U308 CORP.

(A DEVELOPMENT STAGE COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2008

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Responsibility for Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of U308 Corp. (A Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the years presented by the unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

U308 Corp.

U308 Corp.
Interim Consolidated Balance Sheets
(A Development Stage Company)
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2008	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	**$ 1,517,086**	$ 2,754,464
Guaranteed investment certificates	**18,915,098**	19,760,581
Accounts receivable, prepaids and deposits	**129,516**	104,010
	20,561,700	22,619,055
Property and equipment (note 5)	**1,529,740**	1,639,169
	$ 22,091,440	$ 24,258,224
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 394,969**	$ 588,676
Shareholder's equity		
Share capital (note 8)	**30,197,967**	30,197,967
Warrants (note 9)	**711,512**	711,512
Contributed surplus	**2,268,116**	2,166,840
Accumulated deficit	**(11,481,124)**	(9,406,771)
	21,696,471	23,669,548
	$ 22,091,440	$ 24,258,224

The notes to the unaudited interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)
Subsequent event (note 12)

U308 Corp.

Interim Consolidated Statements of Operating Loss and Comprehensive Loss
(A Development Stage Company)
(Expressed in Canadian Dollars)
(Unaudited)

For the three months ended March 31,	2008	2007	Cumulative since inception on December 6, 2005
Operating expenditures			
Guyana exploration expenditures	**$ 1,688,452**	$ 830,185	$ 7,936,606
Amortization - Guyana	**193,761**	43,654	570,253
	1,882,213	873,839	8,506,859
General and administration expenses			
Directors' stock-based compensation	**32,727**	318,094	1,224,460
Professional fees	**48,556**	26,474	517,199
Business development	**62,006**	44,445	483,244
Management compensation	**145,356**	107,005	727,964
Investor relations	**26,359**	61,524	364,736
Administrative and general	**59,213**	42,053	405,762
Consulting fees	**5,000**	-	159,000
Reporting issuer costs	**18,224**	8,287	88,784
Directors' compensation	**15,022**	12,944	65,904
	412,463	620,826	4,037,053
Less: Interest income	**(184,320)**	(257,077)	(1,196,458)
	228,143	363,749	2,840,595
Operating loss before the following items	**(2,110,356)**	(1,237,588)	(11,347,454)
Amortization - Canada	**818**	624	7,034
Interest	**-**	-	8,482
Foreign exchange loss (gain)	**(36,821)**	10,110	118,154
Operating loss and comprehensive loss	**$ (2,074,353)**	$ (1,248,322)	$ (11,481,124)
Loss per share	**$ (0.09)**	$ (0.05)	
Weighted average number of common shares outstanding	**23,057,700**	22,941,370	

The notes to the unaudited interim consolidated financial statements are an integral part of these statements.

U308 Corp.

Interim Consolidated Statements of Cash Flows
(A Development Stage Company)
(Expressed in Canadian Dollars)
(Unaudited)

For the three months ended March 31,	2008	2007	Cumulative since inception on December 6, 2005
Operating activities			
Operating loss	**$ (2,074,353)**	$ (1,248,322)	$ (11,481,124)
Amortization	**194,579**	44,278	577,287
Stock-based compensation (note 7)	**101,276**	633,612	2,268,116
Foreign exchange loss (gain)	**(36,821)**	10,110	118,154
Changes in non-cash working capital items:			
Accounts receivable, prepaids and deposits	**(25,506)**	(58,069)	(127,266)
Accounts payable and accrued liabilities	**(193,707)**	(235,053)	394,969
	(2,034,532)	(853,444)	(8,249,864)
Financing activities			
Common shares issued for cash	**-**	-	32,653,750
Cost to issue equity securities	**-**	-	(2,140,771)
Warrants issued for cash	**-**	203,750	394,250
	-	203,750	30,907,229
Investing activities			
Redemption (purchase) of guaranteed investment certificates	**845,483**	(264,128)	(18,915,098)
Acquisition of property and equipment	**(85,150)**	(788,277)	(2,107,027)
	760,333	(1,052,405)	(21,022,125)
Change in cash and cash equivalents	**(1,274,199)**	(1,702,099)	1,635,240
Cash and cash equivalents, beginning of period	**2,754,464**	3,552,691	-
Effect of exchange rate changes on cash held in foreign currencies	**36,821**	(10,110)	(118,154)
Cash and cash equivalents, end of period	**$ 1,517,086**	$ 1,840,482	$ 1,517,086
Supplemental information			
Income taxes paid	**$ -**	$ -	$ -
Interest paid	**$ -**	$ -	$ 8,482

The notes to the unaudited interim consolidated financial statements are an integral part of these statements.

U308 Corp.

Interim Consolidated Statements of Changes in Shareholders' Equity
(A Development Stage Company)
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended March 31, 2008		Year ended December 31, 2007		Cumulative since inception on December 6, 2005	
	Number of common shares	**Amount**	Number of common shares	Amount	Number of common shares	Amount
Share Capital						
Authorized						
The Corporation's authorized share capital consists of an unlimited number of common shares						
Common shares issued and outstanding:						
Balance, beginning of period	**23,057,700**	**$ 30,197,967**	22,900,000	$ 29,606,277	-	$ -
Issued for cash on incorporation	**-**	**-**	-	-	3,750,000	3,750
Purchase of Prometheus Resources (Barbados) Inc.	**-**	**-**	-	-	2,250,000	2,250
Private placements	**-**	**-**	-	-	4,800,000	2,400,000
Initial public offering	**-**	**-**	-	-	12,100,000	30,250,000
Fair market value of broker warrants issued	**-**	**-**	-	-	-	(908,952)
Cost of issue - cash	**-**	**-**	-	-	-	(2,140,771)
Conversion of warrants	**-**	**-**	157,700	394,250	157,700	394,250
Fair market value of conversion of warrants	**-**	**-**	-	197,440	-	197,440
Balance, end of period	**23,057,700**	**$ 30,197,967**	23,057,700	$ 30,197,967	23,057,700	$ 30,197,967

The notes to the unaudited interim consolidated financial statements are an integral part of these statements.

U308 Corp.

Interim Consolidated Statements of Changes in Shareholders' Equity
(A Development Stage Company)
(Expressed in Canadian Dollars)
(Unaudited)

Warrants

	Three months ended March 31, 2008			Year ended December 31, 2007			Cumulative since inception on December 6, 2005		
	Number of common shares		**Amount**	Number of common shares		Amount	Number of common shares		Amount
Balance, beginning of period	**568,300**	**$**	**711,512**	726,000	$	908,952	-	$	-
Fair market value of broker warrants issued	**-**		**-**	-		-	726,000		908,952
Conversion of warrants	**-**		**-**	(157,700)		(197,440)	(157,700)		(197,440)
Balance, end of period	**568,300**	**$**	**711,512**	568,300	$	711,512	568,300	$	711,512

Contributed surplus

		Three months ended March 31, 2008 Amount		Year ended December 31, 2007 Amount		Cumulative since inception on December 6, 2005 Amount
Balance, beginning of period	**$**	**2,166,840**	$	595,595	$	-
Stock-based compensation (note 7)		**101,276**		1,571,245		2,268,116
Balance, end of period	**$**	**2,268,116**	$	2,166,840	$	2,268,116

The notes to the unaudited interim consolidated financial statements are an integral part of these statements.

U308 Corp.

Consolidated Statements of Changes in Shareholders' Equity
(A Development Stage Company)
(Expressed in Canadian Dollars)
(Unaudited)

Accumulated deficit	**Three months ended March 31, 2008 Amount**	Year ended December 31, 2007 Amount	Cumulative since inception on December 6, 2005 Amount
Balance, beginning of period	**$ (9,406,771)**	$ (2,734,988)	$ -
Operating loss	**(2,074,353)**	(6,671,783)	(11,481,124)
Balance, end of period	**$ (11,481,124)**	$ (9,406,771)	$ (11,481,124)
Total Shareholders' Equity	**$ 21,696,471**	$ 23,669,548	$ 21,696,471

The notes to the unaudited interim consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

U308 Corp. (“U308” or the “Corporation”) is a Canadian junior exploration company engaged in acquiring and exploring mineral properties for uranium. To date, U308 has not earned significant revenues from uranium exploration and is considered to be in the development stage. The Corporation is a development stage entity as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

Since inception, December 6, 2005, being the date of incorporation, the efforts of the Corporation have been devoted to uranium exploration in Guyana. The Corporation has focused on certain “Reconnaissance Permits” (consisting collectively of Permit “A” and Permit “B”) granted to the Corporation by the Guyana Geological and Mines Commission ("GGMC"). The Corporation is in the process of exploring the land area assigned by the Reconnaissance Permits and has not yet determined whether the land area contains an economic uranium resource.

Although the Corporation has taken steps to verify title to the Reconnaissance Permits on which it is conducting exploration, in accordance with industry standards for the current stage of exploration, these procedures do not guarantee the Corporation’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Corporation’s Reconnaissance Permits at March 31, 2008 are located outside of Canada and are subject to the risks normally associated with foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

As at March 31, 2008, the Corporation had working capital of $20,166,731 and an accumulated deficit of $11,481,124. Management of the Corporation believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Corporation's ability to continue operations and fund its exploration in Guyana is dependent on management's ability to secure additional financing. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Corporation be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying audited consolidated financial statements.

2. Basis of presentation and accounting policies

The unaudited interim consolidated financial statements have been prepared by the Corporation in accordance with Canadian generally accepted accounting principles (“GAAP”). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual financial statements except as noted below. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Corporation’s audited consolidated financial statements for the year ended December 31, 2007, since they do not contain all disclosures required by GAAP for annual financial statements. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

2. Basis of presentation and accounting policies (continued)

Capital disclosures and financial instruments – disclosures and presentation (continued)

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Corporation on January 1, 2008.

Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Corporation has included disclosures recommended by the new Handbook section in note 3 to these interim financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Corporation has included disclosures recommended by the new Handbook section in note 4 to these interim financial statements.

Future accounting changes

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. A calendar year end public company will be required to have prepared, in time for its first quarter 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010. The Corporation is currently assessing the impact of these new accounting standards on its consolidated financial statements.

Goodwill and Intangible Assets

The CICA has issued a new standard which may affect the financial disclosures and results of operations of the Corporation for interim and annual periods beginning January 1, 2009. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC-27, the Corporation will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations. The Corporation is currently assessing the impact of these new accounting standards on its consolidated financial statements.

3. Capital management

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business.

The Corporation is currently attempting to develop a uranium resource; as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed. The Corporation will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

There were no changes in the Corporation's approach to capital management during the three months ended March 31, 2008. The Corporation is not subject to externally imposed capital requirements.

4. Risk factors

The Corporation’s significant assets are the Reconnaissance Permits granted by the GGMC in Guyana. Unless the Corporation acquires or develops additional significant assets, the Corporation will be solely dependent upon the Reconnaissance Permits. If no additional assets are acquired by the Corporation, any adverse development affecting the Reconnaissance Permits would have a material adverse effect on the Corporation’s financial condition and results of operations.

Other risk factors and the impact on the Corporation's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to accounts receivable and deposits. Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada and deposits held with service providers. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable and deposits is remote.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2008, the Corporation had a cash balance of $1,517,086 (December 31, 2007 - $2,754,464) to settle current liabilities of $394,969 (December 31, 2007 - $588,676). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

4. Risk factors (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity uranium prices.

(a) Interest rate risk

The Corporation has cash balances and no interest-bearing debt. The Corporation's current policy is to invest excess cash in certificates of deposit or interest bearing accounts of major Canadian chartered banks. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions. As of March 31, 2008, the Corporation had an aggregate total of $18,915,098 (December 31, 2007 - $19,760,581) invested in guaranteed investment certificates with two major Canadian chartered banks.

(b) Foreign currency risk

The Corporation's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Corporation funds certain operations, exploration and administrative expenses in Guyana on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The Corporation maintains US dollar bank accounts in Canada, Barbados, and Guyana and Guyanese bank accounts in Guyana. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(c) Commodity uranium price risk

The Corporation is exposed to price risk with respect to commodity uranium prices. Commodity uranium price risk is defined as the potential adverse impact on earnings and economic value due to commodity uranium price movements and volatilities. The Corporation closely monitors commodity uranium prices to determine the appropriate course of action to be taken by the Corporation.

Sensitivity analysis

The Corporation has designated its cash and cash equivalents and guaranteed investment certificates as held-for-trading, which is measured at fair value. Accounts receivable and deposits are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of March 31, 2008, both the carrying and fair value amounts of the Corporation's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over a three month period:

(i) Held-for-trading assets include a deposit of $14,000,000 with a Canadian chartered bank which has a floating interest rate. Sensitivity to a plus or minus 1% change in rates would affect net loss by $104,329.

(Expressed in Canadian Dollars)

4. Risk factors (continued)

Sensitivity analysis (continued)

(ii) The Corporation is exposed to foreign currency risk on fluctuations of financial instruments that are denominated in Guyanese dollars related to cash and cash equivalents, accounts receivable and deposits and accounts payable and accrued liabilities. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect net loss by $1,491.

(iii) Commodity uranium price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depends upon the world market price of uranium. Uranium prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of uranium may be produced in the future, a profitable market will exist for them. As of March 31, 2008, the Corporation is not a uranium producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations

5. Property and equipment

March 31, 2008	Cost	Accumulated amortization	Net carrying value
Guyana			
Field equipment	$ 801,466	$ 247,202	$ 554,264
Vehicles	62,695	31,430	31,265
Mobile and drilling equipment	1,185,758	277,075	908,683
Furniture and fixtures	38,696	14,546	24,150
	2,088,615	570,253	1,518,362
Canada			
Furniture and fixtures	18,412	7,034	11,378
	$ 2,107,027	$ 577,287	$ 1,529,740

(Expressed in Canadian Dollars)

5. Property and equipment (continued)

December 31, 2007	Cost	Accumulated amortization	Net carrying value
Guyana			
Field equipment	$ 758,029	$ 152,644	$ 605,385
Vehicles	62,695	18,031	44,664
Mobile and drilling equipment	1,150,304	196,804	953,500
Furniture and fixtures	34,657	9,013	25,644
	2,005,685	376,492	1,629,193
Canada			
Furniture and fixtures	16,192	6,216	9,976
	$ 2,021,877	$ 382,708	$ 1,639,169

6. Related party transaction

The Chief Financial Officer is a partner in a firm providing corporate secretarial and accounting services to U308. During the three months ended March 31, 2008, U308 expensed $10,151 (three months ended March 31, 2007 - $8,900) for services rendered by this firm. In addition, as at March 31, 2008, this firm was owed $11,595 (March 31, 2007 - $3,460) and this amount was included in accounts payable and accrued liabilities.

This transaction is in the normal course of operations and is measured at the exchange value (the amount established and agreed to by the related parties).

7. Stock options

The following table reflects the continuity of stock options for the three months ended March 31, 2008:

	Number of Stock options	**Weighted average exercise price ($)**
Balance, December 31, 2007	2,015,000	2.55
Issued (1)	300,000	1.05
Cancelled	(50,000)	2.50
Balance, March 31, 2008	2,265,000	2.35

(1) On January 15, 2008, the Corporation granted an aggregate of 300,000 incentive stock options to a key employee, pursuant to the Corporation’s Stock Option Plan, at an exercise price of $1.05 per share. The options are exercisable for a period of five years. For the purposes of the 300,000 options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 101.80%; risk-free interest rate of 3.50% and an expected average life of 5 years. The estimated value of $241,500 will be recorded as a debit to the relevant expense category and credited to contributed surplus as the options vest. The options vest over thirty-six months as to one-third on January 15, 2009, one-third on January 15, 2010 and one-third on January 15, 2011. For the three months ended March 31, 2008, the impact on expenses was $24,598.

The weighted average grant date fair value of options granted during the three months ended March 31, 2008 was $0.81.

(Expressed in Canadian Dollars)

7. Stock options (continued)

The portion of the estimated fair value of options granted in prior periods and vesting in the current period, which have been reflected in the statements of operating loss and comprehensive loss are as follows:

For the three months ended March 31,	2008	2007
Canada		
Directors' stock based compensation	**$ 32,727**	$ 318,094
Management compensation	**53,114**	44,253
Investor relations	**2,337**	27,661
Professional fees	**1,401**	8,298
	89,579	398,306
Guyana		
Exploration expenditures in Guyana	**11,697**	235,306
Total	**$ 101,276**	$ 633,612

The following table reflects the actual stock options issued and outstanding as of March 31, 2008:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
June 12, 2008	2.50	75,000	75,000	-
December 15, 2009	2.50	1,800,000	1,350,000	450,000
March 6, 2010	3.63	90,000	67,500	22,500
December 20, 2012	1.05	300,000	-	300,000
		2,265,000	1,492,500	772,500

8. Share capital

On March 13, 2008, U3O8 announced that it has adopted a shareholder rights plan (the "Rights Plan"). The Rights Plan is designed to ensure the fair treatment of U3O8's shareholders in any transaction involving a change of control of the Corporation and will provide U3O8's board of directors and U308's shareholders with adequate time to evaluate any unsolicited take-over bid and, if appropriate, to seek out alternatives to maximize shareholder value. The TSX Venture Exchange has accepted notice of filing of the Rights Plan.

(Expressed in Canadian Dollars)

8. Share capital (continued)

The Rights Plan will be effective immediately and will continue in effect until March 4, 2011, subject to being ratified by the shareholders of the Corporation at the annual meeting of shareholders currently proposed to be held on June 27th, 2008. If the Rights Plan is not ratified by the shareholders of the Corporation at a meeting held on or before September 4, 2008, the Rights Plan will cease to be of force or effect. The Rights Plan is similar to other rights plans adopted by many Canadian corporations. Until the occurrence of certain specific events, the rights will trade with the shares of the Corporation and be represented by certificates representing the shares. The rights become exercisable only when a person, including any party related to it or acting jointly with it, acquires or announces its intention to acquire 20% or more of the outstanding shares of the Corporation without complying with the Permitted Bid provisions of the Rights Plan. Should a non-Permitted Bid be launched, each right would entitle each holder of shares (other than the acquiring person and persons related to it or acting jointly with it) to purchase additional shares of the Corporation at a 50% discount to the market price at the time.

It is not the intention of the Rights Plan to prevent take-over bids but to ensure their proper evaluation by the market. Under the Rights Plan, a Permitted Bid is a bid made to all shareholders for all of their shares on identical terms and conditions that is open for at least 60 days. If at the end of 60 days at least 50% of the outstanding shares, other than those owned by the offeror and certain related parties, have been tendered and not withdrawn, the offeror may take up and pay for the shares but must extend the bid for a further ten days to allow all other shareholders to tender.

9. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2008:

	Number of Warrants	Weighted average exercise price ($)
Balance, December 31, 2007 and March 31, 2008	568,300	2.50

The following table reflects the actual warrants outstanding as of March 31, 2008:

Expiry Date	Number of warrants	Exercise price ($)	Fair Value ($)
December 27, 2008	568,300	2.50	711,512

10. Comparative information

Certain comparative figures have been reclassified to confirm with current period financial statement presentation.

(Expressed in Canadian Dollars)

11. Segmented information

The Corporation primarily operates in one reportable operating segment, being the development of properties for production of uranium in Guyana. The Corporation has administrative offices in Toronto, Canada. Segmented information on a geographic basis is as follows:

March 31, 2008	Cash and cash equivalents	Guaranteed investment certificates	Property, plant and equipment	Other assets	Total assets
Canada	$ 957,210	$ 18,915,098	$ 11,378	$ 109,853	$ 19,993,539
Guyana	460,851	-	1,518,362	19,663	1,998,876
Barbados	99,025	-	-	-	99,025
	$ 1,517,086	$ 18,915,098	$ 1,529,740	$ 129,516	$ 22,091,440

December 31, 2007	Cash and cash equivalents	Guaranteed investment certificates	Property, plant and equipment	Other assets	Total assets
Canada	$ 2,310,397	$ 19,760,581	$ 9,976	$ 78,120	$ 22,159,074
Guyana	336,211	-	1,629,193	25,890	1,991,294
Barbados	107,856	-	-	-	107,856
	$ 2,754,464	$ 19,760,581	$ 1,639,169	$ 104,010	$ 24,258,224

12. Subsequent event

On May 1, 2008, the Corporation granted an aggregate of 40,000 incentive stock options to a key employee, pursuant to the Corporation's Stock Option Plan, at an exercise price of $0.65 per share. The options are exercisable for a period of five years.

On May 16, 2008, the Corporation announced that the independent directors and a former director of the Corporation have agreed to the cancellation of 650,000 stock options.