

Interim Financial Statements of

URACAN RESOURCES LTD.

(Unaudited)

As at and for the three and six months
ended January 31, 2008

URACAN RESOURCES LTD.**Interim Balance Sheets**

(unaudited)

(expressed in Canadian dollars)

	January 31, 2008	July 31, 2007
ASSETS		
Current		
Cash and cash equivalents	\$ 7,560,192	\$ 5,329,351
Receivables	329,185	448,501
Prepays and deposits	152,097	80,485
	<u>8,041,474</u>	<u>5,858,337</u>
Property, plant and equipment (Note 3)	57,843	63,350
Mineral properties (Note 4)	12,059,884	7,374,196
	<u>\$20,159,201</u>	<u>\$ 13,295,883</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 432,386	\$ 856,492
Future income tax liability (Note 8)	759,328	935,968
	<u>1,191,714</u>	<u>1,792,460</u>
Shareholders' equity		
Share capital (Note 5)	19,555,233	12,788,529
Contributed surplus (Note 5)	3,341,244	2,468,315
Deficit	(3,928,990)	(3,753,421)
	<u>18,967,487</u>	<u>11,503,423</u>
	<u>\$20,159,201</u>	<u>\$ 13,295,883</u>
Subsequent event (Note 11)		

Approved by the Board of Directors:

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

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

	Three months ended January 31,		Six months ended January 31,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Expenses				
Consulting	\$ 56,195	\$ 65,029	\$ 126,228	\$ 115,504
Depreciation	4,028	-	7,949	-
Marketing and advertising	26,393	4,997	39,489	7,372
Office and administration (recoveries) (note 6 (c))	(8,987)	50,282	31,078	53,681
Professional fees	38,268	18,800	64,323	18,800
Regulatory and transfer agent	15,394	11,408	17,509	14,345
Salaries and benefits (recoveries) (note 6 (c))	(15,102)	1,189	1,315	1,189
Shareholder services (Note 5(e))	45,063	51,629	98,229	95,965
Stock-based compensation (Note 5(e))	6,457	495,423	21,693	495,423
Travel, meals and entertainment	16,770	4,220	33,189	4,220
	<u>184,479</u>	<u>702,977</u>	<u>441,002</u>	<u>806,499</u>
Other Item				
Interest income	<u>42,721</u>	<u>30,022</u>	<u>88,793</u>	<u>47,374</u>
Loss before income taxes	<u>(141,758)</u>	<u>(672,955)</u>	<u>(352,209)</u>	<u>(759,125)</u>
Future income tax recovery (Note 8)	<u>117,581</u>	<u>-</u>	<u>176,640</u>	<u>-</u>
Net loss and comprehensive loss for the period	<u>(24,177)</u>	<u>(672,955)</u>	<u>(175,569)</u>	<u>(759,125)</u>
Deficit, beginning of period	<u>(3,904,813)</u>	<u>(2,795,435)</u>	<u>(3,753,421)</u>	<u>(2,709,265)</u>
Deficit, end of period	<u><u>\$ (3,928,990)</u></u>	<u><u>\$ (3,468,390)</u></u>	<u><u>\$ (3,928,990)</u></u>	<u><u>\$ (3,468,390)</u></u>
Basic and diluted loss per share	<u><u>\$ (0.00)</u></u>	<u><u>\$ (0.01)</u></u>	<u><u>\$ (0.00)</u></u>	<u><u>\$ (0.02)</u></u>
Weighted average number of common shares outstanding	<u>60,048,402</u>	<u>45,427,432</u>	<u>57,111,989</u>	<u>43,257,432</u>

See accompanying notes to the unaudited interim financial statements

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

	Three months ended January 31,		Six months ended January 31,	
	2008	2007	2008	2007
OPERATING ACTIVITIES				
Net loss for the period	\$ (24,177)	\$ (672,955)	\$ (175,569)	\$ (759,125)
Items not involving cash:				
Future income taxes	(117,581)	-	(176,640)	-
Depreciation	4,028	-	7,949	-
Shareholder services	-	14,890	-	28,217
Stock-based compensation	6,457	495,423	21,693	495,423
Changes in non-cash working capital items:				
Receivables	(129,500)	(129,108)	119,316	(201,509)
Prepays and deposits	(87,490)	(226,551)	(71,612)	(204,053)
Accounts payable and accrued liabilities	(678,943)	23,172	(808,790)	(58,928)
Cash used in operating activities	<u>(1,027,206)</u>	<u>(495,129)</u>	<u>(1,083,653)</u>	<u>(699,975)</u>
FINANCING ACTIVITY				
Issuance of shares	<u>7,601,940</u>	<u>4,666,424</u>	<u>7,617,940</u>	<u>4,666,424</u>
Cash provided by financing activity	<u>7,601,940</u>	<u>4,666,424</u>	<u>7,617,940</u>	<u>4,666,424</u>
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	-	(47,643)	(2,442)	(47,643)
Mineral property costs	<u>(2,011,151)</u>	<u>(486,851)</u>	<u>(4,301,004)</u>	<u>(1,865,328)</u>
Cash used in investing activities	<u>(2,011,151)</u>	<u>(534,494)</u>	<u>(4,303,446)</u>	<u>(1,912,971)</u>
Increase in cash and cash equivalents during the period	4,563,583	3,636,801	2,230,841	2,053,478
Cash and cash equivalents, beginning of period	<u>2,996,609</u>	<u>1,503,840</u>	<u>5,329,351</u>	<u>3,087,163</u>
Cash and cash equivalents, end of period	<u>\$ 7,560,192</u>	<u>\$ 5,140,641</u>	<u>\$ 7,560,192</u>	<u>\$ 5,140,641</u>
Cash and cash equivalents is comprised of:				
Cash	\$ 1,160,668	\$ 5,140,641	\$ 1,160,668	\$ 5,140,641
Short-term deposits	<u>6,399,524</u>	<u>-</u>	<u>6,399,524</u>	<u>-</u>
	<u>\$ 7,560,192</u>	<u>\$ 5,140,641</u>	<u>\$ 7,560,192</u>	<u>\$ 5,140,641</u>

See accompanying notes to the unaudited interim financial statements

URACAN RESOURCES LTD.
Notes to the unaudited Interim Financial Statements
for the six month period ended January 31, 2008

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim period financial statements of Uraacan 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.

Effective August 1, 2007, the Company has adopted three new accounting standards related to accounting policy changes and financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Accounting Changes (Section 1506)

In accordance with this new standard, an accounting policy can be changed only if the change is required by a primary source of GAAP, or voluntarily if it results in the financial statements providing information that is both reliable and more relevant. Changes in accounting policies are accounted for in accordance with the specified transitional provisions where required provisions or the change is voluntary. Disclosure is required to be made of the nature of changes in accounting policies, the adjustments made to the current and prior periods, and when voluntary the reasons for making the change. Changes in accounting estimates are to be recognized prospectively, and disclosure is required to be made of the nature and amount of such changes. Material prior period errors are to be corrected retrospectively in the first set of financial statements completed after their discovery, and disclosure is required to be made of the nature and amount of such corrected errors. The Company has made no voluntary changes in its accounting policies since the adoption of this revised standard.

Financial Instruments – Recognition and measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading, loans and receivables, or other financial liabilities. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations, comprehensive loss and deficit.

Upon adoption of this new standard, the Company has designated its cash as held-for-trading, which is measured at fair value. Receivables 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 at January 31, 2008, the Company did not have any financial assets classified as available-for-sale and therefore, the adoption of the standard noted above had no effect on the presentation of the Company's unaudited interim financial statements.

URACAN RESOURCES LTD.
Notes to the unaudited Interim Financial Statements
for the six month period ended January 31, 2008

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes, but is not limited to, unrealized gains and losses on financial assets classified as available-for-sale, exchange gains and losses arising from the translation of financial statements of a self-sustaining foreign operation and the effective portion of the changes in fair value of cash flow hedging instruments. This statement has been included in the financial statements starting this year.

During the six month period ended January 31, 2008, there were no changes in shareholders' equity that resulted from the non-owner sources and consequently, the adoption of the standard noted above had no effect on the presentation of the Company's unaudited interim financial statements.

Certain comparative figures have been reclassified to conform with the current period's presentation.

2. NATURE OF OPERATIONS

The Company 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 significant revenues from operations and is considered to be in the exploration stage.

3. PROPERTY, PLANT AND EQUIPMENT

As at January 31, 2008, the Company's property, plant and equipment consisted of the following:

	January 31, 2008			July 31, 2007
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 12,140	\$ 3,233	\$ 8,907	\$ 8,297
Furniture and fixtures	7,719	1,544	6,175	6,947
Office equipment	13,857	2,771	11,086	12,471
Leasehold improvements	39,594	7,919	31,675	35,635
	\$ 73,310	\$ 15,467	\$ 57,843	\$ 63,350

URACAN RESOURCES LTD.
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4. MINERAL PROPERTIES

North Shore Properties

On July 27, 2006, the Company completed an option agreement with Sheridan Platinum Group Limited (“**Sheridan**”) whereby the Company has been granted an option to purchase a 100% interest in the Lac Turgeon, Wee Gee, Pontbriand and Ne Costbelle properties (the “**North Shore Properties**”) located along the Quebec North Shore of the Gulf of St. Lawrence (the “**Acquisition**”). In order to exercise the option, the Company has paid Sheridan \$2,000,000 and issued 350,000 common shares of the Company. The Company has also agreed to grant 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.

Saskatchewan Properties

On September 25, 2006, the Company announced that it has staked two claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties.

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

	<u>North Shore Properties</u>	<u>Saskatchewan Properties</u>	<u>Total</u>
Acquisition costs:			
Balance, July 31, 2007	\$ 1,167,650	\$ 42,009	\$ 1,209,659
Cash paid	<u>1,025,000</u>	<u>-</u>	<u>1,025,000</u>
Balance, January 31, 2008	<u>2,192,650</u>	<u>42,009</u>	<u>2,234,659</u>
Exploration costs:			
Balance, July 31, 2007	5,643,947	520,590	6,164,537
Air support and fuel	465,980	36,498	502,478
Assaying and analysis	260,559	17,140	277,699
Consultants	273,781	352,308	626,089
Drilling	1,844,317	20,024	1,864,341
Field supplies	102	309,849	309,951
Geophysical survey	4,800	-	4,800
Renewal fees	55,866	1,366	57,232
Travel and accommodation	<u>14,100</u>	<u>3,998</u>	<u>18,098</u>
	<u>2,919,505</u>	<u>741,183</u>	<u>3,660,688</u>
Balance, January 31, 2008	<u>8,563,452</u>	<u>1,261,773</u>	<u>9,825,225</u>
Total costs, January 31, 2008	<u><u>\$ 10,756,102</u></u>	<u><u>\$ 1,303,782</u></u>	<u><u>\$ 12,059,884</u></u>

URACAN RESOURCES LTD.
Notes to the unaudited Interim Financial Statements
for the six month period ended January 31, 2008

5. SHARE CAPITAL

(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
Balance, July 31, 2007	54,157,532	\$ 12,788,529	\$ 2,468,315
Issued pursuant to private placement	12,860,000	6,851,992	864,008
Share issue costs	-	(101,288)	(12,772)
Exercise of warrants	20,000	16,000	-
Stock-based compensation	-	-	21,693
Balance, January 31, 2008	<u>67,037,532</u>	<u>\$ 19,555,233</u>	<u>\$ 3,341,244</u>

On December 21, 2007, the Company completed a non-brokered private placement of 12,860,000 units at a price of \$0.60 per unit for gross proceeds of \$7,716,000. 8,770,000 of the 12,860,000 units were issued on a flow-through basis. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole share purchase warrant is exercisable at \$1.00 per common share, expiring on December 21, 2009.

The fair value of the 6,430,000 common share purchase warrants was \$864,008, which was recorded to contributed surplus. If the warrants are exercised, a pro-rata amount of contributed surplus will be transferred to share capital.

The warrants issued as part of the above noted private placements have been valued using the Black-Scholes pricing model, and included as credit to contributed surplus, using the following weighted average assumptions:

Risk-free interest rate	3.85%
Expected life	2 years
Expected volatility	60%
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 Interim Financial Statements
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5. SHARE CAPITAL (continued)

(c) Stock options (continued)

The following table summarizes information about the stock options outstanding at January 31, 2008:

<u>Outstanding</u>	<u>Exercisable</u>	<u>Exercise price</u>	<u>Expiry date</u>	<u>Remaining contractual life</u>
350,000	350,000	\$ 0.70	April 12, 2008	0.2 years
375,000	375,000	0.10	November 21, 2008	0.8 years
1,735,000	1,735,000	0.40	March 30, 2011	3.2 years
875,000	856,250	1.21	January 24, 2012	4.0 years
300,000	300,000	0.96	May 18, 2012	4.3 years
100,000	100,000	1.32	May 28, 2012	4.3 years
<u>3,735,000</u>	<u>3,716,250</u>			

During the six month period ended January 31, 2008, 50,000 stock options with an exercise price of \$1.21 were cancelled.

(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, 2007	6,678,500	\$ 0.95
Issued	6,430,000	1.00
Exercised	(20,000)	0.80
Balance, January 31, 2008	<u>13,088,500</u>	<u>\$ 0.97</u>

In connection with the private placement noted in Note 5(b), the Company issued 6,430,000 warrants, with each warrant exercisable at \$1.00 per common share, expiring on December 21, 2009.

The following table summarizes information about the warrants outstanding at January 31, 2008:

<u>Outstanding & exercisable</u>	<u>Exercise price</u>	<u>Expiry date</u>
3,658,500	\$ 0.80	December 14, 2008
1,000,000	0.90	December 19, 2008
2,000,000	1.25	June 20, 2009
<u>6,430,000</u>	1.00	December 21, 2009
<u>13,088,500</u>		

URACAN RESOURCES LTD.
Notes to the unaudited Interim Financial Statements
for the six month period ended January 31, 2008

5. SHARE CAPITAL (continued)

(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 six month period ended January 31, 2008 was \$21,693 which has been recorded as stock-based compensation in the unaudited statement of operations, comprehensive loss and deficit.

Using the fair value method for stock-based compensation, the value of the portion of stock options that vested during the six month period ended January 31, 2007 was \$523,640, of which \$28,217 has been included in shareholder services in the unaudited statement of operations, comprehensive loss and deficit. The remaining \$495,423 has been recorded as stock-based compensation in the unaudited statement of operations, comprehensive loss and deficit. The following assumptions were used for the Black-Scholes valuation of stock options:

	<u>2008</u>	<u>2007</u>
Risk-free interest rate	4.30%	4.09%
Expected life	3 - 5 years	5 years
Expected volatility	53%	50%
Dividend rate	0.00%	0.00%

6. RELATED PARTY TRANSACTIONS

- (a) During the six month period ended January 31, the Company incurred the following costs with companies or individuals related by way of current and/or former directors and/or officers in common:

	<u>2008</u>	<u>2007</u>
Consulting fees	\$ 173,801	\$ 105,643
Rent	-	6,000

Included in consulting fees was an amount of \$60,000 paid to Global Vision Capital Corp. ("**GVCC**"), whereby GVCC provides the Company with the services of Gregg J. Sedun and an amount of \$108,801 paid to an individual who is employed by a company in which an officer is a director of the Company.

- (b) Included in accounts payable and accrued liabilities at January 31, 2008 was an amount of \$Nil (July 31, 2007: \$36,970) which was payable to companies or individuals related by way of directors and/or officers in common.
- (c) Included in accounts receivable at January 31, 2008 was an amount of \$89,678 (July 31, 2007: \$35,649) from Goldgroup Resources Inc. This amount relates to 50% of the rent, administration staff salary and general office expenses incurred by the Company. The office is shared by both companies and expenses are shared evenly, effective as of February 1, 2007.

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.

URACAN RESOURCES LTD.
Notes to the unaudited Interim Financial Statements
for the six month period ended January 31, 2008

7. COMMITMENTS

- (a) Effective July 1, 2006, the Company entered into an agreement with GJS Capital Corp. ("GJS"), whereby GJS will provide the Company with the services of Gregg J. Sedun, who will hold the position of the Chairman of the Board of the Company. GJS charges \$5,000 per month plus expenses incurred on behalf of the Company. Effective February 1, 2007, the agreement with GJS was assigned with all obligations to Global Vision Capital Corp. ("GVCC").
- (b) Effective January 1, 2007, the Company entered into an agreement with GVCC, whereby GVCC is providing the Company with the services of Gregg J. Sedun, who holds the position of President and Chief Executive Officer ("CEO") of the Company for a fee of \$5,000 per month. Effective February 1, 2007, GVCC charges a total of \$10,000 per month plus expenses incurred on behalf of the Company for his services as the President, CEO and Chairman. The initial term of the agreement is for 18 months and thereafter the agreement may be terminated by either party at any time by giving 3 months written notice.
- (c) Effective January 2007, the Company has entered into a 5 year lease agreement for its office premises and its minimum annual lease commitments are as follows:

2008	\$ 50,219
2009	101,531
2010	103,107
2011	104,215
2012	43,423

8. INCOME TAXES

To date, the Company has issued 17,830,000 common shares on a flow-through basis for gross proceeds of \$10,589,000. The flow-through agreements required the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to the flow-through participants. To date the Company has renounced 8,060,000 of the 17,830,000 flow-through common shares and \$4,377,000 of the gross proceeds, which resulted in an initial income tax liability of \$1,330,608 being recorded, with a corresponding amount reducing share capital. As a result of the Company incurring operating losses and the income tax liability being revalued at period end, this liability has been reduced by \$571,280. The portion of this credit related to operating losses and reduction to the future income tax rate during the six month period ended January 31, 2008 has been recorded as a future income tax recovery in the amount of \$176,640. As at January 31, 2008, the amount of the income tax liability was \$759,328.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, credit or currency risks arising from these financial instruments. The fair values of these financial instruments approximate their book values as a result of their short-term nature.

10. SEGMENTED INFORMATION

The Company currently operates in one business segment, being the acquisition and exploration of natural resource properties exclusively in Canada.

URACAN RESOURCES LTD.
Notes to the unaudited Interim Financial Statements
for the six month period ended January 31, 2008

11. SUBSEQUENT EVENT

On March 19, 2008, the Company granted a total of 2,965,000 stock options to directors, officers and employees of the Company. Each stock option is exercisable into one common share of the Company at a price of \$0.45 per share, expiring on March 19, 2013.