

JNR RESOURCES INC.
#204, 315 – 22nd Street East
Saskatoon, SK S7K 0G6

JNR RESOURCES INC.

Interim Financial Statements

(Prepared by Management)

for the nine months ended October 31, 2007

JNR RESOURCES INC.
BALANCE SHEET AS AT October 31, 2007

	<u>October 31, 2007</u>	<u>January 31, 2007</u>
ASSETS		
Current		
Cash and equivalents	\$ 154,587	\$ 1,170,147
Term certificate	14,515,000	4,100,000
Accounts receivable	543,268	188,882
Marketable securities	56,100	56,100
Prepaid expense	477,689	380,203
Note receivable	<u>250,000</u>	<u>0</u>
	15,996,644	5,895,332
Capital assets	808,799	134,205
Deferred exploration costs	14,094,526	9,821,169
Mineral properties and rights	<u>1,165,206</u>	<u>726,186</u>
	<u>\$ 32,065,175</u>	<u>\$ 16,576,892</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 533,131	\$ 781,233
Due to a director	<u>0</u>	<u>10,236</u>
	533,131	791,469
Long term		
Future income tax liability	<u>3,179,615</u>	<u>0</u>
	\$ 3,712,746	\$ 791,469
SHAREHOLDERS' EQUITY		
Share capital	35,194,896	22,355,319
Contributed surplus	2,681,365	2,385,365
Deficit	<u>(9,523,832)</u>	<u>(8,955,261)</u>
	<u>28,352,429</u>	<u>15,785,423</u>
	<u>\$ 32,065,175</u>	<u>\$ 16,576,892</u>

Prepared without audit

Approved by the Board:

"Richard T Kusmirski"

Director

"Ron Hochstein"

Director

JNR RESOURCES INC.

**STATEMENT OF OPERATIONS AND DEFICIT
FOR THE NINE MONTHS ENDED OCTOBER 31, 2007**

	<u>Year-to-Date 2007</u>	<u>Year-to-Date 2006</u>	<u>3rd Quarter 2007</u>	<u>3rd Quarter 2006</u>
Administration costs				
Amortization	\$ 79,759	\$ 22,905	\$ 56,938	\$ 8,118
Bank charges and loan interest	1,386	1,111	762	353
Consulting	25,650	13,900	11,550	4,600
Dues and memberships	1,142	1,629	1,142	1,270
Equipment lease	11,155	7,764	3,718	2,958
Equipment repairs & maintenance	3,282	1,003	0	1,003
Filing fees	26,994	10,700	10,461	2,755
General meeting	8,381	10,872	18	0
Insurance	7,606	5,420	6,208	375
Management fees	72,000	72,000	24,000	24,000
Office expense	31,477	19,691	17,682	4,961
Premises rent	42,090	21,530	14,190	6,650
Professional fees	17,990	23,453	630	339
Property examinations	1,500	19,185	0	0
Recoverable field expenses	340,299	122,872	275,201	30,377
Research	13,442	0	6,603	0
Shareholder communication & promotion	101,646	118,184	43,716	50,683
Software support	9,165	1,857	7,709	1,857
Stock compensation	296,000	420,275	0	269,750
Telecommunications	6,360	8,329	2,173	3,089
Training	5,749	0	0	0
Transfer agent	8,813	8,373	2,516	2,456
Travel and accommodation	39,136	38,491	20,662	12,108
Wages and benefits	<u>257,885</u>	<u>288,050</u>	<u>15,746</u>	<u>102,453</u>
	1,408,907	1,237,594	521,625	530,155
Recovery of expenses	422,784	329,924	221,596	123,005
Project management income	176,297	218,477	34,387	70,391
Administrative overhead	27,682	127,490	0	12,921
Mineralogical services	895	11,835	0	6,825
Miscellaneous income	0	50,074	0	45,517
Interest income	<u>212,678</u>	<u>72,831</u>	<u>60,839</u>	<u>36,503</u>
	840,336	810,631	316,822	295,162
Net loss (profit) for the period	568,571	426,963	204,803	234,993
Deficit, beginning of period	8,955,261	9,684,101	9,319,029	9,876,071
Deficit, end of period	9,523,832	10,111,064	9,523,832	10,111,064
Basic loss (gain) per share	\$ (0.007)	\$ (0.006)	\$ (0.003)	\$ (0.003)

Prepared without audit

JNR RESOURCES INC.

STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED OCTOBER 31, 2007

	<u>Year-to-Date</u> <u>2007</u>	<u>Year-to-Date</u> <u>2006</u>	<u>3rd Quarter</u> <u>2007</u>	<u>3rd Quarter</u> <u>2006</u>
Cash flows from (used in) operating activities				
Net income (loss) for the period	\$ (568,571)	\$ (426,963)	\$ (204,803)	\$ (234,993)
Items not involving cash				
Stock based compensation expense	296,000	420,275	0	269,750
Amortization	79,759	22,905	56,938	8,118
Future income tax recovery	3,179,615	0	0	0
	2,986,803	16,217	(147,865)	42,875
Cash provided by (invested in) non-cash working capital				
Decrease (increase) in term certificate	(10,415,000)	(1,400,000)	2,935,000	1,600,000
Decrease (increase) in accounts receivable	(354,385)	(64,384)	(308,331)	43,040
Decrease (increase) in prepaids	(97,485)	(302,822)	4,905	(298,373)
Decrease (increase) in loan	(250,000)	0	(250,000)	0
Increase (decrease) in accounts payable and accrued liabilities	(248,103)	(103,961)	(363,422)	(30,414)
Increase (decrease) in due to a director	(10,236)	0	0	0
	(11,375,209)	(1,854,950)	2,070,678	(1,357,128)
Cash flows from (used in) financing activities				
Issuance of share capital	12,839,577	6,029,121	404,989	31,600
	12,839,577	6,029,121	404,989	31,600
Cash flows from (used in) investing activities				
Mineral properties and rights	(439,020)	(199,038)	(439,020)	(129,393)
Deferred exploration expenses	(4,273,357)	(4,126,322)	(1,836,696)	(2,107,652)
Acquisition of capital assets	(754,354)	(39,796)	(594,625)	(6,519)
	(5,466,731)	(4,365,156)	(2,870,341)	(2,243,564)
Increase (decrease) in cash and cash equivalents	(1,015,560)	(190,985)	(542,539)	(854,836)
Cash and cash equivalents, beginning of period	1,170,147	932,739	697,126	1,596,590
Cash and cash equivalents, end of period	<u>\$ 154,587</u>	<u>\$ 741,754</u>	<u>\$ 154,587</u>	<u>\$ 741,754</u>

Prepared without audit

JNR Resources Inc.

SCHEDULE OF DEFERRED EXPLORATION COSTS

FOR THE QUARTER ENDED OCTOBER 31, 2007

Prepared without audit

Property/ Project	Balance July 31, 2007	Geophysical Surveys	Drilling	Geologists Analyses & Report Preparation	Travel Camps & Accommod- ation	Total Costs	Cost Recovery	Cost Written Off	Balance Oct. 31, 2007
Bell Lake	4,800	81,574	96,219	250,226	64,344	492,363			497,163
Black Lake	595,682	2,818	300	1,095		4,213			599,895
Crackingstone	205,791	32,097	300	2,334		34,731			240,522
Kelic Lake	11,865	1,080				1,080			12,945
Lazy Edward Bay	803,610		600	1,200	1,051	2,851			806,461
Moore Lake	5,741,372		58,398	39,510	8,650	106,558			5,847,930
Newnham Lake	625,614	2,197	300	2,905		5,402			631,016
North Athabasca	27,279								27,279
North Wedge	3,000								3,000
Pendleton	31,825			495	1,095	1,590			33,415
Rocky Brook	1,448,025	9,465	215,593	54,350	34,105	313,513			1,761,538
South Cigar	7,200	600		600		1,200			8,400
South Dufferin	9,000	1,800		900		2,700			11,700
South Fork	8,210			3,620		3,620			11,830
Topsails Project	0			900		900			900
Way Lake	2,576,338	66,928	177,536	231,353	379,397	855,214			3,431,552
Yurchison	152,809	1,584		14,587		16,171			168,980
	\$12,252,420								\$14,094,526

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

1. Going Concern

These financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

2. Nature of Operations

The Company, directly and through joint ventures, is in the process of exploring its mineral properties and has not determined whether these properties contain ore reserves which are economically recoverable.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and future profitable production from the properties or proceeds from disposition.

Ownership in mineral interest involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

3. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

Cash Equivalents

Cash equivalents usually consist of highly liquid investments which are readily convertible into cash with maturities of three months or less when purchased.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

3. Significant Accounting Policies - continued

Mineral Properties, Rights and Deferred Exploration Costs

The Company follows the accepted accounting practice of capitalizing acquisition, exploration and development costs applicable to properties held. If the properties become productive the costs will be amortized over the anticipated production of the property. If the property is abandoned, the applicable costs will be written off.

Depletion of costs capitalized to properties will be recorded using the unit of production method based on estimated proven reserves as determined by independent engineers.

Management has determined each property or project to be a cost centre.

The costs capitalized represent those costs incurred to date and do not necessarily reflect present or future values.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received.

Equipment

The equipment is recorded at cost and amortized on a declining balance basis at the following annual rates:

Computer	30%
Equipment	20%
Automotive	30%

It is the Company's policy to record amortization at one-half the annual rate in the year of acquisition.

Income Taxes

Income taxes are accounted for using the assets and liability method pursuant to Section 3465, of the Handbook of the Canadian Institute of Chartered Accountants. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, Section 3465 requires the

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

3. Significant Accounting Policies - continued

recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

Stock-based Compensation

Effective February 1, 2003, the Company adopted a new standard for the accounting for *Stock-based and other stock-based payments* (CICA 3870), as recommended by the Canadian Institute of Chartered Accountants.

As permitted by CICA 3870 the Company has applied the new recommendation prospectively only to awards granted on or after February 1, 2003. For stock options awards granted and all direct awards of stock, the Company applies the fair value method. The fair value of stock options is determined by the *Black-Scholes Option Pricing Model* with assumptions for: weighted average risk-free interest rates; dividend yields; weighted-average volatility factors of the expected market price of the Company's Common Shares; and a weighted average expected life of the options. The fair value of direct awards of stocks is determined by the quoted market price of the Company's stock.

Basic and Diluted Loss Per Share

Loss per share amounts have been calculated and presented in accordance with the new recommendation of the Canadian Institute of Chartered Accountants. The new standard has been applied on a retroactive basis and had no impact on the amounts previously reported.

Basic earnings per share are computed by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Share Capital – Flow-through Shares

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The Company renounces the qualifying expenditures upon issuance of the respective flow-through common shares and accordingly is not entitled to the related taxable income deductions for such expenditures.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

3. Significant Accounting Policies – continued

Share Capital – Flow-through Shares - continued

The Company adopted, on a prospective basis, recommendations by the Emerging Issues Committee (“EIC”) of the CICA relating to the recording of flow-through shares. EIC 146 stipulates that future income tax liabilities resulting from the renunciation of qualified mineral expenditures by the Company from the issuance of flow-through shares are recorded as a reduction in share capital. Any corresponding realization of future income tax benefits resulting in the utilization of prior year losses available to the Company not previously recorded, whereby the Company did not previously meet the criteria for recognition, are reflected as part of the Company’s operating results during the year the expenses are renounced to the share subscribers.

Contributed Surplus

The fair value of certain stock options have been valued using the Black-Scholes option-pricing model. The fair value on the grant of these securities is added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

4. Term Certificate

At October 31, 2007, the Company held \$14,515,000 in Guaranteed Investment Certificates. Subsequent to the quarter end \$1,309,000 was withdrawn and deposited to the bank. There are currently two Guaranteed Investment Certificates totaling \$13,206,000 earning a variable rate of interest which is currently at 4.0%. One certificate is for \$6,472,000 and matures on March 24, 2008 and the second certificate is for \$6,734,000 and matures on March 24, 2008.

5. Mineral Properties, Rights and Deferred Exploration Costs

The Company has acquired certain mineral properties and rights, the costs of which are as follows:

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

5. Mineral Properties, Rights and Deferred Exploration Costs - continued

Property	Property Costs	Deferred Exploration Costs	Total Oct. 31/07	Total July 31/07
Bell Lake Project		497,163	497,163	4,800
Black Lake Project	54,035	599,895	653,930	649,717
Crackingstone Project	29,199	240,522	269,721	234,990
Kelic Lake Project		12,945	12,945	11,865
Lazy Edward Bay Project	27,256	806,461	833,717	830,866
Moore Lake Project	72,684	5,847,930	5,920,614	5,814,056
Newnham Lake Project	53,106	631,016	684,122	678,720
North Athabasca Project	529	27,279	27,808	27,808
North Wedge Project		3,000	3,000	3,000
Pendleton Lake Project		33,415	33,415	31,825
Rocky Brook Project	318,250	1,761,538	2,079,788	1,766,275
South Cigar Project		8,400	8,400	7,200
South Dufferin Project		11,700	11,700	9,000
South Fork Project	25,512	11,830	37,342	33,722
Topsails Project	439,020	900	439,920	0
Way Lake Project	122,824	3,431,552	3,554,376	2,699,162
Yurchison Lake Project	22,791	168,980	191,771	175,600
	<u>\$ 1,165,206</u>	<u>14,094,526</u>	<u>\$ 15,259,732</u>	<u>\$ 12,978,606</u>

In the ensuing text, Denison Mines Corp. (Denison) was formerly referred to as International Uranium Corporation (IUC).

On December 4, 2006, Denison Mines Inc. and International Uranium Corporation completed a Plan of Arrangement resulting in Denison becoming a subsidiary of IUC and IUC being renamed Denison Mines Corp.

A. Newnham Lake Project

The Company holds a 100% unencumbered interest in eight mineral claims totaling 27,723 ha, located along the northeast margin of the Athabasca Basin, Saskatchewan.

B. North Athabasca Project

A 50% interest in claim CBS 8175, consisting of 574 ha. north of the Pine Channel of Lake Athabasca, Saskatchewan.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

5. Mineral Properties, Rights and Deferred Exploration Costs - continued

C. Moore Lake Project

Since 1998 the Company has acquired twelve claims totaling 35,705 ha. by staking in an area of the Athabasca Basin of Northern Saskatchewan known as the Moore Lake Project.

In December 2002, the Company and Kennecott Canada Exploration Inc. (KCEI) entered into a Reorganization Agreement, pursuant to which the Company could acquire all of KCEI's interest (50%) in the Moore Lake properties, by expending \$2,000,000 on exploration of the properties over the next five years. KCEI retains a 2.5% net smelter return royalty on the original claims that can be bought down by 1.25% by payment of \$1,000,000.

In October 2003, the Company granted to Denison an option to earn a 51% interest in the Moore Lake properties by incurring expenditures of \$2,000,000 on exploration, and by investing in the Company by way of private placement \$200,000 in the first two years. Denison also had the option to earn a further 24% interest by incurring additional expenditures of \$2,000,000 on exploration and by investing an additional \$200,000 in the Company in years three and four. Denison fulfilled all of its obligations under the option by September of 2005, and now holds a 75% interest in the properties.

D. Lazy Edward Bay Project

Since 1999 the Company has acquired by staking 12 claims totaling 48,310 ha. in an area of the Athabasca Basin of Northern Saskatchewan known as the Lazy Edward Bay Project.

In December 2002, the Company and KCEI entered into a Reorganization Agreement, in respect of the Lazy Edward Bay properties, whereby the Company acquired a 100% interest in the properties. KCEI retains a 2.5% net smelter return royalty on the original claims that can be bought down by 1.25% by payment of \$1,000,000.

In October 2003, the Company granted to Denison an option to earn a 75% interest in the Lazy Edward Bay properties by incurring expenditures of \$500,000 on exploration over two years. In December of 2005, the Company extended the time period for the earn-in to three years.

E. Bell Lake Project

During 2003 the Company acquired by staking three claims totaling 8,939 ha. in an area of the Athabasca Basin of Northern Saskatchewan known as the Bell Lake Project.

In December 2005, the Company and Denison announced the formation of a new Joint Venture project by combining a number of claims in the Bell Lake area. The newly constituted 'Bell Lake Joint Venture' consists of ten mineral claims, totaling 30,767 ha. It includes the Company's original Bell Lake claims as well as the Company's La Rocque Lake claim, and all of Denison's Ward Creek claims. JNR holds a 40% interest in the project and will retain a 2% NSR on the Bell Lake and La Rocque Lake claims. The Ward Creek claims are also subject to a 2% NSR, payable to a third party.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

5. Mineral Properties, Rights and Deferred Exploration Costs – continued

F. Black Lake

During 2004 the Company acquired by staking ten claims totaling 41,783 ha. in an area of the Athabasca Basin, approximately 20 kilometres southeast of the town of Stony Rapids, Saskatchewan.

The Company holds a 100% unencumbered interest in this project.

G. South Cigar

During 2004, the Company acquired by staking five mineral claims totaling 17,653 ha. in the South Cigar area of Northern Saskatchewan. Denison can earn a 75% interest in the properties by paying staking and recording costs, and by incurring exploration expenditures of \$500,000 by April 30, 2007.

H. Pendleton Lake

During 2003, the Company acquired by staking three mineral claims totaling 12,819 ha. in the Pendleton Lake area of Northern Saskatchewan. Denison can earn a 75% interest in the properties by paying staking and recording costs and by incurring exploration expenditures of \$500,000 by April 30, 2007.

I. Way Lake

During 2004, the Company acquired by staking three mineral claims totaling 14,073 ha. in the Way Lake area, southeast of the Athabasca Basin of Northern Saskatchewan.

During 2006 the Company acquired by staking an additional fourteen mineral claims totalling 57,722 ha. in the Way Lake area.

The Company holds a 100% unencumbered interest in this project.

J. Crackingstone

During 2004, the Company acquired by staking four mineral claims totaling 10,665 ha. in the Uranium City area of Northern Saskatchewan. The claims cover the Crackingstone Peninsula.

The Company holds a 100% unencumbered interest in this project.

K. Kelic Lake

In November 2004, the Company staked four mineral claims totaling 20,686 ha. along the south central margin of the Athabasca Basin. Denison can earn a 51% interest in the properties by paying staking and recording costs and by incurring exploration expenditures of \$250,000 by April 30, 2007, and can earn a further 24% by incurring additional exploration expenditures of \$250,000 by April 30, 2008.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

5. Mineral Properties, Rights and Deferred Exploration Costs – continued

L. Rocky Brook

In December 2004, the Company entered into an Agreement with Altius Minerals Corporation to option the Rocky Brook uranium property, located in western Newfoundland. JNR can earn an undivided 70% participating interest over 4 years by spending \$2,525,000 on exploration, including a minimum first year commitment of \$275,000. To exercise the Option, JNR will make an initial payment of 125,000 shares and may make optional cash or share payments totalling \$172,000.

Should Altius' participating interest in the property fall below 10%, its interest will convert to a 3% gross value of product produced royalty (GVR) except for areas of the property that are subject to an underlying 2% net smelter return royalty (NSR), in which case Altius' royalty will be a 1% GVR. Altius retains the right to purchase up to half of the underlying 2% NSR for its account.

M. South Dufferin

In November 2004, the Company staked six mineral claims totaling 27,330 ha. along the south central margin of the Athabasca Basin. Denison can earn a 51% interest in the properties by paying staking and recording costs, and incurring exploration expenditures of \$250,000 by April 30, 2007, and can earn a further 24% by incurring additional exploration expenditures of \$250,000 by April 30, 2008.

N. North Wedge

In February 2004, the Company staked one mineral claim totalling 4,247 ha. southeast of the Cigar Lake uranium deposit. Denison can earn a 51% interest in the property by paying staking and recording costs and by incurring exploration expenditures of \$250,000 by April 30, 2008.

O. South Fork

The Company holds a 100% unencumbered interest in 25 mineral claims and one mineral permit totaling 50,176 hectares, located in south-western Saskatchewan. These properties were acquired in January of 2006.

On May 14, 2007, the Company announced that it signed an option agreement with Uranium Power Corp. (UPC), whereby UPC can earn up to a 65% interest in the South Fork project. The terms of the agreement call for UPC to reimburse JNR for prior expenditures, not to exceed \$100,000, and to carry out \$1,500,000 of exploration by January 25, 2009 to earn a 50% interest in the property. UPC can then increase its interest to 65% by spending an additional \$1,000,000 on exploration activities by January 25, 2011.

P. Yurchison Lake

During 2006 the Company staked four claims totaling 12,660 ha. in the Yurchison Lake area, located 10 kilometres northeast of the Way Lake project, and 25 km southeast of the Athabasca Basin of Northern Saskatchewan.

The Company holds a 100% unencumbered interest in this project.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

5. Mineral Properties, Rights and Deferred Exploration Costs – continued

R. Topsails

On September 28, 2007, the Company established an alliance with Altius Resources Inc. to explore for volcanic-hosted uranium deposits in central Newfoundland and staked some 264,600 hectares of ground.

The Company and Altius each hold a 50% Participating Interest in the Topsails uranium project. In return for generating the project Altius retains a 2% Gross Sales Royalty on uranium products and a 2% Net Smelter Return on all other commodities. The Company has agreed to make an initial 50,000 share payment to Altius and an optional 50,000 share payment on the first anniversary.

6. Share Capital

The Company is authorized to issue an unlimited number of Common Shares with no par value and 10,000,000 Convertible Preferred Shares with a par value of \$1 each. The Directors may deem the shares to be cumulative at date of issuance.

As at October 31, 2007, the Company's issued share capital was as follows:

	Number of Shares	\$ Amount
Preferred Shares	3,000	\$ 3,000
<u>Common Shares</u>		
Balance January 31, 2007	77,258,296	22,352,319
Private placement	3,885,300	16,383,193
For property	50,000	121,500
Exercise of options	525,000	412,500
Exercise of warrants	173,913	201,739
Flow-through shares		0
Contributed surplus		0
Share issue costs		(1,099,740)
Future income tax liability		(3,179,615)
<u>Balance October 31, 2007</u>	<u>81,895,509</u>	<u>\$35,194,896</u>

Options

The Company has established a stock based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and employees of the Company as well as persons providing ongoing services to the Company. Exercise price of options equals the market price of the Company's stock on the date of grant. Stock options are exercisable on the day of grant and are for a five-year term.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

6. Share Capital – continued

A summary of the status of the Company incentive stock option plan as at October 31, 2007 is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding January 31, 2007	2,900,000	1.45
Granted	200,000	
Exercised	<u>(525,000)</u>	
Outstanding October 31, 2007	<u>2,575,000</u>	

Options Granted

A summary of the status of the Company incentive stock option plan as at October 31, 2007 is as follows:

<u>Number of Shares Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	0.55	July 22, 2009
150,000	1.09	January 11, 2010
975,000	0.82	June 19, 2010
50,000	0.79	March 8, 2011
125,000	1.07	October 2, 2011
775,000	2.62	January 12, 2012
<u>200,000</u>	2.55	July 2, 2012
<u>2,575,000</u>		

Warrants

A summary of the warrants as at October 31, 2007 is as follows:

<u>Number of Warrants</u>	<u>Purchase Price</u>	<u>Expiry Date</u>
<u>116,559</u>	3.80	September 22, 2008
116,559		

7. Related Party Transactions

During the quarter ended October 31, 2007, the Company incurred charges from directors or companies sharing common directors as follows:

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

7. Related Party Transactions - continued

	<u>2007</u>
Exploration expenditures	\$ 68,337
Fixed asset purchases	4,063
Consulting	8,400
Management fee	24,000
Office services & supplies	1,248
Travel & promotion	<u>7,527</u>
	<u>\$113,575</u>

These transactions occurred during the normal course of operations and were measured at the exchange amount that is the amount established and accepted by the parties.

8. Financial Instruments

The Company's financial instruments consist of cash and equivalents, term deposits, accounts receivable, prepaid expenses, accounts payable and accrued liabilities and amounts due to Directors. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company is not exposed to significant risk, currency or credit risk, arising from these financial instruments.

9. Subsequent Events

There were no significant subsequent events.

JNR RESOURCES INC.

Notes to Financial Statements October 31, 2007

NOTICE TO SHAREHOLDERS FOR THE NINE MONTHS ENDED OCTOBER 31, 2007 JNR RESOURCES INC.

Responsibility for Financial Statements

The accompanying financial statements for JNR Resources Inc. have been prepared by management in accordance with generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the January 31, 2007 audited financial statements. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented.

Disclosure Required Under National Instrument 51-102 – “Continuous Disclosure Obligations” – Part 4.3(3)(a)

The auditor of JNR Resources Inc. has not performed a review of the unaudited financial statements for the nine months ended October 31, 2007.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
JNR RESOURCES INC.
QUARTER ENDED OCTOBER 31, 2007

The following discussion and analysis of the financial condition and results of operations for JNR Resources Inc. has been prepared as of December 21, 2007 to provide additional information to that already provided in the unaudited interim financial statements for the quarter ended October 31, 2007 and related notes attached thereto.

The reader should also refer to the annual audited financial statements for the years ended January 31, 2007 and 2006, which are prepared in accordance with Canadian generally accepted accounting principles.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

The Company trades on the TSX Venture Exchange under the symbol JNN.

Overall Performance

The Company, directly and through joint ventures, is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves which are economically recoverable.

The Company had net working capital of \$18,082,139 at October 31, 2007 and is sufficiently financed to meet its operating needs and financial obligations for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing. Outstanding options and warrants should be exercised before expiry, providing additional cash flow for continuing operations. General market conditions in the past two years have made raising capital for junior exploration companies much easier than in the past.

The recoverability of amounts shown for mineral properties and rights is dependant upon the discovery of economically recoverable reserves, the ability of the company to obtain the necessary approvals and financing to complete the development, and future profitable production from the properties or proceeds from disposition.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising

from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

Performance Summary

Highlights

During the quarter ended October 31, 2007, the Company continued to focus its activities on uranium exploration. The Company was involved in exploration activities on seven individual projects in the Athabasca Basin of Northern Saskatchewan, including diamond drilling on four of them. Exploration activities were also underway on two projects in Newfoundland and one in Southwestern Saskatchewan. Planning of programs for what appears to be a very drilling intensive 'year 2008' was in the initial stages.

An extensive exploration program was completed on the Company's 100% owned **Way Lake** project. It included diamond drilling, property-scale prospecting and mapping, and till sampling. Prospecting and till sampling were also completed on the nearby and 100% Company owned **Yurchison Lake** project.

Airborne and ground geophysical surveys were completed on the **Moore Lake** Joint Venture and a diamond drilling program focusing on select geological and geophysical targets on the Maverick Zone was initiated. Diamond drilling programs on the **Bell Lake** Joint Venture and the **Pendleton Lake** project were also completed.

During the third quarter a high resolution gradient magnetic survey was flown over the Company's 100% owned **Crackingstone** project. Airborne geophysical surveys were also completed over the **South Fork** option located in Southwestern Saskatchewan and the **South Cigar** project.

A diamond drilling program was underway on the Company's **Rocky Brook** option in Newfoundland. A nominal amount of trenching will also be carried out.

During the quarter ended October 31, 2007, the **Topsails** uranium project was established to explore for volcanic-hosted uranium deposits in central Newfoundland. Just under 265,000 hectares were staked by the Company and partner Altius Resources Inc. in one of the largest staking campaigns undertaken in eastern Canada.

During the quarter ended October 31, 2007, the Company purchased two new Duralite 1100N Heliportable Diamond Drills, and entered into an agreement with Dynamic Drilling Inc. (Dynamic) of Saskatoon for a minimum of 20,000 metres of drilling. The Company also holds an exclusive option for a further 20,000 metres of drilling. The Company will provide the drills, while Dynamic, the principals of who are experienced Athabasca Basin and international diamond drillers, will operate the drills and provide the crews. The drills which are expected to be on site by year-end will be used exclusively to facilitate drilling on the Company's 100% owned uranium properties in the Athabasca Basin.

Exploration Properties

The Company currently contains seventeen mineral projects in its property portfolio. Details of these mineral properties including interests held are provided below. President, Richard Kusmirski, P.Geo, and Vice-President Exploration, David Billard, P.Geo, are qualified persons under NI 43-101 and have reviewed the technical disclosure herein.

(a) North Athabasca

The Company holds a 50% interest in CBS 8175, a mineral claim situated north of the Pine Channel of Lake Athabasca, Saskatchewan.

There were no field activities carried out during the quarter ended October 31, 2007.

To October 31, 2007, the Company had incurred net acquisition costs of \$529 and exploration costs of \$27,279 in respect of the claim.

(b) Moore Lake

Since June of 1998 the Company has been acquiring by staking, and subsequently exploring for uranium, a number of mineral claims in the Moore Lake area of the south-eastern Athabasca Basin of Northern Saskatchewan. The current land position consists of twelve claims totaling 35,705 hectares.

Initially, its Joint Venture partner was Kennecott Canada Exploration Inc. (KCEI). On December 6, 2002, the Company and KCEI entered into a Reorganization Agreement, in respect of the Moore Lake properties as well as other jointly held uranium properties, whereby the Company could acquire all of KCEI's interest (50%) in the Moore Lake properties, by expending \$2,000,000 on exploration of the properties over the next five years. The Company also immediately acquired KCEI's interest in all of their other jointly held Saskatchewan uranium properties. KCEI retains a 2.5% net smelter return royalty on the original claims that can be bought down by 1.25% by payment of \$1,000,000. On February 28, 2005, the Company served notice to KCEI that it has fulfilled its obligations, and has duly and completely exercised its option to acquire the 50% interest held by KCEI in and to the Moore Lake claims.

On October 23, 2003, the Company and International Uranium Corporation (IUC) signed a Letter Agreement whereby IUC could earn a 51% interest in the Moore Lake properties by incurring expenditures of \$2,000,000 on exploration, and by investing in the Company by way of private placement \$200,000 in the first two years. IUC could also earn a further 24% interest by incurring additional expenditures of \$2,000,000 on exploration and by investing an additional \$200,000 in the Company in years three and four. The

Company will manage the exploration programs. On September 12, 2005, IUC completed their earn-in.

On December 4, 2006, Denison Mines Inc. and International Uranium Corporation completed a Plan of Arrangement resulting in Denison becoming a subsidiary of IUC and IUC being renamed Denison Mines Corp.

Over the past few years the Moore Lake property has been aggressively explored by the Company and its partners; largely in response to the discovery of significant high-grade uranium mineralization in April of 2000, within an extensive structural corridor referred to as the Maverick Zone. To January 31, 2006 exploration programs on the Maverick Zone and several additional and prospective conductive corridors on the property, totalled some 60,300 metres of diamond drilling in 168 holes. Also completed were 1,530-line kilometres of airborne EM surveys, over 400 kilometres of linecutting, 500 kilometres of assorted ground EM surveys, 120 kilometres of gravity surveys, 80 kilometres of ground magnetic surveys, 23 kilometres of seismic surveys and a 9.0 kilometre CSAMT survey.

To the end of 2004, some of the better drill results from the Maverick 'Main' zone included; 4.01% U_3O_8 over 4.7 metres (ML-48); 3.5% U_3O_8 over 5.0 metres (ML-54); 5.14% U_3O_8 over 6.2 metres (ML-55) and a grade equivalent of 4.03% U_3O_8 over 10.0 metres; including a 1.4 meter intercept of 19.96% eU_3O_8 from ML-61.

During 2005, two new zones of unconformity-style uranium mineralization ('527' and '525') were discovered along the same structural corridor that hosts the Maverick 'Main' zone. ML-527 returned a grade equivalent of 0.41% U_3O_8 over 6.6 metres, including a 1.0-metre interval of 1.1% eU_3O_8 . This hole was collared 450 metres northeast of discovery hole ML-25 and the results compare well with those obtained in ML-03 (0.442% eU_3O_8 over 9.2 metres), the first hole to intersect significant uranium mineralization on the Moore Lake project. ML-525, which was collared 1,400 metres to the northeast of the discovery hole, returned an assay of 0.226% U_3O_8 over 4.5 metres.

Additional drilling on the 'Main' lens also continued to intersect high grade uranium mineralization. ML-83 assayed 1.81% U_3O_8 over 11.1 metres, including 5.64% U_3O_8 over 3.0 metres. ML-97 returned 2.31% U_3O_8 over 7.75 metres, including a 2.25 metre intercept of 6.73% U_3O_8 , which includes 12.4% U_3O_8 over 1.0 metre. ML-100 intersected 2% U_3O_8 over 7.75 metres, including 4.54% U_3O_8 and 3% nickel over 2.75 metres.

During the year ending January 31, 2007, the Company and Denison completed two drilling campaigns on the property: a winter drilling program consisting of 38 holes comprising 14,548 metres and a summer program consisting of 38 holes comprising 14,317 metres.

The winter program tested targets on a number of regional grids, as well as additional drilling on the '527' and '525' zones. Very significant uranium and pathfinder element enrichment was obtained in holes drilled on the Avalon, Rarotonga and West Venice grids. This anomalous geochemistry was commonly associated with structurally disrupted

and strongly altered basement graphitic pelites and in the West Venice holes the basal sandstone column as well. Also, ML-707 (Avalon) returned a 3.5-metre interval that assayed 0.10% U_3O_8 (including 0.446% U_3O_8 over 0.5 metres) from a graphitic fault zone some 75 metres below the unconformity.

Also of note were the results from two holes that tested the '527' zone. ML-101 returned an assay of 1.53% U_3O_8 over 6.6 metres, including 2.22% U_3O_8 over 4.0 metres. ML-106 returned an assay of 0.402% U_3O_8 over 4.5 metres, including 1.06% U_3O_8 over 1.5 metres.

The summer program focused on targets identified by the winter program on the regional grids and on expanding the dimensions of the '527' zone and the Maverick 'Main' zone. Infill drilling on the Maverick 'Main' zone intersected uranium mineralization in all six holes, with high-grade intersections in three of them. ML-140 returned 3.20% U_3O_8 over 6.5 metres including a 3.5-metre intercept of 5.25% U_3O_8 , 2.1% nickel and 0.65% cobalt. ML-139 returned 1.23% U_3O_8 over 8.5 metres, including a 1.5-metre intercept of 4.20% U_3O_8 . The mineralization in both of these holes occurs at the unconformity and in the basal sandstone. Also at the Maverick 'Main' zone, ML-133 intersected two zones of mineralization. A high-grade zone at the unconformity returned 2.72% U_3O_8 , 2.30% nickel and 0.905% cobalt over 5.0 metres, including a 2.0-metre intercept of 4.25% U_3O_8 . ML-133 also intersected mineralization in the basement associated with clay-altered graphitic pelites, returning 0.611% U_3O_8 over 3.5 metres. Uranium mineralization was intersected in all three holes that tested the '527' area, with the best result obtained from ML-136 returning 0.50% eU_3O_8 over 7.0 metres.

Significant results were obtained from several holes that tested the minimum 4.0-kilometre long conductive zone on the Avalon grid. Of particular interest was ML-850, which represents the first-pass drilling of a 1.0-kilometre segment of the zone. It intersected a broad 25-metre wide zone of highly anomalous radioactivity located well beneath the unconformity. Extensive structural disruption and/or anomalous geochemistry were intersected in the majority of holes that tested other target areas. Follow-up drilling is planned on a number of highly prospective targets.

The Companies are pleased with the results, which continue to outline uranium mineralization in the Maverick 'Main' zone and demonstrate the highly prospective nature of the 6.5-kilometre long Maverick structural corridor, over 50% of which has yet to be drill tested, and the Avalon conductive zone.

During the winter and spring of 2007, an exploration program consisting of 7,569 metres (21 holes) of diamond drilling with two drills, and 127 kilometres of linecutting and TDEM was completed. Two new grids, the Otter and Esker, were established over prospective targets identified during a review of historic work. Data interpretation is underway.

During the summer of 2007, a property-wide airborne resistivity and magnetic survey (AeroTEM) and 36 kilometres of linecutting and Titan24 DC/IP surveying between the

Maverick 'Main' zone and the Esker grid were completed. Data interpretation is currently underway.

During the quarter ended October 31, 2007, the diamond drilling program was finally initiated. Contractor issues resulted in the late start. The program will focus on select geological and geophysical targets on the Maverick Zone.

To October 31, 2007, the Company had incurred net acquisition costs of \$72,684 and exploration costs of \$5,847,930 in respect of the claims.

(c) Lazy Edward Bay

Since December of 1999 the Company has been acquiring by staking, and subsequently exploring for uranium, a number of mineral claims in the Lazy Edward Bay area of the Athabasca Basin of Northern Saskatchewan. The current land position consists of twelve claims totaling 48,310 hectares.

Initially, its Joint Venture partner was Kennecott Canada Exploration Inc. (KCEI). On December 6, 2002, the Company and KCEI entered into a Reorganization Agreement, in respect of the Lazy Edward Bay properties, as well as other jointly held uranium properties, whereby the Company could acquire all of KCEI's interest in the Lazy Edward Bay properties. KCEI retains a 2.5% net smelter return royalty on the original claims that can be bought down by 1.25% by payment of \$1,000,000.

On October 23, 2003, the Company and IUC (Denison) signed a Letter Agreement, whereby IUC (Denison) can earn a 75% interest in the Lazy Edward Bay properties by incurring expenditures of \$500,000 on exploration over two years. The Company will manage the exploration programs. In December of 2005, the Company extended the time period for the earn-in to three years.

During 2005 a compilation of historical work was completed and a 1,500-line kilometre airborne EM and magnetic survey was flown over the south central portion of the project lands.

During the year ending January 31, 2007, a 50-kilometre linecutting and 35-kilometre ground EM program were completed over some of the more prominent airborne anomalies. The results indicated three prominent north-northeast trending conductors in the Tommy Davis Bay area. A 1,800-line kilometre airborne EM and magnetic survey was completed over the westernmost claims.

During the winter and spring of 2007, an exploration program consisting of 46 kilometres of linecutting, 51 kilometres of TDEM and 27 kilometres of HLEM was carried out southwest of Lazy Edward Bay to ground define targets identified by the airborne survey. In total five grids were established and surveyed. A number of well-defined bedrock conductors were interpreted. They will be drill-tested in conjunction with previously identified conductors in the Tommy Davis Bay area during the coming winter. In the

interest of cost effectiveness the planned fall diamond drilling program in the Tommy Davis Bay area was postponed until the New Year.

To October 31, 2007, the Company had incurred net acquisition costs of \$27,256 and exploration costs of \$806,461 in respect of these claims.

(d) Pendleton Lake

The Pendleton Lake uranium property was acquired by staking in December of 2003. It consists of three mineral claims totaling 12,819 hectares located 40 kilometres southeast of the Athabasca Basin proper. Denison can earn a 75% interest in the project by paying staking and recording costs, and by incurring exploration expenditures of \$500,000 by April 30, 2007.

During 2004, a 510-line kilometre airborne GEOTEM survey was completed over the project lands, along with a reconnaissance-scale surficial geology mapping and sampling program. The results of the airborne survey indicate the presence of two prominent northeast-southwest trending structurally controlled conductors that transect the project lands. The overall strength and continuity of these conductive responses indicate that they are most likely caused by the presence of Wollaston Group graphitic metasediments.

During 2005, a prospecting, boulder sampling and till/soil sampling program was completed. The results however were inconclusive, in part because the scale of the programs was only of nominal extent.

During the winter and spring of 2007, linecutting and ground geophysical programs were completed. Three grids were established over two prominent airborne conductors and a number of well-defined bedrock conductors were interpreted.

During the quarter ended October 31, 2007, a helicopter-supported diamond drilling program was initiated. Adverse weather conditions caused numerous delays and resulted in the suspension of the program in mid-October. In total three holes comprising 416 metres were drilled, one of which was abandoned. In spite of the poor production the two completed holes were technically very encouraging. Both intersected broad zones of structural disruption and strongly altered graphitic metasedimentary assemblages, and will require drill follow-up in 2008. Analytical results are pending.

To October 31, 2007, the Company had incurred exploration costs of \$33,415 in respect of these claims.

(e) Bell Lake

The Bell Lake Joint Venture was constituted on December 19, 2005. It includes the Company's original Bell Lake claims as well as the Company's La Rocque Lake claim, all of which were under option to Denison, and all of Denison's Ward Creek claims. JNR holds a 40% interest in the project and will retain a 2% NSR on the Bell Lake and La

Rocque Lake claims. The Ward Creek claims are also subject to a 2% NSR, payable to a third party.

The Bell Lake project consists of ten mineral claims totalling 30,767 hectares. These properties are proximal to Cameco's La Rocque Lake uranium zone, located in the south-eastern part of the Athabasca Basin. Denison is the project operator.

During the year ending January 31, 2007, an exploration program consisting of 146 kilometres of linecutting and boulder sampling was completed. In total, 646 Athabasca sandstone composite samples were collected at 150-metre spacing, along lines spaced 2 kilometres apart.

During the winter and spring of 2007, an exploration program consisting of 100 kilometres of linecutting, 145 kilometres of TDEM and 290 kilometres of ground magnetics was completed. This program successfully identified a coincident, several kilometre long east-west EM/magnetic conductive trend interpreted as graphite-bearing pelites, through the central portion of the project lands. Several boulder samples with elevated uranium levels were also obtained from this area.

During the quarter ended October 31, 2007, a diamond drilling program consisting of three holes totaling 1,346 metres was completed. Technically the results were encouraging in that structural disruption and alteration were common to two of the holes, with graphitic units intersected in the third. Analytical results are pending.

To October 31, 2007, the Company had incurred exploration costs of \$497,163 in respect of these claims.

(f) South Cigar

The South Cigar project was initiated in February of 2004 and is located 20 kilometres south-southeast of Cameco's Cigar Lake uranium deposit. The initial three claims were staked in February of that year. During the year, two additional claims were staked such that the project now consists of five mineral claims totalling 17,653 hectares. Denison can earn a 75% interest in these properties by paying staking and recording costs, and by incurring exploration expenditures of \$500,000 by April 30, 2007.

During 2004, a 243-line kilometre airborne GEOTEM survey was completed over the project lands. This survey outlined a feature interpreted to represent a deep seated basement conductor.

During the year ending January 31, 2007, the anomalous airborne results were followed up by an exploration program consisting of 80 kilometres of linecutting and 60 kilometres of ground EM surveys. This program identified potential sandstone structures.

During the quarter ended October 31, 2007, a 400-line kilometre airborne resistivity and magnetic survey was flown. Data interpretation is underway.

To October 31, 2007, the Company had incurred exploration costs of \$8,400 in respect of the claims.

(g) Black Lake

The Company holds a 100% unencumbered interest in this project which consists of ten mineral claims totaling 41,783 hectares. Six claims were staked in March of 2004 and four were staked in October, 2004. The property is located on the north rim of the Athabasca Basin, approximately 20 kilometres southeast of the town of Stony Rapids, and lies on the seasonal road to that community.

The property covers a 40-kilometre strike length of the Snowbird/Black Lake structure, a major crustal feature that represents the strike extension of the mineralized Virgin River shear (Centennial zone), located some 225 kilometres to the southwest.

During 2004, a 1,400-line kilometre airborne magnetic and MEGATEM survey was flown over the property. This survey identified several anomalous electromagnetic (EM) and ground magnetic responses. The interpreted EM conductors are anywhere from two to eight kilometres in length.

During the year ending January 31, 2007, an exploration program consisting of 190 kilometres of linecutting and ground EM surveys was completed. A number of potential bedrock conductors have been interpreted.

There were no field activities carried out during the quarter ended October 31, 2007. A 7,700-line kilometre high resolution gradient magnetic survey budgeted at \$230,000 is scheduled to be flown over the project lands by year-end. The results will be used to better define drill targets for the 2008 winter campaign.

To October 31, 2007, the Company had incurred net acquisition costs of \$54,035 and exploration costs of \$599,895 in respect of these claims.

(h) Greywacke Claims

During the year ending January 31, 2007, the Company signed a letter of intent with Golden Band Resources Inc. (GB) whereby GB could acquire the Company's interest in the Greywacke gold property by issuing to the Company 125,000 shares of GB and by making a cash payment of \$50,000. A further 125,000 shares of GB are due on the first anniversary of the agreement. The Company will also retain a 1% net smelter royalty which GB can buy down to 0.5% by payment of \$500,000 to the Company.

The Company is pleased with this arrangement, which allows JNR to focus its exploration efforts 100% on its uranium projects.

(i) Way Lake

The Company holds a 100% unencumbered interest in this project which consists of seventeen contiguous mineral claims totaling 71,795 hectares, and is located 20 kilometres southeast of the Athabasca Basin proper. Three claims were staked in May of 2004; the remaining fourteen were staked in August, September and October of 2006, in light of encouraging results from the ongoing exploration program.

During the year ending January 31, 2007, the Company carried out a reconnaissance-scale exploration program both on and off property, consisting of prospecting and geological mapping.

High-grade uranium mineralization was obtained from outcrop sampling of a previously identified massive pitchblende vein, referred herein as the Hook Lake showing. Two grab samples collected from the vein returned 40.1% and 48% U_3O_8 , while a soil sample overlying the vein assayed 27.8% U_3O_8 . The uranium mineralization is also associated with significant lead (up to 8.8%) rare earth element and thorium enrichment, and anomalous boron, cobalt and vanadium values. A narrow radioactive shear/fracture set approximately 5 metres south of the pitchblende vein returned 460 ppm uranium and elevated lead and rare earth elements. Non-mineralized host rock to the veins returned background to weakly enriched uranium (32 ppm) values.

Exploration elsewhere identified a number of anomalous areas. In the Beckett Lake area, grab samples of radioactive pegmatite and granite outcrops and/or boulders returned from 45 to 100 ppm uranium, while in the Alexander Lake area, several radioactive pegmatite and granite outcrops/boulders returned up to 150 ppm uranium, with elevated lead and boron values.

The staking program in the fall of 2006, covered the projected extensions of the Hook Lake, Beckett Lake and Alexander Lake showings, as well as newly identified EM conductors detected by a 5,500-line kilometre helicopter-borne VTEM survey that was initiated in mid-August. Of note are some 50 kilometres of arcuate and structurally displaced conductors in the southwest portion of the property. The Hook Lake showing itself occurs in a magnetic low, adjacent to a magnetic high.

During the quarter ended October 31, 2007, the Company announced the completion of the 2007 exploration program which represents the first significant exploration carried out on the project lands in over 25 years. This program consisted of diamond drilling (14 holes; 2,467 metres), accompanied by 120 kilometres of linecutting, Horizontal Loop EM and ground magnetics, as well as a detailed 700-line kilometre airborne VTEM survey over select segments of the property. The drilling program was helicopter-supported which, combined with contractor delays and a commitment to drill on an adjoining property resulted in lower than budgeted production levels and precluded a thorough evaluation of the areas targeted. Analytical results are slowly trickling in. Meanwhile, planning for a drilling intensive 2008 program is underway.

In addition, a major prospecting campaign was carried out over the entire Way Lake project area and resulted in the discovery of three new zones of anomalous radioactivity in outcrop (West Way, Nob Hill, and EWA). An orientation bulk till sampling survey was also completed.

To October 31, 2007, the Company had incurred net acquisition costs of \$122,824 and exploration costs of \$3,431,552 in respect of these claims.

(j) Crackingstone

The Crackingstone property was acquired by staking in July of 2004. It consists of four mineral claims totaling 10,665 hectares, located in the Uranium City area, adjacent to the north rim of the Athabasca Basin. The Company has an unencumbered 100% interest in these properties. These claims cover the Crackingstone Peninsula and the northeast strike extensions of the unconformity between the Martin Group and the Tazin Group. The Gulch mine and approximately a dozen uranium showings occur on the project lands.

A number of reserve estimates have been published for the Gulch deposit, none of which follow the prescribed terminology of NI 43-101. The most recent, a 1975 estimate by Gulch Mines Inc., reported “drill-indicated reserves” of 201,000 tons grading 0.09% U₃O₈ (0.05% cut-off) and “possible reserves” of 315,000 tons at a similar grade (Source: Mineral Bulletin MR213, June 1986, Energy, Mines and Resources, Canada). The Company believes the estimate to be relevant information but has not completed work necessary to verify its reliability. As a historical estimate it should not be relied upon.

During the year ending January 31, 2007, the Company flew a 1,350-line kilometre helicopter-borne VTEM survey over the project lands that identified a number of promising looking conductors for follow-up.

During the quarter ended October 31, 2007, a 3,800-line kilometre high resolution gradient magnetic survey budgeted at \$115,000 was flown over the project lands. Interpretation is underway.

To October 31, 2007, the Company had incurred net acquisition costs of \$29,199 and exploration costs of \$240,522 in respect of these claims.

(k) Rocky Brook

On December 14, 2004, the Company announced that it had entered into an Agreement with Altius Minerals Corporation to option the Rocky Brook uranium property. This project comprises approximately 11,000 hectares in size and covers the northeast margin of the Carboniferous Deer Lake Basin in Western Newfoundland.

JNR can earn an undivided 70% participating interest over 4 years by spending \$2,525,000 on exploration, including a minimum first year commitment of \$275,000. To

exercise the Option, JNR will make an initial payment of 125,000 common shares and may make optional cash/share payments totaling \$172,000.

During 2005, a diamond drilling program was carried out on the Rocky Brook uranium property in search of the source of high-grade mineralized boulders found on the project lands. This reconnaissance-scale program consisted of 78 holes, totaling 3,265 metres. It successfully identified areas of alteration and geochemical enrichment in drill core that are analogous to the mineralized boulders, as well as significant radiometric anomalies in till.

Very encouraging results were obtained from several of the 40 reconnaissance holes that tested the Wigwam Brook boulder field. Drilling returned anomalous radiometric intervals (over 1,000 cps – downhole radiometric probe) from holes that were collared to the northeast and southwest of the boulder field. Drilling north of the Birchy Hill Brook boulder field also returned encouraging results in that a previously identified till anomaly was extended a further 700 metres northward.

During the year ending January 31, 2007, an exploration program consisting of a 1,100-line kilometre high resolution radiometric, magnetic and electromagnetic airborne survey was carried out, along with a 2,881-metre diamond drilling program comprising 65 short holes.

The airborne survey successfully identified several prominent magnetic and radiometric anomalies in the areas of the historic Wigwam Brook, Birch Hill Brook and Goose prospects, as well as a number of anomalous zones elsewhere. The drilling program returned the best mineralization intersected to date on the property. RB-06-117 intersected a grade equivalent of 0.54% U_3O_8 over 0.10 metres within a 0.4 metre interval that assayed 0.075% U_3O_8 and 4.4 ppm silver. Fifty metres to the south, RB-06-127 intersected a 0.5 metre interval of 0.080% U_3O_8 , 1030 ppm copper and 2.2 ppm silver. Both intersections occur at shallow depths just below the overburden/bedrock interface. These two holes are located approximately 50 metres east of the Wigwam Brook boulder field and within a broad 700-metre long drill-defined bedrock anomaly. Anomalous radioactivity was also encountered in several holes drilled immediately northwest of the Birchy Hill Brook boulder anomaly.

During the quarter ended October 31, 2007, permits were obtained and an exploration program budgeted at \$600,000 was initiated. It consists of a planned 3,000 metres of diamond drilling accompanied by a nominal amount of trenching. The drilling program will focus on the Wigwam Brook area where the results to date indicate a complex stratigraphic/structural control to the mineralization and geochemical enrichment, and the Birchy Hill Brook area.

To October 31, 2007, the Company had incurred net acquisition costs of \$318,250 and exploration costs of \$1,761,538 in respect of these claims.

(l) Kelic Lake

The Kelic Lake uranium property was acquired by staking in November of 2004. It consists of four mineral claims totaling 20,686 hectares, located along the south central margin of the Athabasca Basin. Denison can earn a 51% interest in the properties by paying staking and recording costs, and by incurring exploration expenditures of \$250,000 by April 30, 2007, and can earn a further 24% interest by incurring additional exploration expenditures of \$250,000 by April 30, 2008.

During 2005, a 975-line kilometre airborne EM and magnetic survey was completed. A number of conductive and structural targets were identified.

During the quarter ended April 30, 2007, a winter exploration program budgeted at \$500,000 and consisting of 110 kilometres of linecutting and ground EM surveys was completed, over targets identified by the airborne survey. In total four grids were surveyed. This program identified a number of targets for follow-up.

There were no field activities carried out during the quarter ended October 31, 2007.

To October 31, 2007, the Company had incurred exploration costs of \$12,945 in respect of these claims.

(m) South Dufferin

The South Dufferin uranium property was acquired by staking in November of 2004. It consists of six mineral claims totaling 27,330 hectares, located along the south central margin of the Athabasca Basin. Denison can earn a 51% interest in the properties by paying staking and recording costs, and by incurring exploration expenditures of \$250,000 by April 30, 2007, and can earn a further 24% interest incurring additional exploration expenditures of \$250,000 by April 30, 2008.

The property covers the Virgin River shear, a major mineralized structural zone.

During 2005, a 1,200-line kilometre airborne EM and magnetic survey was completed. It identified numerous conductors, many exhibiting correlation with linear magnetic features. Some seventeen 'zones of interest' have been identified. Most of the conductors are north-northeast trending and occur in the western half of the project in areas interpreted to be structurally complex.

There were no field activities carried out during the quarter ended October 31, 2007. Planning of the 2008 exploration program is underway.

To October 31, 2007, the Company had incurred exploration expenses of \$11,700.

(n) North Wedge

The North Wedge property was acquired by staking in February of 2004. It consists of one mineral claim totaling 4,247 hectares, located southeast of the Cigar Lake uranium deposit. Denison can earn a 51% interest in the property by paying the staking and recording costs, and by incurring exploration expenditures of \$250,000 by April 30, 2008.

During the winter and spring of 2007, an exploration program consisting of 104 kilometres of linecutting and ground magnetics and 12 kilometres of HLEM surveying was completed. The HLEM survey was suspended due to adverse conditions. Interpretation is underway.

There were no field activities carried out during the quarter ended October 31, 2007.

To October 31, 2007, the Company had incurred exploration expenses of \$3,000.

(o) Newnham Lake

The Company has a 100% unencumbered interest in this project which consists of eight mineral claims totaling 27,723 hectares and located along the northeastern margin of the Athabasca Basin, approximately 50 kilometres east of the historic Nisto uranium deposit. The initial 'core' claim was acquired by staking in February of 1997, with the remaining claims being staked throughout 2005.

During 2005, the Company flew a 1,550-line kilometre airborne EM and magnetic survey over the project lands. This survey successfully identified a number of conductive and structural trends, most notably a broad 15-kilometre long, east-northeast trending conductor associated with a metasedimentary assemblage within the central portion of the property.

During the year ending January 31, 2007, the anomalous airborne results were followed up by an exploration program consisting of 110 kilometres of linecutting and ground EM. A 900-line kilometre helicopter-borne DIGHEM EM survey was also flown over the two northeastern claims. This program identified a number of both conductive and structural targets for follow-up.

There were no field activities carried out during the quarter ended October 31, 2007. A 4,200-line kilometre high resolution gradient magnetic survey budgeted at \$125,000 will be flown over the project lands by year-end. The results will be used to better define drill targets for the 2008 winter campaign.

To October 31, 2007, the Company had incurred net acquisition costs of \$53,106 and exploration costs of \$631,016 in respect of these claims.

(p) South Fork

The Company holds a 100% unencumbered interest in 25 mineral claims and one mineral permit totaling 50,176 hectares, located to the east of the Cypress Hills in southwestern Saskatchewan. These properties were acquired in January, 2006, because of their potential to host roll-front uranium deposits, akin to those found in the prolific Powder River Basin in Wyoming.

During the quarter ended July 31, 2007, a nominal field program was completed and the Company announced an option agreement with Uranium Power Corp. (UPC), whereby UPC can earn up to a 65% interest in the South Fork project, located to the east of the Cypress Hills in southwestern Saskatchewan. The terms of the agreement call for UPC to reimburse JNR for prior expenditures, not to exceed \$100,000, and to carry out \$1,500,000 of exploration by January 25, 2009 to earn a 50% interest in the property. UPC can then increase its interest to 65% by spending an additional \$1,000,000 on exploration activities by January 25, 2011. UPC will be the operator.

During the quarter ended October 31, 2007, a 3,300-line kilometer airborne electromagnetic and magnetometer survey using the TEMPEST system was flown over the project lands. Interpretation is underway, with drill testing of the targets identified planned for the spring of 2008.

To October 31, 2007, the Company had incurred net acquisition costs of \$25,512 and exploration costs of \$11,830 in respect of these claims.

(q) Yurchison Lake

The Yurchison Lake property was acquired by staking in August of 2006, in light of encouraging results from the summer exploration program. The project consists of four mineral claims totaling 12,660 hectares and is located in the Yurchison Lake area, some ten kilometres northeast of the Way Lake project and 25 kilometres southeast of the Athabasca Basin proper. The Company has a 100% unencumbered interest in these properties.

During the year ending January 31, 2007, a reconnaissance-scale exploration program was carried out over what was then open ground. Significant uranium and molybdenum mineralization was obtained from both outcrop and float samples taken in and near old trenches. Uranium values ranged from 0.09% to 0.30% U₃O₈, with molybdenum values ranging from 2,500 to 6,400 ppm. These encouraging results lead to the staking of the project lands. An 800-line kilometer helicopter-borne VTEM survey was then completed over the property.

During the quarter ended October 31, 2007, a helicopter-supported, property-scale prospecting, mapping and till sampling program was underway over the project lands. Analytical results are pending.

Interpretation of the VTEM survey indicates a number of well-defined conductor targets for drill testing. Planning of the 2008 diamond drilling program is underway.

To October 31, 2007, the Company had incurred net acquisition costs of \$22,791 and exploration costs of \$168,980 in respect of these claims.

(r) Topsails

During the quarter ended October 31, 2007, the Company established an alliance with Altius Resources Inc. to explore for volcanic-hosted uranium deposits in central Newfoundland and staked some 264,600 hectares of ground in one of the largest staking campaigns ever undertaken in eastern Canada.

Prior to acquiring the ground, field investigations confirmed the prospective geological setting and a review of the limited reconnaissance work reported in 1981 indicated significant radiometric anomalies associated with the volcanic rocks. Planning of an extensive exploration program for 2008 is underway, details of which will be released when finalized.

The Company and Altius each hold a 50% Participating Interest in the Topsails uranium project. In return for generating the project Altius retains a 2% Gross Sales Royalty on uranium products and a 2% Net Smelter Return on all other commodities. The Company has agreed to make an initial 50,000 share payment to Altius and an optional 50,000 share payment on the first anniversary.

To October 31, 2007, the Company had incurred net acquisition costs of \$439,020 and exploration costs of \$900 in respect of these claims.

Selected Annual Information

	Year ended Jan. 31/07	Year ended Jan. 31/06	Year ended Jan. 31/05
Total revenues	3,308,185	790,033	250,063
Net loss (income)	(728,840)	801,304	1,033,038
Basic & diluted (loss) gain per share	\$0.01	(\$0.01)	(\$0.02)
Total assets	16,576,892	9,803,260	7,983,437
Total long-term liabilities	0	0	0
Cash dividends	0	0	0

Revenue for the years ended January 31, 2007, 2006 and 2005 was the result of rental charged for camp and exploration equipment, project management services for exploration, mineralogical services, and interest income. Revenues for the year ended January 31, 2007 were significantly higher than those for the previous years due to a recovery of future income tax recorded at \$2,280,000. This also resulted in a net profit for the year of \$728,840 compared to net losses in the previous years.

Summary of Quarterly Results

The following quarterly financial data is derived from the interim, unaudited financial statements of JNR Resources Inc. as at and for the three month periods ended on the dates indicated below. This information should be read in conjunction with the Company's interim, unaudited financial statements and the accompanying Notes.

	Oct. 31/07	July 31/07	Apr. 30/07	Jan. 31/07
Total assets	32,065,175	32,170,151	31,859,893	16,576,892
Mineral properties & deferred costs	15,259,732	12,978,606	11,336,428	10,547,355
Working capital (deficiency)	15,463,513	18,082,139	20,033,140	5,103,863
Shareholders' equity	28,352,429	28,152,243	28,354,851	15,785,423
Revenues	316,822	124,487	399,027	2,497,555
Net loss (Profit)	204,803	497,484	(133,715)	(1,155,805)
Loss (earnings) per share	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.01)

	Oct. 31/06	July 31/06	Apr. 30/06	Jan. 31/06
Total assets	15,721,732	15,685,789	15,234,931	9,803,260
Mineral properties & deferred costs	9,402,581	7,165,536	5,448,643	5,077,221
Working capital (deficiency)	5,895,679	8,064,768	9,566,026	4,215,497
Shareholders' equity	15,422,520	15,356,163	15,126,545	9,400,087
Revenues	295,162	262,393	253,075	150,804
Net loss (Profit)	234,993	2,882	189,090	93,215
Loss (earnings) per share	\$0.00	\$0.00	\$0.00	\$0.00

Results of Operations

The net loss of \$204,803 for the quarter ended October 31, 2007 (\$234,993 in 2006) is mainly attributed to the following: Revenues for the quarter were \$316,822 (\$295,162 in 2006), amortization expense was \$56,938 (\$8,118 in 2006), consulting was \$11,500 (\$4,600 in 2006), filing fees were \$10,461 (\$2,755 in 2006), insurance was \$6,208 (\$375 in 2006), office expenses were \$17,682 (\$4,961 in 2006), rent was \$14,190 (\$6,650 in 2006), recoverable field expenses were \$275,201 (\$30,377 in 2006), research expense was \$6,603 (\$0 in 2006), software support was \$7,709 (\$1,857 in 2006), stock compensation expense was \$0 (\$269,750 in 2006), travel was \$20,662 (\$12,108 in 2006), and wages and benefits were \$15,746 (\$102,453 in 2006).

The net loss of \$497,484 for the quarter ended July 31, 2007 is significantly higher than the net loss of \$2,882 at July 31, 2006 and is mainly due to the following: revenues were \$124,487 (\$262,393 in 2006) for rental of camp and equipment, project management, sale of options, and interest income, while administrative expenses were \$621,971 (\$265,275 in 2006). The most significant changes in expenses included \$147,653 for wages (\$93,212 in 2006), \$13,592 for amortization (7,983 in 2006), \$9,600 for consulting (\$4,400 in 2006), \$17,230 for premises rent (\$8,340 in 2006), \$6,001 for professional fees (\$22,075 in 2006), and \$296,000 for stock compensation expense (\$0 in 2006).

The net profit for the quarter ended April 30, 2007 was \$133,715 compared to a net loss of \$189,090 reported April 30, 2006. The difference is attributed mainly to the following: stock compensation expense was \$0 (\$150,525 in 2006), amortization was \$9,229 (\$6,805 in 2006), consulting expenses were \$4,500 (\$4,900 in 2006), filing fees expensed were \$6,825 (\$2,450 in 2006), management fees were \$24,000 (\$24,000 in 2006), insurance expense was \$696 (\$950 in 2006), premises expenses were \$10,670 (\$6,540 in 2006), professional fees were \$11,359 (\$1,040 in 2006), property examinations were \$4,589 (\$17,084 in 2006), recoverable field expenses were \$40,005 (\$63,436 in 2006), shareholder communication and promotion expenses were \$29,833 (\$39,627 in 2006), training expenses were \$3,200 (\$0 in 2006), travel and accommodation expenses were \$10,258 (\$18,857 in 2006), and wages and benefits in 2007 were \$94,486 (\$92,384 in 2006). Revenues for the quarter were \$399,027 in 2007 and \$253,075 in 2006.

The net profit of \$1,155,805 for the quarter ended January 31, 2007 is a substantial increase over the net loss of \$93,215 reported January 31, 2006. The difference is attributed mainly to the following: recovery of future income tax recorded for \$2,280,000 (\$0 in 2006), interest income was \$71,242 (\$21,759 in 2006), income for mineralogical services was \$0 (\$23,120 in 2006), other income was (\$50,074) (\$37,220 in 2006), loss on marketable securities was \$0 (\$8,650 in 2006), consulting expenses were \$5,750 (\$10,300 in 2006), directors fees expensed were \$0 (\$2,000 in 2006), filing fees were \$3,718 (\$13 in 2006), management fees were \$24,000 (\$31,800 in 2006), recoverable field expenses were \$63,361 (\$51,050 in 2006), stock compensation expense of \$1,054,450 (\$0 in 2006), wages and benefits were \$72,410 (\$60,660 in 2006), and gain on sale of property was \$103,725 (\$0 in 2006).

Liquidity and Capital Resources

	Oct. 31, 2007	January 31, 2007
Current Assets	15,996,644	5,895,332
Current Liabilities	<u>533,131</u>	<u>791,469</u>
Working Capital	<u>15,463,513</u>	<u>5,103,863</u>

At October 31, 2007, the Company held \$14,515,000 in Guaranteed Investment Certificates. Subsequent to the quarter end \$1,309,000 was withdrawn and deposited to the bank. There are currently two Guaranteed Investment Certificates totaling \$13,206,000 earning a variable rate of interest which is currently at 4.0%. One certificate is for \$6,472,000 and matures on March 24, 2008 and the second certificate is for \$6,734,000 and matures on March 24, 2008.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The fair value of these financial instruments

approximates their carrying values, unless otherwise noted. The Company is not exposed to significant interest, currency, or credit risk arising from financial instruments

The Company has sufficient funds to meet its operating needs and financial obligations for the ensuing year, as well as to continue exploration programs both planned and currently in progress. All of the Company's mineral properties are currently in good standing with work planned on those that require it.

Share Capital, Options and Warrants

The Company is authorized to issue an unlimited number of Common Shares with no par value and 10,000,000 Convertible Preferred Shares with a par value of \$1 each. The Directors may deem the shares to be cumulative at date of issuance.

At October 31, 2007, the Company's issued share capital was as follows:

	Number of Shares	\$ Amount
Preferred Shares	3,000	\$ 3,000
<u>Common Shares</u>		
Balance January 31, 2007	77,258,296	22,352,319
Private placement	3,885,300	16,383,193
For property	50,000	121,500
Exercise of options	525,000	412,500
Exercise of warrants	173,913	201,739
Flow-through shares		0
Contributed surplus		0
Share issue costs		(1,099,740)
Future income tax liability		(3,179,615)
<u>Balance October 31, 2007</u>	<u>81,895,509</u>	<u>\$35,194,896</u>

Options

The Company has established a stock based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and employees of the Company as well as persons providing ongoing services to the Company. Exercise price of options equals the market price of the Company's stock on the date of grant. Stock options are exercisable on the day of grant and are for a five-year term.

A summary of the status of the Company incentive stock option plan as at October 31, 2007 is as follows:

<u>Number of Shares</u>	Weighted Average	<u>Exercise Price</u>
Outstanding January 31, 2007	2,900,000	1.45
Granted	200,000	
Exercised	(525,000)	
Outstanding October 31, 2007	<u>2,575,000</u>	

Options Granted

There were no options granted during the quarter ending October 31, 2007.

A summary of the status of the Company incentive stock option plan as at October 31, 2007 is as follows:

<u>Number of Shares Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	0.55	July 22, 2009
150,000	1.09	January 11, 2010
975,000	0.82	June 19, 2010
50,000	0.79	March 8, 2011
125,000	1.07	October 2, 2011
775,000	2.62	January 12, 2012
<u>200,000</u>	<u>2.55</u>	<u>July 2, 2012</u>

2,575,000

Warrants

A summary of warrants as at October 31, 2007 is as follows:

<u>Number of Warrants</u>	<u>Purchase Price</u>	<u>Expiry Date</u>
<u>116,559</u>	3.80	September 22, 2008

116,559

Related Party Transactions

During the quarter ended October 31, 2007, the Company incurred charges from directors or companies sharing common directors as follows:

	<u>2007</u>
Exploration expenditures	\$ 68,337
Fixed asset purchases	4,063
Consulting	8,400
Management fee	24,000
Office services & supplies	1,248
Travel & promotion	<u>7,527</u>
	<u>\$113,575</u>

These transactions occurred during the normal course of operations and were measured at the exchange amount that is the amount established and accepted by the parties.

Changes in Accounting Policies

Stock-based Compensation Plan

Effective February 1, 2003, the Company adopted a new standard for the accounting for stock-based and other stock-based payments as recommended by the Canadian Institute of Chartered Accountants (CICA 3870).

As permitted by CICA 3870, the Company has applied the new recommendation prospectively only to awards granted on or after February 1, 2003. For stock option awards granted and all direct awards of stock, the Company applies fair value method. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for: weighted average risk-free interest rates; dividend yields; weighted-average volatility factors of the expected market price of the Company's Common Shares; and a weighted average expected life of the options. The fair value of direct awards of stocks is determined by the quoted market price of the Company's stock.

Subsequent Events

There were no significant subsequent events.

Internal Controls and Procedures

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under the Multilateral Instrument 52-109 for the fiscal period ended October 31, 2007.

The Company identified certain material weaknesses and the need for improvement of policies, controls and procedures in areas such as the segregation of duties, taxation and awareness of the accounting implications of certain transactions and decisions. These weaknesses and their related risks are not uncommon in a company the size of JNR Resources Inc., because of limitations of size and number of staff.

Management is taking steps to further analyze areas of weakness, improve controls and reduce risks by taking active steps to design and implement procedures, including written documentation of these procedures and where appropriate retaining external independent advice on certain key accounting, taxation and legal issues, as the Company does not presently have internal personnel with all of the technical accounting or legal knowledge to address the more complex issues. While these measures may reduce the likelihood of a material misstatement or untimely disclosure in financial reporting, there is no assurance that a material misstatement will not occur.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the financial statements and the accompanying notes, the MD&A, and other information contained in this report.

Management also has the responsibility for the maintenance of adequate accounting records and internal controls, prevention and detection of fraud and errors, safeguarding of assets, selection, and application of suitable policies, and appropriate disclosure and the timely disclosure of financial information in the financial statements. The preparation of the financial statements in accordance with generally accepted accounting principles is also the responsibility of management.

Signed

“Richard T. Kusmirski”
President