

management discussion and analysis

Management's Discussion and Analysis For the Third Quarter and Nine Months Ended September 30, 2007

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 three and nine months ended September 30, 2007, together with certain trends and factors that are expected to impact the remainder of its 2007 financial year. Information herein is presented as of November 13, 2007 and should be read in conjunction with the unaudited consolidated financial statements of Uranium One for the three and nine months ended September 30, 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"), 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 ("Canadian GAAP"). All amounts are in US dollars, except where otherwise indicated, tabular amounts are in thousands. Canadian dollars are referred to herein as C\$.

Uranium One completed a business combination with UrAsia Energy on April 20, 2007. The transaction was treated as a reverse take-over under Canadian 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. As UrAsia Energy did not prepare financial statements for the three and nine months ended September 30, 2006, the most closely comparative period in the prior fiscal year was the three and nine months ended October 31, 2006. Accordingly, the comparative figures used herein are those for the three and nine months ended October 31, 2006 and references herein to "Q3 2006" and "Q3 2007" refer to the three months ended October 31, 2006 and the three months ended September 30, 2007, respectively, and references to "FY 2006" refer to the five months ended December 31, 2006.

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.

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".

HIGHLIGHTS: THIRD QUARTER 2007

MINE OPERATIONS – QUARTERLY UPDATE

- Akdala produced 661,400 pounds of U_3O_8 (463,000 pounds of U_3O_8 attributable) in Q3 2007 compared to 733,000 pounds of U_3O_8 (513,000 pounds of U_3O_8 attributable) in Q3 2006.
- Attributable sales during Q3 2007, currently all from the Akdala Mine in Kazakhstan, were \$8.0 million, compared to \$4.2 million in Q3 2006.
- A record average sales price of \$115 per pound was achieved during Q3 2007 versus \$42 per pound during Q3 2006.
- The average cash production cost per pound of U_3O_8 sold was \$9 per pound, compared to \$14 per pound during Q3 2006. ⁽¹⁾
- Earnings from mine operations in Q3 2007 were \$6.3 million, compared to \$1.6 million in Q3 2006.
- Net loss for Q3 2007 was \$17.3 million (\$0.04 per share), compared to net profit of \$25.9 million for Q3 2006 (\$0.12 per share).
- The majority of sales deliveries scheduled for Q3 2007 were deferred by customers to Q4 2007. Attributable inventory at Akdala has therefore increased to 1.0 million pounds of U_3O_8 .

MINE OPERATIONS - NINE MONTHS UPDATE

- Akdala produced 2.0 million pounds of U_3O_8 (1.4 million of U_3O_8 attributable) in the nine months ended September 30, 2007, matching the production for the nine months ended October 31, 2006.
- Revenue increased by 240% to \$73.0 million, compared to \$21.5 million for the nine months ended October 31, 2006.
- Earnings from mine operations increased to \$55.3 million, compared to \$7.6 million in the nine months ended October 31, 2006.

PROJECTS

- At the Dominion Mine in South Africa, ADU is now continuously being produced under pressure leach conditions after successful commissioning of the first autoclave. The commissioning of the second autoclave is expected to be completed during Q4 2007 with commercial production commencing in the first half of 2008.
- At the South Inkai Project in Kazakhstan, construction of the production complex is on schedule. Construction required for pilot stage production was completed in October 2007 and production flow commenced from the first block of pilot well patterns in October 2007. The final completion of the production complex is expected by mid year 2008.
- At the Kharasan Project in Kazakhstan, construction of critical portions of the process plant and camp required for pilot production were accelerated during the quarter to compensate for construction delays due to flooding experienced early in the year. Final completion of the process plant to a stage that is sufficient to process pilot well field production is expected in Q4 2007.
- 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 feed the Hobson Facility.
- The Corporation executed a toll-processing agreement with Cameco's processing facilities in the USA.
- On October 3, 2007, the Corporation submitted an application to the U.S. Nuclear Regulatory Commission to construct and operate an in situ uranium recovery facility at the Moore Ranch Project in Wyoming.

CORPORATE

- On August 10, 2007, Uranium One acquired all of the outstanding shares of Energy Metals Corporation ("EMC"). EMC owns a 99% interest in the Hobson ISR Uranium Processing Facility and the La Palangana Uranium Project, together with interests in a large portfolio of uranium exploration properties in the western United States.
- Uranium One was added to the S&P/TSX 60 Index on October 31, 2007.
- Key management appointments during the quarter included Mr. Fletcher Newton as Executive Vice President, Corporate and Strategic Affairs, and Dr. Dennis Stover as Executive Vice President, Americas.

OUTLOOK

- The Corporation's U_3O_8 production estimate for 2007 has been revised from 2.5 million pounds to approximately 2.1 million pounds, due to the extended commissioning period of the first autoclave at Dominion. The 2007 attributable production forecast for Akdala remains at 1.8 million pounds of U_3O_8 .
- Uranium One's attributable production (including pre-commercial production) in 2008 is expected to be approximately 4.6 million pounds of U_3O_8 .
- The current shortage of sulphuric acid in Kazakhstan will affect the timing of the start up of operations at South Inkai and Kharasan, but it is not expected to affect production at Akdala.

(1) The Corporation has included a non-GAAP performance measure, sales and costs per pound of U_3O_8 sold, throughout this document. The Corporation reports total cash costs on a sales basis. In the uranium mining industry, this is a common performance measure but does not have any standardized meaning, and is a non-GAAP measure. 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.

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, Australia, the United States, Canada and the Kyrgyz Republic. Uranium One also owns a 70% interest in Aflase Gold, which is engaged in the development of the Modder East Gold Project in South Africa.

Uranium One owns the Dominion Uranium Mine in South Africa and a 70% interest in the producing Akdala Uranium Mine in Kazakhstan. Uranium One is also developing the South Inkai Project, in which it owns a 70% interest and the Kharasan Project, in which it owns a 30% interest, both located in Kazakhstan. The Corporation owns the Honeymoon Uranium Project in Australia. In the United States, the Corporation owns the Shootaring Mill in Utah and the Hobson ISR Uranium Processing Facility in Texas. The Corporation also owns a large portfolio of uranium exploration properties in the western United States, South Australia, the Athabasca Basin of Saskatchewan, Canada and the Kyrgyz Republic.

The following principal mineral properties and operations of the Corporation referred to in the Corporation's Q3 2007 unaudited interim financial statements are discussed in more detail in the Management's Discussion and Analysis below:

Entity	Project	Location	Status	Ownership
Betpak Dala LLP	Akdala Uranium Mine	Kazakhstan	Producing	70% J.V. interest
Betpak Dala LLP	South Inkai Uranium Project	Kazakhstan	Development	70% J.V. interest
Kyzylkum LLP	Kharasan Uranium Project	Kazakhstan	Development	30% J.V. interest
Uranium One Africa Limited	Dominion Uranium Mine	South Africa	Commissioning ⁽²⁾	100% interest ⁽¹⁾
Aflase Gold Limited	Modder East Gold Project	South Africa	Development	70% interest
Uranium One Australia (Proprietary) Ltd.	Honeymoon Uranium Project	Australia	Development	100% interest
Uranium One (USA) Inc.	Shootaring Mill	USA	Development	100% interest
South Texas Mining Venture	Hobson Facility and La Palangana Project	USA	Development	99% interest ⁽³⁾
Pitchstone Joint Venture	Pitchstone Joint Venture	Canada	Exploration	50% 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 Mine 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 Mine is in the commissioning period, production has commenced but it has not achieved commercial production. Commercial Production is achieved when a pre-defined output level, based on the design of the plant, is maintained.

Note 3: The Corporation owns a 99% interest in the South Texas Mining Venture, however, due to the immateriality of the effect of accounting for the non-controlling interest during the construction stage, the non-controlling interest portion has not been recorded in the Corporation's financial statements.

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 Canadian GAAP with UrAsia Energy being identified as the acquirer and Uranium One as the acquiree.

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. Net assets acquired consist primarily of mineral interests and plant and equipment with a book value of \$2.4 billion. Final allocation of the purchase price will be based on completion of a valuation of the assets to be determined by an independent valuator.

ACQUISITION OF US ENERGY ASSETS

On April 30, 2007, Uranium One completed the purchase from U.S. Energy Corporation ("U.S. Energy") of the Shooting Canyon Uranium Mill in Utah, as well as a land package comprising uranium exploration properties in Utah, Wyoming, Arizona and Colorado and a substantial 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. Final allocation of the purchase price is subject to further review and analysis.

ACQUISITION OF ENERGY METALS CORPORATION

On August 10, 2007 Uranium One completed the acquisition of all of the outstanding common shares of EMC. The transaction resulted in the addition of a large portfolio of uranium exploration properties located throughout the western United States 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. Final allocation of the purchase price is subject to further review and analysis.

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 \$9.4 million. Net assets acquired consist primarily of mineral interests with a book value of \$1,452.5 million. Final allocation of the purchase price will be based on completion of a valuation of the assets to be determined by an independent valuator.

REVIEW OF OPERATIONS

AKDALA URANIUM MINE

Akdala is an operating acid in situ leach ("ISL") uranium mine located in the Suzak region of South Kazakhstan. 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. It is expected that production will continue at this rate until exhaustion of the current resources in approximately 2020.

In situ leaching 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 production is ahead of schedule with 1,988,000 pounds of U_3O_8 (100%) produced for the nine months ended September 30, 2007. Production from the well fields averaged 215,000 pounds of U_3O_8 (100%) per month during the quarter. Production for 2007 and 2008 is not expected to exceed 2,600,000 pounds of U_3O_8 per year, which represents production attributable to the Corporation of 1,820,000 pounds of U_3O_8 per year.

Operations: During the quarter, the operation maintained an average of 139 pumping wells in operation per month. The number of wells in operation, and the flow from each well, is adjusted based on uranium content in the flow from each well, to produce the targeted production rate. At the end of September 2007 there were seven drill rigs on site. The number of drill rigs is sufficient to ensure that well field development should continue to match budgeted production levels from the Mine.

The current shortage of sulphuric acid in Kazakhstan is not expected to affect production at Akdala.

SOUTH INKAI URANIUM PROJECT

South Inkai is an ISL uranium development 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.

Resource Delineation Drilling: The drilling program to convert Russian C2 to C1 resources as per the Kazakhstan classification system continued at South Inkai. Since 2006, a total of 319 drill holes of a planned 390 have been drilled as part of this drilling program. Final approval by the State Committee for Reserves is expected in 2008 for a total addition of 15,000-17,000 tonnes of C1 category resource. Approval of adequate C1 resources is part of the process for approval of industrial production from South Inkai. During the quarter, 64 drill holes were completed and a total of 178 drill holes were completed for the year to date. The drilling program is expected to be completed by Q4 2007 and the related geological report will be submitted for approval to the State Geological Commission in 2008.

Production Drilling and Well Completion: Joint Drilling, Betpak Dala's drilling and well completion contractor, had six rigs drilling production wells on South Inkai during the quarter. A total of 133 wells have been completed for the year to date, as scheduled. The pilot well field demonstration and the certification of adequate C1 resources are required as part of the process of industrial production licensing for South Inkai. The required portion of the process plant and well field production facilities were ready for the commencement of well field acidification in August 2007. Acidification was carried out on the first row of production wells starting in August 2007 and on the second row starting in September 2007. Acidification is at a lower concentration rate than planned due to an unexpected shortage of sulphuric acid in Kazakhstan. Capital construction of the portion of the production complex required for pilot stage production was completed on schedule and production flow commenced from the first block of pilot well patterns in October 2007.

Shortages of sulphuric acid continue in Kazakhstan and the supply of acid for new wells is currently not assured. If the current shortage continues, the ramp up and commencement of commercial production of the South Inkai operation will be delayed, and initial production may be lower than expected due to using lower levels of acid concentration in the well field.

Production from the South Inkai Uranium Project attributable to the Corporation in 2008 is estimated to be 500,000 pounds of U_3O_8 .

Construction: Uranium processing facilities being constructed at South Inkai are of a similar design to those at the Akdala Mine. The South Inkai plant is being constructed to a full production capacity of 5,200,000 pounds of U_3O_8 (2,000 tonnes U) per year, which will be reached in a staged manner over the next few years. Construction of the production complex is underway and final completion of the production complex is expected during mid year 2008.

To date, expenditure relating to the construction project at South Inkai is \$42.0 million.

KHARASAN URANIUM PROJECT

Kharasan is an ISL 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.

Resource Delineation Drilling: The drilling program to convert Russian C2 to C1 resources as per the Kazakhstan classification system continued at Kharasan during the quarter. A total of 137 drill holes were planned to be drilled in 2007 to add 5,000 tonnes of C1 resources to the already approved 6,560 tonnes to bring total C1 resources at Kharasan to 11,560 tonnes. The upgraded resource would enable Kyzylkum to apply for an industrial production license. As of the end of Q3 2007, 75 drill holes have been completed for the project with one drilling rig. With the addition of 2 rigs in Q4 2007, the drilling program is expected to be completed by the end of Q2 2008.

Production Drilling: The drilling plan for the first pilot production consists of 26 well patterns made up of 108 wells. The plan is to complete these pilot production patterns in two blocks with an initial 33 wells (7 patterns) comprising the first operating block. Of this program, 46 wells had been completed at September 20, 2007. Joint Drilling currently has 11 drill rigs on site. With 2 additional rigs added to the program in October, it is expected that the production drilling program will be completed by the end of Q1 2008. Acidification of the first pilot well field block is planned for December 2007 and pilot production is expected to commence in the first half of 2008.

Shortages of sulphuric acid continue in Kazakhstan and the supply of acid for new wells is currently not assured. If the current shortage continues, the ramp up and commencement of commercial production of the Kharasan operation will be delayed and initial production may be lower than expected due to using lower levels of acid concentration in the well field.

Production from the Kharasan Uranium Project attributable to the Corporation in 2008 is estimated to be 220,000 pounds of U_3O_8 .

Construction: The production complex, including the first phase with annual production of 1,950,000 pounds of U_3O_8 (750 tonnes U) per year, is to be developed on the basis of a production capacity of 5,200,000 pounds of U_3O_8 (2,000 tonnes U) per year. A second processing plant (a satellite plant) with a capacity of 1,000 tonnes U per year is expected to be constructed to allow for production capacity to increase from 2,000 tonnes U to 3,000 tonnes U per year. The design is currently in progress to allow the project to reach a capacity of 3,000 tonnes U, which will include exploration and production well planning.

Construction of critical portions of the plant and camp required for pilot production was accelerated during the quarter to compensate for construction delays due to flooding experienced early in the year. Final completion of the process plant to a stage that is sufficient for pilot well field production is expected in Q4 2007. Construction of the paved road and the bridge 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.

To date expenditure relating to the construction project at Kharasan is \$49.3 million.

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. The first draw down against the facility, of \$40 million, was received in September 2007. The \$80 million loan from the Corporation 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.

RECENT CHANGES TO LEGISLATION IN KAZAKHSTAN

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.

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 construction of a local Kazakhstan copper smelter, which will contribute to the sulphuric acid supply when operating. The shortage is expected to cause delays in the commissioning period of both the South Inkai and Kharasan projects. Akdala, South Inkai, Kharasan and other ISL operations in Kazakhstan are receiving acid allotments, administered by the Corporation's joint venture partner, Kazatomprom. The allotments are currently arranged to maintain production at operating mines and the Corporation expects allotments to Akdala to be sufficient to maintain current operating levels.

Together with Kazatomprom, the Corporation is actively seeking short-term sources of sulphuric acid supply to support production in 2008 and longer-term solutions to the sulphuric acid constraint. However, the Corporation has adjusted its 2008 production forecasts for South Inkai and Kharasan downwards. Longer term production forecasts assume that the temporary shortage of sulphuric acid is alleviated in the latter half of 2008.

DOMINION URANIUM MINE

The Dominion Uranium Mine is situated in the North West Province of South Africa, approximately 150 kilometres west-southwest of Johannesburg.

As previously disclosed, the capital cost to completion is estimated to be approximately 25% over the early 2006 feasibility study estimate of \$180 million. Changes in design, scope, material specifications and material prices accounts for approximately 70% of the forecasted overrun.

Metallurgical Plant Construction: In line with the planned phased commissioning, the atmospheric leach section for phase 1 of the plant with a capacity of 100,000 tonnes per month was successfully commissioned in Q2 2007. The atmospheric leach section for phase 2 was commissioned by the end of October 2007 allowing the design throughput of 200,000 tonnes of ore per month to be processed. Ammonium diuranate ("ADU") production commenced in May 2007 and the first ADU was dispatched to a calcining facility in July 2007. By the end of September 2007, 86,835 pounds of U_3O_8 had been produced. The first of two autoclaves of the pressure leach section was successfully commissioned in October 2007. Dominion is expected to reach commercial production in the first half of 2008.

During the commissioning process of the first autoclave, it was discovered that the autoclave feed pump valve assemblies were not able to withstand the extreme corrosive conditions in the pressure leach circuit. Subsequently, valves manufactured from a super duplex material have performed according to operational specifications, making continuous operation of the first autoclave possible. Due to the extended commissioning period of the first autoclave, the ADU produced to date has been processed mainly through the atmospheric leach circuit of the plant.

Successful commissioning of the second autoclave will allow the uranium plant's design efficiency parameters to be realized (200,000 tonnes per month throughput with a uranium recovery rate of approximately 85%).

Production from the Dominion Uranium Mine in 2008 is estimated to be 2,000,000 pounds of U_3O_8 .

Mine Development: A total of 9,047 metres of development was achieved in the nine months ended September 30, 2007 compared to a feasibility figure of 11,235 metres. Additional underground declines have been started and electro-hydraulic drill rigs deployed in the declines to speed up the rate of opening up the ore body for mining.

Stoping operations are continuing at all 3 production sections (Dominion 1, Dominion 2 and Rietkuil)

Expansion: A feasibility study for a 100,000 tonnes per month expansion to the Dominion Uranium Mine should be completed by the end of 2007 for audit by external qualified persons in Q1 2008. The feasibility study considers the development of 2 decline sections (Dominion 3 and Dominion 4) to a depth of 500 metres below surface.

The completion of a pre-feasibility study for a further expansion of 100,000 tonnes per month is progressing well and is expected to be completed in Q1 2008, for audit by external qualified persons in Q2 2008. The pre-feasibility study considers the development of a vertical shaft (R1 vertical) to a depth of approximately 1,000 metres below surface to access the down dip extension of the Rietkuil pay shoot.

Resource Delineation Drilling: A total of 88,435 metres of drilling has been completed for the nine months ended September 30, 2007. The primary focus of the drilling campaign at Rietkuil and Dominion is to increase the indicated resource base for the planned expansion program .

Sample analysis of the drill holes has been constrained due to a lack of accredited laboratories. The externally operated and managed laboratory, which has been commissioned on site, has been successful in decreasing the backlog of samples. It is anticipated that sample analysis will normalize by the end of the year.

HONEYMOON URANIUM PROJECT

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

In order to minimize an increase in capital expenditures, a design review was implemented that may result in a reversion to mixer settler technology from pulse column technology. A decision to change service providers was also implemented whereby the Corporation will use its in-house project delivery team to coordinate the design and to engineer the entire project. At the end of September 2007, the redesign of the Honeymoon Project was progressing and the new plant layout is expected to be finalized in Q4 2007. As a result of these changes, it is expected that production will commence before the end of 2008.

Initial production from the Honeymoon Project in 2008 is estimated to be 50,000 pounds of U_3O_8 .

HOBSON AND LA PALANGANA

On August 10, 2007 Uranium One completed the purchase of all of the outstanding shares of EMC. The Hobson ISR Uranium Processing Facility and the La Palangana Uranium Project are the principal assets acquired in the transaction.

Initial production from Hobson and La Palangana in 2008 is estimated to be 35,000 pounds of U_3O_8 .

The Hobson Facility is a uranium in-situ recovery ("ISR") processing facility located in Texas. Refurbishment of the plant is currently underway and includes plans to increase capacity to over 1 million pounds of U_3O_8 per year. At this time, the recommissioning of the Hobson Facility remains on schedule. The schedule for initial production of U_3O_8 is directly tied to the licensing and development of the La Palangana Uranium Project, 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 . Uranium One is continuing with a drilling program that was in place 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.

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 substantial database of geological information were acquired.

A mill assessment by an independent firm commenced in September 2007. Reports on the assessment of systems and cost of refurbishment are expected in Q4 2007; however, refurbishment cannot begin until the application to change the license to operational status has been accepted.

Airborne survey data on properties acquired in the EMC transaction have focused on exploration, enabling drilling programs to be designed for these properties. Pre-feasibility studies have been initiated on two additional properties that could feed the Shootaring Mill.

POWDER RIVER BASIN, WYOMING

The Powder River Basin in Wyoming hosts several of the Corporation's uranium resources. 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 ISR extraction. On October 3, the Corporation submitted an application to the U.S. Nuclear Regulatory Commission ("NRC") for a license 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 at a rate of a nominal one million pounds per year from the Moore Ranch well fields, with construction of a central processing plant with capacity of two million pounds per year expandable to four million pounds per year. 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. Under the toll-processing agreement, the Corporation may transport uranium bearing ion exchange resin from any of its Wyoming projects to Cameco's Wyoming processing plant for elution and conversion to dried uranium concentrate. Processing charges will be either a cash fee, or a percentage of the dried concentrates.

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

AFLEASE GOLD LIMITED

Uranium One owns 70% of Alease Gold. Alease Gold's principal property is the Modder East Gold Project in the East Rand gold fields of South Africa's Witwatersrand Basin. Alease Gold is solely responsible for funding the development of its assets, including the Modder East Gold Project.

Modder East Gold Project

The Modder East Gold Project is located approximately 30 kilometres east of Johannesburg, South Africa. Project construction commenced in May 2006 and has advanced significantly, with the infrastructure required for development operations in place.

The revision of the Modder East feasibility study was audited by SRK Consulting and approved by the board of Alease Gold in Q3 2007. The revised feasibility shows a major improvement in net present value and internal rate of return for the project. Development is progressing and construction and infrastructure development activities are continuing, with the first gold pour expected to take place in the third quarter of 2009.

Total project expenditure to date amounts to \$13.1 million.

EXPLORATION PROJECTS

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

SELECTED FINANCIAL INFORMATION

The Corporation's interim consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian 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)	Three Months Ended		Nine Months Ended	
	Sep 30, 2007	Oct 31, 2006	Sep 30, 2007	Oct 31, 2006
	\$	\$	\$	\$
Revenues	8,019	4,193	73,014	21,498
Net (loss) / income	(17,257)	25,912	(22,980)	(18,321)
Cash flows (to) / from operating activities	917	(841)	30,406	3,236
(Loss) / profit per share	(0.04)	0.12	(0.07)	(0.08)
Adjusted net (loss) / profit (1)	(15,248)	(988)	(6,194)	(2,619)
Average realized uranium price (per lb of U ₃ O ₈)	115	42	79	39
Sales volume (lbs of U ₃ O ₈) (Corporation's share)	70,000 lbs	99,200 lbs	919,200 lbs	515,000 lbs
Production volume (lbs of U ₃ O ₈) (Corporation's share)	463,000 lbs	513,000 lbs	1,403,200 lbs	1,380,300 lbs
Average U ₃ O ₈ spot price per lb	96	55	102	47

(1) Net loss for the three months ended September 30, 2007 has been adjusted to exclude a \$2.0 million unrealized exchange loss (\$26.9 million exchange gain for the three months ended October 31, 2006, \$16.8 million exchange loss for the nine months ended September 30, 2007 and \$15.7 million exchange loss for the nine months ended October 31, 2006) on the translation of future income tax liabilities in respect of the Corporation's investment in Kazakhstan for the movement of the local currency against the US dollar. 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.

RESULTS OF OPERATIONS AND DISCUSSION OF FINANCIAL POSITION

Summary of Quarterly Results

	Sep 30 2007	June 30 2007	Mar 31 2002	Dec 31 2006 ⁽²⁾	Oct 31 2006	Jul 31 2006	Apr 30 2006	Jan 31 2005
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Revenue from uranium sales	8,019	23,265	41,730	46,256	4,193	2,922	14,383	6,202
Net (loss) / income for period	(17,257)	(13,694)	7,971	(6,228)	25,912	(32,165)	(12,068)	(5,502)
Basic and diluted (loss) / earnings per share	(0.04)	(0.04)	0.02	(0.01)	0.12	(0.15)	(0.03)	(0.01)
Total assets	5,710,605	4,247,176	999,950	971,618	949,530	951,025	810,086	683,418

Note:

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

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

Operating expenses are directly related to revenues and are lower in periods when revenues are lower. There is a corresponding build-up of inventory in periods when revenues are lower. During Q3 2007, revenue from sales was \$8.0 million and cash production costs were \$0.7 million or approximately \$9 per pound of U₃O₈ sold. During Q3 2006, sales were \$4.2 million and cash production costs were \$1.4 million or \$14 per pound of U₃O₈ sold. The average depletion per pound of U₃O₈ sold in Q3 2007 was \$15 per pound of U₃O₈ sold, compared to \$12 per pound of U₃O₈ sold in Q3 2006.

During Q3 2007 the Corporation recorded a net foreign exchange gain of \$10.7 million, mainly as a result of the weakening of the US dollar against other currencies. The gain of \$10.7 million resulted from a gain of \$12.7 million, offset by a loss of \$2.0 million. The gain of \$12.7 million arose on the translation of foreign assets, denominated in other currencies which appreciated against the US dollar. The unrealized foreign exchange loss, resulting from a strengthening of the Kazakhstan tenge against the US dollar by 0.38% during the quarter, resulted in a \$2.0 million loss on translation of future income tax liabilities arising from the purchase of assets in Kazakhstan.

The following table shows the production, sales and production costs trends over the prior eight quarterly periods. The interest in the Akdala Uranium Mine was acquired in November 2005.

	3 months ended Sep 30 2007	3 months ended June 30 2007	3 months ended Mar 31 2006	3 months ended Dec 31 2006	3 months ended Oct 31 2006	3 months ended Jul 31 2006	3 months ended Apr 30 2006	3 months ended Jan 31 2006
((all figures are the Corporation's attributable share)								
	lbs	lbs	lbs	lbs	lbs	lbs	lbs	lbs
Production of U ₃ O ₈ in lbs	463,000	452,200	488,000	426,500	513,100	478,400	388,800	325,700
Sales of U ₃ O ₈ in lbs	70,000	244,200	605,000	881,000	99,200	70,000	380,000	361,000
	\$	\$	\$	\$	\$	\$	\$	\$
Sales (000's)	8,019	23,265	41,730	46,256	4,193	2,922	14,383	6,202
Sales \$ / lb U ₃ O ₈ sold	115	95	69	53	42	42	38	17
Operating expenses (000's)	660	2,058	7,043	7,872	1,417	1,630	3,863	2,560
Operating expenses \$ / lb U ₃ O ₈ sold	9	8	12	9	14	23	10	7
Depletion and depreciation (000's)	1,067	2,024	4,859	7,240	1,209	3,294	976	837
Depletion and depreciation \$ / lb U ₃ O ₈ sold	15	8	8	8	12	47	3	2

THREE MONTHS ENDED SEPTEMBER 30, 2007

Uranium sales and operating costs

Sales attributable to the Corporation during Q3 2007 amounted to approximately 70,000 pounds of U_3O_8 (26,900 kg U). The Corporation's attributed share of revenue from those sales amounted to \$8.0 million. Earnings from mining operations were \$6.3 million after the deduction of operating expenses of \$0.7 million and depreciation and depletion charges of \$1.1 million. Attributable sales in Q3 2006 amounted to approximately 99,200 pounds of U_3O_8 (38.1 tonnes U). The related revenue from those sales amounted to \$4.2 million. Earnings from mining operations were \$1.6 million after the deduction of operating expenses of \$1.4 million and depletion costs of \$1.2 million.

The average unit price received for sales in Q3 2007 was \$115 per pound of U_3O_8 . The average price obtained in Q3 2006 was \$42 per pound of U_3O_8 . The spot price of uranium at September 30, 2007 was \$96 per pound of U_3O_8 , compared to a spot price of \$60 per pound of U_3O_8 at October 31, 2006.

Sales in Q3 2007 are lower than expected as the majority of the deliveries scheduled for Q3 2007 were deferred by the customers until Q4 2007. Timing of deliveries is usually at the contracted discretion of customers.

General and administration costs

General and administrative cost for Q3 2008 are not comparable to Q3 2006, 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 expense for Q3 2006 therefore represents the expense for UrAsia Energy only, while the expense in Q3 relates to the combined operations of Uranium One, UrAsia Energy and EMC.

General and administration expenses, including stock-based compensation expenses of \$15.5 million, amounted to \$29.0 million for Q3 2007, compared to \$2.3 million for Q3 2006, including stock-based compensation of \$1.1 million. The comparative expense for Q3 2006 relates to the costs of UrAsia Energy, while expenses in Q3 2007 include the combined costs of UrAsia Energy, Uranium One and EMC (from August 10, 2007). Higher administrative costs largely relate to the substantial increase in size of operations resulting from acquisition activities and growth. 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. Expenses also increased due to the Corporation incurring professional fees and administrative costs associated with the preparation of an application to list Uranium One's common shares on the London Stock Exchange.

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 Q3 2007, was abnormally high. The expense is expected to return to normal levels over subsequent quarters.

Exploration

Exploration expenditure in Q3 2007 of \$5.6 million related to exploration programs being undertaken on the Corporation's license areas in the United States, South Africa, Canada, Australia and the Kyrgyz Republic. During Q3 2006 exploration expenditures totalling \$1.8 million related to properties in the Kyrgyz Republic only.

Interest income and expense

Interest income amounted to \$6.0 million for Q3 2007, compared to \$2.2 million for Q3 2006. 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 acquisition of EMC.

Interest expense for Q3 2007 relates to \$2.1 million on the short term loans from Nedcor Securities, the interest expense related to convertible debentures of \$3.7 for Q3 2007 (\$NIL – Q3 2006) and interest on other long term debt of \$0.1 million for Q3 2007 (\$NIL – Q3 2006). The Nedcor Securities loans were repaid in September 2007.

Dilution gain

Dilution gains or losses occur when the percentage of equity held in Alease Gold by Uranium One's wholly-owned subsidiary, Uranium One Africa Limited ("Uranium One Africa"), decrease. Such decreases occur when shares in Alease Gold are issued to shareholders other than Uranium One Africa. During Q3 2007, issuances of shares to outside shareholders resulted in a dilution gain of \$0.9 million. As a result of the acquisition of EMC during Q3 2007, Uranium One's interest in Alease Gold increased from 67.61% to 69.83%, as EMC held 11.5 million shares of Alease Gold. There was no dilution gain or loss in the comparative period for the prior year.

Foreign exchange gain / loss

The foreign exchange gain during Q3 2007 amounted to \$10.7 million and consisted of an unrealized gain of \$12.7 million on the translation of foreign held assets arising from the weakening of the US dollar against other currencies, offset by a \$2.0 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 weakening of the Kazakhstan tenge against the US dollar in the quarter. In Q3 2006, a foreign exchange loss of \$27.0 million was recorded.

Income taxes

Current income tax expense for Q3 2007 was \$2.0 million and represents taxes paid and payable in Kazakhstan on profits from the Corporation's Akdala Uranium Mine. In Q3 2006 a \$1.1 million tax expense was recorded for the Akdala Uranium Mine.

The future income tax recovery during Q3 2007 of \$0.7 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. In Q3 2006 a recovery of future income taxes of \$0.4 million was recorded related to a reduction in future income tax liability.

Non-controlling interest

Non-controlling interest relates to Uranium One Africa's 70% ownership of its subsidiary company, Alease Gold.

Net loss for the period

The net loss for Q3 2007 amounted to \$17.3 million or \$0.04 per share, compared to net income of \$25.9 million or \$0.12 per share in Q3 2006.

NINE MONTHS ENDED SEPTEMBER 30, 2007

Uranium sales and operating costs

Revenue from uranium sales attributable to the Corporation during the nine months ended September 30, 2007 amounted to \$73.0 million for approximately 919,200 pounds of U_3O_8 (353.5 tonnes U) sold. Earnings from mining operations were \$55.3 million after the deduction of operating expenses of \$9.8 million and depreciation and depletion charges of \$8.0 million. Revenue from attributable uranium sales during the nine months ended October 31, 2006 amounted to \$21.5 million for approximately 515,000 pounds of U_3O_8 (198.0 tonnes U) sold. Earnings from mining operations were \$7.6 million after deduction of operating expenses of \$8.4 million and depreciation and depletion costs of \$5.5 million.

The average unit price received for sales in the nine month period ended September 30, 2007 was \$79 per pound of U_3O_8 . The average price obtained in the nine months ended October 31, 2006 was \$39 per pound of U_3O_8 .

Operating expenses for the nine month period ended September 30, 2007 were \$9.8 million or approximately \$11 per pound of U_3O_8 sold. Operating expenses during the nine months ended October 31, 2006 were \$8.4 million or \$15 per pound of U_3O_8 sold. The average unit cost of depletion was \$9 per pound of U_3O_8 sold in the nine months ended September 30, 2007, compared to \$10 per pound of U_3O_8 sold in the nine months ended October 31, 2006.

General and administration costs

General and administration expenses, including stock-based compensation expenses of \$28.6 million, were \$52.3 million for the nine months ended September 30, 2007, compared to \$9.5 million for the nine months ended October 31, 2006 (including stock based-compensation of \$6.1 million). The comparative amount for the nine months ended October 31, 2006 includes general and administration costs for UrAsia Energy only. General and administration costs for the nine months ended September 30, 2007 are in line with expectations and are mainly due to an increase in size of operations arising from combining the operations of Uranium One and UrAsia Energy and the acquisition of EMC in Q3 2007. Additionally the expenses increased as a result of the need to increase staffing requirements because of the growth of the Corporation and increased activity related to the acquisition of EMC. Increased costs also related to the preparation of an application for the listing of Uranium One's common shares on the London Stock Exchange.

Exploration

Exploration expenditure in the nine month period ended September 30, 2007 of \$12.0 million related to exploration programs being undertaken on the Corporation's exploration properties in the United States, South Africa, Canada, Australia, and the Kyrgyz Republic. During the nine months ended October 31, 2006, exploration expenditures totalling \$4.4 million related to properties in the Kyrgyz Republic only.

Interest income and expense

Interest income amounted to \$11.6 million for the nine months ended September 30, 2007, compared to \$6.0 million for the nine months ended October 31, 2006. The increase in interest results from interest earned on the loans to joint ventures and an increase in cash and short term investments held during the period.

Interest expense relates to \$6.0 million for interest paid on convertible debentures (2006 - \$Nil) and \$2.4 million (2006 - \$Nil) for interest on loans payable to Nedcor of and other short term debt. The Nedcor Securities loans were repaid in September 2007.

Dilution gain

During the nine month period ended September 30, 2007 Uranium One Africa's interest in Alease Gold decreased from 71.36% to 69.83% resulting in a net dilution gain of \$0.6 million.

Foreign exchange gain / loss

The foreign exchange loss during the nine months ended September 30, 2007 amounted to \$2.7 million, which includes an unrealized loss of \$16.8 million arising from the strengthening of the Kazakhstan tenge against the US dollar during the period (\$15.7 million loss in nine months ended October 31, 2006), that was offset by a realized gain of \$14.1 million (October 31, 2006 - \$1.6 million) on translation of normal transactions and asset and liability revaluations.

Income taxes

The current income tax expense for the nine months ended September 30, 2007 was \$22.3 million. The income tax expense represents taxes paid and payable in Kazakhstan on income from the Akdala Uranium Mine. For the nine months ended October 31, 2006, a tax expense of \$5.7 million was recorded for the Akdala Uranium Mine.

Future income tax recovery of \$5.1 million was recorded for the nine months ended September 30, 2007, compared to \$2.1 million for the nine months ended October 31, 2006. A recovery of future income tax has been recorded, as the mineral property asset to which it relates has been depleted.

Non-controlling interest

The non-controlling interest relates to Uranium One Africa's 70% ownership of its subsidiary company, Alease Gold. The non-controlling interest's share of the net loss for the nine months ended September 30, 2007 was \$0.8 million.

Net loss for the period

The net loss for the nine months ended September 30, 2007 amounted to \$23.0 million or \$0.07 per share, compared to a net loss of \$18.3 million or \$0.08 per share for the nine months ended October 31, 2006.

FINANCIAL CONDITION

On September 30, 2007, the Corporation had cash and cash equivalents of \$284.6 million, compared to \$61.8 million at December 31, 2006. The increase is mainly due to the addition of \$291.1 million in cash and cash equivalents when the assets of Uranium One and UrAsia Energy were combined and an increase in \$91.8 million in cash and cash equivalents included in the assets acquired from EMC.

Inventories increased by \$14.4 million over the amount held at December 31, 2006, due to the build-up of uranium concentrates and solutions and concentrates in process on hand as well as an increase in material and supplies. As at September 30, 2007 the Corporation had attributable inventory of 1.0 million pounds of U_3O_8 of which approximately 0.8 million pounds is saleable product. Virtually all the inventory on hand as at September 30, 2007, were for deliveries under committed sales contracts subsequent to quarter end.

Loans receivable from Betpak Dala of \$62.6 million plus interest of \$0.9 million were repaid during the nine months ended September 30, 2007. The Corporation advanced \$32 million to Kyzylkum during the period for development of the Kharasan Uranium Project.

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 \$2.4 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 \$1.5 billion. Other increases were attributable as to \$103.7 million to the acquisition of the Shootaring Mill and exploration properties from U.S. Energy and to additions to plant and equipment of \$167.5 million during the nine month period. Goodwill of \$243.3 million was recorded as a result of the acquisition of the Uranium One assets of which \$112.9 million has been allocated to Aflase Gold and \$130.4 million has been allocated to the Dominion Uranium Mine. Allocation of the excess purchase price to Uranium One assets acquired and to goodwill is subject to change. A valuation report is being prepared and will be the basis of the final allocation.

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 \$1.6 billion from December 31, 2006. Of this amount, \$134.9 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 \$18.5 million. Future income tax liabilities increased by \$1.5 billion as a result of assets acquired in the business combinations.

Shareholders' equity increased by \$3.0 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 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; \$4.0 million for services; and \$44.0 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 \$97.7 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 \$28.6 million recorded for the period and a reduction of \$27.2 million for options and restricted shares exercised. Other increases in shareholder's equity are a result of the equity component of the convertible debentures acquired from Uranium One of \$46.5 million and \$35.3 million in accumulated other comprehensive income mainly from foreign currency translation of foreign operations.

Shareholders' equity was reduced by the net loss of \$23.0 million (\$0.07 per share) for the nine month period ended September 30, 2007.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2007 the Corporation had working capital of \$303.3 million. Included in this amount are cash and cash equivalents of \$284.6 million, including the proportionate share of the Corporation's cash and cash equivalents at its joint venture operations in Kazakhstan and cash held by Aflase Gold. The interest earned on these cash balances will be applied to existing commitments in respect of the Kharasan Uranium Project, the Dominion Uranium Mine, the Honeymoon Uranium Project and other current commitments.

The Corporation anticipates that it has sufficient liquidity and capital resources to meet the Corporation's approved development plans and corporate costs for 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 Mine in South Africa 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.

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 equity financing, debt financing, the sale of non-core assets and the proceeds from the exercise of stock options and warrants. Uranium One's ability to raise capital is highly dependent on the commercial viability of its projects and the underlying prices of uranium.

Declines in the market price for uranium and the current sulphuric acid shortage in Kazakhstan may negatively impact Uranium One's ability to raise additional funding. Sales contracts have been negotiated for 45% of the worldwide planned production for 2008 to 2010 including 81% of the planned production from 2008 to 2010 from the Akdala Mine and the South Inkai Project; 24% of the Dominion Uranium Mine's planned production from 2008 to 2010; 20% of the planned production from the Kharasan Project for 2008 to 2014; 40% of the Honeymoon Uranium Project's planned production from 2008 to 2014 and 6% of planned production through 2015 from the Hobson Facility. Open executed contracts for sales from Betpak Dala represent future sales of approximately 32.1 million pounds of U_3O_8 . (22.5 million pounds attributable). The Corporation has negotiated floor price protection in certain of its sales contracts, but there are no other mechanisms in place to manage exposure to price fluctuations. Sales contracts for 71% of forecasted production for 2008 of 4.6 million pounds of U_3O_8 have been negotiated.

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".

During Q3 2007 there have been no material changes in the specified contractual obligations identified in Uranium One's Management's Discussion and Analysis for the year ended December 31, 2006 that are outside the ordinary course of Uranium One's business.

Aflase Gold is not funded by Uranium One and has up to now funded itself by issuing shares through its listing on the JSE. Aflase Gold announced on October 25, 2007 that it had secured commitments for subscriptions for approximately \$90 million of convertible bonds, due 2012, to international institutional investors. The issuance of the bonds is subject to approval by shareholders and the JSE.

Aflase Gold committed \$14.3 million towards the development of the Modder East Gold Project as at September 30, 2007. Cash of \$6.8 million and the proceeds from the bond issue are expected to fund the further development of the Modder East Gold Project. Further capital expenditure of \$109.4 million, for which no current commitments exist, will be required to complete the construction of the Modder East Gold Project.

COMMITMENTS AND CONTINGENCIES

Development of Uranium Projects

Estimated capital expenditure, mostly towards the development of the Dominion Uranium Mine, the South Inkai Uranium Project and the Kharasan Uranium Project, of \$51.0 million during Q4 2007 and \$204.1 million during 2008, will be required to fund the construction capital expenditure of the Corporation's uranium development projects.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of November 13, 2007, there were issued and outstanding 466,759,771 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 at C\$3.55 per warrant. 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 November 13, 2007, there were 21,260,464 stock options outstanding under the Uranium One's stock option plan at exercise prices ranging from C\$1.09 to C\$16.87 and 340,812 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.

DIVIDEND POLICY

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 three and nine months ended September 30, 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:

(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 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 classification of the Corporation's financial instruments as at January 1, 2007 and their subsequent changes to September 30, 2007 have resulted in no material gains or losses that require separate presentation in other comprehensive income.

(d) Section 3251 – Equity

Section 3251 establishes standards for the presentation of equity and changes in equity during the reporting period. The adoption of this new standard by the Corporation is not expected to have a material impact.

(e) 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 Canadian 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.

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 Mine, Honeymoon Uranium Project and Modder East Gold 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 licenses 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.

Uranium One's risk factors are discussed in detail in its Annual Information Form for the year ended December 31, 2006, which is available on SEDAR at www.sedar.com, and should be reviewed in conjunction with this document. UrAsia Energy's risk factors are discussed in detail in its Annual Information Form for the year ended July 31, 2006 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 Q3 2007 stock options and restricted share rights activity was as follows:

- 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 Q3 2007 369,500 options were granted to directors and employees at a prices ranging from C\$11.37 to C\$14.32 per share, with expiry dates ranging from July 9, 2012 to September 19, 2012.
- 654,954 options were exercised during Q3 2007 and 65,880 were forfeit.
- 20,000 restricted shares were granted during Q3 2007 at a deemed price of \$14.10 per share;
- 16,585 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 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 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 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 five months ended December 31, 2006. Based on this evaluation, the President and 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 nine month period ended September 30, 2007 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

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, 2006, and in the section entitled "Risks Factors" in UrAsia Energy's Annual Information Form for the year ended July 31, 2006 which are 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.