

TWIGG & COMPANY

CHARTERED ACCOUNTANTS

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

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

650 REGENCY CENTER
333 - 25th STREET EAST
SASKATOON S7K 0L4

TELEPHONE (306) 244-0808

FACSIMILIE (306)244-0004

JNR Resources Inc.

Auditors' Report and Financial Statements

for the year ended January 31, 2009

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, 2009 and January 31, 2008 and the statements of operations and comprehensive loss and deficit, and cash flows 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, 2009 and January 31, 2008 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 19, 2009**

**TWIGG & COMPANY
CHARTERED ACCOUNTANTS**

JNR RESOURCES INC.

BALANCE SHEET AS AT JANUARY 31, 2009

	2009	2008
ASSETS		
Current		
Cash and equivalents	\$ 297,519	\$ 152,992
Short-term investments (Note 5)	3,770,000	12,345,000
Accounts receivable	533,239	1,230,411
Marketable securities	40,057	101,000
Prepaid expenses	204,008	445,116
	4,844,823	14,274,519
Equipment (Note 3 & 6)	1,663,800	1,398,459
Mineral properties and rights (Note 3 & 7)	1,182,915	1,159,165
Deferred exploration costs (Note 3 & 7)	25,643,270	15,160,572
	\$ 33,334,808	\$ 31,992,715
<hr style="border: 1px solid black;"/>		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 30,593	\$ 475,327
Deposit on equipment sale (Note 8)	1,057,387	28,043
	1,087,980	503,370
<hr style="border: 1px solid black;"/>		
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	36,658,350	35,779,542
Contributed surplus (Note 3)	3,566,930	2,366,930
Deficit	(7,978,452)	(6,657,127)
	32,246,828	31,489,345
	\$ 33,334,808	\$ 31,992,715

Going concern (Note 1) and **Measurement uncertainty** (Note 7)

See accompanying notes

Approved by the Board:

“Rick Kusmirski”
Director

“Ron Hochstein”
Director

JNR RESOURCES INC.

**STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS AND DEFICIT
FOR THE YEAR ENDED JANUARY 31, 2009**

	<u>2009</u>	<u>2008</u>
Administration costs		
Amortization	\$ 363,951	\$ 185,126
Automotive expense	9,852	9,802
Bank interest	2,816	2,219
Consulting	34,500	37,800
Dues and memberships	2,107	5,193
Equipment lease	8,517	14,196
Filing fees	26,085	34,600
Insurance	8,258	7,606
Management fees	96,000	96,000
Office expense	99,511	64,913
Premises expenses	71,282	63,641
Professional fees	27,397	37,842
Property examination		1,500
Recoverable field expenses	18,386	349,787
Repairs and maintenance	3,742	3,508
Shareholder relations	8,433	139,131
Stock compensation	1,200,000	245,600
Telecommunications	11,208	9,181
Training	17,865	10,998
Transfer agent	12,143	10,500
Travel and accommodation	180,464	80,359
Wages and benefits	292,492	356,268
Operating costs for the year	2,495,009	1,765,770
Mining properties allowed to lapse		27,808
Loss on sale of investment	60,943	
Recovery of expenses	(27,875)	(399,524)
Project management income	(116,752)	(187,672)
Interest income	(593,475)	(302,356)
Administrative overhead	(91,525)	(275,528)
Mineralogical services		(895)
Gain on sale of interest in properties		(80,818)
Income (Loss) before income taxes	(1,726,325)	546,785
Future income tax recovery (Note 3 & 11)	(405,000)	(2,844,919)
Net income (loss) and comprehensive income (loss) for the year	(1,321,325)	2,298,134
Deficit, beginning of the year	6,657,127	8,955,261
Deficit, end of year	\$ 7,978,452	\$ 6,657,127
Loss per share - basic and diluted	\$ (0.01)	\$ 0.03

JNR RESOURCES INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 31, 2009**

	2009	2008
Cash flows from (used in) operating activities		
Net loss for the year	\$ (1,321,325)	\$ 2,298,134
Items not involving cash		
Stock based compensation	1,200,000	245,600
Amortization	363,951	185,126
Future income tax recovery	(405,000)	(2,844,919)
	(162,374)	(116,059)
Changes in non-cash working capital		
Accounts receivable	697,172	(1,041,529)
Prepaid expenses	241,108	(64,913)
Accounts payable	(444,734)	(277,863)
Marketable securities	60,943	(44,900)
Due to director		(10,236)
Deposit on equipment sale	1,029,344	
	1,421,459	(1,555,500)
Cash flows from (used in) financing activities		
Issuance of share capital	1,260,058	15,883,607
	1,260,058	15,883,607
Cash flows from (used in) investing activities		
Acquisition of mineral properties for cash		(311,479)
Acquisition of equipment	(629,292)	(1,449,379)
Deferred exploration expenses	(10,482,698)	(5,339,404)
	(11,111,990)	(7,100,262)
Increase (decrease) in cash and cash equivalents	(8,430,473)	7,227,845
Cash and cash equivalents, beginning of year	12,497,992	5,270,147
Cash and cash equivalents, end of year	\$ 4,067,519	\$ 12,497,992
Cash and cash equivalents comprised of:		
Cash	297,519	152,992
Short-term investments	3,770,000	12,345,000
	4,067,519	12,497,992
Supplemental cash flow disclosure:		
Shares issued for acquisition of property	23,750	121,500

JNR RESOURCES INC.

Notes to the Financial Statements January 31, 2009 and 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 Company's ability to continue as a going concern is contingent on its ability to obtain additional equity financing. However, the current financial equity market conditions and the low price of the Company's common shares make it difficult to raise funds by private placements of shares.

The amounts shown as mineral properties and related deferred costs represent costs net of recoveries to date, less amounts written off, and do not represent present or future values. Recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

2. Nature of Operations

JNR Resources Inc. is incorporated extra provincially in Alberta, Saskatchewan, and British Columbia has shares listed on the TSX Venture Exchange.

The Company 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 of 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.

To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

JNR RESOURCES INC.

Notes to the Financial Statements January 31, 2009 and 2008

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. See Note 6.

Mineral Properties and 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 a resource property cost or recoveries when the payments are made or received.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. If the total estimated future cash flow on an undiscounted basis is less than the carrying value of the asset, an impairment loss is measured and the asset is written down to fair value which is normally based on the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

JNR RESOURCES INC.

Notes to the Financial Statements January 31, 2009 and 2008

3. Significant Accounting Policies - continued

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided using the declining balance basis at the following annual rates:

Equipment:

Leasehold improvements	20%
Computer	30%
Equipment	20%
Automotive	30%

One half of the above rates are used in the year of acquisition.

Cash Equivalents

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

Income Taxes

Income taxes are accounted for using the asset and liability method pursuant to Section 3465, Income Taxes 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.

Stock Option Plan

The Company has a stock option plan that is described in Note 10.

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

As permitted by CICA 3870 the Company applied the recommendations prospectively only to awards granted on or after November 1, 2003. For stock option 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

JNR RESOURCES INC.

Notes to the Financial Statements January 31, 2009 and 2008

3. Significant Accounting Policies – continued

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 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 finances a portion of its exploration activities through the issue of 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.

The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2008, the deduction of which flow through to the shareholders.

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.

JNR RESOURCES INC.

Notes to the Financial Statements January 31, 2009 and 2008

3. Significant Accounting Policies – continued

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.

Asset Retirement Obligations

Asset retirement obligations are recognized when a legal obligation arises. This liability is recognized at the fair value of the asset retirement obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or a loss upon settlement.

It is reasonably possible that the Company's estimates of its ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis. Currently, the Company's projects are at an exploration stage and, accordingly, no such obligations have arisen.

4. Adoption of New Accounting Standards

Effective February 1, 2007 the Company adopted the following accounting standards issued by the Canadian Institute of Chartered Accountings ("CICA").

(a) Capital disclosures – Section 1535

This standard requires disclosure of an entity's objectives, policies, and processes for managing capital and quantitative data about what the entity regards as capital. Section 1535 also requires the disclosure of any externally-imposed capital requirements, whether the entity has complied with them and, if not, the consequences.

(b) Amendments to Section 1400 – Going Concern

The Accounting Standards Board (AcSB) amended Section 1400 to include requirements to assess and disclose an entity's ability to continue as a going concern.

The adoption of this standard did not have an impact on the financial statements.

JNR RESOURCES INC.

Notes to the Financial Statements January 31, 2009 and 2008

4. Adoption of New Accounting Standards - continued

(c) Financial instruments – disclosure and presentation (Section 3862 and 3863)

These new standards require additional disclosures to enable users to evaluate the significance of financial instruments for an entity's financial position and performance. In addition, qualitative and quantitative disclosures are provided to enable users to evaluate the nature and extent of risks arising from financial instruments.

(d) International financial reporting standards ("IFRS")

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011, will require restatement of comparative amounts reported by the Company for the year October 31, 2011. While the Company has begun assessing the implications of adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

5. Term Certificates

As at January 31, 2009 the Company held \$3,770,000 in Guaranteed Investment Certificates. Subsequent to year end, \$1,040,000 was withdrawn and deposited to the bank. There are currently two Guaranteed Investment Certificates: one totals \$2,700,000, earns .25% and matures on March 24, 2010; the second totals \$30,000, earns 0.001% and matures on January 20, 2010.

6. Equipment

Equipment consists of the following:

	Cost	Accumulated Amortization	Net Book Value	
			2009	2008
Leasehold improvements	\$ 41,542	11,631	29,911	\$ 37,388
Computer	220,748	106,250	114,498	142,739
Field equipment	1,905,208	467,869	1,437,339	1,195,015
Automotive	<u>126,618</u>	<u>44,566</u>	<u>82,052</u>	<u>23,317</u>
	<u>\$2,294,116</u>	<u>630,316</u>	<u>1,663,800</u>	<u>\$1,398,459</u>

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 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 Jan. 31/09	Total Jan. 31/08
Bell Lake Project	\$	887,593	\$ 887,593	\$ 564,826
Black Lake Project	54,035	1,986,657	2,040,692	801,873
Crackingstone Project	29,199	329,287	358,486	342,934
Kelic Lake Project		29,346	29,346	13,845
Lazy Edward Bay Project	27,256	1,653,790	1,681,046	927,435
Moore Lake Project	72,684	6,644,161	6,716,845	6,118,044
Newnham Lake Project	53,106	737,781	790,887	691,077
North Wedge Project		80,846	80,846	3,000
Pendleton Lake Project		132,939	132,939	36,730
Rocky Brook Project	338,250	2,358,432	2,696,682	2,293,209
Snowbird Project		2,600	2,600	
South Cigar Project		9,479	9,479	8,400
South Dufferin Project		197,947	197,947	22,790
South Fork Project				
Topsails Project	462,770	750,144	1,212,914	463,141
Way Lake Project	122,824	7,955,191	8,078,015	3,658,511
Yurchison Lake Project	22,791	1,887,077	1,909,868	373,922
	<u>\$ 1,182,915</u>	<u>25,643,270</u>	<u>\$ 26,826,185</u>	<u>\$ 16,319,737</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 totalling 27,723 ha, located along the northeast margin of the Athabasca Basin, Saskatchewan.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

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

B. Moore Lake Project

Since 1998 the Company has acquired twelve claims totalling 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 \$200,000 in the Company by way of private placement 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 totalling 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.

Since March of 2008, the Company has been funding all exploration activities on a 100% basis. As a result the Company's Participating Interest in the Lazy Edward Bay project is currently 37%.

D. Bell Lake Project

During 2003 the Company acquired by staking three claims totalling 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 nine mineral claims

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

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

D. Bell Lake Project - continued

totalling 26,550 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.

E. Black Lake Project

During 2004 the Company acquired by staking ten claims totalling 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 Project

During 2004, the Company acquired by staking five mineral claims totalling 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 Project

During 2003, the Company acquired by staking three mineral claims totalling 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 Project

During 2004, the Company acquired by staking three mineral claims totalling 14,073 ha. in the Way Lake area, southeast of the Athabasca Basin of Northern Saskatchewan. During 2006 the Company acquired by staking an additional fourteen mineral claims totalling 57,722 ha. in the Way Lake area. The Company holds a 100% unencumbered interest in this project.

I. Crackingstone Project

During 2004, the Company acquired by staking four mineral claims totalling 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.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

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

J. Kelic Lake Project

In November 2004, the Company staked four mineral claims 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. One claim has since lapsed, with the remaining three totalling 16,036 ha.

K. Rocky Brook Project

In December 2004, the Company entered into an Agreement with Altius Minerals Corporation to option the Rocky Brook uranium property, which consists of four hundred and thirty-seven mineral claims totalling 10,925 ha. and is 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 (made). To exercise the Option, JNR will make an initial payment of 125,000 shares and may make optional cash or share payments totalling \$172,000 (made).

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.

Subsequent to the year ending January 31, 2009, the Company was advised by Altius that it has met its earn-in commitment.

L. South Dufferin Project

In November 2004, the Company staked six mineral claims totalling 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.

During the year ending January 31, 2009, the Company was advised by Denison that it was no longer interested in exploring the four easternmost claims. As such Denison forfeits its 75% interest in said claims and they revert 100% to the Company.

The South Dufferin project now comprises two mineral claims totalling 8,240 ha. Furthermore the Company has the option of increasing its interest in this project to 49% by matching expenditures as per a standard agreed upon dilution formula.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

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

M. North Wedge Project

In February 2004, the Company staked one mineral claim totalling 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 Project

The Company holds a 100% unencumbered interest in seventy-six mineral claims totalling 63,936 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 (made), 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.

Under a subsequent agreement, Mega Uranium Ltd. has the right to acquire 50% of UPC's interest.

During the year ending January 31, 2008 UPC met its obligations to earn a 50% interest in the property.

O. Yurchison Lake Project

During 2006, the Company staked four claims totalling 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 Project

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/optioned some 278,122 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 made an initial 50,000 share payment to Altius and an optional 50,000 share payment on the first anniversary.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

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

Q. Snowbird Project

During the year ending January 31, 2009 the Company acquired a 100% unencumbered interest in four mineral claims totalling 19,090 ha. located immediately east of the South Dufferin project.

Measurement Uncertainty

The Company has not experienced any property specific adverse impact to date on its operations, but general mining market conditions have deteriorated, resulting in a decrease in the price of the Company's common shares, which in turn has created difficulty in raising sufficient equity capital to effectively explore or develop the Company's mineral property interests.

One or more of the issues described, or other factors beyond management's control, could in future periods adversely affect the Company's operations and could result in future potential or total write downs of the Company's recorded mineral property total interest of \$26,826,185 as at January 31, 2009. Such write-down amounts could be material.

8. Deposit on Equipment Sale

During 2008 a contractor agreed to purchase three diamond drills from the Company for \$1,772,444. In accordance with the agreement 30% of work completed by the contractor would be deposited with the company and be applied toward the purchase of the drills. The drills will be and remain the property of the Company until fully paid for in accordance with the agreement.

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.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

9. Share Capital - continued

At January 31, 2009 the Company's issued share capital was as follows:

	2009		2008	
	Number of shares	\$ Amount	Number of shares	\$ Amount
<u>Common Shares</u>				
Balance beginning of year	81,892,509	35,776,542	77,258,296	22,352,319
Private placement	6,750,000	1,350,000	3,885,300	16,366,410
Shares issued for property	50,000	23,750	50,000	121,500
Exercise of options			525,000	412,500
Exercise of warrants			173,913	201,739
Flow-through shares (Note 3)		(405,000)		(2,844,919)
Contributed surplus (Note 3)				264,035
Shares issue costs		(89,942)		(1,097,042)
	88,692,509	36,655,350	81,892,509	35,776,542
Preferred shares	3,000	3,000	3,000	3,000
Balance end of year	88,695,509	36,658,350	81,895,509	35,779,542

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 at least 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 in accordance with TSX Venture Exchange policy.

A summary of the status of the Company incentive stock option plan as at January 31, 2009 is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding January 31, 2008	2,575,000	1.49
Granted	1,600,000	1.25
Expired	(25,000)	1.25
Outstanding January 31, 2009	<u>4,150,000</u>	<u>1.40</u>

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

10. Share Capital Options and Warrants - continued

Options Granted

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.

The Company accounted for stock compensation expense of these options using the following assumptions: risk-free interest rate of 3.0%, dividend yield of 0%, volatility of 70%, and expected lives of five years. The Company has recorded \$1,200,000 in stock based compensation expense on 1,600,000 stock options during the year.

A summary of the status of the company incentive stock option plan as at January 31, 2009 is as follows:

<u>Number of Shares Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	0.55	July 22, 2009
150,000	1.09	January 11, 2010
975,000	0.82	June 19, 2010
50,000	0.79	March 8, 2011
125,000	1.07	October 2, 2011
775,000	2.62	January 12, 2012
200,000	2.55	July 2, 2012
<u>1,575,000</u>	1.25	February 14, 2013
<u>4,150,000</u>		

Warrants

There were no outstanding warrants at January 31, 2009.

11. 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.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

11. Income Taxes - continued

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 \$405,000 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 \$405,000 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 realization of benefits related to these future potential tax deductions is uncertain and cannot be viewed as more likely than not. Accordingly, no net future income tax asset has been recognized for accounting purposes.

The exploration and development expenses totalling \$12,621,123 can be carried forward indefinitely. The non-capital losses totalling \$1,742,915 are carried forward for tax purposes and are available to reduce taxable income of future years. These losses expire as follows:

<u>Year</u>	<u>Non-Capital Losses</u>
2010	\$ 67,651
2014	147,482
2015	128,401
2026	11,437
2027	76,460
2028	538,198
2029	773,286
<u>Total</u>	<u>\$ 1,742,915</u>

A reconciliation of income taxes at statutory rates is as follows:

<u>Loss before income taxes</u>	<u>\$(1,321,325)</u>
Expected income tax (recovery)	(405,000)
Non-deductible items	1,624,894
Deductible items	(1,076,855)
Change in valuation allowance	(548,039)
<u>Total future income tax recovery</u>	<u>\$ (405,000)</u>

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

11. Income Taxes - continued

The significant components of the Company's future tax assets are as follows:

Operating losses carried forward	\$ 969,629
Current Operating loss carried forward	773,286
Share issue costs	941,667
Future tax assets	2,684,582
Temporary difference in value for mineral property interests (liability)	(14,205,062)
Valuation allowance for future tax assets	11,520,480
	<u>\$ NIL</u>

12. Related Party Transactions

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

	<u>2009</u>	<u>2008</u>
Consulting	\$ 24,000	\$ 29,550
Office services	636	1,981
Exploration expenditures	305,065	237,803
Management fee	96,000	96,000
Travel	8,774	13,156
Shareholder relations	1,867	6,405
Stock compensation	<u>405,000</u>	<u>245,600</u>
	<u>\$ 841,342</u>	<u>\$ 630,495</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

13. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

The Company adopted the new accounting standards issued by the Canadian Institute of chartered Accountants for Financial Instruments. Under these standards, financial instruments must be initially classified into one of the following balance sheet categories (including derivatives):

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

13. Financial Instruments - continued

Held-for-trading financial assets and liabilities are initially measured at fair value and the subsequent changes in fair value are recognized in the statements of receipts and expenditures;

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

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

In accordance with this standard, the Corporation has classified its financial instruments as follows:

Cash deposits were classified as held-for-trading and accordingly are carried at their fair values, with unrealized gains and losses charged to receipts each year.

Credit Risk

The Company does not believe it is subject to any significant credit risk.

Currency Risk

The client is not exposed to currency risk as all cash and cash equivalents are held in Canadian funds.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash equivalents. Generally, the company's interest income will be reduced during sustained periods of lower interest rates.

Liquidity Risk

The Company is exposed to liquidity risk which is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Company endeavors to manage liquidity risk by maintaining sufficient cash and short-term investment balances for settlement of its obligations. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital in order to meet short-term obligations.

JNR RESOURCES INC.

Notes to Financial Statements January 31, 2009 and 2008

13. Financial Instruments - continued

Market Risk and Commodity Price Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices. The significant market risk exposure to the Company relates to commodity price risk, and, specifically, declines in the price of uranium. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of uranium associated with the Company's mineral property interests.

14. Capital Disclosures

The Company's capital currently consists of common shares and options. As the Company is in the exploration stage its principal source of funds is from the issuance of common shares. The Company is not subject to any externally imposed capital requirements. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's property exploration plans to ensure the growth of activities.

15. Comparative Figures

Certain 2008 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2009.

16. Subsequent Event

Subsequent to the year ended January 31, 2009 the Company received TSX Venture approval to retire all of the preferred shares.

JNR RESOURCES INC.**SCHEDULE OF DEFERRED EXPLORATION COSTS****FOR THE YEAR ENDED JANUARY 31, 2009**

Property/ Project	Balance January 31, 2008	Geochem/ Analyses	Geo- Physics	Drilling	Geologists Analyses & Report Prep.	Travel Camps & Accomoda- tion	Project Admin	Total Costs	Balance January 31, 2009
Bell Lake	\$ 564,826	7,427	45,869	218,424	6,035	15,796	29,216	322,767	\$ 887,593
Black Lake	747,838	40,199	549,514	470,495	32,589	146,022		1,238,819	1,986,657
Crackingstone	313,735		10,948		4,342	262		15,552	329,287
Kelic Lake	13,845		14,542				959	15,501	29,346
Lazy Edward Bay	900,179	22,699	128,033	426,689	(51,517)	227,707		753,611	1,653,790
Moore Lake	6,045,360	36,243	9,038	394,732	13,999	93,236	51,553	598,801	6,644,161
Newnham Lake	637,971	5,000	82,050		12,294	466		99,810	737,781
North Wedge	3,000	1,033	10,227	65,643	2,680	(8,814)	7,077	77,846	80,846
Pendleton	36,730	8,494	56,951	28,574	18,475	(16,285)		96,209	132,939
Rocky Brook	1,954,959	91,983	3,677	5,775	253,083	21,855	27,100	403,473	2,358,432
Snowbird	0				2,600			2,600	2,600
South Cigar	8,400		23,938	700	(28,882)	2,896	2,427	1,079	9,479
South Dufferin	22,790		44,468	1,050	113,799	15,840		175,157	197,947
South Fork									
Topsails	24,121	124,202	193,414		159,286	211,452	37,669	726,023	750,144
Way Lake	3,535,687	233,249	20,224	2,772,451	74,066	1,319,514		4,419,504	7,955,191
Yurchison	351,131	48,809	2,063	1,134,837	14,503	335,734		1,535,946	1,887,077
	\$15,160,572	619,338	1,194,956	5,519,370	627,352	2,365,681	156,001	10,482,698	\$25,643,270

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
JNR RESOURCES INC.
YEAR ENDED JANUARY 31, 2009

The following discussion and analysis of the financial condition and results of operations for JNR Resources Inc. has been prepared as of May 22, 2009 to provide additional information to that already provided in the annual audited financial statements for the year ended January 31, 2009 and related notes attached thereto.

The reader should also refer to the annual audited financial statements for the years ended January 31, 2008 and 2007, 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 a net working capital of \$3,756,843 at January 31, 2009 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 could be exercised before expiry, providing additional cash flow for continuing operations.

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, 2009, the Company continued to focus its activities on uranium exploration. The Company was involved in exploration activities on twelve individual projects, with diamond drilling on eight of them. Nine of the projects were located in the Athabasca Basin of Northern Saskatchewan, one project was in Southwestern Saskatchewan and two projects were in Central Newfoundland.

During the year ending January 31, 2009, an extensive helicopter-supported exploration program consisting of diamond drilling and prospecting was completed on the Company's 100% owned **Way Lake** project. A total of 48 holes comprising 11,985 metres were drilled on a variety of targets including the previously discovered EWA, West Way, Nob Hill, and Hook Lake showings, the Walker Lake conductive trend and a broad zone of newly discovered surface mineralization in the Fraser Lakes area.

The Fraser Lakes uranium showings (Fraser Lakes A and B zones) were identified by ground prospecting of airborne geophysical targets in the southern half of the Way Lake property. The mineralized zones are proximal to a 5-kilometre-long folded EM conductor comprised of Wollaston Group graphitic pelitic gneisses and uraniumiferous granitic pegmatites.

The B zone showings occur along the northern extent of this conductor and are currently the more significant of the two mineralized zones. Nearly 70 individual mineralized outcrop sites were identified over a 500-metre-wide by 1.5-kilometre-long area. Uranium values in grab samples assayed from 0.044 to 0.453% U_3O_8 .

The B zone was tested by three drill holes (WYL-08-524 to 526) at the end of the 2008 program. Although they could not test the optimum target, namely the graphitic pelite/pegmatite contact that occurs beneath muskeg, all three intersected uranium and thorium mineralization accompanied by rare-earth element enrichment and anomalous levels of pathfinder elements. The best results were from WYL-08-525 which intersected numerous uraniumiferous intervals. Of particular note was a 12.0-metre intersection from 77.50 to 89.50 metres down hole that returned 0.081% U_3O_8 ; including a 3.0-metre intercept of 0.193% U_3O_8 (true widths cannot be reliably estimated at this time).

The **Fraser Lakes** district has numerous similarities to nearby basement-hosted uranium deposits, such as **Eagle Point** and **Millennium**. Furthermore, the presence of previously unrecognized uranium mineralization over such a large area speaks to the high potential for a significant discovery. This area will be the focal point of drilling activities in 2009.

On the nearby 100% owned **Yurchison Lake** project, a fourteen-hole, 2,902 metre diamond drilling program was also completed. The results to date are encouraging in that a number of holes returned highly anomalous metal values including uranium.

During the year ending January 31, 2009, diamond drilling, ground geophysical and geochemical programs were completed on the **Moore Lake** Joint Venture with partner Denison Mines Corp. operating. The drilling program consisted of thirteen holes totalling 5,419 metres, and focused on a number of geological and geophysical targets associated with the Maverick trend. Significant structural disruption and alteration were intersected in all of the holes with the best analytical result being from ML-156, which intersected a grade equivalent of 0.661% U_3O_8 over 4.6 metres.

On the **Lazy Edward Bay** project a winter exploration program consisting of diamond drilling and ground geophysics was completed. Eight holes comprising 1,538 metres were drilled, with one hole being lost in structurally disrupted and faulted sandstone. The drill program was successful in that it returned anomalous pathfinder elements in several holes as well as significant structural features such as brittle fracturing and/or ductile shearing. The Company's Participating Interest in the Lazy Edward Bay project is 37%.

During the year ending January 31, 2009, exploration programs consisting of diamond drilling and a property-wide airborne gravity gradiometer survey were completed on the 100 % owned **Black Lake** project. The drilling program consisted of four holes totalling 2,815 metres and focused on a six-kilometre long northeast-trending conductive/magnetic target through the central portion of the property. The program successfully intersected significant structural features and alteration in the sandstone, accompanied by anomalous clay geochemistry and pathfinder elements.

On the Denison operated **Bell Lake** project a winter exploration program consisting of 2,051 metres of diamond drilling in five holes, and a nominal amount of ground geophysics was completed. The best analytical result was 3,200 ppm U over 0.3 metres, associated with basement lithologies. A two hole, 336 metre diamond drilling program was also completed on the Denison operated **North Wedge** project.

During the year ending January 31, 2009, a property wide high resolution gradient magnetic survey was flown over the 100% owned **Newnham Lake** project and ground geophysical surveys were completed on the **South Dufferin** project. A number of well defined drill targets have now been identified in both areas.

During the year ending January 31, 2009, 45 rotary drill holes totalling 5,402 metres were completed on the **South Fork** option located in Southwestern Saskatchewan. Four of the drill holes intersected significant uranium mineralization in sandstones with the best intersection returning an average grade of 0.028% eU_3O_8 over 1.4 metres, including 0.038% eU_3O_8 over 0.7 metres. Additional mineralized intersections ranged from 1.4 metres grading 0.014% eU_3O_8 to 0.7 metres grading 0.025% eU_3O_8 .

Exploration programs were completed on both the **Topsails** and **Rocky Brook** projects located in Central Newfoundland. On the Company's 50% owned Topsails project an extensive exploration program consisting of property-wide lake sediment sampling, detailed airborne radiometric and magnetic surveying, and prospecting and geological mapping was completed. On the Rocky Brook project a property-wide water geochemical survey was completed and when integrated with previous work, identified several high priority drill targets. The Company is now vested and has earned a 70 % interest in this project.

Exploration Properties

The Company currently contains seventeen mineral projects in its property portfolio: fourteen in the Athabasca Basin, one in Southwestern Saskatchewan and two on the island of Newfoundland. 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 totalling 27,723 hectares 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 the year ending January 31, 2009, a 4,200-line kilometre high resolution gradient magnetic survey was flown over the project lands. Nine initial 'Zones of Interest' were identified, some of which correlate with previously defined VTEM and DIGHEM anomalies.

To January 31, 2009, the Company had incurred net acquisition costs of \$53,106 and exploration costs of \$737,781 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 Southeastern Athabasca Basin of Northern Saskatchewan. The current land position consists of twelve claims totalling 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. 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.

During the year ending January 31, 2009, two drilling campaigns were completed. The winter program consisted of 5 holes totalling 1,752 metres. Several geological and geophysical targets associated with the Maverick trend were tested. All of the holes intersected significant alteration, structure and anomalous geochemical values, but no economically significant mineralization.

During the summer/fall a drilling program consisting of eight holes totalling 3,667 metres was completed along with a nominal amount of linecutting and a ground resistivity survey. The drilling program was focused on a number of geological and geophysical targets associated with the Maverick trend. Significant structural disruption and alteration were intersected in all of the holes with the best analytical result being from ML-156, which intersected a grade equivalent of 0.661% U_3O_8 over 4.6 metres. A soil and biological geochemical orientation survey were also completed.

To January 31, 2009, the Company had incurred net acquisition costs of \$72,684 and exploration costs of \$6,644,161 in respect of these 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 totalling 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) could 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 the year ending January 31, 2009, a winter exploration program consisting of diamond drilling and ground geophysics was carried out. Contractor delays resulted in only half of the planned metreage being completed. Eight holes comprising 1,538 metres were drilled, with one hole being lost in structurally disrupted and faulted sandstone. The drill program was successful in that it returned anomalous pathfinder elements in several holes as well as significant structural features such as brittle fracturing and/or ductile shearing.

The geophysical program consisted of just under 60-kilometres of linecutting and ground electromagnetic (EM) and magnetometer surveys in the southwestern portion of the property. Well defined drill targets were identified on three of the four grids surveyed and will be tested by future drilling programs.

Since March of 2008, the Company has been funding all exploration activities on a 100% basis. As a result, the Company's Participating Interest in the Lazy Edward Bay project is currently 37%.

To January 31, 2009, the Company had incurred net acquisition costs of \$27,256 and exploration costs of \$1,653,790 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 totalling 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 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 completed in the fall. In total, three holes comprising 416 metres were drilled, one of which was abandoned in sheared graphitic pelites. 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.

There were no field activities carried out during the year ending January 31, 2009.

To January 31, 2009, the Company had incurred exploration costs of \$132,939 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 nine mineral claims totalling 26,550 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, 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 totalling 1,346 metres targeted the conductive trend. The results were encouraging in that all three holes intersected strong alteration, structural disruption and graphitic basement units, while one returned highly anomalous uranium values.

During the year ending January 31, 2009 a winter exploration program consisting of 2,051 metres of diamond drilling in five holes, and approximately 50 kilometres of linecutting and ground geophysical surveys was completed. Alteration and structural disruption occurred in all five holes with two of the holes being lost in faulted and desilicified sandstone. The best analytical result was 3,200 ppm U over 0.3 metres, associated with basement pelites in BL08-08.

To January 31, 2009, the Company had incurred exploration costs of \$887,593 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 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.

There were no field activities carried out during the year ending January 31, 2009.

To January 31, 2009, the Company had incurred exploration costs of \$9,479 in respect of these claims.

(g) Black Lake

The Company holds a 100% unencumbered interest in this project which consists of ten mineral claims totalling 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 the year ending January 31, 2008, a high resolution gradient magnetic survey totalling 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.

During the year ending January 31, 2009, exploration programs consisting of diamond drilling and airborne geophysics were completed over the project lands. The drilling program was carried out during the winter and consisted of four holes totalling 2,815 metres. It focused on a six-kilometre long northeast-trending conductive/magnetic target through the central portion of the property. An early break-up prevented completion of the planned program in its entirety. The drilling program intersected significant structural features and alteration in the sandstone, accompanied by anomalous clay geochemistry and pathfinder elements, including partial U (up to 10.7 ppm), Ni (up to 5.0 ppm), As (up to 12.0 ppm), Co (up to 1.0 ppm) and V (up to 6.0 ppm).

The airborne geophysics consisted of a 3,289 line-kilometre gravity gradiometer survey. This survey provided additional structural information, both near surface and at depth, and defined new targets for drilling. Reprocessing of the 2005 Megatam was also completed and resulted in better definition of the deeper EM conductors in the central part of the property. All of the technical data is being incorporated into a 3D GOCAD model.

To January 31, 2009, the Company had incurred net acquisition costs of \$54,035 and exploration costs of \$1,986,657 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 (made). A further 125,000 shares of GB are due on the first anniversary of the agreement (made). 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.

(i) Way Lake

The Company holds a 100% unencumbered interest in this project which consists of seventeen contiguous mineral claims totalling 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, 2009, a helicopter-supported exploration program consisting of diamond drilling and prospecting was completed. A total of 48 holes comprising 11,985 metres were drilled on a variety of targets including the previously discovered EWA, West Way, Nob Hill, and Hook Lake showings, the Walker Lake conductive trend and a broad zone of newly discovered surface mineralization in the Fraser Lakes area.

The Fraser Lakes uranium showings (Fraser Lakes A and B zones) were identified by ground prospecting of airborne geophysical targets in the southern half of the Way Lake property, some five kilometres east of the Walker Lake conductive trend. The mineralized zones are proximal to a 5-kilometre-long folded EM conductor comprised of Wollaston Group graphitic pelitic gneisses and uraniumiferous granitic pegmatites.

The B zone showings occur along the northern extent of this conductor and are currently the more significant of the two mineralized zones. Nearly 70 individual mineralized outcrop sites were identified over a 500-metre-wide by 1.5-kilometre-long area. Uranium values in grab samples assayed from 0.044 to 0.453% U₃O₈.

The B zone was tested by three drill holes (WYL-08-524 to 526) at the end of the 2008 program. Although they could not test the optimum target, namely the graphitic pelite/pegmatite contact that occurs beneath muskeg, all three intersected uranium and thorium mineralization accompanied by rare-earth element enrichment and anomalous levels of pathfinder elements. The best results were from WYL-08-525 which intersected numerous uraniumiferous intervals. Of particular note was a 12.0-metre intersection from

77.50 to 89.50 metres down hole that returned 0.081% U_3O_8 , including a 3.0-metre intercept of 0.193% U_3O_8 (true widths cannot be reliably estimated at this time).

The A zone showings occur at the southern end of the conductor. Three holes (WYL-08-510 to 512) were drilled in the area and intersected significant alteration and structural disruption accompanied by anomalous levels of pathfinder elements.

The Fraser Lakes district has numerous similarities to nearby basement-hosted uranium deposits, such as Eagle Point and Millennium. Furthermore, the presence of previously unrecognized uranium mineralization over such a large area speaks to the high potential for a significant discovery. This area will be the focal point of drilling activities in 2009.

Major zones of structural disruption accompanied by alteration and weak to moderate levels of radioactivity were identified in all of the other areas targeted by the 2008 drilling program.

Eight holes (WYL-08-501 to 507 plus one abandoned hole) tested the EWA showings located west of Walker Lake in the southern half of the project area. These showings returned up to 0.492% U_3O_8 in surface grab samples and are associated with a graphitic shear zone that correlates with a northeast-trending conductive zone. All of the holes intersected variably radioactive granitic pegmatite dykes. The best results were obtained from hole WYL-08-501, which returned 0.082% U_3O_8 over 6.5 metres from 4.50 to 11.00 metres, including a 3.5 metre intercept of 0.113% U_3O_8 . Associated with the mineralization are anomalous boron, lead, nickel and molybdenum values.

At the Walker River grid, 14 holes (WYL-08-15 to 28) tested structurally disrupted weak EM conductors. All but two of the holes intersected strongly clay- and/or chlorite-altered, sheared and faulted graphitic pelites containing anomalous boron, copper, nickel, zinc, cobalt, vanadium and molybdenum values and locally anomalous uranium values.

Seven holes (WYL-08-29 to 35) tested structurally offset strong EM conductors on the Walker South grid. These holes intersected structurally disrupted graphitic pelites with weak to intense clay and chlorite alteration. The best analytical results were from hole WYL-08-31, which returned highly anomalous copper, nickel, zinc, cobalt and vanadium values and locally anomalous uranium values within highly altered and sheared graphitic pelites.

The remaining nine holes were drilled in the northern half of the project.

Five holes (WYL-08-515 to 519) were drilled at the Nob Hill showings, where up to 0.141% U_3O_8 was obtained from surface grab samples. All of the holes intersected multiple zones of discontinuous radioactivity associated with granitic pegmatites. Hole WYL-08-516 returned the best intercept of 0.018% U_3O_8 over 5.0 metres from 145.0 to 150.0 metres. The highest individual uranium value of 0.062% U_3O_8 was obtained from 153.0 to 153.5 metres in hole WYL-08-518.

Two holes (WYL-08-520 & 521) tested the West Way showings where up to 0.492% U₃O₈ has been obtained in grab samples. The surface mineralization is associated with steeply dipping east-west fractures. Both drill holes returned anomalous copper, nickel and locally anomalous cobalt and arsenic values from sheared and weakly altered diorite. Hole WYL-08-521 returned the best uranium value of 76 ppm over 0.5 metres.

In the Hook Lake area, two holes (WYL-08-522 & 523) tested geophysical targets and intersected multiple zones of fracturing and shearing accompanied by weak to moderate alteration and locally anomalous radioactivity. Hole WYL-08-523 returned the best uranium value of 35 ppm over 0.5 metres.

To January 31, 2009, the Company had incurred net acquisition costs of \$122,824 and exploration costs of \$7,955,191 in respect of these claims.

(j) Crackingstone

The Crackingstone property was acquired by staking in July of 2004. It consists of four mineral claims totalling 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, 2008, a high resolution gradient magnetic survey totalling 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.

There were no field activities carried out during the year ending January 31, 2009.

To January 31, 2009, the Company had incurred net acquisition costs of \$29,199 and exploration costs of \$329,287 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 totals 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 four years by spending \$2,525,000 on exploration, including a minimum first year commitment of \$275,000 (made). To exercise the Option, JNR will make an initial payment of 125,000 common shares and may make optional cash/share payments totalling \$172,000 (made).

During the year ending January 31, 2009, a water geochemical survey was carried out to assist in delineating additional drill targets in the primarily bog-covered terrain of the Deer Lake Basin. The survey was conducted over the most prospective portions of the Rocky Brook property and a total of 1,025 samples were collected and analyzed for trace elements by ICP-MS. Uranium and associated trace element anomalies were detected up-ice of the Birchy Hill Brook, Wigwam, and Goose boulder fields as were seven additional target areas on the property. Associated elements within the anomalies include arsenic, barium, bromine, copper, molybdenum, lead, and selenium. Most of the anomalies define linear trends, which suggest an underlying structural control marginal to areas exhibiting a carbonate signature. Of the ten anomalous areas identified, were a couple of notable and untested anomalies that occur proximal to areas of anomalous radioactivity and geochemistry in drill holes.

In January 2009 a winter IP survey was initiated to better define the structural controls suggested by the geochemical survey. The initial results indicate the presence of several significant structural features coincident with the geochemical trends, which also appear to parallel the azimuth of the drill holes completed to date. This suggests that previous drilling did not test these highly prospective features in the optimum localities.

Incorporation of the new IP and geochemical data into the current 3D model is in progress. This work will be used to direct the 2009 diamond drilling program that will be initiated later this summer.

Subsequent to the year ending January 31, 2009, JNR received confirmation from Altius Resources Inc. that the company has earned an undivided 70% participating interest in the Rocky Brook project.

To January 31, 2009, the Company had incurred net acquisition costs of \$338,250 and exploration costs of \$2,358,432 in respect of these claims.

(l) Kelic Lake

The Kelic Lake uranium property was acquired by staking in November of 2004. It consists of three mineral claims totalling 16,036 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 the year ending January 31, 2008, an exploration program consisting of some 84 kilometres of linecutting and 130 kilometres of 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.

There were no field activities carried out during the year ending January 31, 2009.

To January 31, 2009, the Company had incurred exploration costs of \$29,346 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 totalling 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 the year ending January 31, 2009, a linecutting and ground geophysical program were completed. The geophysical program consisted of 73 kilometres of HLEM and 86 kilometres total field magnetometer coverage. Seven grids were established over the project lands, however surveying on two of them could not be completed due to forest fires. Conductors and prospective drilling targets were identified on a number of the grids.

In December of 2008, the Company was advised by Denison that it was no longer interested in exploring the four easternmost claims. As such Denison forfeits its 75% interest in said claims and they revert 100% to the Company.

The South Dufferin project now comprises two mineral claims totalling 8,240 hectares. Furthermore, the Company has the option of increasing its interest in this project to 49%.

To January 31, 2009, the Company had incurred exploration expenses of \$197,947 in respect of these claims.

(n) North Wedge

The North Wedge property was acquired by staking in February of 2004. It consists of one mineral claim totalling 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. Two weak conductors were identified.

During the year ending January 31, 2009 a winter diamond drilling program consisting of two holes totalling 336 metres was completed. Although well developed structural disruption was interested in both holes, only weakly anomalous analytical results were returned.

To January 31, 2009, the Company had incurred exploration expenses of \$80,846 in respect of these claims.

(o) South Fork

The Company holds a 100% unencumbered interest in 76 mineral claims totalling 63,936 hectares, located to the east of the Cypress Hills in Southwestern Saskatchewan. These properties were acquired 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. The terms of the agreement call for UPC to reimburse JNR for prior expenditures, not to exceed \$100,000 (made), 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. Under a subsequent agreement, Mega Uranium Ltd. has the right to acquire 50% of UPC's interest.

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. 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. These formations are believed to have the potential to host roll-front style uranium mineralization, similar to that found in the prolific Powder River Basin of Wyoming.

During the year ending January 31, 2009, the largest paleochannel was tested with 45 rotary drill holes totalling 5,402 metres. Four of the drill holes intersected significant uranium mineralization in sandstones of the Ravenscrag formation. The best intersection was obtained in SF-1042 at 66.8 metres vertical depth, returning an average grade of 0.028% eU₃O₈ over 1.4 metres, including 0.038% eU₃O₈ over 0.7 metres. Additional mineralized intersections ranged from 1.4 metres grading 0.014% eU₃O₈ to 0.7 metres grading 0.025% eU₃O₈.

Of the remaining 41 drill holes, nine intersected anomalous radioactivity (greater than 2x background), fourteen are considered to be weakly anomalous (2x background) and the remaining eighteen were barren.

In April 2008, an additional 15 claims totalling 14,528 ha were staked to cover targets identified by the airborne survey.

(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 totalling 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 were obtained from both outcrop and float samples taken in and near old trenches. Uranium values ranged from 0.09% to 0.30% U_3O_8 , with molybdenum values ranging from 2,500 to 6,400 ppm. These encouraging results led 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.

During the year ending January 31, 2009, a fourteen-hole, 2,902 metre diamond drilling program was completed. Although sampling is not yet complete, the initial results are encouraging in that a number of holes intersected sulphidic and base metal-rich, structurally disrupted and altered graphitic pelitic gneisses. Two holes drilled beneath the historic trenches returned highly anomalous molybdenum (up to 3,750 ppm) and anomalous uranium values (up to 240 ppm).

To January 31, 2009, the Company had incurred net acquisition costs of \$22,791 and exploration costs of \$1,887,077 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. During the quarter ending April 30, 2008, the Companies optioned a further 10,697 hectares of adjoining property.

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. 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, 2009, an extensive exploration program consisting of property-wide lake sediment sampling, detailed airborne radiometric and magnetic surveying, and prospecting and geological mapping was completed.

The analytical results from the lake sediment survey indicate that anomalous uranium values with associated molybdenum and fluorine occur in a number of areas, the largest being 20 by 10 kilometres in size. With background values of less than 10 ppm, anomalous uranium values of greater than 30 ppm to a maximum of 535 ppm have been identified in more than thirty lakes. These samples, combined with historical surveys, highlight four distinct areas of extensive uranium-molybdenum enrichment. The geochemically anomalous lakes lie within or adjacent to granitic rocks related to the caldera complexes, and confirm the prospectivity of these rocks for hosting volcanic-related uranium mineralization.

It should be noted that lakes in the vicinity of uranium deposits in the prolific Athabasca Basin are commonly anomalous in uranium and pathfinder elements associated with the mineralization. Molybdenum and fluorine are common pathfinder elements diagnostic of volcanic-hosted uranium deposits.

The 17,500 line-kilometre airborne radiometric and magnetic survey identified fourteen areas for follow-up. These targets, along with anomalous areas identified by the lake sediment survey were the focus of the prospecting and mapping campaign, the results of which are still being finalized.

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

To January 31, 2009, the Company had incurred net acquisition costs of \$462,770 and exploration costs of \$750,144 in respect of these claims.

(r) Snowbird

During the year ending January 31, 2009, the Company acquired a 100% unencumbered interest in four mineral claims totalling 19,090 ha. located immediately east of the South Dufferin project

There were no field activities carried out during the year ending January 31, 2009.

To January 31, 2009, the Company had incurred exploration costs of \$2,600 in respect of these claims.

Selected Annual Information

	Year ended Jan. 31/09	Year ended Jan. 31/08	Year ended Jan. 31/07
Total revenues	829,627	1,165,975	924,460
Net loss (income)	1,321,325	(2,298,134)	(728,840)
Basic & diluted (loss) gain per share	\$0.01	\$0.03	\$0.01
Total assets	33,334,808	31,992,715	16,576,892
Total long-term liabilities	0	0	0
Cash dividends	0	0	0

The net loss of \$1,321,325 for the year ended January 31, 2009 was a significant change from the previous years (net income of \$2,298,134 in 2008 and \$728,840 in 2007). The differences were mainly due to the following: future income tax recovery in 2009 of \$405,000 (\$2,844,919 in 2008 and \$2,280,000 in 2007) and stock compensation expense of \$1,200,000 in 2009 (\$245,600 in 2008 and \$1,474,725 in 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. 31/09	Oct. 31/08	July 31/08	Apr. 30/08
Total assets	33,334,808	32,687,660	33,227,285	33,022,892
Mineral properties & deferred costs	26,826,185	26,235,170	22,869,716	19,677,905
Working capital (deficiency)	3,756,843	3,391,993	6,903,496	10,832,967
Shareholders' equity	32,246,828	31,358,712	31,585,053	31,935,573
Revenues	22,973	25,211	39,461	741,982
Net loss (profit)	206,942	250,091	350,520	513,772
Loss (earnings) per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)

	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)

Results of Operations

The net loss of \$206,942 for the quarter ended January 31, 2009 is a substantial change from the net profit of \$2,866,706 for the quarter ended January 31, 2008. The difference is attributed mainly to the following: recovery of future income tax recorded for \$405,000 (\$2,844,919 in 2008), interest income was \$9,876 (\$89,678 in 2008), income for administrative overhead and project management was \$13,097 (\$134,442 in 2008), income for camp and equipment rental was \$3,825 (\$3,825 in 2008), recovery of expenses was \$0 (\$97,694 in 2008), amortization expense was \$95,819 (\$105,366 in 2008), recoverable field expenses were \$103 (\$9,488 in 2008), stock compensation expense was \$240,000 (\$50,400 in 2008), wages and benefits were \$76,418 (\$98,382 in 2008), loss on sale of investment was \$60,943 (\$0 in 2008), and gain on sale of property was \$0 (\$80,918 in 2008).

The net loss of \$250,091 for the quarter ended October 31, 2008 (\$204,803 in 2007) is mainly attributed to the following: revenues for the quarter were \$25,211 (\$316,822 in 2007), amortization expense was \$90,085 (\$56,938 in 2007), consulting was \$6,900 (\$11,500 in 2007), equipment lease expense was \$1,905 (\$3,718 in 2007), equipment repairs and maintenance expense was \$2,013 (\$0 in 2007), filing fees were \$6,365 (\$10,461 in 2007), insurance was \$0 (\$6,208 in 2007), office expenses were \$4,851 (\$17,682 in 2007), rent was \$15,570 (\$14,190 in 2007), professional fees were \$3,633 (\$630 in 2007), recoverable field expenses were \$0 (\$275,201 in 2007), research expense was \$0 (\$6,603 in 2007), software support was \$8,860 (\$7,709 in 2007), travel was \$21,715 (\$20,662 in 2007), and wages and benefits were \$59,561 (\$15,746 in 2007).

The net loss of \$350,520 for the quarter ended July 31, 2008 is lower than the net loss of \$497,484 at July 31, 2007 and is mainly due to the following: revenues were \$39,461 (\$124,487 in 2007) for project management, recovery of expenses, administrative overhead, and interest income, while administrative expenses were \$389,981 (\$621,971 in 2007). The most significant changes in expenses included \$135,157 for amortization (\$13,592 in 2007), \$6,774 for insurance (\$702 in 2007), \$1,447 for professional fees (\$6,001 in 2007), \$0 for property examinations (\$1,500 in 2007), \$10,729 for recoverable field expenses (\$25,094 in 2007), \$19,744 for shareholder communication and promotion (\$28,098 in 2007), \$7,911 for software support (\$1,456 in 2007), \$0 for stock compensation (\$296,000 in 2007), \$13,340 for training (\$2,549 in 2007), \$21,216 for travel (\$8,216 in 2007), and \$78,028 for wages (\$147,653 in 2007).

The net loss for the quarter ended April 30, 2008 was \$513,772 compared to a net profit of \$133,715 reported April 30, 2007. The difference is attributed mainly to the following: stock compensation expense was \$960,000 (\$0 in 2007), amortization was \$42,889 (\$9,229 in 2007), consulting expenses were \$7,200 (\$4,500 in 2007), filing fees expensed were \$5,475 (\$6,825 in 2007), office expenses were \$12,930 (\$9,801 in 2007), premises expenses were \$14,190 (\$10,670 in 2007), professional fees were \$2,543 (\$11,359 in 2007), property examinations/research expenses were \$41,933 (\$4,589 in 2007), recoverable field expenses were \$7,581 (\$40,005 in 2007), travel and accommodation expenses were \$17,231 (\$10,258 in 2007), and wages and benefits in

2008 were \$78,486 (\$94,486 in 2007). Revenues for the quarter were \$741,982 in 2008 and \$399,027 in 2007.

Liquidity and Capital Resources

	Jan. 31, 2009	January 31, 2008
Current Assets	4,844,823	14,274,519
Current Liabilities	<u>1,087,980</u>	<u>503,370</u>
Working Capital	<u>3,756,843</u>	<u>13,771,149</u>

At January 31, 2009, the Company held \$3,770,000 in Guaranteed Investment Certificates. Subsequent to the quarter end \$1,040,000 was withdrawn and deposited to the bank. There are currently two Guaranteed Investment Certificates: one totals \$2,700,000, earns 0.25% and matures on March 24, 2010; the second totals \$30,000, earns 0.001% and matures on January 20, 2010.

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.

On December 19, 2008, the Company announced a non-brokered private placement in the amount of \$1,350,000. These funds were raised by the Company issuing a total of 6,750,000 flow-through shares at a price of \$0.20 per share. There were no warrants issued.

At January 31, 2009, the Company's issued share capital was as follows:

	<u>Number of Shares</u>	<u>\$ Amount</u>
Preferred Shares	3,000	\$ 3,000
<u>Common Shares</u>		
Balance January 31, 2008	81,892,509	35,776,542
Private placement	6,750,000	1,350,000
For property	50,000	23,750
Exercise of options		
Exercise of warrants		
Flow-through shares		(405,000)
Contributed surplus		
Share issue costs		(89,942)
<hr/>		
<u>Balance January 31, 2009</u>	<u>88,695,509</u>	<u>\$36,658,350</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, 2009 is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding January 31, 2008	2,575,000	1.49
Granted	1,600,000	1.25
Expired	(25,000)	1.25
<hr/>		
Outstanding January 31, 2009	4,150,000	1.40

Options Granted

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.

The Company accounted for stock compensation expense of these options using the following assumptions: risk-free interest rate of 3.0%, dividend yield of 0%, volatility of 70%, and expected lives of five years. The Company has recorded \$1,200,000 in stock based compensation expense on 1,600,000 stock options during the year.

A summary of the status of the Company incentive stock option plan as at January 31, 2009 is as follows:

Number of shares Under Option	Exercise Price	Expiry Date
300,000	0.55	July 22, 2009
150,000	1.09	January 11, 2010
975,000	0.82	June 19, 2010
50,000	0.79	March 8, 2011
125,000	1.07	October 2, 2011
775,000	2.62	January 12, 2012
200,000	2.55	July 2, 2012
<u>1,575,000</u>	1.25	February 14, 2013
<u>4,150,000</u>		

Warrants

There were no outstanding warrants at January 31, 2009.

116,559 Agent's Warrants with an exercise price of \$3.80 expired on September 19, 2008.

Related Party Transactions

During the year ended January 31, 2009, the Company incurred charges from directors or companies sharing common directors as follows:

	<u>2009</u>
Consulting	\$ 24,000
Exploration expenditures	305,065
Management fee	96,000
Office services	636
Shareholder relations	1,867
Stock compensation	405,000
Travel	<u>8,774</u>
	<u>\$ 841,342</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.

Subsequent Events

Subsequent to the year ended January 31, 2009 the Company received TSX Venture approval to retire all of the preferred shares.

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, 2009.

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

Statements contained in this report that are forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the accessibility to the property; operational risks; weather; availability of equipment and personnel; changes in project parameters as plans continue to be refined; delays in obtaining governmental approvals; delays or failure in obtaining financing on acceptable terms. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.