

TWIGG & COMPANY
CHARTERED ACCOUNTANTS

J.S. TWIGG *B.Comm., C.A.*

L.D. SAFINUK *B. Comm., C.A.*

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333 - 25th STREET EAST
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TELEPHONE (306) 244-0808
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JNR RESOURCES INC.

Auditors' Report and Financial Statements

for the year ended January 31, 2008

TWIGG & COMPANY

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF JNR RESOURCES INC.

We have audited the balance sheet of JNR Resources Inc. as at January 31, 2008 and January 31, 2007 and the statements of operations and deficit and cash flows and the schedule of deferred exploration costs for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at January 31, 2008 and January 31, 2007 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**SASKATOON, SASKATCHEWAN
May 21, 2008**

**"TWIGG & COMPANY"
CHARTERED ACCOUNTANTS**

JNR RESOURCES INC.

BALANCE SHEET AS AT JANUARY 31, 2008

	2008	2007
ASSETS		
Current		
Cash and equivalents	\$ 152,992	\$ 1,170,147
Term certificates (Note 5)	12,345,000	4,100,000
Accounts receivable	1,230,411	188,882
Marketable securities (Note 4)	101,000	56,100
Prepaid expense	445,116	380,203
	14,274,519	5,895,332
Equipment (Note 3 & 6)	1,398,459	134,205
Deferred exploration costs (Note 3 & 7)	15,160,572	9,821,169
Mineral properties and rights (Note 3 & 7)	1,159,165	726,186
	\$ 31,992,715	\$ 16,576,892
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 503,370	\$ 781,233
Due to a director		10,236
	503,370	791,469
SHAREHOLDERS' EQUITY		
Share capital (Note 8 & 9)	35,779,542	22,355,319
Contributed surplus (Note 3)	2,366,930	2,385,365
Deficit	(6,657,127)	(8,955,261)
	31,489,345	15,785,423
	\$ 31,992,715	\$ 16,576,892

See accompanying notes

Approved by the Board:

"Richard T Kusmirski"

Director

"Ron Hochstein"

Director

JNR RESOURCES INC.

STATEMENTS OF OPERATIONS AND DEFICIT

FOR THE YEAR ENDED JANUARY 31, 2008

	<u>2008</u>	<u>2007</u>
Administration costs		
Amortization	\$ 185,126	\$ 33,501
Automotive expense	9,802	14,111
Bank interest	2,219	1,487
Consulting	37,800	19,650
Dues and memberships	5,193	5,492
Equipment lease	14,196	10,725
Filing fees	34,600	14,418
Insurance	7,606	5,420
Management fees	96,000	96,000
Office expense	64,913	28,754
Premises expenses	63,641	30,120
Professional fees	37,842	41,084
Property examination	1,500	19,485
Recoverable field expenses	349,787	186,233
Repairs and maintenance	3,508	1,003
Shareholder relations	139,131	36,497
Stock compensation	245,600	1,474,725
Telecommunications	9,181	11,305
Training	10,998	4,027
Transfer agent	10,500	12,262
Travel and accommodation	80,359	176,614
Wages and benefits	356,268	356,432
	<hr/>	<hr/>
	1,765,770	2,579,345
Recovery of expenses	(399,524)	(90,716)
Project management income	(187,672)	(276,715)
Interest income	(302,356)	(144,074)
Administrative overhead	(150,749)	(127,491)
Camp and equipment rental	(124,779)	(273,629)
Mineralogical services	(895)	(11,835)
	<hr/>	<hr/>
Total costs	599,795	1,654,885
	<hr/>	<hr/>
Operating loss for the year	599,795	1,654,885
Gain on sale of interest in properties	(80,818)	(103,725)
Recovery of future income tax	(2,844,919)	(2,280,000)
Mining properties allowed to lapse	27,808	
	<hr/>	<hr/>
Net income (loss) for the year	2,298,134	728,840
Deficit, beginning of the year	8,955,261	9,684,101
	<hr/>	<hr/>
Deficit, end of year	\$ 6,657,127	\$ 8,955,261
	<hr/>	<hr/>
Basic income (loss) per share (Note 3)	\$ 0.03	\$ 0.01

JNR RESOURCES INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2008

	2008	2007
Cash flows from (used in) operating activities		
Net income (loss) for the year	\$ 2,298,134	\$ 728,840
Items not involving cash		
Stock based compensation expense	245,600	1,474,725
Amortization	185,126	33,501
Future income tax recovery	(2,844,919)	(2,280,000)
	(116,059)	(42,934)
Cash provided by (invested in) non-cash working capital		
Decrease (increase) in marketable securities	(44,900)	(53,750)
Decrease (increase) in accounts receivable	(1,041,529)	(10,188)
Decrease (increase) in prepaids	(64,913)	(375,316)
Increase (decrease) in accounts payable and accrued liabilities	(277,863)	404,716
Increase (decrease) in due to director	(10,236)	(16,420)
	(1,555,500)	(93,892)
Cash flows from (used in) financing activities		
Issuance of share capital for cash	15,883,607	6,391,772
Cash flows from (used in) investing activities		
Mineral properties and rights, for cash	(311,479)	(149,393)
Deferred exploration expenses	(5,339,404)	(5,250,741)
Acquisition of equipment	(1,449,379)	(60,338)
	(7,100,262)	(5,460,472)
Increase (decrease) in cash and cash equivalents	7,227,845	837,408
Cash and cash equivalents, beginning of year	5,270,147	4,432,739
Cash and cash equivalents, end of year	\$ 12,497,992	\$ 5,270,147
Supplementary Information		
Shares issued for property	\$ 121,500	\$ 70,000

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

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 January 31, 2008

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:

Leasehold improvements	20%
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 recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

3. Significant Accounting Policies - continued

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 January 31, 2008

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. Changes in Accounting Policies

Effective January 1, 2007, the Company adopted, on a prospective basis, the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Accounting Changes –(Section 1506)

This standard allows for voluntary changes in accounting policy only when such changes enhance the relevance and reliability of the financial statements and the comparability of those financial statements over time and with the financial statements of other entities. The standard requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements.

Any impact the adoption of Section 1506 will have on our results of operations and financial condition will depend on the nature of future accounting changes. Its adoption has had no impact on these audited financial statements.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

4. Changes in Accounting Policies - continued

Comprehensive Income – (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires that certain gains and losses which would otherwise be recorded as part of net earnings be presented in "other comprehensive income" until it is considered appropriate to recognize them into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as other financial statements.

Equity – (Section 3251)

This section establishes standards for the presentation of changes in equity that arise as a result of the adoption of comprehensive income, financial instruments – recognition and measurement, and hedges (Sections 1530, 3855 and 3865). It establishes standards for the presentation of accumulated other comprehensive income, which is comprised of all components of other comprehensive income.

Financial Instruments – Recognition and Measurement (Section 3855)

This standard prescribes when a financial asset, financial liability or a non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances.

Under Section 3855, financial instruments must be initially classified into one of the following balance sheet categories (including derivatives):

Held-for-trading financial assets and liabilities that are initially measured at fair value and where subsequent changes in fair value are recognized in the consolidated statements of operations;

Available-for-sale financial assets that are initially measured at fair value and where subsequent changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recorded in net earnings; or

Held-to-maturity investments, loans and receivables, or other financial liabilities – all of which are initially measured at cost and where subsequent changes in cost are amortized utilizing the effective interest rate method.

In accordance with this new standard, we classified our financial instruments as follows:

- Cash and temporary investments were classified as held-for-trading and accordingly carried at their fair values;

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

4. Changes in Accounting Policies - continued

- Accounts receivable were classified as loans and receivables, and accordingly carried at their amortized costs;
- Accounts payable and accrued liabilities and long-term debt were classified as other financial liabilities and are currently carried at their amortized cost.

The classification of our financial instruments as at February 1, 2007 and their subsequent changes to January 31, 2008 have resulted in no material gains or losses that require separate presentation in other comprehensive income or recognition in earnings (loss).

Transactions costs that are directly attributable to the issuance of the financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method.

Financial Instruments – Disclosure and Presentation (Section 3861)

This section established disclosure and presentation standards for financial instruments and non-financial derivatives, and identifies relevant information to be disclosed. Disclosures need not be provided on a comparative basis for period prior to the adoption date of these new standards.

5. Term Certificates

The Company has invested their temporary excess funds into Guaranteed Investment Certificates at the Royal Bank earning interest at 4.0% and maturing within one year.

6. Equipment

The Equipment consists of the following:

	Cost	Accumulated Amortization	Net Book Value	
			2008	2007
Computer	\$ 203,594	60,855	142,739	\$ 34,099
Equipment	1,370,400	175,385	1,195,015	73,368
Automotive	49,289	25,972	23,317	26,738
Leasehold improvements	<u>41,542</u>	<u>4,154</u>	<u>37,388</u>	
	<u>\$1,664,825</u>	<u>266,366</u>	<u>1,398,459</u>	<u>\$ 134,205</u>

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

7. Mineral Properties, Rights and Deferred Exploration Costs

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

Property	Property Costs	Deferred Exploration Costs	Total 2008	Total 2007
Topsails Project	\$ 439,020	24,121	\$ 463,141	\$ -
Newnham Lake Project	53,106	637,971	691,077	674,670
North Athabasca Project				27,808
Moore Lake Project	72,684	6,045,360	6,118,044	5,248,429
Lazy Edward Bay Project	27,256	900,179	927,435	823,816
Bell Lake Project		564,826	564,826	4,200
Black Lake Project	54,035	747,838	801,873	649,417
South Cigar Project		8,400	8,400	6,300
Pendleton Lake Project		36,730	36,730	8,825
Way Lake Project	122,824	3,535,687	3,658,511	1,017,627
Crackingstone Project	29,199	313,735	342,934	217,946
Kelic Lake Project		13,845	13,845	7,365
Rocky Brook Project	338,250	1,954,959	2,293,209	1,661,057
South Dufferin Project		22,790	22,790	6,300
North Wedge Project		3,000	3,000	2,400
South Fork Project				27,272
Yurchison Lake Project	22,791	351,131	373,922	163,923
	<u>\$ 1,159,165</u>	<u>15,160,572</u>	<u>\$ 16,319,737</u>	<u>\$ 10,547,355</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.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

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

B. 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.

C. Lazy Edward Bay Project

Since 1999 the Company has acquired by staking twelve 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 paying all staking and recording costs, and incurring expenditures of \$500,000 on exploration. The earn-in has been completed.

D. 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 January 31, 2008

7. Mineral Properties, Rights and Deferred Exploration Costs – Continued

E. 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.

F. 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 earned a 75% interest in the properties by paying all staking and recording costs, and by incurring exploration expenditures of \$500,000.

G. 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 earned a 75% interest in the properties by paying all staking and recording costs and by incurring exploration expenditures of \$500,000.

H. 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 totaling 57,722 ha. in the Way Lake area. The Company holds a 100% unencumbered interest in this project.

I. 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.

J. 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 earned a 75% interest in the properties by paying all staking and recording costs and by incurring exploration expenditures of \$500,000.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

7. Mineral Properties, Rights and Deferred Exploration Costs – Continued

K. Rocky Brook

In December 2004, the Company entered into an Agreement with Altius Minerals Corporation to option the Rocky Brook uranium property, consisting of four hundred and thirty-seven mineral claims totaling 10,925 ha., 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 totaling \$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.

L. 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 earned a 75% interest in the properties by paying all staking and recording costs, and incurring exploration expenditures of \$500,000.

M. North Wedge

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

N. South Fork

The Company holds a 100% unencumbered interest in sixty-one mineral claims totaling 49,408 ha., located to the east of the Cypress Hills in southwestern 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,

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

7. Mineral Properties, Rights and Deferred Exploration Costs – Continued

O. 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.

P. Topsails

During the year ended January 31, 2008, the Company established an alliance with Altius Resources Inc. to explore for volcanic-hosted uranium deposits in central Newfoundland and staked some 267,425 ha. 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 (NSR) 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.

8. Income Taxes

The Company has incurred expenditures on its mining exploration properties which are identified as Canadian Exploration Expenses (CEE) and Canadian Development Expenses (CDE) for income tax purposes. The cumulative CEE and CDE expenditures and loss carryforwards may be used to reduce future years' taxable income earned by the Company. No provision for the future income tax reductions has been made in these financial statements.

In accordance with the adoption of new accounting recommendations relating to the issuance of flow-through shares during the year (refer to Note 3); the Company reduced \$2,844,919 from flow-through share proceeds assigned to share capital, and recognized as a future tax liability, an amount approximating the tax effect on the timing difference resulting from renouncing exploration expenditures using currently enacted tax rates and laws.

Concurrently the Company recognized \$2,844,919 as a future income tax recovery from the utilization of available tax losses and CEE of prior periods to offset the future tax liability recognized above. The Company has not previously recognized tax benefits relating to losses of prior periods as the criteria for recognition has not been met. (Note 3)

The exploration and development expenses totaling \$3,464,675 can be carried forward indefinitely. The non-capital losses totaling \$1,971,508 are carried forward for tax purposes and are available to reduce taxable income of future years. These losses expire as follows:

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

8. Income Taxes - continued

Year	Non-Capital Losses
2008	\$ 194,738
2009	
2010	67,651
2011	147,482
2012	128,401
2013	11,437
2027	76,460
2028	1,345,339
Total	\$ 1,971,508

9. 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 January 31, 2008, the Company's issued share capital was as follows:

	2008		2007	
	Number of Shares	\$ Amount	Number of Shares	\$ Amount
<u>Common Shares</u>				
Balance beginning of year	77,258,296	22,352,319	72,027,740	17,628,788
Private placement	3,885,300	16,366,410	4,000,000	6,000,000
Shares issued for Property	50,000	121,500	55,556	70,000
Exercise of options	525,000	412,500	1,175,000	744,250
Exercise of warrants	173,913	201,739		
Flow-through shares (Note 3)		(2,844,919)		(2,280,000)
Contributed surplus (Note 3)		264,035		541,760
Share issue costs		(1,097,042)		(352,479)
	<u>81,892,509</u>	<u>35,776,542</u>	<u>77,258,296</u>	<u>22,352,319</u>
Preferred shares	3,000	3,000	3,000	3,000
Balance end of year	<u><u>81,895,509</u></u>	<u><u>35,779,542</u></u>	<u><u>77,261,296</u></u>	<u><u>22,355,319</u></u>

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

10. Share Capital Options and Warrants

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's incentive stock option plan as at January 31, 2008, is as follows:

	Number of Shares	Weighted average Exercise price
Outstanding January 31, 2007	2,900,000	1.29
Granted	200,000	2.55
Exercised	(525,000)	0.78
Outstanding January 31, 2008	2,575,000	1.49

Options Granted

During the year, the Company's Board of Directors approved and granted the following stock options to an employee:

July 2, 2007 200,000 at a price of \$2.55 per share exercisable for five years

The Company accounted for stock compensation expense of these options using the following assumptions: risk-free interest rate of 4.0%, dividend yield of 0%, volatility of 50%, and expected lives of 5 years. The Company has recorded \$245,600 in stock based compensation expense on 200,000 stock options during the year.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

10. Share Capital Options and Warrants - continued

Options Granted - continued

A summary of the status of the Company incentive stock option plan as at January 31, 2008 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 4, 2012
200,000	2.55	July 2, 2012
<hr/>		
2,575,000		

Warrants

Agents' Warrants

In connection with a private placement that closed on March 22, 2007 the Company issued 116,559 compensation warrants. Such warrants were granted to broker-agents in consideration of their equity-raising services.

A summary of the status of the share purchase warrants is as follows:

<u>Number of Warrants</u>	<u>Purchase Price</u>	<u>Expiry Date</u>
116,559	3.80	September 19, 2008

11. Related Party Transactions

During the year the Company incurred charges from directors or companies sharing common directors as follows:

	<u>2007</u>	<u>2006</u>
Consulting	\$ 29,550	\$ 2,400
Office services	1,981	774
Exploration expenditures	237,803	130,500
Management fee	96,000	96,000
Property examination		900
Travel	13,156	11,504
Shareholder relations	6,405	10,625
Stock compensation	<u>245,600</u>	<u>1,474,725</u>
	<u>\$ 630,495</u>	<u>\$ 1,727,428</u>

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2008

11. Related Party Transactions - continued

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.

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

13. Non-Cash Financing Activities

During the year, 125,000 shares of Golden Band Resources Ltd. were received by the Company pursuant to a mineral property option agreement. The total value of these shares at the time they were received was \$70,000.

14. Subsequent Event

On February 15, 2008, the Company granted incentive stock options to directors, officers, employees and consultants of the Company, to purchase up to 1,600,000 common shares in its capital stock at a price of \$1.25 per share, exercisable for a period of five years.

JNR RESOURCES INC.

**SCHEDULE OF DEFERRED EXPLORATION COSTS
FOR THE YEAR ENDED JANUARY 31, 2008**

Property/ Project	Balance January 31, 2007	Geophys- ical Surveys	Admin Fees	Drilling	Geochemistry & Analysis	Geologists Analyses & Report Preparation	Travel Camps & Accommo- dation	Grants, Sale, Abandonment	Balance January 31, 2008
Newnham Lake	\$ 621,564	34,496		3,000		7,331	3,825	(32,245)	\$ 637,971
North Athabasca	27,279							(27,279)	
Moore Lake	5,175,745	22,498	372,757	400,518	1,800	55,435	20,059	(3,452)	6,045,360
Lazy Edward Bay	796,560	1,650		39,729	1,400	16,200	44,640		900,179
Bell Lake	4,200	81,574	50,642	154,766		209,300	64,344		564,826
Black Lake	595,382	123,258		2,100		25,931	1,167		747,838
South Cigar	6,300	600				1,500			8,400
Pendleton	8,825	20,912		900		4,767	1,326		36,730
Way Lake	894,803	346,059		729,436	99,396	276,450	1,189,543		3,535,687
Crackingstone	188,747	114,857		300		9,831			313,735
Kelic Lake	7,365	3,302				3,178			13,845
Rocky Brook	1,342,807	12,884	45,135	332,659	71,055	76,466	73,953		1,954,959
South Dufferin	6,300	11,053				5,000	437		22,790
North Wedge	2,400					600			3,000
South Fork	1,760	1,723		900		15,006	750	(20,139)	
Yurchison	141,132	26,919		115,370		20,936	46,774		351,131
Topsails		1,608	3,043		1,400	16,038	2,032		24,121
	\$9,821,169	803,393	471,577	1,779,678	175,051	743,969	1,448,850	(83,115)	\$15,160,572

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
JNR RESOURCES INC.
YEAR ENDED JANUARY 31, 2008

The following discussion and analysis of the financial condition and results of operations for JNR Resources Inc. has been prepared as of May 23, 2008 to provide additional information to that already provided in the audited annual financial statements for the year ended January 31, 2008 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 \$13,771,149 at January 31, 2008 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 year ending January 31, 2008, the Company continued to focus its activities on uranium exploration. The Company was involved in exploration activities on thirteen individual projects, with diamond drilling on five of them. Eleven of the projects were located in the Athabasca Basin of Northern Saskatchewan, one project was in Southwestern Saskatchewan and one project was in the Deer Lake Basin of Western Newfoundland. The outlook for 2008 is even more aggressive, with exploration activities planned on fourteen projects, including drilling on twelve of them.

During the year ending January 31, 2008, the Company completed a \$2.5 million exploration program on its 100% owned **Way Lake** project. The program included just under 2,500 metres (14 holes) of diamond drilling, a major prospecting campaign, the establishment of five grids, ground geophysics and an airborne geophysical survey. This represents the first significant exploration carried out on the project lands in over 25 years.

The prospecting program resulted in the discovery of three new uranium showings (West Way, EWA and Nob Hill) as well as a broad area in the southwest corner of the property (Walker Lake showings) that contains several outcrops returning anomalous radioactivity. The best results were obtained in grab samples from the West Way (up to 0.475 % U_3O_8) and EWA (up to 0.492 % U_3O_8) showings.

The diamond drilling program met with mixed results. Initially, some thirty holes were planned for the Hook Lake area, but contractor delays resulted in lower than budgeted production levels and prevented a thorough evaluation of the area. Although no high-grade uranium mineralization was intersected, all fourteen holes intersected significant structural features composed of brittle fracturing and/or ductile-brittle shearing with anomalous pathfinder geochemistry in several.

The better results were from holes that tested the vicinity of the Hook Lake showing. WYL-07-01, which collared in high-grade rubble, intersected a 3.0-metre wide zone of anomalous radioactivity beginning at 14.5 metres downhole with the best result being 0.117% eU_3O_8 over 0.8 metres. WYL-07-02 intersected a 3.5-metre wide zone of anomalous radioactivity beginning at 20.2 metres downhole, with the best result being 0.119% eU_3O_8 over 2.6 metres. Nickel and lead enrichment accompanied the mineralized intervals.

On the nearby **Yurchison Lake** project exploration programs identified several well defined drill targets.

The **Moore Lake** Joint Venture with partner Denison Mines Corp. continues to be one of the most exciting exploration projects in the Basin. Just under 10,000 metres (27 holes) were drilled this past year with the focus being targets on regional grids. The most significant results were obtained from the fourteen reconnaissance holes drilled on the West Venice and Venice grids. These holes typically intersected a strongly altered and at times structurally disrupted sandstone column, enriched in several pathfinder elements including uranium. The basement rocks included sheared and altered graphitic pelites enriched in metals.

Airborne and ground geophysical surveys were also completed and resulted in the identification of a number of new drill targets.

During the year ending January 31, 2008, five grids were established and surveyed with ground geophysics on the **Lazy Edward Bay** project. A number of well defined complex bedrock conductive systems were interpreted.

On the **Bell Lake** project an extensive ground geophysical program successfully identified a coincident, several kilometre long east-west EM/magnetic conductive trend through the central portion of the project lands. A limited diamond drilling program returned encouraging results. Encouraging results were also obtained from three holes that tested targets identified by ground geophysical surveys on the **Pendleton Lake** project.

During the year ending January 31, 2008, exploration was also underway on two of the company's other 100% owned projects. A 7,900 line-kilometre high resolution gradient magnetic survey was flown over the **Black Lake** project. The results were incorporated with prior ground and airborne surveys and four extensive 'zones of interest' were identified for drill testing. On the **Crackingstone** project a similar survey resulted in thirteen 'zones of interest' being identified.

An airborne geophysical survey was also completed on the **South Cigar** project, while linecutting and ground geophysical surveys were carried out on the **Kelic Lake** and **North Wedge** projects.

During the year ending January 31, 2008, an airborne geophysical survey was completed over the **South Fork** option located in Southwestern Saskatchewan and plans for a spring 2008 drilling program were finalized.

An exploration program consisting largely of diamond drilling was completed on the Company's **Rocky Brook** option in Newfoundland. It consisted of 82 holes totaling 2,482 metres and focused on the Wigwam Brook and Birchy Hill Brook areas. A nominal amount of trenching was also carried out.

The Company also established an alliance with Altius Resources Inc. to explore for volcanic-hosted uranium deposits in central Newfoundland and staked just under 270,000

hectares of ground in one of the largest staking campaigns ever undertaken in eastern Canada.

Volcanic-hosted uranium deposits are a significant source of high-tonnage moderate-grade uranium, one of the best examples of which is the 'Streltsovka' caldera, Russia's largest uranium resource.

During the year ending January 31, 2008, the Company purchased two new Duralite 1100N Heliportable Diamond Drills, and entered into an agreement with Dynamic Drilling Inc. whose principals are experienced Athabasca Basin and international diamond drillers, to operate the drills and provide the crews. The drills will facilitate exploration on the Company's Athabasca Basin properties and ensure that drilling objectives are met in a timely fashion.

Exploration Properties

The Company currently contains sixteen 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) 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.

During the year ending January 31, 2008, no field activities were carried out over the project lands. A 4,200-line kilometre high resolution gradient magnetic survey will be flown in 2008. The results will be used to better define targets for a follow-up diamond drilling program, the timing of which has yet to be decided.

To January 31, 2008, the Company had incurred net acquisition costs of \$53,106 and exploration costs of \$637,971 in respect of these claims.

(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% U₃O₈ over 4.7 meters (ML-48); 3.5% U₃O₈ over 5.0 meters (ML-54); 5.14% U₃O₈ over 6.2 meters (ML-55) and a grade equivalent of 4.03% U₃O₈ over 10.0 meters; including a 1.4 meter intercept of 19.96% eU₃O₈ 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% U₃O₈ over 6.6 metres, including a 1.0-metre interval of 1.1% eU₃O₈. 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% eU₃O₈ 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% U₃O₈ over 4.5 metres.

Additional drilling on the 'Main' lens also continued to intersect high grade uranium mineralization. ML-83 assayed 1.81% U₃O₈ over 11.1 metres, including 5.64% U₃O₈ over 3.0 metres. ML-97 returned 2.31% U₃O₈ over 7.75 metres, including a 2.25 metre intercept of 6.73% U₃O₈, which includes 12.4% U₃O₈ over 1.0 metre. ML-100 intersected 2% U₃O₈ over 7.75 metres, including 4.54% U₃O₈ 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% U₃O₈ (including 0.446% U₃O₈ 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% U₃O₈ over 6.6 metres, including 2.22% U₃O₈ over 4.0 metres. ML-106 returned an assay of 0.402% U₃O₈ over 4.5 metres, including 1.06% U₃O₈ 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% U₃O₈ over 6.5 metres including a 3.5-metre intercept of 5.25% U₃O₈, 2.1% nickel and 0.65% cobalt. ML-139 returned 1.23% U₃O₈ over 8.5 metres, including a 1.5-metre intercept of 4.20% U₃O₈. 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% U₃O₈, 2.30% nickel and 0.905% cobalt over 5.0 metres, including a 2.0-metre intercept of 4.25% U₃O₈. ML-133 also intersected mineralization in the basement associated with clay-altered graphitic pelites, returning 0.611% U₃O₈ 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% eU₃O₈ 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 year ending January 31, 2008, two separate drilling campaigns were completed. The winter program consisted of 21 holes totaling 7,569 metres and focused on four regional grids, while the summer/fall program consisted of 6 holes totaling 2,315 metres and focused on select geological and geophysical targets within the Maverick Zone.

The winter program tested targets on the West Venice, Venice, Volhoffer and West Maverick grids. The most significant results were obtained from the fourteen reconnaissance holes drilled on the West Venice and Venice grids. These holes typically intersected a strongly altered (illite and dravite) and at times structurally disrupted sandstone column, enriched in several pathfinder elements including uranium and boron. The basement rocks included sheared and altered graphitic pelites that were strongly enriched in metals such as copper, nickel, lead, cobalt, zinc, with anomalous uranium levels (up to 130 ppm). The West Venice and Venice grids occur along a 10-kilometre long and 500-metre wide structural corridor interpreted to be an extension of the conductive system associated with mineralization in the Maverick Zone.

The winter program also included 127-kilometres of linecutting and a ground EM survey over two new prospective target areas; the 'Otter' grid & the 'Esker' grid. A limited amount of historic drilling in these areas intersected a structurally disrupted and geochemically anomalous sandstone column with elevated pathfinder values in the basement lithologies. The EM surveys identified well defined open-ended conductors that will require additional drill testing.

Results are pending from the summer/fall program, which also included a 2,460-kilometre airborne EM and magnetometer survey, a nominal amount of linecutting and a resistivity (Titan24 DC/IP) survey.

The 2008 program will focus on the Maverick trend and consist of a planned 9,000 metres of diamond drilling and approximately 60 kilometres of linecutting and a ground resistivity survey.

To January 31, 2008, the Company had incurred net acquisition costs of \$72,684 and exploration costs of \$6,045,360 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 paying all staking and recording costs, and incurring expenditures of \$500,000 on exploration. The earn-in has been completed.

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 year ending January 31, 2008, 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 complex bedrock conductive systems were interpreted. They will be drill-tested in conjunction with previously identified conductors in the Tommy Davis Bay area during 2008.

The 2008 program consists of a planned 3,000 metres of diamond drilling and approximately 75-kilometres of linecutting and ground electromagnetic (EM) surveys.

To January 31, 2008, the Company had incurred net acquisition costs of \$27,256 and exploration costs of \$900,179 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 earned a 75% interest in the project by paying all staking and recording costs, and by incurring exploration expenditures of \$500,000.

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 year ending January 31, 2008, three grids were established over two prominent airborne conductors and a number of well-defined bedrock conductors were interpreted. A helicopter-supported diamond drilling program was initiated in the fall and suspended in mid-October due to adverse weather conditions. In total three holes comprising 416 metres were drilled, one of which was abandoned in sheared graphitic pelites. In spite of the poor production, the results were encouraging in that all three holes intersected broad zones of structural disruption, and strongly altered and sulphide-rich graphitic units with anomalous geochemistry.

To January 31, 2008, the Company had incurred exploration costs of \$36,730 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 year ending January 31, 2008, an exploration program consisting of 160-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 through the central portion of the project lands. Several boulder samples with elevated uranium levels were also obtained from this area. A diamond drilling program consisting of three holes totaling 1,346 metres targeted the conductive trend. Geologically, the results were encouraging in that they intersected strong alteration, structural disruption and graphitic basement units. The analytical results are pending.

The 2008 program consists of a planned 1,800 metres of diamond drilling to further test the conductive trend, as well as approximately 50-kilometres of linecutting and ground geophysical surveys.

To January 31, 2008, the Company had incurred exploration costs of \$564,826 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 earned a 75% interest in these properties by paying all staking and recording costs, and by incurring exploration expenditures of \$500,000.

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 year ending January 31, 2008, a 400-line kilometre airborne resistivity and magnetic survey was flown. A broad target was identified in the southwest corner of the

property, and will be tested by the 2008 program which consists of a planned 400 metres of diamond drilling.

To January 31, 2008, 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.

During the year ending January 31, 2008, a high resolution gradient magnetic survey totaling 7,893 line-kilometres was flown over the project lands. The results were incorporated with prior ground and airborne surveys and four extensive 'zones of interest' were identified. Their selection was based upon the presence of a general magnetic setting considered common to unconformity-type uranium deposits, along with a coincidence of electromagnetic (EM) conductors and proximity to major structural features. Magnetically interpreted cross structures and/or other structural perturbations are also considered high priority target areas.

The 2008 program consists of a planned 5,000 metres of diamond drilling and will focus on a six-kilometre long northeast-trending conductive/magnetic target through the central portion of the property. Depths to the unconformity are estimated to be on the order of 750 metres in the south and 225 metres in the north.

To January 31, 2008, the Company had incurred net acquisition costs of \$54,035 and exploration costs of \$747,838 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.

During the year ending January 31, 2008 the Company received the second tranche of shares from GB.

(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.

During the year ending January 31, 2008, the Company completed a \$2.5 million helicopter-supported program that represented the first significant exploration carried out

on the project lands in over 25 years. It consisted of a major prospecting campaign carried out over the entire Way Lake project area; 125-kilometres of linecutting, Horizontal Loop EM and ground magnetics, as well as a detailed 700 line-kilometre airborne VTEM survey over the Hook Lake showing and previously un-surveyed claims in the southeastern portion of the property; an orientation bulk till sampling survey and the completion of fourteen diamond drill holes totaling 2,467 metres.

The prospecting program resulted in the discovery of three new uranium showings (West Way, EWA and Nob Hill) as well as a broad area in the southwest corner of the property (Walker Lake showings) that contains several outcrops returning anomalous radioactivity. The best results were obtained in grab samples from the West Way (up to 0.475 % U_3O_8) and EWA (up to 0.492 % U_3O_8) showings.

The newly discovered West Way occurrence is located approximately 6.5 kilometres due north of the Hook Lake area. Anomalous radioactivity was identified at the north end of a 1.0-kilometre long ridge of discontinuous outcrops. The corresponding uranium mineralization is vein-type and associated with a northeast-trending shear zone accompanied by molybdenite-bearing calc-silicate alteration. Grab samples from the shear zone returned values of 0.072 to 0.475% U_3O_8 along with anomalous levels of pathfinder elements such as lead (up to 1,480 ppm) and boron (up to 212 ppm).

At Nob Hill, 14 kilometres to the southwest of the Hook Lake area, summer prospecting discovered a north-northeast trending granitic pegmatite cut by cross cutting fractures with zones of anomalous radioactivity. The mineralization is vein-type and occurs within dilational zones similar to those that host the uranium mineralization at Cameco's Eagle Point uranium mine and at the Beaverlodge and Karpinka Lake deposits. Grab samples returned values of 0.130% and 0.141% U_3O_8 and up to 634 ppm lead.

The newly discovered EWA zone is located in the southwest corner of the property, approximately 19 kilometres southwest of Nob Hill and proximal to a northeast-trending conductive zone identified by the airborne VTEM survey. The uranium mineralization occurs within a 10- to 20-metre wide, northeast-trending sheared pelitic unit accompanied by granitic inliers, and has been traced over a minimum strike length of 85 metres. Several grab samples were obtained from the shear zone and returned values of 0.064 to 0.492% U_3O_8 and up to 1,300 ppm lead.

The Walker Lake showings occur over a 3.0-kilometre long by 1.0-kilometre wide area along the east central side of Walker Lake, 2.0 kilometres east of the EWA zone. These showings consist largely of granite and pegmatite outcrops, grab samples from which returned values of 0.017 to 0.079% U_3O_8 . This area is also proximal to a northeast-trending conductive zone.

The airborne VTEM and ground EM surveys identified and better defined some 60 kilometres of virtually untested, complexly folded EM conductors in the southern portion of the property. The few historic holes drilled in this area intersected abundant sulphide-rich, graphitic pelitic gneisses with radiogenic granitic pegmatites that are structurally

disrupted and strongly clay altered. These features are common to uranium deposits in the Athabasca Basin, which bodes well for the potential of these conductors to host uranium mineralization.

The diamond drilling program met with mixed results. Initially, some thirty holes were planned for the Hook Lake area, but contractor delays resulted in lower than budgeted production levels and prevented a thorough evaluation of the area. Although no high-grade uranium mineralization was intersected, all fourteen holes intersected significant structural features composed of brittle fracturing and/or ductile-brittle shearing with anomalous pathfinder geochemistry in several.

In total, eight holes (WYL-07-01 to -04 and -06 to -09) tested the vicinity of the Hook Lake showing. WYL-07-01, which collared in high-grade rubble, intersected a 3.0-metre wide zone of anomalous radioactivity beginning at 14.5 metres downhole. The best result obtained in the hole was 0.117% eU_3O_8 over 0.8 metres. WYL-07-02 intersected a 3.5-metre wide zone of anomalous radioactivity beginning at 20.2 metres downhole, with the best result being 0.119% eU_3O_8 over 2.6 metres. Nickel and lead enrichment accompanied the mineralized intervals.

Four holes (WYL-07-05 and -10 to -12) tested a minimum 1.0-kilometre long, geophysically interpreted lineament located to the northwest of the showing. All four holes intersected a broad, ~20-metre wide northeast trending ductile-brittle fault, which correlates with the lineament and is locally enriched in uranium and pathfinder elements. The fault occurs some 80 to 90 metres from the showing and is interpreted to represent the structure that controls the uranium mineralization at Hook Lake.

Two drill holes (WYL-07-13 and -14) tested the down dip extent of the West Way mineralized shear zone at shallow depths and confirmed the presence of a well defined and altered structure. In WYL-07-13, the structure contained significant sulphide mineralization and returned anomalous copper (up to 1,900 ppm/0.5 metres), nickel, cobalt, arsenic and vanadium values, and locally elevated uranium and lead.

The 2008 program consists of a planned 10,000 metres of diamond drilling as well as additional geological mapping and prospecting. The initial focus will be on the 60 kilometres of folded and structurally displaced EM conductors located in the southwest portion of the property. The drilling program will also test the newly discovered uranium showings, and will continue testing the Hook Lake area. To ensure that its drilling objectives are met in a timely fashion, the Company will utilize its two new Duralite diamond drills.

To January 31, 2008, the Company had incurred net acquisition costs of \$122,824 and exploration costs of \$3,535,687 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 year ending January 31, 2008, a high resolution gradient magnetic survey totaling 3,758 line-kilometres was flown over the project lands. The results were incorporated with prior airborne surveys and thirteen ‘zones of interest’ were identified. They reflect an assortment of EM responses within a variety of magnetic and geologic environments, including areas along regional conductors where the conductor is disrupted by interpreted magnetic structures, or locally exhibits a stronger response. Isolated conductors chosen from a variety of geophysical and geologic settings are also considered high priority targets.

To January 31, 2008, the Company had incurred net acquisition costs of \$29,199 and exploration costs of \$313,735 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 year ending January 31, 2008, an exploration program consisting largely of diamond drilling was completed. It consisted of 82 holes totaling 2,482 metres and focused on the Wigwam Brook and Birchy Hill Brook areas. A trenching program was also carried out in the Wigwam Brook area. Analytical results are pending. Planning of the 2008 program is underway.

To January 31, 2008, the Company had incurred net acquisition costs of \$338,250 and exploration costs of \$1,954,959 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 earned a 75% interest in the properties by

paying all staking and recording costs, and by incurring exploration expenditures of \$500,000.

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

During the year ending January 31, 2008, an exploration program consisting of some 84-kilometres of linecutting and 130-kilometres ground EM surveying 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.

To January 31, 2008, the Company had incurred exploration costs of \$13,845 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 earned a 75% interest in the properties by paying all staking and recording costs, and by incurring exploration expenditures of \$500,000.

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.

During the year ending January 31, 2008, no field activities were carried out on the project lands. The 2008 exploration program consists of a planned 135-kilometres of linecutting and ground geophysics. In total up to eight grids will be established. The timing of a follow-up diamond drilling program will be finalized at a later date.

To January 31, 2008, the Company had incurred exploration expenses of \$22,790.

(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 earned a 51% interest in the property by paying all staking and recording costs, and by incurring exploration expenditures of \$250,000.

During the year ending January 31, 2008, 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. Two weak conductors were identified. They will be drill tested during the 2008 program which consists of a planned 600 metres of diamond drilling.

To January 31, 2008, the Company had incurred exploration expenses of \$3,000.

(o) South Fork

The Company holds a 100% unencumbered interest in 61 mineral claims totaling 49,408 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.

On May 14, 2007, 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 year ending January 31, 2008, a 3,300-line kilometer airborne electromagnetic and magnetometer survey using the TEMPEST system was flown over the project lands. The results indicate what appear to be several well-developed paleochannels over a large area, in sandstones and shales of the Frenchman and Ravenscrag formations. A drilling program to test a number of these targets is planned for the spring of 2008.

(p) 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 year ending January 31, 2008, a helicopter-supported, prospecting, mapping and till sampling program was carried out and interpretation of the VTEM survey was

completed. The results indicate a number of well-defined conductor targets for drill testing, some of which correlate with anomalous outcrop samples. These will be tested during the 2008 program which consists of a planned 5,000 metres of diamond drilling.

To January 31, 2008, the Company had incurred net acquisition costs of \$22,791 and exploration costs of \$351,131 in respect of these claims.

(q) Topsails

During the year ending January 31, 2008, the Company established an alliance with Altius Resources Inc. to explore for volcanic-hosted uranium deposits in central Newfoundland and staked some 267,425 hectares of ground in one of the largest staking campaigns ever undertaken in eastern Canada.

Geologically, the Topsails project covers felsic volcanic and related intrusive rocks of Silurian to Devonian age, including much of the Topsails Igneous Suite and the Springdale Group. These geological units feature very large areas of coincident anomalous uranium, molybdenum and fluorine values in lake sediment samples. Volcanic-hosted uranium deposits are a significant source of high-tonnage moderate-grade uranium, one of the best examples of which is the ‘Streltsovka’ caldera, Russia’s largest uranium resource.

The 2008 program is budgeted at \$1.7 million and includes a property-wide lake sediment sampling survey and a detailed 17,500 line-kilometre airborne radiometric and magnetic survey. An extensive summer long prospecting and geological mapping campaign is also planned. It will focus on anomalous areas in order to identify targets for drill follow-up, the timing of which will be decided upon at a later date.

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 January 31, 2008, the Company had incurred net acquisition costs of \$439,020 and exploration costs of \$24,121 in respect of these claims.

Selected Annual Information

	Year ended Jan. 31/08	Year ended Jan. 31/07	Year ended Jan. 31/06
Total revenues	1,165,975	924,460	790,033
Net loss (income)	(2,298,134)	(728,840)	801,304
Basic & diluted (loss) gain per share	\$0.03	\$0.01	(\$0.01)
Total assets	31,992,715	16,576,892	9,803,260
Total long-term liabilities	0	0	0
Cash dividends	0	0	0

Revenue for the years ended January 31, 2008, 2007 and 2006 was the result of rental charged for camp and exploration equipment, project management services for exploration, mineralogical services, and interest income. Net income for the years ended January 31, 2008 and January 31, 2007 were significantly higher than the net loss of \$801,304 in 2006 due to a recovery of future income tax recorded at \$2,844,919 (2008) and \$2,280,000 (2007).

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.

	Jan. 31/08	Oct. 31/07	July 31/07	Apr. 30/07
Total assets	31,992,715	32,065,175	32,170,151	31,859,893
Mineral properties & deferred costs	16,319,737	15,259,732	12,978,606	11,336,428
Working capital (deficiency)	13,771,149	15,463,513	18,082,139	20,033,140
Shareholders' equity	31,489,345	28,352,429	28,152,243	28,354,851
Revenues	325,639	316,822	124,487	399,027
Net loss (Profit)	(2,866,706)	204,803	497,484	(133,715)
Loss (earnings) per share	(\$0.04)	(\$0.00)	(\$0.01)	(\$0.00)

	Jan. 31/07	Oct. 31/06	July 31/06	Apr. 30/06
Total assets	16,576,892	15,721,732	15,685,789	15,234,931
Mineral properties & deferred costs	10,547,355	9,402,581	7,165,536	5,448,643
Working capital (deficiency)	5,103,863	5,895,679	8,064,768	9,566,026
Shareholders' equity	15,785,423	15,422,520	15,356,163	15,126,545
Revenues	113,830	295,162	262,393	253,075
Net loss (Profit)	(1,155,805)	234,993	2,882	189,090
Loss (earnings) per share	(\$0.01)	\$0.00	\$0.00	\$0.00

Results of Operations

The net profit of \$2,866,706 for the quarter ended January 31, 2008 is a substantial increase over the net profit of \$1,155,805 for the quarter ended January 31, 2007. The difference is attributed mainly to the following: recovery of future income tax recorded for \$2,844,919 (\$2,280,000 in 2007), interest income was \$89,678 (\$71,242 in 2007), income for administrative overhead and project management was \$134,442 (\$58,238 in 2007), other income was \$0 ((\$50,074) in 2007), income for camp and equipment rental was \$3,825 (\$23,956 in 2007), recovery of expenses was \$97,694 (\$10,465 in 2007), amortization expense was \$105,366 (\$10,596 in 2007), consulting expenses were \$12,150 (\$5,750 in 2007), filing fees were \$7,605 (\$3,718 in 2007), mining properties allowed to lapse were \$27,808 (\$0 in 2007), premises expense was \$21,551 (\$8,590 in 2007), recoverable field expenses were \$9,488 (\$63,361 in 2007), stock compensation expense

was \$(50,400) (\$1,054,450 in 2007), wages and benefits were \$98,382 (\$72,410 in 2007), and gain on sale of property was \$80,918 (\$103,725 in 2007).

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.

Liquidity and Capital Resources

	January 31, 2008	January 31, 2007
Current Assets	14,274,519	5,895,332
Current Liabilities	<u>503,370</u>	<u>791,469</u>
Working Capital	13,771,149	5,103,863

At January 31, 2008, the Company held \$12,345,000 in Guaranteed Investment Certificates. Subsequent to the quarter end \$4,210,000 was withdrawn and deposited to the bank. There are currently two Guaranteed Investment Certificates totaling \$8,135,000 earning a variable rate of interest which is currently at 2.75%. One certificate is for \$2,553,000 and matures on March 24, 2009 and the second certificate is for \$5,582,000 and matures on March 24, 2009.

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 January 31, 2008, 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	16,366,410
For property	50,000	121,500
Exercise of options	525,000	412,500
Exercise of warrants	173,913	201,739
Flow-through shares		(2,844,919)
Contributed surplus		264,035
Share issue costs		(1,097,042)
<u>Balance January 31, 2008</u>	<u>81,895,509</u>	<u>\$35,779,542</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 January 31, 2008 is as follows:

<u>Number of Shares</u>	<u>Weighted Average</u>	<u>Exercise Price</u>
Outstanding January 31, 2007	2,900,000	1.29
Granted	200,000	2.55
Exercised	(525,000)	0.78
Outstanding January 31, 2008	<u>2,575,000</u>	<u>1.49</u>

Options Granted

During the year, the Company's Board of Directors approved and granted the following stock options to an employee:

July 2, 2007 200,000 at a price of \$2.55 per share exercisable for five years

The Company accounted for stock compensation expense of these options using the following assumptions: risk-free interest rate of 4.0%, dividend yield of 0%, volatility of 50%, and expected lives of 5 years. The Company has recorded \$245,600 in stock based compensation expense on 200,000 stock options during the year.

A summary of the status of the Company incentive stock option plan as at January 31, 2008 is as follows:

<u>Number of Shares</u> <u>Under Option</u>	<u>Exercise</u> <u>Price</u>	<u>Expiry</u> <u>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 4, 2012
<u>200,000</u>	<u>2.55</u>	<u>July 2, 2012</u>

2,575,000

Warrants

Agents' Warrants

In connection with a private placement that closed on March 22, 2007 the Company issued 116,559 compensation warrants. Such warrants were granted to broker-agents in consideration of their equity-raising services.

A summary of warrants as at January 31, 2008 is as follows:

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

Related Party Transactions

During the year ended January 31, 2008, the Company incurred charges from directors or companies sharing common directors as follows:

	<u>2007</u>	<u>2006</u>
Consulting	\$ 29,550	\$ 2,400
Office services	1,981	774
Exploration expenditures	237,803	130,500
Management fee	96,000	96,000
Property examination		900
Travel	13,156	11,504
Shareholder relations	6,405	10,625
Stock compensation	<u>245,600</u>	<u>1,474,725</u>
	<u>\$ 630,495</u>	<u>\$ 1,727,428</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

Effective January 1, 2007, the Company adopted, on a prospective basis, the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Accounting Changes – (Section 1506)

This standard allows for voluntary changes in accounting policy only when such changes enhance the relevance and reliability of the financial statements and the comparability of those financial statements over time and with the financial statements of other entities. The standard requires changes in accounting policy to be applied retrospectively unless

doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements.

Any impact the adoption of Section 1506 will have on our results of operations and financial condition will depend on the nature of future accounting changes. Its adoption has had no impact on these audited financial statements.

Comprehensive Income – (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires that certain gains and losses which would otherwise be recorded as part of net earnings be presented in "other comprehensive income" until it is considered appropriate to recognize them into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as other financial statements.

Equity – (Section 3251)

This section establishes standards for the presentation of changes in equity that arise as a result of the adoption of comprehensive income, financial instruments – recognition and measurement, and hedges (Sections 1530, 3855 and 3865). It establishes standards for the presentation of accumulated other comprehensive income, which is comprised of all components of other comprehensive income.

Financial Instruments – Recognition and Measurement (Section 3855)

This standard prescribes when a financial asset, financial liability or a non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances.

Under Section 3855, financial instruments must be initially classified into one of the following balance sheet categories (including derivatives):

Held-for-trading financial assets and liabilities that are initially measured at fair value and where subsequent changes in fair value are recognized in the consolidated statements of operations;

Available-for-sale financial assets that are initially measured at fair value and where subsequent changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recorded in net earnings; or

Held-to-maturity investments, loans and receivables, or other financial liabilities – all of which are initially measured at cost and where subsequent changes in cost are amortized utilizing the effective interest rate method.

In accordance with this new standard, we classified our financial instruments as follows:

- Cash and temporary investments were classified as held-for-trading and accordingly carried at their fair values;
- Accounts receivable were classified as loans and receivables, and accordingly carried at their amortized costs;
- Accounts payable and accrued liabilities and long-term debt were classified as other financial liabilities and are currently carried at their amortized cost.

The classification of our financial instruments as at February 1, 2007 and their subsequent changes to January 31, 2008 have resulted in no material gains or losses that require separate presentation in other comprehensive income or recognition in earnings (loss).

Transactions costs that are directly attributable to the issuance of the financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method.

Financial Instruments – Disclosure and Presentation (Section 3861)

This section established disclosure and presentation standards for financial instruments and non-financial derivatives, and identifies relevant information to be disclosed. Disclosures need not be provided on a comparative basis for period prior to the adoption date of these new standards.

Subsequent Events

On February 15, 2008, the Company granted incentive stock options to directors, officers, employees and consultants of the Company, to purchase up to 1,600,000 common shares in its capital stock at a price of \$1.25 per share, exercisable for a period of five years.

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 January 31, 2008.

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