

Interim Financial Statements of

URACAN RESOURCES LTD.

(Unaudited)

As at and for the nine months ended April 30, 2009

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, the Company discloses that its auditors have not reviewed the Company's unaudited financial statements for the three and nine month periods ended April 30, 2009.

URACAN RESOURCES LTD.**Balance Sheets (unaudited)***(expressed in Canadian dollars)*

	April 30, 2009	July 31, 2008
ASSETS		
Current		
Cash and cash equivalents	\$ 10,525	\$ 1,053,867
Short-term investments (Note 3)	4,006,000	-
Receivables	159,820	312,078
Prepays and deposits	13,679	103,729
	<u>4,190,024</u>	<u>1,469,674</u>
Property, plant and equipment (Note 4)	161,234	101,369
Equipment under capital lease (Note 5)	36,440	43,273
Mineral properties (Note 6)	<u>20,029,102</u>	<u>18,861,043</u>
	<u>\$ 24,416,800</u>	<u>\$ 20,475,359</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 708,415	\$ 1,172,663
Current portion of obligation under capital lease (Note 7)	<u>20,708</u>	<u>17,837</u>
	729,123	1,190,500
Obligation under capital lease (Note 7)	5,854	21,764
Future income tax liability (Note 11)	<u>2,162,564</u>	<u>1,297,252</u>
	<u>2,897,541</u>	<u>2,509,516</u>
Shareholders' equity		
Share capital (Note 8)	21,811,466	17,894,534
Contributed surplus (Note 8)	5,176,735	4,182,240
Deficit	<u>(5,468,942)</u>	<u>(4,110,931)</u>
	<u>21,519,259</u>	<u>17,965,843</u>
	<u>\$ 24,416,800</u>	<u>\$ 20,475,359</u>

Nature of operations and going concern (Note 2)**Subsequent Event** (Note 8(d))

Approved by the Board of Directors:

"Gordon Keep" Director"Jay Sujir" Director*See accompanying notes to the unaudited financial statements*

URACAN RESOURCES LTD.**Statements of Operations, Comprehensive Loss and Deficit (unaudited)***(expressed in Canadian dollars)*

	Three months ended April 30,		Nine months ended April 30,	
	2009	2008	2009	2008
Expenses				
Consulting	\$ 82,503	\$ 106,523	\$ 252,568	\$ 232,751
Depreciation	14,598	5,546	43,337	13,495
Flow-through penalties and interest	92,867	-	109,699	-
Loss on disposal of equipment	-	-	8,334	-
Marketing and advertising	9,888	29,784	33,309	69,273
Office and administration	58,811	25,114	160,075	56,192
Professional fees	54,326	45,820	99,115	110,143
Recruitment fees	-	-	72,000	-
Regulatory and transfer agent	14,929	14,372	20,822	31,882
Salaries and benefits	51,871	9,220	157,763	10,535
Shareholder services	51,860	51,832	140,022	150,061
Stock-based compensation (Note 8(e))	3,197	760,086	543,773	781,779
Travel, meals and entertainment	34,317	14,161	50,431	47,350
	<u>469,167</u>	<u>1,062,458</u>	<u>1,691,248</u>	<u>1,503,461</u>
Other Items				
Interest income	10,239	62,026	35,389	150,820
Write-off of leasehold improvements (Note 10)	-	-	(26,396)	-
Write-off of deferred rent (Note 10)	-	-	18,292	-
	<u>(458,928)</u>	<u>(1,000,432)</u>	<u>(1,663,963)</u>	<u>(1,352,641)</u>
Loss before income taxes				
Future income tax recovery (Note 11)	85,593	188,369	305,952	365,009
	<u>(373,335)</u>	<u>(812,063)</u>	<u>(1,358,011)</u>	<u>(987,632)</u>
Net loss and comprehensive loss for the period				
Deficit, beginning of period	<u>(5,095,607)</u>	<u>(3,928,990)</u>	<u>(4,110,931)</u>	<u>(3,753,421)</u>
Deficit, end of period	<u>\$ (5,468,942)</u>	<u>\$ (4,741,053)</u>	<u>\$ (5,468,942)</u>	<u>\$ (4,741,053)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	<u>90,971,257</u>	<u>67,037,532</u>	<u>83,387,578</u>	<u>60,372,204</u>

See accompanying notes to the unaudited financial statements

URACAN RESOURCES LTD.
Statements of Cash Flows (unaudited)
(expressed in Canadian dollars)

	Three months ended April 30,		Nine months ended April 30,	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net loss for the period	\$ (373,335)	\$ (812,063)	\$ (1,358,011)	\$ (987,632)
Items not involving cash:				
Consulting	-	-	25,763	-
Depreciation	14,598	5,546	43,337	13,495
Future income taxes	(85,593)	(188,369)	(305,952)	(365,009)
Loss on sale of property, plant and equipment	-	-	8,334	-
Shareholder services	13,852	-	25,966	-
Stock-based compensation	3,197	760,086	543,773	781,779
Write-off of leasehold improvements	-	-	26,396	-
Write-off of deferred rent	-	-	(18,292)	-
Changes in non-cash working capital items:				
Receivables	(113,631)	(123,748)	155,103	(4,432)
Prepays and deposits	5,644	67,095	90,050	(4,517)
Accounts payable and accrued liabilities	1,543,804	(334,197)	(1,004,899)	(758,303)
Cash provided by (used in) operating activities	<u>1,008,536</u>	<u>(625,650)</u>	<u>(1,768,432)</u>	<u>(1,324,619)</u>
FINANCING ACTIVITIES				
Issuance of shares	-	(32,880)	5,727,500	7,585,060
Share issue costs	-	-	(373,401)	-
Cash provided by (used in) financing activities	<u>-</u>	<u>(32,880)</u>	<u>5,354,099</u>	<u>7,585,060</u>
INVESTING ACTIVITIES				
Purchase of short-term investments	(4,506,000)	-	(4,506,000)	-
Proceeds on redemption of short-term investments	500,000	-	500,000	-
Purchase of property, plant and equipment	(17,321)	(45,549)	(168,599)	(47,991)
Recovery of property, plant and equipment previously written off	-	-	35,000	-
Proceeds on sale of property, plant and equipment	-	-	2,500	-
Equipment under capital lease, net	(4,565)	(2,017)	(13,039)	(2,017)
Mineral property costs	(2,291,986)	(2,598,238)	(4,498,185)	(7,283,926)
Recovery of mineral property costs (Note 6)	2,664,629	-	4,019,314	-
Cash used in investing activities	<u>(3,655,243)</u>	<u>(2,645,804)</u>	<u>(4,629,009)</u>	<u>(7,333,934)</u>
Decrease in cash and cash equivalents during the period	(2,646,707)	(3,304,334)	(1,043,342)	(1,073,493)
Cash and cash equivalents, beginning of period	2,657,232	7,560,192	1,053,867	5,329,351
Cash and cash equivalents, end of period	<u>\$ 10,525</u>	<u>\$ 4,255,858</u>	<u>\$ 10,525</u>	<u>\$ 4,255,858</u>
Cash and cash equivalents is comprised of:				
Cash	\$ 10,525	\$ 1,256,496	\$ 10,525	\$ 1,256,496
Short-term deposits	-	2,999,362	-	2,999,362
	<u>\$ 10,525</u>	<u>\$ 4,255,858</u>	<u>\$ 10,525</u>	<u>\$ 4,255,858</u>
Interest paid	\$ 28,158	\$ -	\$ 44,990	\$ -
Taxes paid	\$ -	\$ -	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 13)

See accompanying notes to the unaudited financial statements

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

1. BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS

The interim period financial statements of Uracon Resources Ltd. (the “**Company**”) have been prepared in accordance with Canadian generally accepted accounting principles (“**GAAP**”) and are expressed in Canadian dollars. The preparation of interim financial statements is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These interim period statements are unaudited should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

Recent Accounting Pronouncements

- (i) Effective August 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants (“**CICA**”) Handbook Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new standard has not had a material impact on the Company's financial statements.
- (ii) In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replace CICA Handbook Sections 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards (“**IFRS**”). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.
- (iii) In January 2006, the CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with IFRS by the end of 2011. As the International Accounting Standards Board currently, and expectedly, has projects underway that should result in new pronouncements that continue to evolve IFRS, and as the Canadian convergence initiative is in an early stage as of the date of these financial statements, it is premature to currently assess the impact of the Canadian initiative on the Company. The Company has established an IFRS team to develop and implement a plan for IFRS convergence and is commencing with training for key employees. Changes in accounting policies are likely and may materially impact the Company's financial statements.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

2. NATURE OF OPERATIONS AND GOING CONCERN

The Company, formerly UFM Ventures Ltd., was originally incorporated as 583860 B.C. Ltd. in the province of British Columbia on April 21, 1999. The Company changed its name to UFM Ventures Ltd. on March 4, 2004 and to Uraacan Resources Ltd. on July 27, 2006.

The Company's principal business activity is the acquisition and exploration of properties in the uranium industry, with a focus in Quebec and Saskatchewan. The Company has not generated revenues from operations and is considered to be in the exploration stage.

While these interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business, there are conditions that cast doubt on the validity of this assumption. As at April 30, 2009, the Company had working capital of \$3,460,901. The Company has incurred negative cash flows from operations, recorded a loss of \$1,358,011 for the nine months ended April 30, 2009 and had an accumulated deficit of \$5,468,942 as at April 30, 2009. In addition to its ongoing capital requirements, the Company must secure sufficient funding for existing commitments including minimum exploration expenditures amounting to approximately \$4.1 million over a period ending August 28, 2013. The Company's ability to continue as a going concern is dependent on management's capacity to identify additional sources of capital and to raise sufficient resources in order to fund the Company's development plan. These interim financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

3. SHORT-TERM INVESTMENTS

As at April 30, 2009, short-term investments consisted of term deposits held at a large international financial institution with the following terms:

<u>Principal</u>	<u>Interest rate</u>	<u>Maturity</u>
\$ 2,006,000	1.35%	January 22, 2010
<u>2,000,000</u>	0.80%	March 17, 2010
<u>\$ 4,006,000</u>		

The term deposits are redeemable, in full or in part, at any time prior to maturity with no penalty.

As at April 30, 2009, accrued interest on the short-term deposits totaled \$9,682, the amount of which was included in receivables in the unaudited balance sheet.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

4. PROPERTY, PLANT AND EQUIPMENT

The following table summarizes information about the Company's property, plant and equipment:

	<u>April 30, 2009</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
Computer equipment	\$ 39,260	\$ 17,019	\$ 22,241
Furniture and fixtures	100,717	13,656	87,061
Office equipment	15,376	3,661	11,715
Leasehold improvements	4,684	390	4,294
Exploration equipment	46,775	10,852	35,923
	<u>\$ 206,812</u>	<u>\$ 45,578</u>	<u>\$ 161,234</u>
	<u>July 31, 2008</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
Computer equipment	\$ 21,531	\$ 5,919	\$ 15,612
Furniture and fixtures	7,719	2,316	5,403
Office equipment	13,857	4,157	9,700
Leasehold improvements	39,594	11,878	27,716
Exploration equipment	46,775	3,837	42,938
	<u>\$ 129,476</u>	<u>\$ 28,107</u>	<u>\$ 101,369</u>

5. EQUIPMENT UNDER CAPITAL LEASE

The following table summarizes information about the Company's equipment under capital lease:

	<u>April 30, 2009</u>	<u>July 31, 2008</u>
Equipment (cost)	\$ 45,550	\$ 45,550
Accumulated depreciation	<u>(9,110)</u>	<u>(2,277)</u>
Net book value	<u>\$ 36,440</u>	<u>\$ 43,273</u>

The equipment under capital lease is amortized on a straight-line basis over its economic life of 5 years.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
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6. MINERAL PROPERTIES

North Shore Properties (Quebec)

On July 27, 2006, the Company signed an option agreement with Sheridan Platinum Group Limited ("**Sheridan**") whereby the Company has purchased a 100% interest in the Lac Turgeon, Wee Gee, Pontbriand and Costabelle properties (the "**North Shore Properties**") located along the Quebec North Shore of the Gulf of St. Lawrence (the "**Acquisition**"). The Company has paid Sheridan \$2,000,000 and has issued Sheridan 350,000 common shares of the Company. The Company granted Sheridan a Net Smelter Royalty ("**NSR**") of 3% in the first 2 years after commencement of commercial production, increasing to 5% thereafter. With a payment of \$3,000,000 within the first 30 days after commencement of commercial production, the Company has the right to reduce the NSR to 1.5% for the entire term. Effective January 1, 2008, the Company began making advance royalty payments of \$25,000 per quarter. As at April 30, 2009, the Company had paid Sheridan a total of \$150,000 in advance royalty payments.

Saskatchewan Properties

a) Pipewrench Lake and Narrows Lake Properties

In 2006, the Company staked two claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties.

b) Foster Lake Property

On August 5, 2008, the Company entered into an option agreement with Bonaventure Enterprises Inc. ("**Bonaventure**") whereby the Company can acquire up to a 75% interest in a number of mineral claims in northern Saskatchewan (the "**Foster Lake Property**"). In order to earn its 75% interest, the Company must:

- make staged payments to Bonaventure totaling \$870,000 over a three year period;
- issue a total of 1,250,000 common shares of the Company to Bonaventure over a four year period; and
- incur a minimum of \$5,000,000 in exploration expenditures on the Foster Lake Property over a period of five years.

As at April 30, 2009, the Company had paid Bonaventure \$130,688, had issued 250,000 common shares with a market value of \$55,000 to Bonaventure and had incurred \$935,144 in exploration expenditures on the Foster Lake Property.

The Foster Lake Property sits adjacent to the Company's Pipewrench Lake property. All payments, share issuances and exploration expenditures can be accelerated at the Company's option. Areas deemed non-prospective as a result of exploration work would be returned to Bonaventure. If the Company earns its interest, a joint venture will be formed to operate the mining project. If either party dilutes to a 10% interest or less, the interest will be converted to a 2% NSR, with an option for the Company to purchase 1% of the NSR for \$2,500,000.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

6. MINERAL PROPERTIES (continued)

The following table summarizes the capitalized costs associated with the Company's mineral properties:

	Quebec	Saskatchewan		Total
	North Shore Properties	Pipewrench and Narrows Properties	Foster Lake Property	
Acquisition costs:				
Balance, July 31, 2008	\$ 2,242,650	\$ 42,009	\$ -	\$ 2,284,659
Cash paid	75,000	-	130,688	205,688
Shares issued	-	-	55,000	55,000
License renewal fees	43,775	-	-	43,775
Balance, April 30, 2009	2,361,425	42,009	185,688	2,589,122
Exploration costs:				
Balance, July 31, 2008	13,577,928	3,369,672	-	16,947,600
Air support and fuel	460,844	-	297,490	758,334
Assaying and analysis	490,326	26,894	-	517,220
Consultants	1,152,133	91,732	399,718	1,643,583
Drilling	1,060,565	-	-	1,060,565
Field supplies	460,362	30,645	222,297	713,304
Office and salaries	99,322	8,597	15,639	123,558
Travel and accomodation	32,466	3,454	-	35,920
Balance, April 30, 2009	17,333,946	3,530,994	935,144	21,800,084
Recovered costs:				
Balance, July 31, 2008	(371,216)	-	-	(371,216)
Recovered costs	(3,988,888)	-	-	(3,988,888)
Balance, April 30, 2009	(4,360,104)	-	-	(4,360,104)
Total costs, April 30, 2009	\$ 15,335,267	\$ 3,573,003	\$ 1,120,832	\$ 20,029,102

During the nine months ended April 30, 2009, the Company received refunds of \$1,354,685 and \$2,664,629 from the Quebec government relating to the Company's exploration expenses incurred during fiscal 2007 and 2008, respectively. The amounts were included as recovered mineral property costs in the above table.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

7. OBLIGATION UNDER CAPITAL LEASE

The following table summarizes information about the Company's obligation under capital lease:

	April 30, 2009	July 31, 2008
	<u> </u>	<u> </u>
Capital lease obligation with imputed interest rate of 20% per annum	\$ 26,562	\$ 39,601
Less: current portion	<u>(20,708)</u>	<u>(17,837)</u>
	<u>\$ 5,854</u>	<u>\$ 21,764</u>

The following is a schedule of future minimum lease payments under the capital lease expiring August 27, 2010, together with the balance of the obligation under capital lease:

2009	\$ 6,051
2010	<u>24,203</u>
Total minimum lease payments	30,254
Amount representing interest at 20%	<u>(3,692)</u>
Balance of the obligation	<u>\$ 26,562</u>

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized

Unlimited number of common shares with no par value
Unlimited number of preferred shares with no par value

(b) Issued and fully paid common shares

	Number of Shares	Amount	Contributed surplus
	<u> </u>	<u> </u>	<u> </u>
Balance, July 31, 2008	67,037,532	17,894,534	4,182,240
Issued pursuant to private placements	23,010,000	5,378,801	311,199
Share issue costs	298,725	(346,847)	(23,709)
Warrants issued to brokers	-	(69,246)	69,246
Issued to Bonaventure	250,000	55,000	-
Exercise of stock options	375,000	50,247	(12,747)
Stock-based compensation (Note 8(e))	-	-	650,506
Income tax effect on flow-through share renouncement (Note 11)	<u>-</u>	<u>(1,151,023)</u>	<u>-</u>
Balance, April 30, 2009	<u>90,971,257</u>	<u>\$ 21,811,466</u>	<u>\$ 5,176,735</u>

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

(b) Issued and fully paid common shares (continued)

The Company completed non-brokered private placements on October 24, 2008 and October 30, 2008, totaling 19,220,000 flow-through units at a price of \$0.25 per flow-through unit and 1,250,000 non flow-through units at a price of \$0.20 per non flow-through unit for gross proceeds of \$5,055,000. Each flow-through unit consisted of one flow-through common share and one half of a common share purchase warrant, with each whole common share purchase warrant entitling the holder to acquire one common share of the Company at a price of \$0.50, with an expiry date 18 months from each of the private placements' respective closing dates. Each non flow-through unit consisted of one non flow-through common share and one half of a common share purchase warrant, with each whole common share purchase warrant entitling the holder to acquire one common share of the Company at a price of \$0.40, with expiry of April 24, 2010. In accordance with an advisory agreement, Endeavour Financial Ltd. ("**Endeavour**") earned a fee of \$50,550 in the form of 265,387 common shares of the Company. In connection with the private placements, the Company incurred finders' fees totaling \$321,050, which includes the fee earned by Endeavour and issued 1,026,000 warrants as finders' fees to purchase common shares of the Company at a price of \$0.25 per share with expiry dates 18 months from each of the private placements' respective closing dates.

The Company completed non-brokered private placements on November 7, 2008 and November 21, 2008, totaling 2,540,000 flow-through units at a price of \$0.25 per flow-through unit for gross proceeds of \$635,000. Each flow-through unit consisted of one flow-through common share and one half of a common share purchase warrant, with each whole common share purchase warrant entitling the holder to acquire one common share of the Company at a price of \$0.50, with an expiry date 18 months from each of the private placements' respective closing dates. In connection with the private placements and in accordance with an advisory agreement, Endeavour earned a fee of \$6,350 in the form of 33,338 common shares of the Company. Total finders' fees were \$43,850, which includes the fee earned by Endeavour. The Company also issued 150,000 warrants as finders' fees to purchase common shares of the Company at a price of \$0.25 per share with expiry dates 18 months from each of the private placements' respective closing dates.

The warrants issued as part of the above noted private placements and the warrants issued to the finders were valued using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free interest rate	2.66%
Expected life	1.5 years
Annualized volatility	75%
Dividend rate	0.00%

(c) Stock options

The Company has established a "rolling" Stock Option Plan (the "**Plan**"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

(c) Stock options (continued)

A summary of the changes in stock options is presented below:

	<u>Outstanding</u>	<u>Weighted average exercise price</u>
Balance, July 31, 2008	5,600,000	\$ 0.42
Granted	2,525,000	0.30
Exercised	(375,000)	0.10
Forfeited	(25,000)	0.53
Balance, April 30, 2009	<u>7,725,000</u>	<u>\$ 0.39</u>

The following table summarizes information about the stock options outstanding and exercisable at April 30, 2009:

<u>Outstanding</u>	<u>Exercisable</u>	<u>Exercise price</u>	<u>Expiry date</u>	<u>Remaining contractual life</u>
350,000	262,500	\$ 0.53	July 11, 2010	1.2 years
1,735,000	1,735,000	0.40	March 30, 2011	1.9 years
2,965,000	2,965,000	0.45	March 19, 2013	3.9 years
150,000	37,500	0.45	June 25, 2013	4.2 years
150,000	37,500	0.30	January 27, 2014	4.7 years
<u>2,375,000</u>	<u>2,375,000</u>	0.30	January 27, 2019	9.7 years
<u>7,725,000</u>	<u>7,412,500</u>			

(d) Warrants

A summary of the changes in warrants is presented below:

	<u>Number of warrants</u>	<u>Weighted average exercise price</u>
Balance, July 31, 2008	13,088,500	\$ 0.97
Issued	12,681,000	0.47
Expired	(4,658,500)	0.82
Balance, April 30, 2009	<u>21,111,000</u>	<u>\$ 0.71</u>

In connection with the private placements noted in Note 8(b), the Company issued a total of 11,505,000 warrants to the unit holders, with 10,880,000 warrants exercisable at \$0.50 per common share and 625,000 warrants exercisable at \$0.40 per common share.

In connection with the private placements noted in Note 8(b), the Company issued a total of 1,176,000 warrants exercisable at \$0.25 per common share as finders' fees.

URACAN RESOURCES LTD.
Notes to the unaudited Financial Statements
for the nine month periods ended April 30, 2009 and 2008

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

(d) Warrants (continued)

The following table summarizes information about the warrants outstanding at April 30, 2009:

<u>Outstanding & exercisable</u>	<u>Exercise price</u>	<u>Expiry date</u>
2,000,000	\$ 1.25	June 20, 2009
6,430,000	1.00	December 21, 2009
9,110,000	0.50	April 24, 2010
625,000	0.40	April 24, 2010
966,000	0.25	April 24, 2010
500,000	0.50	April 30, 2010
60,000	0.25	April 30, 2010
1,220,000	0.50	May 7, 2010
144,000	0.25	May 7, 2010
50,000	0.50	May 21, 2010
<u>6,000</u>	0.25	May 21, 2010
<u>21,111,000</u>		

On June 20, 2009, 2,000,000 warrants with an exercise price of \$1.25 per share expired.

(e) Stock-based compensation

Using the fair value method for stock-based compensation, the value of the portion of the stock options that vested during the nine months ended April 30, 2009 was \$650,506 (2008: \$859,483), of which \$543,773 (2008: \$781,779) was recorded as stock-based compensation, \$25,763 (2008: \$Nil) as consulting fees and \$25,966 (2008: \$Nil) as shareholder services in the unaudited statement of operations. The remaining \$55,004 (2008: \$77,704) was capitalized to mineral properties.

The following assumptions were used for the Black-Scholes valuation of stock options:

	<u>2009</u>	<u>2008</u>
Risk-free interest rate	0.50% - 3.94%	3.00%
Expected life	1.2 - 10 years	5 years
Annualized volatility	75%	75%
Dividend rate	0.00%	0.00%

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9. RELATED PARTY TRANSACTIONS

- (a) During the nine month period ended April 30, the Company incurred the following costs with companies or individuals related by way of directors and/or officers in common:

	<u>2009</u>	<u>2008</u>
Mineral properties	\$ 7,962	\$ -
Consulting fees	116,000	249,040
Professional fees	16,044	11,353
Share issue costs	29,318	24,410

Included in consulting fees was an amount of \$98,000 (2008: \$90,000) paid to Global Vision Capital Corp. (“**GVCC**”), whereby GVCC provides the Company with the services of Gregg J. Sedun and an amount of \$Nil (2008: \$148,040) paid to an individual who was employed by a company in which an officer is a director of the Company.

- (b) Included in accounts payable and accrued liabilities were the following amounts which were payable to companies or individuals related by way of directors and/or officers in common:

	<u>April 30, 2009</u>	<u>July 31, 2008</u>
Professional fees	\$ 15,440	\$ 5,919
Consulting fees	-	10,858

- (c) Included in accounts payable and accrued liabilities at April 30, 2009 was an amount of \$14,842 (July 31, 2008: receivable of \$4,252) due to Goldgroup Resources Inc (“**Goldgroup**”). This amount relates to 50% of the rent, administration staff salary and general office expenses. The office is shared by both companies and expenses are shared evenly.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. COMMITMENTS

During the nine months ended April 30, 2009, the Company moved its office to a new location and the lease agreement that was in place for the previous office was terminated as at September 30, 2008. All unamortized leasehold improvements associated with the previous lease were written off, which resulted in a charge to earnings of \$26,396. In addition, the Company wrote off its remaining deferred rent associated with the previous lease, which resulted in an amount of \$18,292 being recognized into income.

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10. COMMITMENTS (continued)

Effective October 1, 2008, Goldgroup has entered into a 7 year lease agreement for its office premises. As noted in 9(c), Goldgroup and the Company share all office expenses evenly. The Company's approximate portion of the minimum annual lease commitments are as follows:

2009	\$ 25,000
2010	100,100
2011	102,500
2012	103,000
2013	105,500
2014	106,000
2015	108,400
2016	18,200

11. INCOME TAXES

As at April 30, 2009, the Company had issued 39,590,000 common shares on a flow-through basis for gross proceeds of \$16,029,000. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to the flow-through participants. As at July 31, 2008, the Company had renounced the tax benefits on 17,830,000 flow-through common shares and the related \$10,589,000 of the gross proceeds.

During the nine months ended April 30, 2009, the Company renounced the tax benefits on the remaining 21,760,000 flow-through common shares and the related \$5,440,000 of the gross proceeds resulting in an increase to the income tax liability of \$1,250,703, with a corresponding amount reducing share capital. As a result of the Company incurring operating losses and the income tax liability being revalued at each period end, the liability from renunciation of flow-through shares is adjusted at each quarter end. As at April 30, 2009, the future income tax liability was \$2,162,564. A future income tax recovery of \$305,952 was also recorded during the nine month period ended April 30, 2009 upon reversal of the valuation allowance on future income tax assets.

12. FINANCIAL INSTRUMENTS

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, short-term investments, receivables and accounts payable and accrued liabilities.

The fair values of cash and cash equivalents, short-term investments, receivables and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

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12. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash and cash equivalents, short-term investments and receivables. The Company reduces its credit risk by maintaining its bank accounts and term deposits at large international financial institutions. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and short-term investments. The Company's cash and short-term investments are available on demand.

Market Risk

Interest Rate Risk - The Company's bank accounts earn interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the nine months ended April 30, 2009 consisted of the Company issuing 250,000 common shares to Bonaventure with a fair value of \$55,000, the Company issuing 298,725 common shares to Endeavour with a fair value of \$56,900 in connection with the non-brokered private placements and the Company issuing 1,176,000 warrants as finders' fees with a fair value of \$69,246.