

Financial Statements of

UEX CORPORATION

Years ended December 31, 2005 and 2004



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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of UEX Corporation as at December 31, 2005 and 2004 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP (signed)

Chartered Accountants

Vancouver, Canada

March 10, 2006

UEX CORPORATION

Balance Sheets

December 31, 2005 and 2004

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,921,021	\$ 24,248,183
Amounts receivable	423,835	153,875
Prepaid expenses	33,220	23,172
	<u>45,378,076</u>	<u>24,425,230</u>
Equipment (note 3)	61,100	57,947
Mineral properties (note 4)	37,689,052	20,038,210
	<u>\$ 83,128,228</u>	<u>\$ 44,521,387</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 1,896,519	\$ 2,004,227
Future income taxes (note 5)	9,121,818	4,738,677
Shareholders' equity:		
Share capital (note 6)	71,526,422	37,776,499
Contributed surplus (note 7)	1,998,577	1,906,013
Deficit	(1,415,108)	(1,904,029)
	<u>72,109,891</u>	<u>37,778,483</u>
	<u>\$ 83,128,228</u>	<u>\$ 44,521,387</u>

Nature of operations (note 1)
Commitments (notes 4 and 6(e))
Subsequent events (notes 9)

See accompanying notes to financial statements.

Approved on behalf of the Board:

"Stephen H. Sorensen" Director

"Graham C. Thody" Director

UEX CORPORATION

Statements of Operations and Deficit

Years ended December 31, 2005 and 2004

	2005	2004
Expenses:		
Amortization	\$ 21,929	\$ 10,226
Bank charges and interest	2,243	1,364
Filing fees and stock exchange	111,255	33,939
General and administration	85,200	72,002
Insurance	16,742	2,765
Legal, accounting and audit	148,406	53,495
Rent	39,055	29,524
Salaries and benefits	259,594	257,456
Stock-based compensation (note 6(c))	431,102	1,495,067
Telephone	6,938	5,736
Travel and promotion	33,074	15,908
Loss before the following	(1,155,538)	(1,977,482)
Investment and other income	812,979	254,714
Administrative expense recovery	82,698	-
Write-down of mineral properties (note 4)	(1,672)	(196,914)
Loss before income taxes	(261,533)	(1,919,682)
Future income tax recovery (note 5)	750,454	77,033
Net earnings (loss) for the year	488,921	(1,842,649)
Deficit, beginning of year	(1,904,029)	(61,380)
Deficit, end of year	\$ (1,415,108)	\$ (1,904,029)
Earnings (loss) per share:		
Basic	\$ -	\$ (0.01)
Diluted	-	(0.01)
Weighted average number of shares outstanding:		
Basic	158,987,256	131,370,640
Diluted	163,503,886	138,561,927

See accompanying notes to financial statements.

UEX CORPORATION

Statements of Cash Flows

Years ended December 31, 2005 and 2004

	2005	2004
Cash provided by (used for):		
Operations:		
Net earnings (loss) for the year	\$ 488,921	\$ (1,842,649)
Items not involving cash		
Amortization	21,929	10,226
Future income tax recovery	(750,454)	(77,033)
Stock-based compensation	431,102	1,495,067
Write-down of mineral properties	1,672	196,914
Changes in non-cash operating working capital:		
Amounts receivable	(269,960)	(128,093)
Prepaid expenses	(10,048)	(14,950)
Accounts payable and accrued liabilities	(40,708)	30,132
	(127,546)	(330,386)
Investments:		
Mineral property expenditures	(17,124,476)	(6,677,175)
Change in accounts payable and accrued liabilities relating to mineral property expenditures	(67,000)	1,857,000
Purchase of equipment	(25,082)	(68,173)
	(17,216,558)	(4,888,348)
Financing:		
Common shares issued, net of share issuance costs	38,016,942	26,129,304
Increase in cash and cash equivalents	20,672,838	20,910,570
Cash and cash equivalents, beginning of year	24,248,183	3,337,613
Cash and cash equivalents, end of year	\$ 44,921,021	\$ 24,248,183
Supplementary information:		
Interest received	\$ 747,796	\$ 252,701
Non-cash stock-based compensation included in mineral property expenditures	216,003	252,003
Increase in mineral properties due to future income taxes	312,035	-

See accompanying notes to financial statements.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2005 and 2004

1. Nature of operations:

The Company was incorporated under the Canada Business Corporations Act on October 2, 2001. On October 23, 2001, the Company entered into an agreement with Pioneer Metals Corporation ("Pioneer") and Cameco Corporation ("Cameco") to establish the Company as a public uranium exploration company. On July 17, 2002, under a plan of arrangement with Pioneer, Pioneer transferred to the Company its uranium exploration properties and all related assets, including the Riou Lake and Black Lake Projects. On the same date, Cameco transferred its Hidden Bay uranium exploration property and certain related assets, in exchange for shares of the Company.

The Company is in the process of exploring its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete exploration and development, completion of commitments required under option agreements in order for the Company to earn its interest in the underlying mineral claims and upon future profitable production or proceeds from the disposition of its mineral properties.

2. Significant accounting policies:

(a) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of mineral properties, determination of valuation allowances for future income tax assets and assumptions used in determining the fair value of non-cash stock-based compensation. Actual amounts may differ from such estimates.

(b) Cash equivalents

Cash equivalents are highly liquid investments having a maturity of three months or less at the date of acquisition and are readily convertible to contracted amounts of cash.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2005 and 2004

2. Significant accounting policies (continued):

(c) Equipment:

Equipment is stated at cost less accumulated amortization. Amortization is provided on a declining-balance basis over the expected useful lives of the assets, using the following rates:

Asset	Rate
Exploration equipment	30%
Computer equipment	30%
Computer software	100%

In the year of acquisition, amortization is provided at one-half the declining balance rate.

(d) Mineral properties:

All acquisition, exploration, development and start-up costs are capitalized until such time as the project to which they relate is put into commercial production, sold, abandoned or the recovery of costs is determined to be unlikely. Upon reaching commercial production, these capitalized costs are amortized over the estimated ore reserves on a unit-of-production basis. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values. The underlying value of all properties is entirely dependent on the existence and economic recovery of reserves in the future. All administrative costs are expensed in the year incurred.

(e) Asset retirement obligations:

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it incurs a legal obligation, if a reasonable estimate of fair value can be made, based on the discounted estimated future cash settlement of an asset retirement obligation. The asset retirement obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. This asset retirement cost will be depreciated over the life of the related asset. The liability is accreted, through operating expense, over a period ending when the liability is finally settled in cash, subject to annual adjustments for changes in estimates. The Company has assessed each of its mineral projects and determined that no material asset retirement obligations exists.

(f) Financial instruments:

The carrying amounts of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

2. Significant accounting policies (continued):

(g) Stock-based compensation:

The Company has a share option plan which is described in note 6(c). The Company records all stock-based payments using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable and are charged to operations over the vesting period. The offset is credited to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

(h) Income taxes:

Income taxes are accounted for under the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period the substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

The future income tax effect on eligible mineral property expenditures funded by proceeds from the issuance of flow-through shares is charged to share issuance costs at the time the expenditures are renounced to shareholders.

(i) Earnings (loss) per share:

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding and earnings (loss) available to shareholders. For all periods presented, earnings (loss) available to shareholders equals reported earnings (loss). The treasury stock method is used to calculate diluted earnings per share. However, outstanding options and warrants would have no dilutive effects on basic loss per share for 2004 due to the Company's loss for that year.

(j) Variable interest entities:

Effective January 1, 2005, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 15, "*Consolidation of Variable Interest Entities*" ("AcG-15") on a prospective basis. AcG-15 prescribes the application of consolidation principles for entities that meet the definition of a variable interest entity ("VIE"). An enterprise holding other than a voting interest in a VIE could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses, receive the majority of its expected residual returns, or both. The adoption of this new standard had no effect on the financial statements as management has determined the Company does not have any variable interest entities.

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

3. Equipment:

2005	Cost	Accumulated amortization	Net book value
Exploration equipment	\$ 80,410	\$ 27,757	\$ 52,653
Computer equipment	10,609	3,280	7,329
Computer software	2,236	1,118	1,118
	\$ 93,255	\$ 32,155	\$ 61,100

2004	Cost	Accumulated amortization	Net book value
Exploration equipment	\$ 61,550	\$ 9,232	\$ 52,318
Computer equipment	6,623	994	5,629
	\$ 68,173	\$ 10,226	\$ 57,947

4. Mineral properties:

The continuity of expenditures on mineral properties is as follows:

Project	Balance December 31, 2004	Exploration and development expenditures	Write-down of mineral properties	Balance December 31, 2005
West Athabasca	\$ 3,480,946	\$ 7,569,539	\$ -	\$ 11,050,485
Hidden Bay	11,514,610	4,098,331	-	15,612,941
Black Lake	1,654,998	3,360,927	-	5,015,925
Riou Lake	2,824,469	1,859,614	-	4,684,083
Beatty River	27,009	211,678	-	238,687
North Athabasca	534,506	552,425	-	1,086,931
Other	1,672	-	(1,672)	-
	\$ 20,038,210	\$ 17,652,514	\$ (1,672)	\$ 37,689,052

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

4. Mineral properties (continued):

Project	Balance December 31, 2003	Exploration and development expenditures	Write-down of mineral properties	Balance December 31, 2004
West Athabasca	\$ -	\$ 3,480,946	\$ -	\$ 3,480,946
Hidden Bay	10,293,557	1,221,053	-	11,514,610
Black Lake	590,888	1,064,110	-	1,654,998
Riou Lake	2,224,587	599,882	-	2,824,469
Beatty River	-	27,009	-	27,009
North Athabasca	-	534,506	-	534,506
Serendipity Lakes	196,914	-	(196,914)	-
Other	-	1,672	-	1,672
	\$ 13,305,946	\$ 6,929,178	\$ (196,914)	\$ 20,038,210

A summary of the company's mineral property interests is as follows:

(a) West Athabasca Projects:

During 2004, the Company entered into an agreement with COGEMA whereby the Company was granted the option to acquire up to a 49% interest in certain uranium projects (the "West Athabasca Projects") located in the western Athabasca Basin in northern Saskatchewan. In order to earn this interest, the Company is required to fund \$30,000,000 in exploration expenditures over an eleven year period as follows:

First and second years	Minimum \$2,000,000 per year
Third to sixth years	Minimum \$2,500,000 per year
Seventh to ninth years	Minimum \$3,000,000 per year
Tenth and eleventh years	Minimum \$3,500,000 per year

The Company will earn a 12.25% interest in the West Athabasca Projects, which includes the Anne, Colette and Kianna deposits, for every \$7,500,000 incurred to a maximum total interest of 49%. At December 31, 2005, the Company has earned a 12.25% interest in the West Athabasca Projects.

The Anne and Colette Deposits, located within the West Athabasca Projects, are subject to a royalty of US\$0.212 per pound of U₃O₈ sold to a maximum royalty of US\$10,000,000.

(b) Hidden Bay Project:

The Company's 100%-owned Hidden Bay Project assets, including the West Bear and Raven-Horseshoe deposits, are located immediately west of Wollaston Lake in Saskatchewan.

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

4. Mineral properties (continued):

(c) Black Lake Project:

Prior to 2002, the Company had an option to earn a 60% interest in the Black Lake Project lands, located in the Athabasca Basin, by spending \$2.5 million by December 31, 2007. The Black Lake Project lands were held 50% by Cameco and 50% by COGEMA Resources Inc. ("COGEMA"). Pursuant to the October 23, 2001 agreement between the Company and Cameco (note 1), Cameco was to transfer its 50% interest in the Black Lake Project lands to the Company and the Company's option agreement on the property was to be terminated. This transfer was completed in January 2004 and accordingly, at that time, the Company held a 50% interest in the Black Lake Project and the remaining 50% interest was held by COGEMA.

As a result of COGEMA electing not to participate in the winter 2004 and summer 2005 exploration programs, the Company's interest in the Black Lake Project increased to 76.43% and COGEMA's interest decreased to 23.57%. A joint venture agreement is currently being negotiated.

(d) Riou Lake Project:

The Company has a 100% interest, in the Riou Lake uranium exploration project, located in the Athabasca Basin.

(e) Beatty River Project:

During 2004, the Company entered into an option agreement with Japan-Canada Uranium Company, Limited ("JCU"), whereby the Company was granted an option to acquire a 25% interest in the Beatty River Project, located in the western Athabasca Basin in northern Saskatchewan, by funding \$865,000 in exploration expenditures by December 31, 2008. At the time of the agreement, COGEMA held a 50.71% interest and JCU held a 49.29% interest in the Beatty River Project.

(f) North Athabasca Project:

During 2004, the Company staked five uranium projects in the northern Athabasca Basin near Stony Rapids, Saskatchewan.

(g) Serendipity Lakes:

Pursuant to the agreement entered into by Pioneer with D.F. Exploration Uranium Ltd., the Company could earn up to a 60% interest in this project by spending \$1.75 million by December 31, 2008. During the year ended December 31, 2004, the Company terminated this option and wrote-off the \$196,914 of deferred mineral property costs associated with this project.

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

5. Income taxes:

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2005	2004
Loss before income taxes	\$ (261,533)	\$ (1,919,682)
Statutory rates	34.87%	39.12%
Income tax recovery at statutory rates	\$ 91,197	\$ 750,980
Non-deductible expenses and timing differences	(195,433)	(670,134)
Deductible share issuance costs	286,852	149,135
Future income taxes related to mineral properties	654	77,033
Benefit of previously unrecognized future income tax assets	583,667	-
Future tax rate differences	(16,483)	-
Losses not recognized	-	(229,981)
Future income tax recovery	\$ 750,454	\$ 77,033

The tax effects of temporary differences that give rise to significant portions of the future tax assets and liabilities at December 31, 2005 and 2004 are presented below:

	2005	2004
Future tax assets:		
Loss carry forwards	\$ 636,807	\$ 486,000
Equipment	10,971	4,000
Share issuance costs	855,063	436,000
Valuation allowance	-	(926,000)
Net future tax assets	1,502,841	-
Future tax liabilities:		
Mineral properties	(10,624,659)	(4,738,677)
Net future tax liabilities	\$ (9,121,818)	\$ (4,738,677)

At December 31, 2005, the Company has approximately \$1,854,000 of non-capital loss carry forwards for federal income tax purposes that are available to offset future federal taxable income. These operating losses expire between 2009 and 2015.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2005 and 2004

6. Share capital:

(a) Authorized:

The authorized share capital of the Company consists of unlimited number of common shares and unlimited number of preferred shares issuable in series, of which 1,000,000 preferred shares have been designated series 1 preferred shares.

(b) Issued and outstanding - common shares:

	Number of shares	Value
Balance, December 31, 2003	115,526,844	\$ 11,647,195
Issued in 2004:		
For cash by way of private placements, net of share issuance costs	26,666,667	25,484,261
For cash on exercise of stock options (note 6(c))	2,700,000	281,000
For cash on exercise of warrants	2,056,174	364,043
Balance, December 31, 2004	146,949,685	37,776,499
Issued in 2005:		
For cash by way of private placements, net of share issuance costs	16,000,000	36,292,967
Future income taxes on share issuance costs	-	753,040
For cash on exercise of stock options (note 6(c))	1,097,500	617,650
For cash on exercise of warrants	5,225,300	1,106,325
Contributed surplus transferred on exercise of stock options	-	554,541
Future income taxes on flow-through expenditures renounced to shareholders	-	(5,574,600)
Balance, December 31, 2005	169,272,485	\$ 71,526,422

During the year ended December 31, 2005, the Company entered into the following private placements:

- (i) On June 29, 2005 the Company issued 6,000,000 flow-through common shares at \$2.00 per share for gross proceeds of \$12,000,000, pursuant to a brokered private placement. A commission of \$480,000 was paid to the broker and \$70,237 of additional issuance costs were incurred; and
- (ii) On August 3, 2005 the Company issued 10,000,000 common shares at \$2.65 per share for gross proceeds of \$26,500,000, pursuant to a brokered private placement. A commission of \$1,590,000 was paid to the broker and \$66,796 of additional issuance costs were incurred.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2005 and 2004

6. Share capital (continued):

(b) Issued and outstanding - common shares (continued):

During the year ended December 31, 2004, the Company entered into the following private placements:

- (A) On April 14, 2004 the Company issued 10,000,000 common shares at a price of \$0.50 per share, for gross proceeds of \$5,000,000, pursuant to a non-brokered private placement;
- (B) On June 3, 2004 the Company issued 5,666,667 flow-through common shares at \$0.75 per share for gross proceeds of \$4,250,000, pursuant to a brokered private placement. A commission of \$212,500 was paid to the broker and the Company also issued 283,333 compensation warrants to the broker. Each compensation warrant entitles the broker to acquire one common share of the Company at a price of \$0.75 per share until June 3, 2006. The grant date fair value of these compensation warrants has been included in share capital on a net basis;
- (C) On September 15, 2004 the Company issued 7,000,000 common shares at a price of \$1.00 per share for gross proceeds of \$7,000,000, pursuant to a non-brokered private placement; and
- (D) On October 29, 2004 the Company issued 4,000,000 flow-through common shares at \$2.50 per share for gross proceeds of \$10,000,000, pursuant to a brokered private placement. The Company paid a commission of \$400,000 to the agent as part of this private placement.

(c) Stock-based compensation:

Under the Company's stock-based compensation plan, the Company may grant options to its key employees, directors, officers and others providing services to the Company. In the prior year, the maximum number of shares issuable under the plan is 11,000,000. In 2005, the maximum number of shares issuable under the plan changed to a rolling number equal to 10% of the issued and outstanding common shares of the Company from time to time. Under the plan, the exercise price of each option shall be fixed by the board of directors but shall not be less than the quoted market value of the shares on the Toronto Stock Exchange at the time the option is granted and an option's maximum term is 10 years. The shares subject to each option shall become purchasable at such time or times as may be determined by the board of directors.

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

6. Share capital (continued):

(c) Stock-based compensation (continued):

A summary of the status of the Company's stock-based compensation plan as of December 31, 2005 and 2004, and changes during the years ended on these dates are presented below.

	Number of options	Weighted-average exercise price
Outstanding, December 31, 2003	4,950,000	\$ 0.10
Granted during the year	2,520,000	1.05
Exercised during the year	(2,700,000)	0.10
Outstanding, December 31, 2004	4,770,000	0.60
Granted during the year	425,000	2.19
Exercised during the year	(1,097,500)	0.56
Outstanding, December 31, 2005	4,097,500	\$ 0.78
Exercisable, December 31, 2005	3,764,168	

As at December 31, 2005, the Company had reserved a total of 4,097,500 common shares for issuance related to director and employee options, the details of which are as follows:

Exercise prices	Number outstanding, December 31, 2005	Weighted average remaining contractual life
\$ 0.08	1,360,000	7.7 years
0.10	86,000	7.0 years
0.12	351,500	5.4 years
0.84	500,000	8.5 years
0.95	875,000	8.7 years
1.69	500,000	8.8 years
1.80	250,000	9.5 years
2.75	175,000	9.2 years
	4,097,500	8.1 years

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Notes to Financial Statements

Years ended December 31, 2005 and 2004

6. Share capital (continued):

(c) Stock-based compensation (continued):

The estimated fair value of all options granted and vested during 2005 is \$647,105 (2004 - \$1,747,070). Included in deferred exploration and development expenditures is \$216,003 (2004 - \$252,003) of stock-based compensation.

The weighted average fair value of options granted during the year ended December 31, 2005 was \$1.35 (2004 - \$0.85) per option using the Black-Scholes option pricing model with the following assumptions:

	2005	2004
Volatility percentage	83%	120%
Risk-free interest rate	3.3%	3.8%
Dividend yield	-	-
Expected life of options	4 years	4 years

(d) Warrants:

At December 31, 2005, the following share purchase warrants enabling holders to acquire shares were outstanding:

Number of shares	Exercise price	Expiry date
283,333	0.75	June 3, 2006

(e) Flow-through shares:

During 2005, the Company raised \$12,000,000 (2004 - \$14,250,000) by way of flow-through common shares. Once renounced by the Company, flow-through shares provide shareholders with the tax deductions associated with qualified exploration expenditures. At December 31, 2005, a total of \$6,414,843 of flow-through funds that were raised in 2005, and included in cash and cash equivalents, remained to be spent (2004 - \$11,417,000), of which \$1,736,408 had been incurred and is included in accounts payable and accrued liabilities as at December 31, 2005. The Company has until December 31, 2006 to incur the remaining amount.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2005 and 2004

7. Contributed surplus:

The continuity of the Company's contributed surplus is as follows:

	2005	2004
Contributed surplus, beginning of year	\$ 1,906,013	\$ 158,943
Fair value of options granted and vested during the year	647,105	1,747,070
Transferred to share capital on exercise of options	(554,541)	-
Contributed surplus, end of year	\$ 1,998,577	\$ 1,906,013

8. Related party transactions:

During the year ended December 31, 2005, the Company was charged by Cameco a total of \$646,927 (2004 - \$256,992) for expenses incurred by Cameco on the Company's Hidden Bay mineral property, of which no mark-up over Cameco's cost was charged. At December 31, 2005, \$92,093 due to Cameco was included in accounts payable and accrued liabilities (2004 - \$84,061).

During the year ended December 31, 2005, fees for legal and accounting services in the amount of \$115,759 (2004 - \$164,591), a portion of which were share issuance costs, were paid to firms of which a director or a former director of the Company are partners.

9. Subsequent events:

Subsequent to December 31, 2005:

- The Company issued 8,222,600 common shares at \$5.00 per share and 2,000,000 flow-through common shares at \$6.00 per share for gross proceeds of \$53,113,000, pursuant to a brokered private placement. A commission of \$1,995,000 was paid to the broker.
- The Company granted stock options enabling directors and employees to acquire up to 1,650,000 common shares at an exercise price of \$5.00 per share, expiring on January 11, 2016.
- The Company granted stock options enabling employees to acquire up to 300,000 common shares at an exercise price of \$5.00 per share, vesting over a period of two years and expiring on January 11, 2016.
- The Company issued 132,800 common shares on the exercise of stock options for proceeds of \$224,432.
- The Company issued 50,000 common shares on the exercise of share purchase warrants for proceeds of \$37,500.



Corporate Information

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Auditors

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Transfer Agency

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Directors & Officers

Stephen H. Sorensen
President, Chief Executive Officer, and Director

Graham C. Thody
Director

Colin C. Macdonald
Director

Walter T. Segsworth
Director

Suraj P. Ahuja
Director

Warren W. Stanyer
Vice-President, Corporate Development, and Corporate Secretary

Patrick D. McGowan
Vice-President, Exploration

E. Louie Zioulas
Vice-President, Finance