited	Dominion Uranium Project	South Africa	Commissioning ⁽²⁾	100% interest ⁽¹⁾

The Corporation is also developing the following mineral properties:

Development projects	Project	Location	Status	Ownership
South Texas Mining Venture	Hobson Facility and La Palangana Project, Texas	USA	Development	99% interest
Energy Metals Corp (US)	Powder River Basin, Wyoming Projects (Incl. Moore Ranch, Peterson, Ludeman, Allemand-Ross, and Barge)	USA	Development	100% interest
Energy Metals Corp (US)	Great Divide Basin, Wyoming Projects (Incl. JAB and Antelope)	USA	Development	100% interest
Uranium One USA Inc.	Shootaring Mill, Utah	USA	Development	100% interest
Uranium One Australia (Proprietary) Ltd.	Honeymoon Uranium Project	Australia	Development	100% interest
Alease Gold Limited	Modder East Gold Project	South Africa	Development	67% interest

Note 1: Uranium One's 100% interest is subject to a definitive purchase and sale agreement of an undivided 26% interest in the Dominion Uranium Project to its Black Economic Empowerment partner Micawber 397 (Proprietary) Limited ("Micawber 397"). The Micawber 397 transaction will be accounted for in the Corporation's financial statements when the risks and rewards of the transaction are deemed to have passed to Micawber 397.

Note 2: The Dominion Uranium Project and the South Inkai Uranium Project are in the commissioning stage: production has commenced but the mines have not yet achieved a commercial production level. Commercial production is achieved when a pre-defined operating level, based on the design of the plant, is maintained.

Note 3: The Corporation is in the process of disposing of its investment in Alease Gold

CORPORATE DEVELOPMENT

BUSINESS COMBINATION OF URANIUM ONE AND URASIA ENERGY LTD.

On April 20, 2007 Uranium One completed the acquisition of all of the outstanding common shares of UrAsia Energy. Upon the completion of the transaction, Uranium One was held approximately 60% by former UrAsia Energy shareholders and approximately 40% by former Uranium One shareholders. Accordingly, the business combination has been accounted for as a reverse takeover under GAAP with UrAsia Energy being identified as the acquirer and Uranium One as the acquiree.

As a result of this transaction, the Corporation's assets include Uranium One's Dominion Uranium Project and the Honeymoon Uranium Project and UrAsia Energy's assets in Kazakhstan, comprising a 70% interest in the Akdala Uranium Mine and South Inkai Uranium Project and a 30% interest in the Kharasan Uranium Project.

The total cost of the acquisition of \$1.8 billion represents the value of the common shares of Uranium One issued in exchange for shares of UrAsia Energy of \$1.7 billion, the fair value of options, warrants and restricted shares outstanding at the announcement date of \$62 million, the fair value of the equity component of convertible debentures of \$46 million and acquisition costs of \$19 million. Assets acquired consist primarily of mineral interests and plant and equipment with a fair value of \$2.5 billion, which includes the related future income tax effect.

ACQUISITION OF U.S. ENERGY ASSETS

On April 30, 2007, Uranium One completed the purchase from U.S. Energy Corporation ("U.S. Energy") of the Shootaring Canyon Uranium Mill in Utah, as well as a land package comprising uranium exploration properties and a database of geological information for consideration equal to 6,607,605 Uranium One common shares valued at \$99.4 million, a cash payment of \$6.5 million and transaction costs of \$2.6 million.

The transaction was accounted for as an asset purchase and the cost of each item of property, plant and equipment acquired as part of the group of assets acquired was determined by allocating the price paid for the group of assets to each item based on its relative fair value at the time of the acquisition.

The purchase agreement also provided for the assignment of U.S. Energy's right to receive \$4.1 million in cash and 1.5 million common shares of Uranium Power Corp. ("UPC") after closing under a purchase and related joint venture agreement between U.S. Energy and UPC relating to certain of the purchased properties. The Corporation received these outstanding payments during Q4 2007 and UPC therefore completed the earn-in process for the assets under the joint venture agreement.

ACQUISITION OF ENERGY METALS CORPORATION

On August 10, 2007 Uranium One completed the acquisition of all of the outstanding common shares of Energy Metals Corporation ("EMC"). The transaction resulted in the addition of a large portfolio of uranium exploration properties located throughout the western United States, including the Powder River and Great Divide Basin properties in Wyoming, and the Hobson ISR Uranium Processing Facility in Texas. The Hobson Facility is currently being refurbished.

The transaction was accounted for as an asset purchase and the cost of each item of property, plant and equipment acquired as part of the group of assets acquired was determined by allocating the price paid for the group of assets to each item based on its relative fair value at the time of acquisition.

The total cost of the acquisition of \$1.1 billion represents the value of the common shares of Uranium One issued in exchange for shares of EMC of \$1.0 billion, the fair value of options in EMC outstanding at the acquisition date of \$35.3 million and acquisition costs of \$9.3 million. Assets acquired consist primarily of mineral interests with a fair value of \$1.4 billion, which includes the related future income tax effect.

SALE OF SHAREHOLDING IN AFLEASE GOLD

During Q1 2008, in line with the Corporation's strategy to dispose of its non-core assets, the board of directors approved a plan to pursue the sale of the Corporation's shareholding in Alease Gold and the Corporation entered into negotiations regarding the sale of Alease Gold.

Consequently the Corporation entered into an agreement on March 27, 2008, pursuant to which it agreed to sell 152,195,122 shares in Alease Gold, held by the Corporation's wholly owned subsidiary, Uranium One Africa Limited ("Uranium One Africa"), for consideration of approximately \$40 million (ZAR320 million). The transaction is expected to close during April 2008, subject to approval by the South African Reserve Bank.

An option has been granted to the purchaser to acquire Uranium One Africa's remaining shareholding of 186,816,558 shares in Alease Gold at a consideration of approximately \$49 million (ZAR393 million) on or before May 8, 2008. Once the option is exercised, the purchase and sale of the shares in Alease Gold will be required to comply with the provisions of the Securities Regulation Code of the Securities Regulation Panel of South Africa relating to a compulsory offer to the other shareholders of Alease Gold and, within 150 days, to obtain approval from the South African Reserve Bank and the satisfaction of merger approval requirements of the South African Competition Act, 89 of 1998.

It is expected that the Corporation will reflect a loss of approximately \$90 million in Q1 2008 pursuant to this transaction.

PROPOSED SALE OF NON-CORE ASSETS

The Corporation remains focused on operating and developing its core uranium assets and has identified several non-core assets that do not fit into its long-term growth strategy.

In line with this focus, the Corporation intends to divest several of its non-core assets and expects to finalize a number of transactions during 2008..

REVIEW OF OPERATIONS

AKDALA URANIUM MINE

Akdala is an operating acid in situ recovery ("ISR") uranium mine located in the Suzak region of South Kazakhstan. The Betpak Dala Joint Venture Limited Liability Partnership, a Kazakhstan registered limited liability partnership ("Betpak Dala"), owns a 100% interest in the Akdala Mine. Uranium One owns a 70% joint venture interest in Betpak Dala. The remaining 30% is owned by JSC NAC Kazatomprom ("Kazatomprom"), a Kazakhstani state-owned company responsible for the mining, importing and exporting of uranium in Kazakhstan.

The production rate at the Akdala Mine is 2,600,000 pounds of triuranium octoxide (" U_3O_8 ") (1,000 tonnes uranium ("U")) per year.

In Kazakhstan, in situ recovery involves circulating ground water fortified with acid through the ore by means of a grid of injection and production wells and processing the water pumped from the production wells to recover uranium in a processing plant before returning the leach solution to the injection wells.

Production: Akdala produced 2,610,300 pounds of U_3O_8 (1,004 tonnes U) of which 1,827,200 pounds of U_3O_8 (703 tonnes U) is attributable to the Corporation during 2007. As Akdala is operating in steady state at licenced capacity, production expected for 2008 is in line with production achieved in 2007.

Operations: The following is a summary of the operational statistics (100%) for Akdala during 2007:

	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 of U_3O_8)
Q1 2007	3	27	145	893	131.2	697,100
Q2 2007	6	54	129	1,034	112.5	646,000
Q3 2007	7	93	139	1,066	108.2	645,100
Q4 2007	6	90	138	1,047	98.2	622,100

(1) As at end of quarter

Flow rate, concentration and the number of operating wells are carefully monitored and managed to produce the required amount of U_3O_8 , in accordance with Akdala's licence.

FINANCIAL INFORMATION:

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

	3 months ended			2 months ended		3 months ended		
	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Oct 31	Jul 31	Apr 30
	2007	2007	2007	2007	2007	2006	2006	2006
Production of U ₃ O ₈ in lbs	435,400	451,600	452,200	488,000	426,500	513,100	478,300	388,800
Sales of U ₃ O ₈ in lbs	689,200	70,000	244,300	605,200	880,700	99,300	70,100	380,300
Inventory U ₃ O ₈ in lbs	748,900	1,007,000	636,800	436,500	565,400	1,026,900	637,000	251,900
Sales (\$000's)	61,010	8,019	23,265	41,730	46,256	4,193	2,922	14,383
Sales \$/lb of U ₃ O ₈ sold	89	115	95	69	53	42	42	38
Operating expenses (\$000's)	7,521	660	2,058	7,043	7,872	1,417	1,630	3,863
Operating expenses \$/lb of U ₃ O ₈ sold	11	9	8	12	9	14	23	10
Depletion and depreciation (\$000's)	6,972	1,067	2,024	4,859	7,240	1,209	3,294	976
Depletion and depreciation \$/lb of U ₃ O ₈ sold	10	15	8	8	8	12	47	3

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. 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. During Q4 2007, revenue from sales was \$61.0 million from 689,200 pounds of U₃O₈ sold and cash production costs were \$7.5 million or approximately \$11 per pound of U₃O₈ sold. During Q4 2006, sales were \$46.3 million from 880,700 pounds of U₃O₈ sold and cash production costs were \$7.9 million or \$9 per pound of U₃O₈ sold. The average depletion per pound of U₃O₈ sold in Q4 2007 was \$10 per pound of U₃O₈ sold, compared to \$8 per pound of U₃O₈ sold in Q4 2006.

REVIEW OF DEVELOPMENT PROJECTS

SOUTH INKAI URANIUM PROJECT

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

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

Pre-commercial production: Pre-commercial production from South Inkai in 2007 was 56,500 pounds of U_3O_8 (22 tonnes U) of which 39,600 pounds of U_3O_8 (15 tonnes U) is attributable to the Corporation during the year. South Inkai is not currently permitted to produce more than 780,000 pounds of U_3O_8 (300 tonnes U) per year under the existing pilot production licence and the Corporation expects pre-commercial production from South Inkai to be 714,000 pounds of U_3O_8 (275 tonnes U) of which 500,000 pounds of U_3O_8 (192 tonnes U) would be attributable to the Corporation during 2008.

Operations: The following is a summary of the operational statistics (100%) for South Inkai during 2007:

	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 of U_3O_8)
Q1 2007	5	38	-	-	-	-
Q2 2007	5	78	-	-	-	-
Q3 2007	6	113	-	-	-	-
Q4 2007	6	92	30	106	122.7	56,500

(1) As at end of quarter

South Inkai has produced approximately 26,000 pounds of U_3O_8 in January 2008, 52,000 pounds of U_3O_8 in February 2008 and is currently producing at 3,900 – 5,200 lbs of U_3O_8 per day.

Industrial production licence: In Kazakhstan, a sub-soil use permit granted by the Ministry of Mineral & Energy Resources ("MEMR") is required by a company to mine a deposit. These permits typically allow for up to a 4-year period of exploration, with two 2-year extensions, and for 25 years of production. The license is normally extended to the extent that additional resources are available for recovery. There is usually a two-phase development of a deposit with a requirement to commence production initially at a pilot production level. For uranium this is normally a nominal amount of 300 tonnes U per year of production and lasts 12-18 months or longer. The objective of this phase is to operate at this level to demonstrate that the approach being used for extraction is achieving acceptable results, specifically in terms of recovery. Upon being able to demonstrate acceptable performance with the reserve and subject to the completion of sufficient drilling to convert Russian resources into Russian reserves and the approval of these reserves by the State Committee for Resources, a company may apply for an industrial production licence.

An industrial production licence (often also referred to as a "commercial" production licence) is required by a company to mine any mineral in Kazakhstan at a commercial or full production rate.

In the case of South Inkai, the subsoil use permit specifies a pilot production level of 300 tonnes U per year, with industrial production levels of 600 tonnes U per year. The Corporation expects that the industrial production licence will be obtained in the first half of 2009. Betpak Dala is applying to amend the subsoil use permit and to extend the industrial production levels to 2,000 tonnes per year.

A delineation drilling program to convert a sufficient amount of material from the Russian C2 category to the Russian C1 category was completed on schedule in December 2007. A total of 413 exploration holes were drilled for this purpose and a presentation is being prepared for submission as part of the industrial production licence application.

The well fields required for the pilot test program to prove the productivity of the well fields were completed successfully during 2007.

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

Production well drilling and piping has been completed for the first three production blocks and production flow has commenced from the first two blocks.

To date, total expenditure incurred by Betpak Dala relating to the construction project at South Inkai is \$36.5 million and further capital expenditure to complete the project to design capacity is expected to be \$8 million.

KHARASAN URANIUM PROJECT

Kharasan is an ISR uranium development project located in the Suzak region of South Kazakhstan. Kyzylkum LLP ("Kyzylkum"), a Kazakhstan registered limited liability partnership, owns a 100% interest in the Kharasan Project. Uranium One owns a 30% joint venture interest in Kyzylkum and the remaining interests in Kyzylkum are owned as to 30% by Kazatomprom and as to 40% by Energy Asia (BVI) Ltd., which is owned by a consortium of Japanese utilities and a trading company.

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

Pre commercial production: Acidification of the first well field at Kharasan commenced in March 2008. Kharasan has not yet obtained its industrial production licence and it expects to produce 715,000 pounds of U_3O_8 (275 tonnes U) of which 220,000 pounds of U_3O_8 (85 tonnes U) will be attributable to the Corporation during 2008 under the existing pilot production licence.

Operations:

The following is a summary of the operational statistics (100%) for Kharasan during 2007:

	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 of U_3O_8)
Q1 2007	5	-	-	-	-	-
Q2 2007	6	14	-	-	-	-
Q3 2007	7	33	-	-	-	-
Q4 2007	10	47	-	-	-	-

(1) As at end of quarter

Drilling operations were slowed down in December due to extreme cold temperatures as some of the drill rigs experienced problems with freezing. In addition to the procurement of winterization covers for the affected rigs, there will be a focus in Q1 2008 on training personnel on operational techniques in freezing temperatures.

Industrial production licence: A delineation drilling program to convert a sufficient amount of material from the Russian C2 category to the Russian C1 category is ongoing and 78 drill holes were completed in 2007.

During 2007, 19 of the required 26 production wells were completed for the pilot test program to prove the productivity of the well fields.

The Corporation expects to receive an industrial production licence for Kharasan in the first half of 2009.

Construction: Access to the project site was restricted early in 2007 due to the flooding of the Syr Darya River, and construction activities had to be accelerated in the second half of 2007 to get the construction program back on schedule. Good progress has been made in this regard and the estimated percentage of completion of the process plant was 65% at the end of December 2007, with the main circuit components installed. The main focus will now be on the completion of the piping and the enclosure of the plant. The portions of the plant required for pilot production will be completed during 2008.

To date, total expenditure incurred by Kyzylkum relating to the construction project at Kharasan is \$35.0 million and further capital expenditure to complete the project to design capacity is expected to be \$15 million.

Infrastructure development: Construction of the paved road and the bridge over the Syr Darya River were completed in October 2007. The railroad switching station and Phase 1 of the railroad transshipment base are expected to be completed in Q2 2008. Completion of the transshipment base for shipment of U_3O_8 is required as it is not permitted to ship U_3O_8 through villages on alternate routes to other shipping points.

Total expenditure incurred by Kyzylkum relating to infrastructure development at Kharasan is \$39.0 million and further capital expenditure to complete the required infrastructure is expected to be \$40 million.

Negotiations are well advanced with an adjacent uranium ISR development joint venture to share in the development cost of the local infrastructure required to support the operations (road, bridge, rail and marshalling facilities). Once finalized, this will result in a return of capital to Kyzylkum of approximately 40% of infrastructure amounts expended to date.

Project Finance Facility: In addition to the \$80 million loan from the Corporation, Kyzylkum negotiated unsecured bank loan facilities totalling \$100 million. One facility in the amount of \$70 million was obtained from the Japan Bank for International Cooperation and the other facility, in the amount of \$30 million, was obtained from Citibank. Draw downs of \$60 million against the facility were received in 2007. The \$80 million loan from the Corporation (capital of \$66.7 outstanding as at March 31, 2008) has to be repaid in full before repayments can be made on these facilities. The Corporation's proportionate share of these facilities will amount to \$30 million when fully drawn down. The loan facilities have floating interest rates of LIBOR plus 0.25% and 0.35%, respectively.

SULPHURIC ACID SUPPLY CONSTRAINTS IN KAZAKHSTAN

Kazakhstan is experiencing a temporary shortage in the supply of sulphuric acid. This has been caused by a number of factors including the delayed commissioning of a sulphuric acid plant at Balkash, which will contribute to the sulphuric acid supply when operating. The Corporation has identified a potential source of sulphuric acid in Russia, and while it has been actively pursuing this source the Corporation believes that it may not be necessary to purchase this additional acid at this time, as current and expected acid allocations are sufficient for its operations in Kazakhstan. The Betpak Dala Joint Venture is currently receiving allotments of sulphuric acid which are sufficient to operate the Akdala Uranium Mine at an annualized rate of production of 1,000 tonnes U per year and the South Inkai Uranium Project at an annualized rate of production in excess of 300 tonnes U per year. At the Kyzylkum Joint Venture, sulphuric acid deliveries have arrived at the Kharasan Uranium Project and acidification of the first well field commenced in March 2008. With the expected start up of the Balkash acid plant in the second half of 2008, the Corporation expects an increase in acid supply in Kazakhstan.

Longer term U_3O_8 production forecasts Akdala, South Inkai and Kharasan assume that the temporary shortage of sulphuric acid is alleviated in the latter half of 2008.

To address long term supply constraints, the Corporation is establishing a joint venture with Kazatomprom and other affected parties to build a sulphuric acid plant at Zhanakorgan, which is close to Kharasan. Progress on the project includes the selection of a well established reliable technology and a suitable contractor for construction of the plant. The contractor will be supported by local Kazakhstan contractors where necessary and sulphur will be sourced from the oil and gas fields in western Kazakhstan. The Corporation's ownership percentage in the joint venture is expected to be 19%. A final estimate of the total construction cost of the plant is being prepared and construction of the plant is expected to be completed in 2011.

DOMINION URANIUM PROJECT

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

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

Pre commercial production: In 2007, pre-commercial production from the Dominion Uranium Project was 171,300 pounds of U_3O_8 . Pre-commercial production in 2008 is estimated to be 590,000 pounds of U_3O_8 . Sales of this material, produced during the commissioning period, will be used to partially fund the development activities.

In line with the revised production plan, Dominion has produced approximately 12,000 pounds of U_3O_8 in January 2008 and 18,000 pounds of U_3O_8 in February 2008.

Mine Development:

Mining operations for 2007 can be summarized as follows:

	Underground development achieved (metres)	Underground tonnes mined (tonnes)	Underground ore blasted grade ¹ (kg U_3O_8 /tonne)
Q1 2007	2,187	36,200	0.261
Q2 2007	3,197	64,500	0.304
Q3 2007	3,662	84,300	0.406
Q4 2007	3,130	86,800	0.358

¹ Blasted grade includes all in-stope mining dilution and on reef development.

Underground mine development was slower than expected in 2007. Underground development has been adversely affected by a number of factors, including disruption in electrical power supply and equipment breakdowns. Additional trackless equipment has been ordered to ensure planned development is achieved. The grade of the material treated was lower than forecast due to a number of reasons including higher than expected leaching of near-surface uranium resources, higher than expected mining dilution and lower than expected grade for the surface tailings materials currently being processed through the plant.

At the Rietkuil section where mining has occurred at depths well below the weathered zone, close-spaced sampling conducted during mining operations have allowed for a quantitative reconciliation between in-situ grades currently being mined and grades from the resource estimation based on historic underground sampling data and exploration drilling. The forecast in-situ grades based on the exploration models approximate those being mined.

At the Dominion section an increase in the anticipated leached zone from 20 metres below surface to approximately 40 metres below surface resulted in grades within this zone being lower than anticipated. Although insufficient sampling below the leached area has been completed to undertake quantitative reconciliations to the existing resource models, increased sample grades below the leached zone have been intersected with the latest mine development where the majority of the 2008 forecast production is scheduled.

During February 2008 the in-situ grade of the areas mined was approximately 500g/t U_3O_8 . Stopping dilution and on reef development resulted in a delivered grade to the plant of approximately 330 g/t U_3O_8 . Higher grade areas planned to be mined towards the end of the year, an increased ratio of stopping to on-reef development and a program to minimize dilution are anticipated to result in improved delivered grades to the plant by the end of the year.

Electro-hydraulic drill rigs were implemented to facilitate quicker capital development.

Since November 2007, Dominion has been subject to electrical load shedding arising from the current South African electrical power crisis. Diesel generators have been ordered to ensure back-up power for underground operations is available during periods of load shedding. Installation of the generators are expected to commence in Q2 2008.

As a consequence of the business combination between Uranium One and UrAsia, the Dominion Uranium Project is carried at fair value as at April 20, 2007, plus development costs since the transaction date. The mine development cost from April 20, 2007 up to December 31, 2007, amounted to \$20.6 million.

Metallurgical Plant: The plant is operating in line with recovery expectations, but below throughput design capacity. Current throughput is approximately 27,000 tonnes per month from underground and 63,000 tonnes per month from surface tailings material. Total plant recoveries are approximately 64% at present. Based on current head grades and residues the estimated U_3O_8 recovery of underground material is 76% and recovery of surface tailing material is 54%. Overall plant recoveries are expected to increase with time as the lower grade surface material is displaced by higher grade and quantities of underground ore. Once the surface tailings material has been entirely replaced with underground ore, recoveries are expected to increase in line with feasibility study test work.

The commissioning of the pressure leach circuit at the plant was completed in December 2007 and production of ammonium diuranate commenced in May 2007. Currently U_3O_8 is being produced on a continuous basis. Underground ore and surface tailings material are currently being processed through one autoclave, and the other autoclave is on standby. An additional 40 tonne per hour boiler is scheduled to be commissioned in Q3 2008, to allow both autoclaves to be operated together at design capacity and also to facilitate expansion.

The plant development cost from April 20, 2007 up to the completion of the plant in Q4 2007, amounted to \$55.4 million.

HOBSON AND LA PALANGANA

The Hobson Facility is an ISR uranium processing facility located about one mile south of the town of Hobson in Karnes County, Texas.

In the United States, in situ recovery involves circulating ground water fortified with carbonate and oxygen through the ore by means of a grid of injection and production wells and processing the water pumped from the production wells to recover uranium in a processing plant before returning the leach solution to the injection wells.

The mill is currently being refurbished to a capacity of approximately 1,000,000 pounds of U_3O_8 per year. Pre-commercial production from Hobson and La Palangana in 2008 is estimated to be 35,000 pounds of U_3O_8 .

The refurbishment and construction activity at the Hobson Facility remains on schedule for completion in Q2 2008. The schedule for initial production of U_3O_8 is directly tied to the licencing and development of the La Palangana Uranium Project, and is expected to take place by the end of 2008.

The La Palangana Uranium Project is an ISR uranium deposit located in close proximity to the Hobson Facility. Uranium bearing resins from the La Palangana satellite ion exchange plant will be shipped to the Hobson Facility for further processing into U_3O_8 . The Corporation is continuing with a drilling program that commenced prior to acquisition of the property, to develop an area of the deposit to commence production and to conduct exploration drilling on other areas of the property.

The Corporation has applied for all permits necessary to conduct ISR operations at the La Palangana site from the Texas Commission on Environmental Quality ("TCEQ"). All applications are progressing through the regulatory process.

A public meeting on the La Palangana Area Permit was held in January 2008 and was well received. The draft Area Permit to approve mining operations at La Palangana is expected to be issued in Q2 2008. Final approvals of the RML, Area Permit, and disposal well permit are anticipated to be received in Q3 2008. Hobson is already permitted for commercial operations. The Corporation submitted an application to renew the licence for another 10 year period in December 2006. That application was submitted on time and operations can therefore continue while licence renewal is underway. A new air permit for Hobson was approved early in 2008.

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. Moore Ranch has a NI 43-101 compliant measured resource suitable for in situ recovery. On October 3, the Corporation submitted an application to the U.S. Nuclear Regulatory Commission ("NRC") for a licence to construct and operate an in situ uranium recovery facility at Moore Ranch, the first application of its kind received by the NRC since 1988. The application contains plans for uranium extraction ramping up to a rate of a nominal 1,000,000 pounds of U_3O_8 per year from the Moore Ranch well fields beginning in 2010, with construction of a central processing plant with capacity of 2,000,000 pounds of U_3O_8 per year eventually expandable to 4,000,000 pounds of U_3O_8 per year. If installed, the excess plant capacity would be used to process uranium bearing resins from other properties owned by the Corporation in the Powder River and/or Great Divide Basins. Construction of the full central plant may not immediately be necessary due to a toll-processing agreement with a subsidiary of Cameco Corporation, executed on August 21, 2007.

The NRC has completed its acceptance review of Uranium One's licence application to build and operate an in situ uranium recovery facility at the Moore Ranch Project. The NRC's technical review of the application is currently in progress and the Corporation expects to receive the permit during 2009. A feasibility study for the Moore Ranch Project has recently been completed and is now being reviewed externally.

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

GREAT DIVIDE BASIN, WYOMING

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

An extensive delineation drilling program comprising 261 holes was concluded at JAB during 2007 and the Corporation anticipates submitting an application to the NRC for a licence to construct and operate an in situ uranium recovery facility for JAB in Q2 2008. Environmental baseline data collection and additional hydrologic testing of the aquifer were completed in Q1 2008 at JAB and the data collected will be analyzed in Q2 2008.

Environmental baseline data was also collected from the Antelope property during 2007 for the preparation of an application to the NRC for a licence to construct and operate an in situ uranium recovery facility. Hydrologic testing at Antelope is scheduled for the middle of 2008. Submission of the application to the NRC for Antelope is scheduled for Q2 2008. Further delineation drilling will occur at Antelope during 2008.

SHOOTARING MILL AND ASSOCIATED URANIUM PROPERTIES

On April 30, 2007, Uranium One completed the purchase of the Shootaring Mill in Utah, an acid leach facility with 750 tons per day throughput capacity.

In addition to the mill, a land package comprising approximately 38,000 acres of uranium exploration properties in Utah, Wyoming, Arizona and Colorado and a database of geological information were acquired.

A mill assessment by an independent firm was completed in Q4 2007, however refurbishment cannot begin until the application to change the licence to operational status has been accepted.

Exploration on properties acquired in the EMC transaction is focused on proving code compliant resources through upgrading these assets in drilling and associated exploration programs designed for these properties. A feasibility study has been initiated on the Shootaring Mill including the feasibility of mining two of the most suitable underground uranium assets with conventional mining techniques.

HONEYMOON URANIUM PROJECT

The Honeymoon ISR Uranium Project is located in the north-eastern section of the State of South Australia, approximately 75 kilometres northwest of Broken Hill.

The Honeymoon Project has a design capacity of 880,000 pounds of U_3O_8 per year, with an expected mine life of six years. The Corporation does not expect any production from Honeymoon during 2008.

The redesign of the Honeymoon Project and the new plant layout, including a reversion to mixer settler technology, was finalized in Q4 2007.

The Corporation received full approval for its mining operations at Honeymoon in January 2008. The South Australian Government approved the Corporation's mining and rehabilitation program and the Environmental Protection Agency has given its approval to the mine's radioactive waste management plan and radiation management plan.

The revised cost estimate for the construction of Honeymoon is \$76.0 million, of which \$19.6 million has been spent up to December 31, 2007.

Production is expected to commence in 2009.

EXPLORATION PROJECTS

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

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 amounts)	Year ended December 31, 2007 \$	5 Months ended December 31, 2006 \$	Year ended July 31, 2006 \$
Revenue	134,024	50,449	23,507
Net (loss) / earnings	(17,609)	19,684	(48,939)
Cash flows from / (to) operating activities	22,069	(11,375)	(1,437)
(Loss) / earnings per share	(0.05)	0.09	(0.27)
Adjusted net earnings / (loss) ⁽¹⁾	1,118	(5,052)	(6,337)
Product inventory carrying value	15,220	10,826	10,760
Total assets	5,612,898	971,618	951,025
Long term financial liabilities	1,838,401	341,964	368,490
Average realized uranium price (per lb of U ₃ O ₈)	83	51	29
Average U ₃ O ₈ spot price per lb	99	60	38
	lbs of U₃O₈	lbs of U₃O₈	lbs of U₃O₈
Attributable sales volume	1,608,700	980,000	811,700
Attributable production volume	1,827,200	939,600	1,192,800
Attributable inventory	748,900	565,400	637,000

(1) Adjusted net earnings / loss is a non-GAAP measure used to provide investors with additional information about the Corporation's performance. Accordingly, it should be considered as supplemental in nature and should not be considered in isolation or as a substitute for measured performance prepared in accordance with GAAP. Refer below for a reconciliation of adjusted net earnings to reported net earnings.

NON-GAAP MEASURES

ADJUSTED NET EARNINGS / LOSS

The Corporation has included a non-GAAP performance measure, adjusted net earnings, throughout this document. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of adjusted net earnings to the financial statements:

(US dollars in thousands)

	Year ended December 31, 2007 \$	5 Months ended December 31, 2006 \$	Year ended July 31, 2006 \$
Net (loss) / earnings	(17,609)	19,684	(48,939)
Unrealized foreign exchange loss / (gain) on future income tax liabilities	18,727	(24,736)	42,602
Adjusted net (loss) / earnings ⁽¹⁾	1,118	(5,052)	(6,337)

SALES PER POUND OF U₃O₈ AND COST PER POUND OF U₃O₈ SOLD

The Corporation has included non-GAAP performance measures throughout this document: sales per pound of U₃O₈ and cost per pound of U₃O₈ sold. The Corporation reports total cash costs on a sales basis. In the uranium mining industry, these are common performance measures but do not have any standardized meaning, and are non-GAAP measures. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, the Corporation and certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. As in previous periods, sales per pound of U₃O₈ and cost per pound of U₃O₈ sold is calculated by dividing the Revenues and Operating expenses per the Statement of Operations in the Consolidated Financial Statements by the pounds of U₃O₈ sold in the period.

RESULTS OF OPERATIONS AND DISCUSSION OF FINANCIAL POSITION

Summary of Quarterly Results

	Dec 31 2007	Sept 30 2007	June 30 2007	Mar 31 2007	Dec 31 2006 ⁽²⁾	Oct 31 2006	Jul 31 2006	Apr 30 2006
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Revenue from uranium sales	61,010	8,019	23,265	41,730	46,256	4,193	2,922	14,383
Net earnings / (loss) for period	5,371	(17,257)	(13,694)	7,971	(6,228)	25,912	(32,165)	(12,068)
Basic and diluted earnings / (loss) per share	0.01	(0.04)	(0.04)	0.04	(0.03)	0.12	(0.15)	(0.06)
Total assets	5,612,898	5,710,605	4,247,176	999,950	971,618	949,530	951,025	810,086

Note:

1. The basic and diluted earnings / loss per share is computed separately for each quarter presented and therefore may not sum to the year ended December 31, 2007 or the 5 months ended December 31, 2006.
2. The December 31, 2006 quarter consists of a 2 month period.

RESULTS OF OPERATIONS

URANIUM SALES, INVENTORY AND OPERATING COSTS

Sales attributable to the Corporation during 2007 amounted to approximately 1.6 million pounds of U_3O_8 . The Corporation's attributed share of revenue from those sales amounted to \$134.0 million. Earnings from mining operations were \$101.8 million after the deduction of operating expenses of \$17.3 million and depreciation and depletion charges of \$14.9 million. During 2007 attributable inventory increased by 183,500 pounds of U_3O_8 as more U_3O_8 was produced than sold during the year.

Attributable sales in the December 2006 Period amounted to approximately 1.0 million pounds of U_3O_8 . The related revenue from those sales amounted to \$50.4 million. Earnings from mining operations were \$32.7 million after the deduction of operating expenses of \$9.3 million and depletion costs of \$8.4 million. Attributable sales in the July 2006 Year amounted to approximately 0.8 million pounds of U_3O_8 . The related revenue from those sales amounted to \$23.5 million. Earnings from mining operations were \$8.9 million after the deduction of operating expenses of \$9.5 million and depletion costs of \$5.1 million.

The average unit price received for sales in 2007 was \$83 per pound of U_3O_8 . The average price obtained in the December 2006 Period was \$51 per pound of U_3O_8 and \$29 per pound of U_3O_8 in the July 2006 Year. The spot price of uranium at December 31, 2007 was \$90 per pound of U_3O_8 , compared to a spot price of \$72 per pound of U_3O_8 at December 31, 2006 and \$47 per pound of U_3O_8 at July 31, 2006.

GENERAL AND ADMINISTRATION COSTS

General and administrative costs for 2007 are not comparable to previous periods, due to the significant changes in the Corporation in the current financial year, most notably, the transaction between Uranium One and UrAsia Energy in Q2 2007 and the acquisition of EMC during Q3 2007. The expenses for the December 2006 Period and the July 2006 Year therefore represent the expenses for UrAsia Energy only, while the expense in 2007 relates to the combined operations of Uranium One, UrAsia Energy and EMC.

General and administration expenses, including stock-based compensation expenses of \$37.7 million, amounted to \$74.3 million for 2007, compared to \$24.8 million for the December 2006 Period and \$14.9 million for the July 2006 Year, including stock-based compensation of \$22.2 million and \$9.4 million, respectively. Higher administrative costs largely relate to the substantial increase in size of operations resulting from acquisition activities and growth. Change of control payments were also made to certain former officers of the companies acquired. In addition to the growth in the combined administration activity internationally, integration activities required considerably greater travel and accommodation than normal, and salaries and wages increased as a result of an increase in the number of employees. The expense for 2007 includes salaries of \$14.7 million, travel expenses of \$3.1 million, consulting fees of \$2.3 million and legal fees of \$2.0 million.

Stock-based compensation expenses are calculated using the Black Scholes option pricing model. The price at which the options were issued, as well as the remaining term of the options, affects the fair value of the options and therefore the expense incurred. In both the Uranium One / UrAsia Energy transaction and the EMC transaction, the market price of Uranium One's shares on date of acquisition was, in most instances,

higher than the exercise price of the unvested options acquired. This, combined with the volatility of Uranium One's share price around the time of the transactions, attributed materially to high fair values attributed to these options. As most of these options were issued some time before the dates of the acquisitions, their vesting periods from the date of the transactions are also relatively short. The stock based compensation expense is recorded using a graded vesting schedule and the expense is therefore heavily weighted towards the earlier part of the vesting period. The combined effect of these factors was that the stock-based compensation expense incurred during 2007 was abnormally high.

EXPLORATION

Exploration expenditure in 2007 of \$19.2 million related to exploration programs being undertaken on the Corporation's licence areas in the United States, South Africa, Canada, Australia and the Kyrgyz Republic. Exploration expenditures for the December 2006 Period of \$2.9 million and the July 2006 Year of \$2.6 million, which are included in the Corporate and other segment of the consolidated financial statements, related to properties in the Kyrgyz Republic only.

INTEREST INCOME AND EXPENSE

Interest income amounted to \$13.0 million for 2007, compared to \$3.7 million for the December 2006 Period and \$4.4 million for the July 2006 Year. In addition to the interest earned on loans to joint ventures, interest is earned on funds held on deposit by the Corporation. Additional interest income is attributable to an increase in cash and short term investments acquired in the business combination between Uranium One and UrAsia and the acquisition of EMC.

The interest expense for 2007 includes interest accrued on the convertible debentures, the interest expense on the short term loans from Nedcor Securities and interest on other long term debt. There was no interest expense incurred for the December 2006 Period and the July 2006 Year.

DILUTION GAIN

Dilution gains or losses occur when the percentage of equity held in Alease Gold by Uranium One Africa decrease. Such decreases occur when shares in Alease Gold are issued to shareholders other than Uranium One Africa. From April 20, 2007, when the Corporation's interest in Alease Gold was 67.61%, issuances of shares to outside shareholders resulted in a dilution gain of \$5.3 million. As a result of the acquisition of EMC during Q3 2007, the Corporation acquired an additional 2.38% interest in Alease Gold, as EMC held 12.5 million shares of Alease Gold. The Corporation's interest in Alease Gold was 67.07% at December 31, 2007. As the interest in Alease Gold was acquired during the 2007 year, there were no dilution gains in previous periods.

FOREIGN EXCHANGE GAIN / LOSS

The net foreign exchange loss during 2007 amounted to \$13.0 million and consisted of a \$18.7 million loss consisting primarily of an unrealized exchange loss arising from translation of the future income tax liability in respect of the Corporation's investment in Kazakhstan which increased as result of a strengthening of the Kazakhstan tenge against the US dollar during the year and an unrealized loss of \$7.5 million on other items, offset by a realized gain of \$13.2 million. For the December 2006 Period, a foreign exchange gain of \$23.5 million was recorded and for the July 2006 Year, the loss was \$41.1 million.

INCOME TAXES

Current income tax expense for 2007 was \$41.3 million and represents taxes paid and payable in Kazakhstan on profits from the Corporation's Akdala Uranium Mine. For the December 2006 Period a \$16.0 million tax expense was recorded for the Akdala Uranium Mine and \$5.3 million was recorded for the July 2006 Year.

The future income tax recovery during 2007 of \$17.6 million arises from a reduction in the future income tax liability related to the acquisition of assets through the purchase of participating interests in the joint ventures in Kazakhstan, as well as an increase in future income tax assets due to temporary differences and tax loss carry forwards. In the December 2006 Period, a recovery of future income taxes of \$4.0 million was recorded, being a reduction in future income tax liability, compared to \$1.9 million for the July 2006 Year.

NON-CONTROLLING INTEREST

Non-controlling interest relates to Uranium One Africa's 67% ownership of its subsidiary company, Alease Gold.

NET LOSS FOR THE PERIOD

The net loss for 2007 amounted to \$17.6 million or \$0.05 per share, compared to net income of \$19.7 million or \$0.09 per share (basic and diluted) for the December 2006 Period and a net loss of \$48.9 million or \$0.27 per share for the July 2006 Year.

FINANCIAL CONDITION

On December 31, 2007, the Corporation had cash and cash equivalents of \$252.2 million, compared to \$61.8 million at December 31, 2006. The increase in 2007 is mainly due to the addition of \$291.1 million from Uranium One in cash and cash equivalents when the assets of Uranium One and UrAsia Energy were combined, an increase in \$86.0 million in cash and cash equivalents included in the assets acquired from EMC and the proceeds from a convertible bond offering by Aflase Gold of \$87.4 million. Major outflows during the year include the capital expenditure on the Corporation's development properties of \$279.4 million and the repayment of the Nedcor Securities short term loans in the amount of \$53.1 million. Cash and cash equivalents do not include any asset backed commercial paper.

Inventories increased by \$8.9 million over the \$12.0 million held at December 31, 2006, due to the build-up of uranium concentrates and solutions and concentrates in process, as well as an increase in material and supplies. As at December 31, 2007 the Corporation had attributable inventory of 0.7 million pounds of U_3O_8 of which approximately 0.5 million pounds is saleable product. All of the saleable product on hand as at December 31, 2007, is committed for delivery under existing sales contracts subsequent to year end. Shipping times for finished product can be up to four months, depending on the distance between the mine site and conversion facility, where sales are concluded through transfer of legal title and ownership.

A summary of attributable inventory carried at year end are as follows:

Category	Location	Thousands of pounds of U_3O_8
In process	Mine site	28.0
In process	External processing facilities	150.2
In transit	In transit	67.0
Finished product ready to be shipped	External processing facilities	350.5
Finished product at conversion facility	Conversion facilities	153.2
Total inventory		748.9

Loans receivable from Betpak Dala of \$62.6 million plus interest of \$0.9 million were repaid during the 2007 financial year. Short term loans advanced to Betpak Dala of \$17.0 million were repaid in full by February 9, 2008.

The Corporation advanced \$32 million to Kyzylkum during the period for development of the Kharasan Uranium Project, completing its commitment to provide \$80 million of project financing. Scheduled repayments on this loan, of \$6.7 million plus interest were received from Kyzylkum during the 2007 financial year. Further repayments of \$6.7 million were received for the period up to March 31, 2008 resulting in an outstanding loan of \$66.7 million.

Mineral interests, plant and equipment increased, when compared to the balance sheet at December 31, 2006, due to the UrAsia/Uranium One business combination and the addition of \$2.5 billion in Uranium One mineral interests, plant and equipment to UrAsia Energy's assets. The acquisition of EMC in Q3 2007 resulted in a further increase in mineral interests of \$1.4 billion. Other increases of \$104.3 million from the acquisition of the Shootaring Mill and exploration properties from U.S. Energy and to additions to plant and equipment of \$279.4 million occurred during the year.

The increase in current liabilities from December 31, 2006 can be attributed to an increase in accounts payable and accrued liabilities resulting from increased costs due to growth and to the costs of the business combination and an increase in taxes payable in Kazakhstan due to the profits from the Akdala Uranium Mine.

Long term liabilities increased by \$1.5 billion from December 31, 2006. Of this amount, \$136.5 million results from the business combination and the recording of convertible debentures that were issued by Uranium One in December 2006. Asset retirement obligations increased by \$12.2 million. The amount outstanding on the convertible bond issued by Aflase Gold during 2007 amounted to \$90.6 million. The Corporation's proportionate share of the Kyzylkum third party loan facility arranged during 2007 was \$18.2 million. Future income tax liabilities increased by \$1.2 billion as a result of assets acquired in business combinations during the year. These future income tax liabilities are not accruals for actual taxes payable but arise due to a temporary taxable difference resulting from the increase in the carrying value of an asset to fair value without a corresponding adjustment to the tax basis of the asset. These future income tax credits will be credited to the Statement of Operations as a recovery against current income taxes in the periods that the associated asset is depleted.

Shareholders' equity increased by \$3.1 billion from December 31, 2006. The largest component of the increase was share capital which increased by \$2.9 billion from December 31, 2006. The increase consists inter alia of \$1.7 billion from shares issued for the acquisition of all of the shares of UrAsia Energy; \$1.0 billion from shares issued for the acquisition of all of the shares of EMC; \$99.4 million from shares issued for the acquisition of the U.S. Energy assets; and \$57.0 million for the exercise of options, warrants and restricted shares.

Other contributions to the increases in shareholders' equity were the increase in contributed surplus of \$103.1 million. Increases in contributed surplus were a result of stock-based compensation of which \$62.0 million related to the fair value of options, restricted shares and warrants acquired in the business combination with UrAsia Energy; \$35.3 million related to the fair value of options acquired in the business combination with EMC; stock-based compensation expense of \$37.7 million recorded for the period and a reduction of \$31.9 million for warrants, options and restricted shares exercised. Other increases in shareholder's equity are comprised of the equity component of the convertible debentures acquired from Uranium One of \$46.5 million and \$52.0 million in accumulated other comprehensive income mainly from foreign currency translation of foreign operations.

Shareholders' equity was reduced by the net loss of \$17.6 million (\$0.05 per share) for the 2007 financial year.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2007 the Corporation had working capital of \$316.5 million. Included in this amount are cash and cash equivalents of \$252.2 million, which includes the proportionate share of the Corporation's cash and cash equivalents at its joint venture operations in Kazakhstan and cash held by Alease Gold. 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. The cash held by Alease Gold will be applied to the business of Alease Gold.

As described elsewhere in this document, the Corporation has entered into an agreement to sell a portion of its stake in Alease Gold for approximately \$40 million, with an option to sell the balance of its shareholding for approximately \$49 million. The proceeds from the sale will be used to fund capital expenditure on the Corporation's development projects.

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

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

Uranium is sold under forward long-term delivery contracts. All such contracted deliveries are planned to be filled from the Corporation's mining operations. The ability to deliver contracted product is therefore dependent upon the continued operation of the mining operations as planned.

The Corporation has entered into market related sales contracts with price mechanisms that reference the spot price in effect near the time of delivery. In addition, the Corporation has negotiated floor price protection in most of its sales contracts.

Committed sales under contracts total 2.55 million pounds U_3O_8 (attributable) in 2008. This is comprised of 600,000 pounds from Dominion and 1,950,000 pounds (attributable) from Betpak Dala.

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

Other risk factors, for instance, the Corporation's ability to develop its projects into commercially viable mines, international uranium industry competition, public acceptance of nuclear power and governmental regulation, can also adversely affect Uranium One's ability to raise additional funding. There is no assurance that additional sources of funding, if required, will be forthcoming. Please refer to "Risks and Uncertainties".

CONTRACTUAL OBLIGATIONS

Contractual obligations (\$'000)	Total	Payments due by period			
		Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
Lease obligations					
- Short term	350	350	-	-	-
- Long term	6,650	2,141	2,004	1,026	1,479
Total	7,000	2,491	2,004	1,026	1,479
Long term debt	18,431	431	4,200	13,800	-
Capital commitments	118,436	118,436	-	-	-
Asset retirement obligation	14,676	-	-	-	14,676
Total contractual obligations	158,543	121,358	6,204	14,826	16,155

COMMITMENTS AND CONTINGENCIES

Acquisition of the Shootaring Mill

Further payments due under the purchase agreement for the Shootaring Mill and related uranium exploration properties are:

- \$27.5 million depending on the achievement of certain production targets; and
- the payment of a royalty to U.S. Energy of 5% of the gross proceeds from the sale of commodities produced at the Mill, to a maximum amount of \$12.5 million.

Acquisition of interest in Betpak Dala

A bonus payment is payable in cash based on uranium reserves discovered on the South Inkai property in excess of 66,000 tonnes. The payment is based on the Corporation's share of pounds of U_3O_8 in excess of 66,000 tonnes times the average spot price of U_3O_8 times 6.25%. This payment is initially to be calculated at the end of 2011 and each year thereafter, and paid 60 days after the end of the year in which a payment is due. As security for the bonus payments, the Corporation pledged its participatory interest in Betpak Dala (including the shares of a subsidiary) and its share of uranium products produced by Betpak Dala.

Acquisition of interest in Kyzylkum

A bonus payment is due upon commencement of commercial production. The seller elected, under the terms of the arrangement, to receive 6,964,200 shares of Uranium One upon commencement of commercial production. An additional bonus payment of 30% of 12.5% (being an effective 3.75%) of the weighted average spot price of U_3O_8 will be paid on incremental reserves in excess of 55,000 tonnes of U_3O_8 discovered during each fiscal year end, with payments beginning within 60 days of the end of the 2008 calendar year.

Acquisition of EMC

The Corporation has assumed all of the obligations of EMC and its subsidiaries arising under certain option and joint venture agreements with third parties. Uranium One has reserved a total of 1,925,100 common shares of Uranium One for issuance pursuant to the assumed obligations under the Contingent Share Rights Agreements.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of March 31, 2008, there were issued and outstanding 467,641,548 common shares and common share purchase warrants for 150,000 Series D warrants exercisable at C\$6.95 per warrant and 2,431,619 warrants exercisable to acquire common shares at C\$3.55 per common share. Each warrant is exercisable for one common share of Uranium One. In addition (as discussed under "Commitments and Contingencies"), a warrant was issued in connection with the acquisition of the Corporation's interest in Kyzylkum entitling the holder to acquire 6,964,200 shares in Uranium One for no additional consideration upon commencement of commercial production from the Kharasan Uranium Project.

As of March 31, 2008, there were 20,293,052 stock options outstanding under Uranium One's stock option plan at exercise prices ranging from C\$1.09 to C\$16.87 and 295,532 restricted shares outstanding.

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

DIVIDENDS

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

New / Changes in Accounting Policies

The Corporation's accounting policies have been consistently followed except that the Corporation has adopted the following CICA standards effective January 1, 2007, none of which had a material impact on the Corporation's consolidated financial statements:

(a) Sections 3855 – Financial Instruments – Recognition and Measurement

Section 3855 requires that all financial assets except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and are not adjusted to fair market value.

(b) Section 3861 – Financial Instruments – Disclosure and Presentation

Section 3861 establishes standards for the presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. The purpose of the section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

(c) Section 3865 – Hedges

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the existing AcG-13 "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when certain financial derivative instruments do not meet the requirements for hedge accounting. The Corporation did not have any accounting hedges upon adoption and as at December 31, 2007.

(d) Section 1530 – Comprehensive Income

Comprehensive income is the change in the Corporation's assets that result from transactions, events and circumstances from sources other than the Corporation's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses such as changes in currency adjustment relating to self-sustaining foreign operations; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges or the net investment in self-sustaining foreign operations.

The Corporation has added two new statements to the consolidated financial statements entitled "Consolidated Statements of Changes in Equity" and "Consolidated Statements of Comprehensive Income".

The Corporation reclassified currency translation adjustments on its net investment in self-sustaining foreign operations to other comprehensive income.

(e) Section 3251 – Equity

This new standard was adopted in combination with the adoption of the financial instrument standards in 2007. It establishes standards for the presentation of equity and changes in equity during the reporting period.

(f) Section 1506 – Accounting Changes

Section 1506: Accounting Changes, effective for fiscal years beginning on or after January 1, 2007 establishes standards and new disclosure requirements for the reporting of changes in accounting policies and estimates and the reporting of error corrections. CICA 1506 clarifies that a change in accounting policy can be made only if it is a requirement under GAAP or if it provides reliable and more relevant financial statement information. Voluntary changes in accounting policies require retrospective application of prior period financial statements, unless the retrospective effects of the changes are impracticable to determine, in which case the retrospective application may be limited to the assets and liabilities of the earliest period practicable, with a corresponding adjustment made to opening retained earnings.

Effective January 1, 2008, the Corporation will adopt the following CICA standards, none of which is expected to have a material impact on the Corporation's consolidated financial statements:

(a) Section 3031 – Inventories

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

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

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

(c) Section 1535 – Capital Disclosures

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

RISKS AND UNCERTAINTIES

The Corporation's operations and results are subject to various risks and uncertainties. These include, but are not limited to, the following: exploration and mining involves operational risks and hazards; mineral resources and mineral reserves are estimates only; there is no certainty that further exploration will result in new economically viable mining operations or yield new reserves to replace and expand current reserves; Uranium One cannot give any assurance that the South Inkai Uranium Project, Kharasan Uranium Project, Dominion Uranium Project and Honeymoon Uranium Project will become operating mines; or when the Shootaring Mill, the Hobson Uranium ISR Processing Facility or the La Palangana Uranium Project will become fully operational; mineral rights and tenures may not be granted or renewed on satisfactory terms and may be revoked, altered or challenged by third parties; limited supply of desirable mineral lands for acquisition; risks and problems associated with integrating acquisitions; competition in marketing uranium and gold; in the case of uranium, competition from other sources of energy and public acceptance of nuclear energy; volatility and sensitivity to uranium and gold prices; the capital requirements to complete the Corporation's current projects and expand its operations are substantial; currency fluctuations; the Corporation's operations and activities are subject to environmental risks; government regulation may adversely affect the Corporation; the risks of obtaining and maintaining necessary licences and permits; risks associated with foreign operations including, in relation to Kazakhstan, the risk that the sulphuric acid shortage continues for an extended period of time and in relation to South Africa, economic, social and political issues such as employment creation, black economic empowerment and land redistribution, crime, corruption, poverty and HIV/AIDS; the Corporation is dependent on key personnel; and potential conflicts of interest.

In November 2007, the parliament of Kazakhstan enacted legislation, giving the government the right in certain circumstances to re-negotiate previously concluded subsoil use 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, 2007, which is available on SEDAR at www.sedar.com, and should be reviewed in conjunction with this document.

STOCK OPTION AND RESTRICTED SHARE PLANS

A significant contributing factor to Uranium One's future success is its ability to attract and retain qualified and competent personnel. To accomplish this, Uranium One adopted a stock option plan and a restricted share plan to advance its interests by encouraging directors, officers and employees to have equity participation in Uranium One.

Under the stock option plan, options granted are non-assignable and may be granted for a term not exceeding ten years. The aggregate maximum number of common shares available for issuance under the stock option plan may not exceed 7.2% of the common shares outstanding from time to time on a non-diluted basis and the aggregate maximum number of common shares available for issuance to non-employee directors under the plan may not exceed 1.0% of the total number of common shares outstanding on a non-diluted basis.

Under the restricted share plan, restricted share rights exercisable for common shares of Uranium One at the end of a restricted period, for no additional consideration, are granted by the Board of Directors in its discretion to eligible directors, officers and employees. The aggregate maximum number of common shares available for issuance under the restricted share plan is capped at three million. The number of shares available for issuance to non-employee directors may not exceed 0.5% of the total number of common shares outstanding on a non-diluted basis.

During 2007 stock options and restricted share rights activity was as follows:

- Pursuant to the business combination agreement with UrAsia Energy options that were outstanding in UrAsia Energy at April 20, 2007 were exchanged for an equal number of options in Uranium One multiplied by 0.45; at an exercise price equal to the exercise price of the options of UrAsia Energy divided by 0.45; accordingly 9,763,498 options of Uranium One were granted to UrAsia Energy option holders at prices ranging from C\$1.25 to C\$15.63 per share, with expiry dates ranging from April 20, 2008 to March 30, 2017.
- Pursuant to the business combination agreement with Uranium One, options that were outstanding in EMC at August 10, 2007 were exchanged for an equal number of options in Uranium One multiplied by 1.15, at an exercise price equal to the exercise price of the options of EMC divided by 1.15. Accordingly, on closing of the EMC acquisition 8,362,546 options of Uranium One were granted to EMC option holders at prices ranging from C\$1.15 to C\$13.57 per share, with expiry dates ranging from November 30, 2009 to July 1, 2012.
- During 2007 1,867,817 options were granted to directors and employees at a prices ranging from C\$8.51 to C\$15.59 per share, with expiry dates ranging from April 26, 2012 to December 24, 2012.
- 4,228,640 options were exercised during 2007 and 351,187 were forfeit.
- 20,000 restricted shares were granted during 2007 at a deemed price of \$14.10 per share;
- 125,977 restricted shares were exercised.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including Uranium One's President and Interim Chief Executive Officer and Chief Financial Officer, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws.

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

INTERNAL CONTROLS AND PROCEDURES

The Corporation evaluated the design of its internal controls and procedures over financial reporting as defined under Multilateral Instrument 52-109 for the year ended December 31, 2007. Based on this evaluation, the President and Interim Chief Executive Officer and Chief Financial Officer have concluded that the design of these internal controls and procedures over financial reporting was effective.

There have been no material changes in the Corporation's internal control over financial reporting during the Corporation's year ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

OUTLOOK

During 2008, the Corporation is focused on achieving commercial production from its projects on schedule, controlling costs at its operations, remaining a reliable supplier of U_3O_8 to the nuclear fuel industry and maintaining production of U_3O_8 from Akdala. Accordingly, the Corporation's attributable production estimate is 3.1 million pounds of U_3O_8 (including 1.8 million pounds of U_3O_8 from Akdala and 1.3 million pounds of pre-commercial production from development projects) and 6.8 million pounds of U_3O_8 (including pre-commercial production) for 2008 and 2009 respectively.

The Corporation will continuously be considering opportunities to unlock value from its non-core assets.

The cash cost per pound of U_3O_8 sold from Akdala is expected to be approximately \$12 per pound of U_3O_8 sold in 2008.

The Corporation expects to incur capital expenditure of \$200 million on fully owned development projects for 2008 and does not expect to be required to contribute towards additional capital expenditure of \$70 million by joint ventures in 2008 (of which the Corporation's pro-rata share is \$32 million). General and administrative expenses, excluding stock based compensation, are expected to be \$45 million for 2008.

FORWARD LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium and gold, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, the timing of uranium processing facilities being fully operational, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, possible continued shortages of sulphuric acid in Kazakhstan, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions, to international operations, to prices of uranium and gold as well as those factors referred to in the section entitled "Risk factors" in Uranium One's Annual Information Form for the year ended December 31, 2007 which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Uranium One expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

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

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

Historical estimates referred to herein and in the Corporation's other publicly filed documents, as Russian C1 and C2 resources are derived from Kazatomprom documents, an entity of the Government of Kazakhstan. Although Russian C1 and C2 Resources do not meet Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards on Mineral Resource and Reserve definitions, they are considered relevant because of previous pilot plant production, but should not be relied upon. The CIM resource definition which most closely resembles C1 resources is that of Inferred Resources. However, there is less confidence attributed to a C1 resource since a C1 resource is estimated on the basis of a lower drill density than an inferred resource. 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 persons for the purposes of NI 43-101. Neither the Corporation nor Mr. Heyns have not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. The Corporation does not intend to treat such historical estimates of mineral resources and mineral reserves as a current estimate and the historical estimates should not be relied upon.