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**Consolidated Financial Statements**

**Macusani Yellowcake Inc.**

**For the Six Months Ended March 31, 2009**

**Unaudited**

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**NOTICE TO READER**

The accompanying unaudited interim consolidated financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

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# Macusani Yellowcake Inc.

Consolidated Balance Sheets  
Unaudited - see Notice to Reader

	March 31, 2009	September 30, 2008 (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 621,421	\$ 230,421
Other receivables	113,656	148,753
Prepaid expenses	<u>206,841</u>	<u>141,421</u>
	941,918	520,595
<b>Deposit on Purchase of Mineral Properties</b> (note 8)	25,000	-
<b>Sales Taxes Recoverable</b> (note 9)	234,400	155,701
<b>Property, Plant and Equipment</b> (note 10)	10,419	11,577
<b>Mineral Properties and Deferred Exploration Costs</b> (note 11)	<u>5,347,840</u>	<u>4,489,033</u>
	<u>\$ 6,559,577</u>	<u>\$ 5,176,906</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	<u>\$ 266,229</u>	<u>\$ 420,055</u>
<b>Commitments - note 17</b>		
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 12)	8,514,512	6,843,599
<b>Warrants</b> (note 13)	470,754	733,333
<b>Stock Options</b> (note 14)	1,039,928	988,576
<b>Contributed Surplus</b> (note 15)	1,095,430	241,257
<b>Deficit</b>	<u>(4,827,276)</u>	<u>(4,049,914)</u>
	<u>6,293,348</u>	<u>4,756,851</u>
	<u>\$ 6,559,577</u>	<u>\$ 5,176,906</u>

Approved on behalf of the Board

Signed "Alan Ferry", Director

Signed "Peter Hooper", Director

# Macusani Yellowcake Inc.

Consolidated Statements of Operations and Deficit

For the Periods Ended March 31, 2009 and 2008

Unaudited - see Notice to Reader

	Six Months Ended		Three Months Ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
<b>Revenue</b>				
Interest income	\$ 3,124	\$ 30,871	\$ 2,347	\$ 19,918
<b>Expenses</b>				
Administrative and office	12,696	6,948	5,763	5,479
Advertising and promotion	16,614	15,172	11,439	3,204
Amortization	1,158	-	579	-
Bank charges	1,396	1,201	478	594
Consulting fees	278,364	161,017	165,914	79,210
Foreign exchange	(8,185)	140	4,119	(250)
Investor relations and marketing fees	37,210	334,735	18,922	169,569
Professional fees	176,414	144,483	78,368	105,758
Rent and utilities	34,723	12,000	17,418	6,000
Stock-based compensation (note 14)	172,192	186,143	171,324	21,143
Transaction costs	-	386,762	-	-
Transfer and filing fees	33,200	30,576	10,985	13,122
Travel	24,704	44,050	11,031	23,133
	<u>780,486</u>	<u>1,323,227</u>	<u>496,340</u>	<u>426,962</u>
<b>Net Loss for the Period</b>	(777,362)	(1,292,356)	(493,993)	(407,044)
<b>Deficit - Beginning of Period</b>	(4,049,914)	(2,177,005)	(4,333,283)	(2,952,727)
<b>Reverse Takeover Transaction</b>				
Costs (note 3)	-	109,590	-	-
<b>Deficit - End of Period</b>	<u>\$(4,827,276)</u>	<u>\$(3,359,771)</u>	<u>\$(4,827,276)</u>	<u>\$(3,359,771)</u>
<b>Loss per Share - basic and diluted</b>	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
<b>Weighted Average Number of Common Shares</b>				
Outstanding - basic and diluted	<u>31,397,442</u>	<u>24,058,908</u>	<u>32,421,284</u>	<u>24,296,285</u>

# Macusani Yellowcake Inc.

Consolidated Cash Flow Statements

For the Periods Ended March 31, 2009 and 2008

Unaudited - see Notice to Reader

	Six Months Ended		Three Months Ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
<b>Cash Provided By (Used In):</b>				
<b>Operating Activities</b>				
Net loss	\$ (777,362)	\$(1,292,356)	\$ (493,993)	\$ (407,044)
Items not affecting cash:				
Amortization	1,158	-	579	-
Stock based compensation	172,192	186,143	171,324	21,143
Deferred transaction costs	-	386,762	-	-
	(604,012)	(719,451)	(322,090)	(385,901)
Net changes in non-cash working capital:				
Other receivables	35,097	(78,766)	(11,409)	(48,180)
Prepaid expenses	(65,420)	(128,117)	31,408	(73,696)
Sales taxes recoverable	(78,699)	-	(20,327)	-
Accounts payable and accrued liabilities	(306,698)	226,725	(100,916)	93,384
	(1,019,732)	(699,609)	(423,334)	(414,393)
<b>Financing Activities</b>				
Issuance of share capital	1,670,913	-	-	-
Issuance of warrants	470,754	-	-	-
Proceeds of exercise of options	-	40,000	-	-
Transaction costs	-	(126,608)	-	(38,480)
Cash acquired on amalgamation	-	65,901	-	-
	2,141,667	(20,707)	-	(38,480)
<b>Investing Activities</b>				
Mineral properties and deferred exploration costs	(705,935)	(896,825)	(290,780)	(276,001)
Deposit on purchase of mineral properties	(25,000)	-	(25,000)	-
	(730,935)	(896,825)	(315,780)	(276,001)
<b>Change in Cash and Cash Equivalents</b>	391,000	(1,617,141)	(739,114)	(728,874)
<b>Cash and Cash Equivalents</b>				
- Beginning of Period	230,421	3,666,005	1,360,535	2,777,738
<b>Cash and Cash Equivalents</b>				
- End of Period	\$ 621,421	\$ 2,048,864	\$ 621,421	\$ 2,048,864
<b>Supplemental Cash Flow Information</b>				
Interest received	\$ 3,124	\$ 30,871	\$ 2,347	\$ 19,918

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements

For the Six Months Ended March 31, 2009

Unaudited - see Notice to Reader

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## 1. Nature of Operations

Macusani Yellowcake Inc. (the “Company”) is an Ontario corporation formed by amalgamation on October 31, 2007 as described below. A predecessor corporation, Macusani Yellowcake Inc. (“Old Macusani”), commenced operations in November 2006. The other predecessor corporation, Silver Net Equities Corp. (“Silver Net”), was classified as a Capital Pool Company as defined by the TSX Venture Exchange.

The Company owns numerous mineral property claims in Peru. The Company is in the process of exploring its mineral properties and has not yet determined the quantum of mineral reserves. Consequently, the Company considers itself to be an exploration stage company.

These consolidated financial statements include the accounts of the Company and its subsidiary, Global Gold SAC. All significant intercompany accounts and transactions have been eliminated on consolidation.

## 2. Acquisition

On January 31, 2007, Old Macusani purchased 99.5% of the outstanding shares of Global Gold SAC, a Peruvian company holding various rights to several mineral properties prospective for uranium located in southeastern Peru, for purchase consideration of \$525,000. Old Macusani allocated the purchase price to the fair market value of the assets acquired. Specifically, \$866 was allocated to cash and cash equivalents and \$524,134 was allocated to mineral properties and deferred exploration costs. The purchase price was satisfied by the issuance of 1,500,000 common shares.

## 3. Acquisition and Amalgamation

Old Macusani entered into a merger agreement (the “Agreement”) with Silver Net dated September 14, 2007 under which Old Macusani and Silver Net agreed to amalgamate and form one company.

On October 31, 2007, pursuant to the Agreement, Old Macusani amalgamated with Silver Net and issued 1,100,000 common shares of the Company to the shareholders of Silver Net in exchange for all of the issued and outstanding shares of Silver Net, and 110,000 stock options in exchange for all of the issued and outstanding Silver Net stock options. Completion of the transaction constituted Silver Net’s qualifying transaction under TSX Venture Exchange policies. The shareholders of Old Macusani held the majority of the outstanding shares of the Company following the transaction, and accordingly, the transaction has been accounted for as a reverse takeover. Since Silver Net’s operations do not constitute an economic unit, the transaction has been accounted for as a capital transaction. The comparative figures presented in these financial statements contain the historical results of Old Macusani.

On November 13, 2007, the common shares of the Company began trading on the TSX Venture Exchange.

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements

For the Six Months Ended March 31, 2009

Unaudited - see Notice to Reader

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## 4. Interim Financial Statements

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the most recent audited financial statements. These interim consolidated financial statements have not been reviewed by the Company's auditors.

The notes presented in these unaudited interim consolidated financial statements include only significant events and transactions and are not fully inclusive of all matters required by Canadian generally accepted accounting principles for annual audited financial statements. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended September 30, 2008.

## 5. Basis of Presentation

These interim consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about the appropriateness of the use of the going concern assumption because the Company has experienced losses and negative operating cash flows. The application of the going concern concept is dependent on the Company's ability to generate future profitable operations. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become payable.

These interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these interim consolidated financial statements, then adjustments may be necessary in the carrying value of assets and liabilities and the balance sheet classifications used. See also note 4.

## 6. Capital Disclosures

The Company's objective is to raise sufficient capital to execute its exploration plan. The Company defines capital to be shareholders' equity. The Company evaluates the effectiveness of its capital management by comparing actual spending levels to budgeted amounts. The Company does not have any externally imposed capital requirements. There have not been any changes to the overall capital risk management strategy during the period ended March 31, 2009.

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements

For the Six Months Ended March 31, 2009

Unaudited - see Notice to Reader

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## 7. Financial Instruments

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	Held for trading
Other receivables	Loans and receivables
Sales taxes recoverable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Cash and cash equivalents include bank deposits and short term investments. The short term investments are term deposits with a reputable Canadian chartered bank.

The Company's exposure to various risks and the impact upon the Company's financial statements are as follows:

### Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

### Currency Risk

The Company's primary operations are located in Peru. The Company pays most of its Peruvian costs in U.S. Dollars or Nuevos Soles, and is therefore subject to foreign exchange risk on this payment stream.

### Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet the obligations associated with its working capital. The Company has sufficient funds to settle its short term working capital requirements.

### Sensitivity Analysis

As at March 31, 2009, cash and cash equivalents includes 94,700 United States Dollars and 1,172 Peruvian Nuevos Soles, sales taxes recoverable includes 592,752 Peruvian Nuevos Soles, and accounts payable and accrued liabilities includes 14,566 United States Dollars and 45,687 Peruvian Nuevos Soles.

At March 31, 2009, if the Canadian Dollar had weakened (strengthened) 10 percent against the United States Dollar with all other variables held constant, the net loss for the period would have been \$10,107 higher (lower). If the Canadian Dollar had weakened (strengthened) 10 percent against the Peruvian Nuevos Sol with all other variables held constant, the net loss for the period would have been \$21,875 higher (lower).

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements

For the Six Months Ended March 31, 2009

Unaudited - see Notice to Reader

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## 8. Deposit on Purchase of Mineral Properties

During the period ended March 31, 2009 the Company signed a letter of intent to purchase four mineral property concessions on the Macusani plateau in Peru for \$500,000, against which the deposit of \$25,000 will be applied.

The balance of the purchase price will be satisfied by the payment of a minimum of \$175,000 in cash and the balance by cash or by the issuance of an unsecured convertible debenture (at the sole discretion of the Company). The convertible debenture shall have a five year term, bear interest at 10% per annum and be convertible at the option of the holder at any time after four months from the date of issue into common shares of the Company at a price equal to 110% of the 20 day average closing price of the Company's common shares on the TSX Venture Exchange prior to closing.

## 9. Sales Taxes Recoverable

These amounts represent recoverable sales taxes paid by the Company's subsidiary, Global Gold SAC. These amounts are recoverable when the subsidiary reaches certain spending or income levels.

## 10. Property, Plant and Equipment

	<u>March 31, 2009</u>			<u>September</u>
	<u>Cost</u>	<u>Accumulated</u>	<u>Net</u>	<u>30, 2008</u>
		<u>Amortization</u>		<u>Net</u>
Furniture and equipment	\$ 12,863	\$ 2,444	\$ 10,419	\$ 11,577

## 11. Mineral Properties and Deferred Exploration Costs

	<u>Six Months</u>	<u>Six Months</u>
	<u>Ended</u>	<u>Ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Current expenditures	\$ 858,807	\$ 902,629
Balance - beginning of period	4,489,033	2,539,461
Write-down of mineral properties	-	-
Balance - end of period	<u>\$ 5,347,840</u>	<u>\$ 3,442,090</u>

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements  
For the Six Months Ended March 31, 2009  
Unaudited - see Notice to Reader

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## 12. Share Capital

### a) Authorized:

Unlimited common shares

### b) Common Shares Issued and Outstanding:

	<u>Number</u>	<u>Amount</u>
Balance - September 30, 2008	24,296,285	\$ 6,843,599
Issued for cash	<u>8,124,999</u>	<u>1,670,913</u>
Balance - March 31, 2009	<u><u>32,421,284</u></u>	<u><u>\$ 8,514,512</u></u>

During the period ended March 31, 2009, the Company:

- i) Issued 7,619,047 units (pursuant to a private placement) for cash proceeds of \$2,000,000, of which \$470,754 was allocated to warrants (see note 13).

Each unit consists of one common share and 0.60 of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.35 per share at any time prior to October 23, 2010 (the "expiry date"). The estimated fair value of the warrants was estimated at approximately \$0.103 per warrant and this amount has been allocated to the warrant component of the units.

The fair value of the warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	2.07%
Expected life	2 years
Expected volatility	123%

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's warrants.

- ii) Issued 505,952 common shares for gross proceeds of \$141,667 pursuant to a private placement.

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements  
For the Six Months Ended March 31, 2009  
Unaudited - see Notice to Reader

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## 13. Warrants

a) A summary of changes to warrants is as follows:

	<u>Number</u>	<u>Amount</u>
Balance - September 30, 2008	3,333,332	\$ 733,333
Issued for cash	4,571,428	470,754
Expired	<u>(3,333,332)</u>	<u>(733,333)</u>
Balance - March 31, 2009	<u>4,571,428</u>	<u>\$ 470,754</u>

b) As at March 31, 2009, the following common share purchase warrants (“Warrants”) were issued and outstanding:

- i) 4,571,428 warrants entitling the holder to purchase one common share at \$0.35 per share at any time prior to October 23, 2010 (the “expiry date”).

## 14. Stock Options

a) The Company has adopted a stock option plan for the Company (the “Plan”). Pursuant to the Plan, the Board of Directors may, from time to time at its discretion, allocate non-transferable options to purchase shares to directors, officers, employees and consultants of the Company and its subsidiary.

Under the Plan, the aggregate number of shares to be issued upon the exercise of outstanding options granted thereunder may not exceed 15% of the number of issued and outstanding shares.

Expiry dates and exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the market price.

b) During the period ended March 31, 2009, the Company:

Granted 1,913,000 stock options to directors, officers, employees and consultants, one-third of which vested immediately, with a further one-third vesting in each of September 2009 and March 2010. Each option entitles the holder to purchase one share of the Company’s common stock at a price of \$0.25 per share until February 2, 2014.

The fair value of stock options to consultants was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Expected dividend yield	Nil
Risk-free interest rate	2.10%
Expected life	5.0 years
Expected volatility	167%

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements  
For the Six Months Ended March 31, 2009  
Unaudited - see Notice to Reader

## 14. Stock Options (continued)

c) A summary of changes to stock options is as follows:

	<u>Number</u>	<u>Amount</u>
Balance - September 30, 2008	3,415,000	\$ 988,576
Granted	1,913,000	133,910
Stock based compensation expensed	-	38,282
Cancelled	<u>(318,000)</u>	<u>(120,840)</u>
Balance - March 31, 2009	<u>5,010,000</u>	<u>\$ 1,039,928</u>

d) Stock options were granted, exercised and expired/cancelled as follows:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Balance - September 30, 2008	3,415,000	\$ 0.35 <sup>(1)</sup>
Granted	1,913,000	0.25
Cancelled	<u>(318,000)</u>	<u>(0.35)<sup>(1)</sup></u>
Balance - March 31, 2009	<u>5,010,000</u>	<u>\$ 0.31</u>

<sup>(1)</sup> During the period ended March 31, 2009, the Company amended the option price of all outstanding options to \$0.35 per share. The Company also extended the expiry date on some of the options by two years.

e) As at March 31, 2009 the following stock options were outstanding:

<u>Option Price</u>	<u>Number of Options</u>		<u>Expiry Date</u>
	<u>Unvested</u>	<u>Vested</u>	
\$ 0.35 <sup>(1)</sup>	-	1,200,000	January 30, 2012
\$ 0.35 <sup>(1)</sup>	-	200,000	February 7, 2012
\$ 0.35 <sup>(1)</sup>	-	1,177,000	May 29, 2012
\$ 0.35 <sup>(1)</sup>	-	250,000	October 10, 2012
\$ 0.35 <sup>(1)</sup>	-	45,000	November 20, 2012
\$ 0.35 <sup>(1)</sup>	-	100,000	December 20, 2010
\$ 0.35 <sup>(1)</sup>	-	100,000	March 1, 2011
\$ 0.35 <sup>(1)</sup>	8,336	16,664	June 9, 2011
\$ 0.25	1,275,325	637,675	February 6, 2014

<sup>(1)</sup> During the period ended March 31, 2009, the Company amended the option price of all outstanding options to \$0.35 per share. The Company also extended the expiry date on some of the options by two years.

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements  
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## 15. Contributed Surplus

Contributed surplus consists of expired stock options and warrants. A summary of changes to contributed surplus is as follows:

Balance - September 30, 2008	\$ 241,257
Warrants expired	733,333
Options cancelled	<u>120,840</u>
Balance - March 31, 2009	<u>\$ 1,095,430</u>

## 16. Related Party Transactions

During the period ended March 31, 2009 the Company:

- a) Incurred consulting fees of \$60,000 with a company controlled by a director. The Company also incurred consulting fees of \$30,000 with two individuals related to this director. As at March 31, 2009, \$2,724 was included in accounts payable and accrued liabilities. The director is also an officer and a shareholder.
- b) Incurred rental expenses of \$34,723 and administrative expenses of \$4,073 with a company in which a director of the Company is an officer and director. As at March 31, 2009, \$12,243 was included in prepaid expenses. The director is also an officer and a shareholder.
- c) Incurred consulting fees of \$48,000 with a company controlled by a former officer.
- d) Incurred fees of \$67,727 with a legal firm in which a former director of the Company is a partner. As at March 31, 2009, \$32,650 was included in accounts payable and accrued liabilities.
- e) Incurred management fees of \$82,514 and vehicle rental expenses of \$39,627 with a company controlled by a director.
- f) Incurred fees of \$69,618 with an accounting firm in which an officer of the Company is a partner. As at March 31, 2009, \$6,000 was included in accounts payable and accrued liabilities.
- g) Incurred consulting fees of \$30,000 with a company controlled by a director. As at March 31, 2009, \$5,000 was included in accounts payable and accrued liabilities.

## 17. Commitments

During the year ended September 30, 2008, the Company amended an existing agreement which called for the provision of financial and corporate advisory services in exchange for the quarterly issuance of 60,000 common shares of the Company until January 31, 2010. This agreement was amended to replace the quarterly issuance of 60,000 common shares of the Company with a quarterly fee of \$24,000 payable in cash, or at the Company's option and subject to regulatory approval, common shares of the Company.

# Macusani Yellowcake Inc.

Notes to the Consolidated Financial Statements  
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## 17. Commitments (continued)

During the year ended September 30, 2008, the Company amended an existing agreement which called for the provision of corporate consulting services in exchange for an annual fee of \$60,000 payable monthly and the quarterly issuance of 30,000 common shares of the Company until January 31, 2010. This agreement was amended to replace the annual fee of \$60,000 and the quarterly issuance of 30,000 common shares of the Company with an annual fee of \$125,000 payable quarterly in cash, or at the Company's option and subject to regulatory approval, common shares of the Company.

During the year ended September 30, 2008, the Company entered into a sub-leasing agreement for office premises with a company in which a director of the Company is an officer and director (see also note 16(b)). The minimum lease obligations under this lease are as follows:

2009	\$ 33,759
2010	\$ 33,759
2011	\$ 33,951
2012	\$ 36,061
2013	\$ 36,061
2014	\$ 33,056

The Company also expects to incur operating costs associated with this lease of approximately \$36,000 per year.

Additional commitments are disclosed in note 8.

## 18. Subsequent Events

Subsequent to the period ended March 31, 2009, the Company issued 8,990,000 units (pursuant to a private placement) for cash proceeds of \$2,247,500. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 at any time prior to May 22, 2011.

In connection with this private placement the Company paid finder's fees of \$46,800 and issued 320,000 finder's common shares.

## 19. Environmental Obligations

The Company's mining and exploration activities are governed by Peruvian Legislative Decree No. 613. The Company is required to present environmental studies on the impact of its exploration and mining operations to the Ministry of Energy and Mines.

To date, the Company has not incurred any significant environmental liabilities