

JNR RESOURCES INC.
(An exploration stage company)

Condensed Interim Financial Statements

(Unaudited – presented in Canadian Dollars)

for the period ended October 31, 2011

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of JNR Resources Inc. ("JNR" or the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

JNR RESOURCES INC.
(An exploration stage company)
Condensed Interim Statements of Financial Position
(Unaudited - in Canadian dollars)

ASSETS	<u>October 31, 2011</u>	<u>January 31, 2011</u>	<u>February 1, 2010</u>
Current			
Cash and equivalents	\$ 140,263	\$ 18,952	\$ 316,394
Short-term investments (Note 6)	880,000	1,045,000	2,795,000
Accounts receivable	105,908	128,137	357,867
Marketable securities	72,513	152,477	61,263
Prepaid expenses	53,796	31,905	175,332
	<hr/> 1,252,480	<hr/> 1,376,471	<hr/> 3,705,856
Property and equipment (Note 3 (g) & 7)	132,159	161,475	1,327,202
Mineral exploration and evaluation assets (Note 3(c) & 8)	33,489,157	31,478,382	29,519,187
	<hr/> 34,873,796	<hr/> 33,016,328	<hr/> 34,552,245
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 89,227	\$ 260,477	\$ 223,636
Other liabilities (Note 11)	786,800	38,500	-
	<hr/> 876,027	<hr/> 298,977	<hr/> 223,636
Deposit on equipment sale	-	-	1,292,898
Deferred taxes (Note 3(j))	3,347,898	3,370,923	3,686,431
	<hr/> 4,223,925	<hr/> 3,669,900	<hr/> 5,202,965
SHAREHOLDERS' EQUITY			
Share capital (Note 9)	41,445,732	39,535,977	38,892,697
Contributed surplus	4,478,130	4,289,130	4,026,930
Deficit	(15,273,991)	(14,478,679)	(13,570,347)
	<hr/> 30,649,871	<hr/> 29,346,428	<hr/> 29,349,280
	<hr/> \$ 34,873,796	<hr/> \$ 33,016,328	<hr/> \$ 34,552,245

Going concern (Note 2) and Measurement uncertainty (Note 8)

See Notes to the Condensed Interim Financial Statements

APPROVED BY THE BOARD:

"Rick Kusmirski"

Director

"Ron Hochstein"

Director

JNR RESOURCES INC.
(An exploration stage company)
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited - in Canadian dollars)

	Three months ended October 31, 2011	Three months ended October 31, 2010	Nine months ended October 31, 2011	Nine months ended October 31, 2010
Administrative costs				
Bank and loan interest	\$ 374	\$ 739	\$ 1,717	\$ 1,780
Consulting	6,600	30,000	28,800	53,700
Depreciation	9,772	106,419	29,316	264,363
Dues and memberships	1,640	-	1,760	654
Equipment lease	1,440	2,195	5,327	6,331
Filing fees	2,740	3,220	9,935	9,266
General meeting	7,310	16	7,310	7,527
Insurance	938	875	3,639	4,236
Management fees	24,000	24,000	72,000	72,000
Office expense	3,955	4,842	12,429	16,553
Premises rent	20,610	18,090	59,939	58,050
Professional fees	4,260	10,782	14,487	13,885
Recoverable field expenses	14,405	3,080	15,605	26,300
Research	-	-	-	2,000
Shareholder relations	11,220	18,410	39,591	63,847
Software support	798	1,004	798	11,259
Stock based compensation	189,000	246,000	189,000	246,000
Telecommunications	2,511	1,997	6,287	6,226
Training	344	-	1,629	90
Transfer agent	2,711	2,881	10,908	10,362
Travel and accommodation	13,287	7,459	39,266	27,138
Wages and benefits	65,619	39,741	173,443	145,791
Operating costs for the quarter	383,534	521,750	723,186	1,047,358
Administrative overhead	(4,864)	(3,330)	(4,972)	(11,871)
Impairment of mineral properties	-	-	122,183	-
Interest income	(3,578)	(3,795)	(11,217)	(15,168)
Miscellaneous income	-	-	-	(2)
Project management income	(44,400)	(5,100)	(46,000)	(32,343)
Recovery of expenses	(6,306)	(3,080)	(6,306)	(3,080)
Unrealized gain (loss) on marketable securities	11,327	(35,080)	79,963	(35,080)
Income (loss) before income taxes	335,713	471,365	856,837	949,814
Deferred income tax provision (recovery)	2,397	-	(61,525)	-
Net loss and comprehensive loss for the quarter	338,110	471,365	795,312	949,814
Loss per share - basic and diluted	\$ 0.0032	\$ 0.0048	\$ 0.0076	\$ 0.0098
Weighted average number of shares outstanding - basic and diluted	106,161,734	98,967,234	105,197,067	97,398,234

JNR RESOURCES INC.
(An exploration stage company)
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - in Canadian dollars)

	Number of shares	Share Capital	Contributed Surplus	Deficit	Total
Balance at February 1, 2010	97,398,234	38,892,697	4,026,930	(13,570,347)	29,349,280
Net loss and comprehensive loss for the period	-	-	-	(949,814)	(949,814)
Private placement - flow-through shares	2,353,500	400,095	-	-	400,095
Share issuance costs	-	(7,859)	-	-	(7,859)
Stock options granted	-	-	246,000	-	246,000
Balance, October 31, 2010	99,751,734	\$ 39,284,933	\$ 4,272,930	\$ (14,520,161)	\$ 29,037,702
Balance at January 31, 2011	100,361,734	39,535,977	4,289,130	(14,478,679)	29,346,428
Private placement - flow-through shares	5,620,000	2,023,200	-	-	2,023,200
Share issuance costs	-	(158,445)	-	-	(158,445)
Warrants exercised	180,000	45,000	-	-	45,000
Net loss and comprehensive loss for the period	-	-	-	(795,312)	(795,312)
Stock options granted	-	-	189,000	-	189,000
Balance, October 31, 2011	106,161,734	\$ 41,445,732	\$ 4,478,130	\$ (15,273,991)	\$ 30,649,871

JNR RESOURCES INC.
(An exploration stage company)
Condensed Interim Statements of Cash Flows
(Unaudited - in Canadian dollars)

	Three months ended October 31, 2011	Three months ended October 31, 2010	Nine months ended October 31, 2011	Nine months ended October 31, 2010
Cash flows from (used in) operating activities	\$ (338,110)	\$ (471,365)	\$ (795,312)	\$ (949,814)
Net and comprehensive loss for the period				
Items not involving cash:				
Stock based compensation	189,000	246,000	189,000	246,000
Depreciation	9,772	106,419	29,316	264,363
Impairment of mineral properties	-	-	122,183	-
Deferred income tax provision (recovery)	2,397	-	(61,525)	-
Gain on disposal of assets	-	-	-	-
Unrealized gain on investment	11,327	(35,080)	79,963	(35,080)
	(125,614)	(154,026)	(436,375)	(474,531)
Changes in non-cash working capital items:				
Accounts receivable	(19,293)	(51,695)	22,229	(33,012)
Prepaid expenses	5,438	(14,710)	(21,891)	135,666
Accounts payable	37,373	110,270	(171,249)	168,720
	23,518	43,865	(170,911)	271,374
	(102,096)	(110,161)	(607,286)	(203,157)
Cash flows from (used in) financing activities				
Issuance of share capital	-	392,236	2,696,555	392,236
	-	392,236	2,696,555	392,236
Cash flows from (used in) investing activities				
Acquisition of mineral properties and rights	-	-	-	(25,764)
Deferred exploration expenses	(643,838)	(510,370)	(2,132,958)	(1,875,746)
Acquisition of capital assets	-	-	-	(945)
	(643,838)	(510,370)	(2,132,958)	(1,902,455)
Increase (decrease) in cash and cash equivalents	(745,934)	(228,295)	(43,689)	(1,713,376)
Cash and cash equivalents, beginning of period	1,766,197	1,626,313	1,063,952	3,111,394
Cash and equivalents, end of period	\$ 1,020,263	\$ 1,398,018	\$ 1,020,263	\$ 1,398,018
Cash and equivalents is comprised of:				
Cash	\$ 140,263	\$ 53,018	\$ 140,263	\$ 53,018
Short-term investments	880,000	1,345,000	880,000	1,345,000
	\$ 1,020,263	\$ 1,398,018	\$ 1,020,263	\$ 1,398,018
Supplemental cash flow disclosure:				
Shares issued for acquisition of property	-	-	-	-
Interest paid	374	739	1,717	1,780
Income tax paid	-	-	-	-

JNR RESOURCES INC.

(An exploration stage company)

Notes to the condensed interim financial statements

Nine months ended October 31, 2011

(unaudited)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

JNR Resources Inc. is incorporated extra provincially in Alberta, Saskatchewan and British Columbia with 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 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.

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

2. BASIS OF PRESENTATION AND GOING CONCERN

A) Statement of compliance

These condensed interim statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS 34") *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). These are the Company's first International Reporting Standards ("IFRS") condensed interim financial statements and IFRS 1 *First Time Adoption of IFRS* has been applied as they are part of the period covered by the Company's first IFRS financial statements for the year ending January 31, 2012. The condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed interim financial statements were approved by the Board of Directors on December 19, 2011.

Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Canadian GAAP differs from IFRS in several areas and accordingly, the significant accounting policies applied in the preparation of these condensed interim financial statements are set out below and have been consistently applied to all periods presented except in instances where IFRS 1 either requires or permits an exemption.

JNR RESOURCES INC.

(An exploration stage company)

Notes to the condensed interim financial statements

Nine months ended October 31, 2011

(unaudited)

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

These condensed interim financial statements should be read in conjunction with the Company's 2011 annual financial statements. The explanation of how the transition to IFRS has affected the reported financial position, operations and comprehensive loss, and cash flows of the Company is provided in *Note 14*. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending January 31, 2012 could result in restatement of these condensed interim financial statements, including the adjustments recognized on transition to IFRS.

B) 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 undesirable to raise funds by private placements of shares. The Company has sufficient working capital to conduct its operations for the 2012 fiscal year.

The amounts shown as mineral exploration and evaluation assets costs represent costs net of recoveries to date, less amounts written off, and do not represent present or future values. Recoverability of these amounts 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS statement of financial position at February 1, 2010 for the purposes of transition to IFRS.

JNR RESOURCES INC.
(An exploration stage company)
Notes to the condensed interim financial statements
Nine months ended October 31, 2011
(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Measurement basis

These condensed interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policy set out in *Note 12*. The Company's presentation currency is Canadian dollars.

b) Use of estimates

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent 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. Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, deferred income tax assets and liabilities, and assumptions used in valuing options and warrants in share-based compensation calculations. *See Notes 3(c), 5, and 8.*

c) Mineral exploration and evaluation assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are expensed. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when technical feasibility and commercial viability of a specific area are demonstrable and when recognition criteria of IAS 16, *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are met.

All costs directly associated with property acquisition and exploration activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to the acquisition and exploration activities that can be associated with finding specific mineral resources, and do not include costs related to production, and administrative expenses and other general indirect costs.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets are reclassified as mining assets under development. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is then recognized.

JNR RESOURCES INC.
(An exploration stage company)
Notes to the condensed interim financial statements
Nine months ended October 31, 2011
(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount is greater of fair value less costs to sell and value in use of the asset. When the recoverable amount of an exploration and evaluation asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss.

The recoverable amount of exploration and evaluation assets depends on the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. The carrying amount of exploration and evaluation assets does not necessarily represent present-time or future values.

d) Impairment of non-financial assets

Property and equipment and mineral exploration and evaluation assets are regularly tested for recoverability, or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. In the case of mineral exploration and evaluation assets impairment reviews are carried out on a property by property basis. Impairment of a mineral property exploration interest is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or sale.

The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is determined using discounted estimated future cash flows of the relevant asset. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are cash-generating units. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

JNR RESOURCES INC.
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Notes to the condensed interim financial statements
Nine months ended October 31, 2011
(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Cash and equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash and subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis. The Company has designated cash as fair value through profit and loss. All gains are recognized in income in the period in which they arise.

f) Short-term investments

Short-term investments are classified as fair value through profit or loss and recorded at fair value with realized and unrealized gains recognized in income.

g) Property and equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the declining balance basis at the following annual rates:

Property and equipment:

Leasehold improvements	20%
Computer equipment	30%
Field equipment	20%
Automotive equipment	30%

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

h) Investments and comprehensive income

Investments other than derivatives are classified as available-for-sale, and are measured at fair value, where applicable, or at an estimate of fair value. The resulting unrealized gains, net of applicable deferred income taxes, or losses, are included in other comprehensive income while realized gains, net of income taxes, or losses are included in the consolidated statement of operations. Unrealized gains and losses are recognized directly in other comprehensive income, except for other than temporary impairment losses, which are recognized in net earnings. Investments are reviewed on a regular basis to determine whether there has been a decline in value that is other than temporary. For the purpose of measuring any decline in value, the Company takes into account many factors related to each investment as well as all the factors that encompass, without being inclusive, a significant or prolonged decline in fair value, important financial distress of the issuer, a breach of contract, increasing risk of issuer's bankruptcy, and disappearance of an active market for the financial asset concerned. If it is determined that the security is not impaired, an other-than-temporary impairment shall be considered to have occurred. If the decline in fair value is judged to be other than temporary, the cost basis of the individual security will be written down to fair value as a new cost basis and the amount of the write-down shall be included in earnings.

JNR RESOURCES INC.
(An exploration stage company)
Notes to the condensed interim financial statements
Nine months ended October 31, 2011
(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Government assistance and tax credits

Any federal or provincial tax credits received by the Company, with respect to exploration or evaluation work conducted on any of its properties, are credited as a reduction to the carrying costs of the property to which credits related. Until such time that there is significant certainty with regard to collections and assessments, the Company will record any recovered tax credits at the time of receipt. No gain or loss is realized during the exploration stage until all carrying costs of the specific interest have been offset.

j) Income taxes

Income taxes are accounted for using the asset and liability method of tax allocation. Deferred income 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. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized.

k) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

l) Share capital

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted price on the TSX-V on the date the shares are issued unless the fair value of goods and services is readily determinable.

JNR RESOURCES INC.
(An exploration stage company)
Notes to the condensed interim financial statements
Nine months ended October 31, 2011
(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Share-based payments

The Company has a stock option plan that is described in *Note 9*.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions are modified before they vest, the increase in the fair value of the options, measured immediately before and after modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is determined by the Black-Scholes Option Pricing Model with assumptions for: weighted average risk-free interest rates; dividend yields; weighted-average volatility factors of the expected market price of the Company's Common Shares; and a weighted average expected life of the options. The fair value of direct awards of stocks is determined by the quoted market price of the Company's stock.

JNR RESOURCES INC.
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Notes to the condensed interim financial statements
Nine months ended October 31, 2011
(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Basic and diluted loss per share

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.

o) 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, the deduction of which flow through to the shareholders.

The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium ("other liability"), and is reversed into the statement of loss as a deferred tax recovery when the eligible expenditures are incurred. If the flow-through shares are not issued at a premium, a liability is not recorded.

p) Financial instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

JNR RESOURCES INC.
(An exploration stage company)
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(unaudited)

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2010 or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

a) New accounting standards effective January 1, 2012

Amendments to IFRS 7 *Financial Instruments: Disclosures*

In October 2010, the IASB issued amendments to IFRS 7 that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed interim financial statements.

IAS 12 *Income Taxes*

In December 2010, the IASB issued an amendment to IAS 12 that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed interim financial statements.

Amendments to IAS 1, *Presentation of Financial Statements*

In June 2011, the IASB and the Financial Accounting Standards Board (FASB) issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1") to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either single statements or two consecutive statements.

b) New accounting standards effective January 1, 2013

IFRS 9 *Financial Instruments*

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit and loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit and loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

JNR RESOURCES INC.
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Notes to the condensed interim financial statements
Nine months ended October 31, 2011
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**4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE
(continued)**

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would be generally recorded in other comprehensive income.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effects of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

Mineral exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of an expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may differ materially from the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recovered.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in *Note 9*.

6. SHORT-TERM INVESTMENTS

As at October 31, 2011 the Company held \$880,000 in Guaranteed Investment Certificates (GICs). The terms of the GICs are as follows:

<u>Investment</u>	<u>Amount invested</u>	<u>Interest rate</u>	<u>Maturity date</u>
GIC # 18	\$ 155,000	.75%	March 24, 2012
GIC #19	<u>725,000</u>	1.00%	April 4, 2012
	<u>\$ 880,000</u>		

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7. PROPERTY AND EQUIPMENT

As at October 31, 2011 property and equipment consisted of the following:

October 31, 2011			
	Cost	Accumulated depreciation	Net Book Value
Leasehold improvements	41,542	25,271	16,271
Computer equipment	220,748	177,267	43,481
Field equipment	202,504	139,260	63,244
Automotive	58,473	49,310	9,163
	\$523,267	391,108	132,159

As at January 31, 2011 property and equipment consisted of the following:

January 31, 2011			
	Cost	Accumulated depreciation	Net Book Value
Leasehold improvements	41,542	22,399	19,143
Computer equipment	220,748	164,644	56,104
Field equipment	202,504	128,099	74,405
Automotive	58,473	46,650	11,823
	\$523,267	361,792	161,475

As at February 1, 2010 property and equipment consisted of the following:

February 1, 2010			
	Cost	Accumulated depreciation	Net Book Value
Leasehold improvements	41,542	17,614	23,928
Computer equipment	220,748	140,599	80,149
Field equipment	1,922,783	757,094	1,165,689
Automotive	126,618	69,182	57,436
	\$2,311,691	984,489	1,327,202

JNR RESOURCES INC.**(An exploration stage company)****Notes to the condensed interim financial statements****Nine months ended October 31, 2011****(unaudited)**

8. MINERAL EXPLORATION AND EVALUATION ASSETS

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

Property	October 31, 2011		Total
	Property Acquisition Costs	Deferred Exploration Costs	
Bell Lake Project	\$	842,499	\$ 842,499
Black Lake Project	48,631	1,871,922	1,920,553
Crackingstone Project	29,199	467,822	497,021
Kelic Lake Project		7,351	7,351
Lazy Edward Bay Project	22,714	1,796,347	1,819,061
Moore Lake Project	72,684	7,069,476	7,142,160
Newnham Lake Project	53,106	1,305,609	1,358,715
North Wedge Project		81,440	81,440
Rocky Brook Project	338,250	2,948,998	3,287,248
Snowbird Project	26,831	706,089	732,920
South Cigar Project		42,560	42,560
South Dufferin Project		509,633	509,633
Topsails Project	462,770	1,281,750	1,744,520
Way Lake Project	148,588	11,373,244	11,521,832
Yurchison Lake Project	22,791	1,958,853	1,981,644
	\$ 1,225,564	\$ 32,263,593	\$ 33,489,157

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Property	January 31, 2011		Total
	Property Acquisition Costs	Deferred Exploration Costs	
Bell Lake Project	\$	777,853	\$ 777,853
Black Lake Project	48,631	1,865,621	1,914,252
Crackingstone Project	29,199	464,422	493,621
Kelic Lake Project		7,351	7,351
Lazy Edward Bay Project	22,714	1,649,661	1,672,375
Moore Lake Project	72,684	6,860,995	6,933,679
Newnham Lake Project	53,106	1,174,426	1,227,532
North Wedge Project		81,440	81,440
Pendleton Lake Project		93,809	93,809
Rocky Brook Project	338,250	2,946,154	3,284,404
Snowbird Project	26,831	68,557	95,388
South Cigar Project		70,935	70,935
South Dufferin Project		417,192	417,192
Topsails Project	462,770	1,276,809	1,739,579
Way Lake Project	148,588	10,540,840	10,689,428
Yurchison Lake Project	22,791	1,956,753	1,979,544
	\$ 1,225,564	\$ 30,252,818	\$ 31,478,382

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Property	February 1, 2010		Total
	Property Acquisition Costs	Deferred Exploration Costs	
Bell Lake Project	\$	775,376	\$ 775,376
Black Lake Project	54,035	2,063,036	2,117,071
Crackingstone Project	29,199	330,749	359,948
Kelic Lake Project		7,350	7,350
Lazy Edward Bay Project	24,985	1,558,111	1,583,096
Moore Lake Project	72,684	6,734,061	6,806,745
Newnham Lake Project	53,106	1,034,777	1,087,883
North Wedge Project		81,082	81,082
Pendleton Lake Project		132,165	132,165
Rocky Brook Project	338,250	2,914,927	3,253,177
Snowbird Project	26,831		26,831
South Cigar Project		70,569	70,569
South Dufferin Project		315,199	315,199
Topsails Project	462,770	955,133	1,417,903
Way Lake Project	122,824	9,432,140	9,554,964
Yurchison Lake Project	22,791	1,907,037	1,929,828
	\$ 1,207,475	\$ 28,311,712	\$ 29,519,187

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. 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 totaling 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.

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

B. Black Lake Project

During 2004 the Company acquired by staking nine claims totalling 36,800 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.

C. 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.

D. 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. Three claims have since lapsed, with the remaining claim totalling 5,512 ha.

E. Lazy Edward Bay Project

Since 1999 the Company has acquired by staking ten claims totalling 39,305 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 46.10%.

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

F. 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 (NSR) 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.

G. Newnham Lake Project

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

H. 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.

I. Pendleton Lake Project

During 2003, the Company acquired by staking two mineral claims totalling 9,020 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. As at June 1, 2011 these claims have lapsed.

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

J. Rocky Brook Project

In December 2004, the Company entered into an Agreement with Altius Minerals Corporation to option the Rocky Brook uranium property, which currently consists of two hundred and fifty-eight mineral claims totalling 6,450 ha. and is located in western Newfoundland. During the quarter ending April 30, 2009, the Company fulfilled its requirements under the Option Agreement and now holds an undivided 73.40% participating interest in the project.

K. Snowbird Project

During the year ending January 31, 2009 the Company acquired a 100% unencumbered interest in four mineral claims totaling 19,090 ha. located immediately east of the South Dufferin project. In the second quarter of 2009, two additional claims totaling 6,102 ha. were staked in the immediate area.

L. 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. As of July 31, 2011 two of the five claims have become impaired. The remaining three claims total 10,244 ha.

M. 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.

Since January of 2009, the Company has been funding all exploration activities on a 100% basis. As a result the Company's Participating Interest in the South Dufferin Project is currently 43.20%.

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

N. South Fork Project

The Company holds a 50% unencumbered interest in thirty three mineral claims totalling 29,824 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 (paid), and to carry out \$1,500,000 (expended) of exploration by January 25, 2009 to earn a 50% interest in the property. During the year ended January 31, 2008 UPC met its obligations to earn their 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. On July 31, 2009 Titan Uranium Inc., pursuant to a Plan of Arrangement, acquired all of the outstanding shares of UPC. On January 18, 2011, the Company granted Titan a 12 month extension to meet its additional earn-in requirements.

O. 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. The project currently consists of 4,227 mineral claims totalling 105,675 ha.

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 (GSR) 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.

P. 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. During 2010, the Company acquired by staking an additional two claims totalling 9,130 ha. The Way Lake project now consists of nineteen claims totalling 80,925 ha. The Company holds a 100% unencumbered interest in this project.

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8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Q. 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.

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 exploration and evaluation assets of \$33,489,157 as at October 31, 2011. Such write-down amounts could be material.

9. SHARE CAPITAL

(a) Authorized:

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.

(b) Issued and outstanding:

See the Statement of Changes in Shareholders' Equity.

(c) Stock 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.

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9. SHARE CAPITAL (continued)

A summary of the status of the Company incentive stock option plan as at October 31, 2011 is as follows:

	Number of options	Weighted Average Exercise Price
Balance, February 1, 2010	5,700,000	\$1.08
Granted	2,000,000	\$0.30
Expired	(1,115,000)	\$0.80
Exercised	-	-
Balance, January 31, 2011	6,585,000	\$0.88
Granted	3,000,000	\$0.13
Expired	(175,000)	\$0.99
Exercised	-	-
Balance October 31, 2011	9,410,000	\$0.62

Options Granted

A summary of options granted as at October 31, 2011 is as follows:

Number of Shares Under Option	Exercise Price	Expiry Date
775,000	2.62	January 4, 2012
200,000	2.55	July 2, 2012
1,525,000	1.25	February 15, 2013
1,910,000	0.30	July 28, 2014
2,000,000	0.25	August 12, 2015
3,000,000	0.13	October 7, 2016
<u>9,410,000</u>		

A summary of the fair values of stock options granted during the year, estimated on the date of grant using the Black-Scholes Option Pricing Model with weighted average assumptions is as follows:

	2011	2010
Risk free interest rate	1.30%	1.79%
Expected life (years)	5	5
Expected volatility	101.90%	96.02%
Weighted average fair value per option grant	\$0.0630	\$0.1311

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9. SHARE CAPITAL (continued)

(d) Share purchase warrants

A summary of outstanding warrants as at October 31, 2011 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 1, 2010	-	-
Granted	2,293,500	\$0.25
Expired	-	-
Exercised	-	-
Balance, January 31, 2011	2,293,500	\$0.25
Granted	3,085,000	\$0.65
Expired	-	\$0.25
Exercised	(180,000)	-
Balance October 31, 2011	5,198,500	\$0.49

A summary of warrants granted as at October 31, 2011 is as follows:

Number of Warrants	Exercise Price	Expiry Date
2,113,500	\$0.30	August 27, 2012
3,085,000	\$0.65	September 10, 2012
5,198,500		

10. RELATED PARTY TRANSACTIONS

Key management personnel include the board of directors, chief executive officer, chief financial officer and chief operating officer. Key management personnel compensation comprised:

Key management compensation

	Nine months ended October 31,	
	2011	2010
Retainers, wages and benefits	\$ 294,459	\$ 285,216

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10. RELATED PARTY TRANSACTIONS (continued)

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

Services and reimbursement of expenses	Nine months ended October 31,	
	2011	2010
Cypress Geoservices Ltd. (a)	106,250	95,060
TerraVenture Ltd. (b)	140,950	151,800
RockSense Geological (c)	2,025	3,094
Salaries and benefits (d)	40,101	30,092
Reimbursement of expenses	5,133	5,170

(a) Consulting (\$19,800 – 2011, \$37,200 – 2010), geological and other services (\$86,450 – 2011, \$57,860 – 2010) are provided by Cypress Geoservices Ltd. at market rates. Cypress Geoservices Ltd. is a private company controlled by the Chief Operating Officer.

(b) Management (\$72,000 – 2011, \$72,000 – 2010), geological and other services (\$68,950 – 2011, \$79,800 – 2010) are provided by TerraVenture Ltd. at market rates. TerraVenture Ltd. is a private company controlled by the Chief Executive Officer.

(c) Promotional services (\$2,025 – 2011, \$3,094 – 2010) are provided by RockSense Geological at market rates. RockSense Geological is a private company controlled by a director.

(d) Key management personnel compensation.

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.

11. OTHER LIABILITIES

Other liabilities include the premium between the quoted price of Company's shares and the amount paid by investors for the flow-through shares. The accounting for flow-through shares under IFRS is explained further in *Note 14 (b)*. The following is a continuity schedule of the liability portion of the flow-through share issuances:

Balance at February 1, 2010	\$	-
Flow-through premium on flow-through share issuances		-
Settlement of flow-through share liability on incurring expenditures		-
Balance, July 31, 2010	\$	-
Flow-through premium on flow-through share issuances		38,500
Settlement of flow-through share liability on incurring expenditures		-
Balance, January 31, 2011	\$	38,500
Flow-through premium on flow-through share issuances		786,800
Settlement of flow-through share liability on incurring expenditures		(38,500)
Balance, October 31, 2011	\$	786,800

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial instruments recognized at fair value on the condensed interim statement of financial position must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy levels are as follows:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on inputs that are other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

As at October 31, 2011, the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for January 31, 2011 are shown in the table below:

Classification	October 31, 2011		January 31, 2011	
	Fair value	Carrying value	Fair value	Carrying value
<i>Financial assets</i>				
Cash and equivalents	140,263	140,263	18,952	18,952
Short-term investments	880,000	880,000	1,045,000	1,045,000
Accounts receivable (1)	62,467	62,467	67,827	67,827
Marketable securities	72,513	72,513	152,477	152,477
<i>Financial liabilities</i>				
Accounts payable and accrued liabilities	89,227	89,227	260,477	260,477

(1) *Excluding taxes receivable*

The fair values of the Company's financial instruments measured at October 31, 2011, constitute Level 1 measurements for its cash and equivalents, short-term investments and marketable securities within the fair value hierarchy.

The Company recognized interest income during the nine months ended October 31, 2011, totaling \$11,217, which represents interest income from the Company's held-for-trading investments. This balance represents interest income from all sources.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk as at October 31, 2011 date under its financial instruments is summarized as follows:

	October 31, 2011	January 31, 2011
Accounts and other receivables -		
Currently due	46,028	15,152
Past due by 90 days or less, not impaired	4,516	52,506
Past due by greater than 90 days, not impaired	11,923	169
	62,467	67,827
Cash and equivalents	1,020,263	1,063,952
	1,082,730	1,131,799

All of the Company's cash and cash equivalents are held with major financial institutions in Canada, and management believes the exposure to credit risk with such institutions is not significant. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash and term deposits are held. As at October 31, 2011, no material provision has been recorded in respect of impaired receivables. The Company's maximum exposure to credit risk as at October 31, 2011, is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in *Note 13*, in normal circumstances. Due to the lack of liquidity, management has increased its focus on liquidity risk given the impact of the current economic climate on the availability of finance. Further information regarding liquidity risk is set out in *Note 2*.

JNR RESOURCES INC.
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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's financial liabilities are comprised of its accounts payable and accrued liabilities and amounts due to related parties, the contractual maturities of which at October 31, 2011, are summarized as follows:

	October 31, 2011	January 31, 2011
Accounts payable and accrued liabilities with contractual maturities -		
Within 90 days or less	89,227	260,477
In later than 90 days, not later than one year	-	-
Due to related parties with contractual maturities -		
Within 90 days or less	31,720	31,228
In later than 90 days, not later than a year	-	-

Market risk

The significant market risks to which the Company is exposed include commodity price risk, interest rate risk and foreign exchange risk.

- Commodity price risk
The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of uranium and the outlook for this metal, as the Company's ability to raise capital is affected by the commodity prices that the Company is exploring for on its mineral property interests. The Company does not have any hedging or other derivative contracts respecting its operations.
- Interest rate risk
The Company has no significant exposure at October 31, 2011, to interest rate risk through its financial instruments.
- Currency risk
The Company has no significant exposure at October 31, 2011 to currency risk as all cash and cash equivalents are held in Canadian funds.

13. MANAGEMENT OF CAPITAL

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard its ability to continue as a going concern in order to pursue the development of its mineral property interests.

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13. MANAGEMENT OF CAPITAL (continued)

The Company considers the items included in shareholders' equity to be capital. The Company relies on equity financing in order to fund future exploration and development and makes adjustments to the Company's capital structure based on financing needs, as well as in response to economic conditions and the risk characteristics of the underlying assets. Management makes adjustments to its capital structure through share issuances and the acquisition or disposition of assets.

As the Company is in the exploration stage it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through the preparation of annual expenditure budgets and cash forecasts that are updated as necessary. The Company does not have any externally imposed capital requirements

The Company's managed capital is as follows:

	October 31, 2011	January 31, 2011
Share capital	41,445,732	39,535,977
Contributed surplus	4,478,130	4,289,130
Deficit	(15,273,991)	(14,478,679)
	30,649,871	29,346,428

14. FIRST TIME ADOPTION OF IFRS

Overview

As stated in *Note 2*, these are the Company's first financial statements prepared in accordance with IFRS. The accounting policies set out in *Note 3* have been applied in preparing the financial statements for the period ended October 31, 2011, the comparative information presented in these financial statements for the year ended January 31, 2011 and in the preparation of an opening IFRS statement of financial position at February 1, 2010.

The accounting policies described in *Note 3* have been selected to be consistent with IFRS as is expected to be effective on January 31, 2012, the Company's first annual IFRS reporting date.

JNR RESOURCES INC.
(An exploration stage company)
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14. FIRST TIME ADOPTION OF IFRS (continued)

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-Time Adoption of International Reporting Standards*, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective application. The Company has applied the following exemptions to its opening consolidated IFRS statement of financial position dated February 1, 2010:

(i) Business combinations

The Company has elected under IFRS 1 to not apply IFRS 3 *Business Combinations* retrospectively to any business combinations that may have occurred prior to February 1, 2010.

(ii) Share-based payments

The Company has elected under IFRS 1 to apply IFRS 2 *Share-based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested before February 1, 2010.

Estimates

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition date are consistent with estimates made at the same date under Canadian GAAP.

Reconciliations between Canadian GAAP and IFRS

An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes accompanying the tables.

JNR RESOURCES INC.
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14. FIRST TIME ADOPTION OF IFRS (continued)

The October 31, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Assets	Note	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Mineral properties and rights	(a)	1,233,239	-	(1,233,239)	-
Deferred exploration costs	(a)	30,187,458	-	(30,187,458)	-
Mineral exploration and evaluation assets	(a)	-	-	31,420,697	31,420,697
All other assets		2,988,688	-	-	2,988,688
Total Assets		34,409,385	-	-	34,409,385
Liabilities					
Other liabilities		-	-	-	-
All other liabilities		5,371,683	-	-	5,371,683
Total Liabilities		5,371,683	-	-	5,371,683
Shareholders' Equity					
Share capital	(b)	38,455,933	829,000	-	39,284,933
Deficit	(b)	(13,691,161)	(829,000)	-	(14,520,161)
Contributed surplus		4,272,930	-	-	4,272,930
Total Shareholders' Equity		29,037,702	-	-	29,037,702
Total Liabilities and Shareholders' Equity		34,409,385	-	-	34,409,385

The three and nine months ended October 31, 2010 Canadian GAAP statement of operations and comprehensive loss has been reconciled to IFRS as follows:

	Note	Three months ended October 31, 2010	Nine months ended October 31, 2010
Comprehensive loss under previous Canadian GAAP		471,365	949,814
Effect of deferred income tax recovery with respect to flow-through share renouncement	(b)	-	-
Comprehensive loss under IFRS		471,365	949,814

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14. FIRST TIME ADOPTION OF IFRS (continued)

Notes to the reconciliation

(a) IFRS reclassification

In order to be more consistent with the terminology used in IFRS 6 the Company has grouped the deferred exploration costs and the mineral properties and rights assets under the heading mineral exploration and evaluation assets.

(b) Flow-through shares

Under Canadian GAAP the issuance of flow-through shares are initially recorded in share capital at their issue price less the deferred tax liability related to the renounced expenditures. Under IFRS, flow-through shares are recognized based on the quoted price of existing shares on the closing date. The difference ("premium") between the quoted price of Company's shares and the amount paid by investors for the flow-through shares is recognized as a flow-through share related liabilities. The liability is reversed into the statement of operations and comprehensive loss when the eligible expenditures are incurred. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense. There is no subsequent reduction to share capital under these new standards.

Where flow-through shares were issued but expenditures were not incurred by the end of the reporting period, a liability is shown in "other liabilities". On the date of transition the change in accounting for flow-through shares resulted in a liability of \$Nil (October 31, 2010 - \$Nil, January 31, 2011 - \$38,500).

Cash Flow

The adoption of IFRS has had no impact on the net cash flows of the Company. As there have been no changes made to the net cash flows, no reconciliations have been presented.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
JNR RESOURCES INC.
PERIOD ENDED OCTOBER 31, 2011

The following discussion and analysis of the financial condition and results of operations for JNR Resources Inc. has been prepared as of December 19, 2011 to provide additional information to that already provided in the unaudited financial statements for the period ended October 31, 2011 and related notes attached thereto.

The reader should also refer to audited financial statements for the years ended January 31, 2011 and 2010, 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 \$1,163,253 at October 31, 2011 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 exploration and evaluation assets 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

JNR Resources Inc. ('JNR' or the 'Company') is a Saskatoon-based junior exploration company with one of the strongest technical teams in the uranium exploration industry. During the quarter ending October 31, 2011, the Company continued to develop 3D exploration models to target new uranium deposits on its properties. The Company is focused on uranium exploration in the **Athabasca Basin** of Saskatchewan and the **Deer Lake Basin** and the **Topsails** igneous complex of west-central Newfoundland. These regions represent distinct uranium provinces that are characterized by significant uranium enrichment in many of the rock formations. JNR firmly believes that the best exploration approach is through actively exploring on the ground and drilling high-priority targets based on geology, geophysics, and geochemistry.

To this end the Company is using leading-edge exploration methods and tools to better understand mineralization processes/criteria for discovering new resources. These methods and tools include PIMA analyses, Pb isotope analyses, APS mineral analyses, 3D GOCAD modeling via a data- and/or knowledge-driven approach, numerical and/or geostatistical modeling, and high-resolution 2D/3D airborne and ground geophysical surveys, including high-resolution airborne gravity (FTG) and electromagnetic (ZTEM) surveys. In this respect, the Company is taking full advantage of the capabilities and expertise of its experienced, multi-disciplinary geological team.

Dr. Irvine R Annesley comments: "Results to date (2005 – present) from JNR's 3D GOCAD models (e.g. eastern Athabasca, **Way Lake**, **Yurchison Lake**, **Moore Lake**, and **Snowbird/South Dufferin**) indicate that we have a much better understanding of the geological environments that we are exploring in and from this we can successfully pick new lithostructural/geochemical/geophysical drill targets in the search for new uranium resources. Ultimately, this will lead to finding new uranium deposits in less time".

During the quarter ending October 31, 2011, the Company completed a 1,190 metre (9-hole) diamond drilling program on its 100% owned **Snowbird** project. Four of these holes tested the northern end of the **Snowbird** conductive trend, while the remainder focused on the southern end. All of these structural/mineralized targets are located within previously untested portions of a 20 kilometre long electromagnetic (EM) graphite-sulfide-rich conductor system. Four of the nine drill holes intersected significantly disrupted and locally clay-altered Virgin River Group graphitic pelitic gneisses/schists and variably uraniferous granitic pegmatites. All holes were drilled at a -45 to -50 degree angle.

Multiple intervals of uranium and/or base metal mineralization were intersected in the four holes (SB-11-01, -02, -08 and -09) that tested the northern end of the Snowbird

conductive trend, immediately east and southeast of Westgate Lake and within 2-3 kilometres of the southern margin of the Athabasca Basin. The best uranium intersections occur in drill hole SB-11-09. Highly anomalous concentrations of base metals accompanied by arsenic (As) and boron (B) enrichment are also present in these drill holes.

During the quarter ending October 31, 2011, the 2011 exploration program was initiated on the **Topsails** project, a 50/50 alliance with Altius . This program is focussing on the Sheffield Lake South Cu prospect and will follow up the encouraging results obtained in 2009 and 2010. It involves detailed prospecting, trenching, geological mapping, and sampling to further extend the area of the Sheffield Lake South prospect.

During the quarter ending October 31, 2011, planning of future programs on the JNR operated joint ventures with Denison on the **South Dufferin** and **Lazy Edward Bay projects** was underway, as well on its 100% owned **Newnham Lake** project.

On the Denison operated **Moore Lake** and **Bell Lake** projects compilation and planning of the 2012 winter programs was underway. The latter is focused on an area where several high priority targets require geophysical refining in advance of drilling.

Over the past five years, the Company has aggressively explored and advanced several of its projects to the 'drill-ready' stage. To that end, the Company plans to leverage its equity in these projects and is actively seeking partners to fund further work. In the interim, ongoing exploration will be focused on select properties.

Exploration Properties

The Company currently contains sixteen mineral projects in its property portfolio: thirteen 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 & CEO, Richard Kusmirski, P.Geo., Vice-President Exploration & COO, David Billard, P.Geo., Director of Exploration, Dr. Irvine Annesley, P.Geo. and Chief Geochemist, Ken Wasyliuk, P.Geo. are qualified persons under NI 43-101 and have reviewed the technical disclosure herein.

(a) Bell Lake

The Bell Lake project is a Joint Venture with Denison Mines. 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.

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 southeastern part of the Athabasca Basin. Denison is the project operator.

During the quarter ending April 30, 2011, operator Denison Mines completed a geophysical program consisting of 60 kilometres of linecutting, ground magnetics and Fixed Loop EM. This program focused on an area where several high priority targets required geophysical refining. The purpose of this work is to better define targets to be drilled in 2012 and beyond.

During the quarter ending October 31, 2011, interpretation of the geophysical results was ongoing and planning of the 2012 exploration program was underway.

To October 31, 2011, the Company had incurred exploration costs of \$842,499 in respect of these claims.

(b) Black Lake

The Company holds a 100% unencumbered interest in this project which consists of nine mineral claims totalling 36,800 hectares. These claims are located on the north rim of the Athabasca Basin, approximately 20 kilometres southeast of the town of Stony Rapids, and lie on the seasonal road to that community.

The Black Lake project 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 past few years exploration programs consisting of diamond drilling and airborne and ground geophysics have been carried out over the project lands and identified well over a dozen priority drill targets.

During the quarter ending October 31, 2011, planning of the 2012 exploration program was underway.

To October 31, 2011, the Company had incurred net acquisition costs of \$48,631 and exploration costs of \$1,871,922 in respect of these claims.

(c) Crackingstone

The Crackingstone project 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 past few years airborne geophysical surveys have identified thirteen ‘zones of interest’ for drill follow-up.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred net acquisition costs of \$29,199 and exploration costs of \$467,822 in respect of these claims.

(d) Kelic Lake

The Kelic Lake project is a Joint Venture with Denison Mines. It consists of one mineral claim totalling 5,512 hectares, located along the south central margin of the Athabasca Basin. JNR holds a 25% interest in the property.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred exploration costs of \$7,351 in respect of this claim.

(e) Lazy Edward Bay

The Lazy Edward Bay project is a Joint Venture with Denison Mines. It consists of ten mineral claims totalling 39,305 hectares, located in the Lazy Edward Bay area and straddles the southern margin of the Athabasca Basin, west of the Key lake uranium mine. This project lies directly along the Cable Bay shear zone, a major transcrustal structural feature with many of the positive geochemical and geological attributes required for the formation of significant uranium deposits. Since March of 2008, the Company has been funding all exploration activities on a 100% basis and as a result holds a 46.1% interest in this project.

The Company’s original Joint Venture partner, Kennecott Canada Exploration Inc. retain a 2.5% NSR on three claims that can be bought down by 1.25% by payment of \$1,000,000.

Over the past few years airborne and ground geophysical surveys, and a diamond drilling program have identified a number of ‘zones of interest’ for drill testing. The project is now at a stage where the results obtained to date are expected to be leveraged into drilling success. Although the property has been drill-tested historically, many high-priority targets remain. These better defined targets will be the focus of future drilling programs.

During the quarter ending April 30, 2011, a 1,418 line-kilometre airborne gravity gradient survey was completed, the results of which have been integrated with prior drilling results and previous ground and airborne geophysical programs to further define drill targets.

The preliminary results clearly show that this program was successful in better defining the structural setting of the property. Several 'zones of interest' outlined within the Lazy Edward Bay claims lie along extensive corridors of well-defined, structurally-disrupted basement conductors over 2 to 6 km in strike length. The property is now at a drill-ready stage with numerous high-priority targets identified.

During the quarter ending October 31, 2011, planning of the 2012 exploration program was underway.

To October 31, 2011, the Company had incurred net acquisition costs of \$22,714 and exploration costs of \$1,796,347 in respect of these claims.

(f) Moore Lake

The Moore Lake project is a Joint Venture with Denison Mines. It consists of twelve mineral claims totalling 35,705 hectares, centred on Moore Lake and located in the southeastern portion of the Athabasca Basin 40 km south of Cameco's McArthur River mine and 45 km northeast of the Key Lake mine and mill complex. JNR holds a 25% interest in the property.

The Company's original Joint Venture partner, Kennecott Canada Exploration Inc. retain a 2.5% net smelter return royalty (NSR) on several claims that can be bought down by 1.25% by payment of \$1,000,000.

In April of 2000 JNR discovered high grade uranium mineralization in the Maverick Zone. Over the next several years, numerous property scale diamond drilling programs along with extensive ground and airborne geophysical surveys, outlined several mineralized and anomalous structural corridors and more importantly abundant high grade uranium mineralization within the Maverick Main Zone. The Moore Lake property is host to an impressive inventory of high-priority targets that are in various stages of exploration and remains one of the pre-eminent uranium projects in the Athabasca Basin.

During the quarter ending April 30, 2011, a 3,305-metre diamond drilling program was completed. The eight hole program (ML-162 through ML-169) tested a variety of discrete geophysical resistivity and structural targets with two holes intersecting significant uranium mineralization. The best result was from ML-165, which returned 0.31% U₃O₈/1.0 metre at 291.85 metres down hole, immediately above the unconformity. Follow-up hole, ML-169, was drilled as a fence hole at the same -70 degree dip and collared 20 metres grid east of ML-165. It intersected 0.11% U₃O₈/0.5 metres at the unconformity, 287.25 metres down hole.

The focus of this drilling program was to test a number of widely-spaced geophysical resistivity anomalies and structural targets, interpreted to reflect the extension of the main mineralized Maverick structural zone and outlying brittle reactivated basement faults. The two significantly mineralized holes were drilled in a relatively untested area approximately three kilometres east of the main Maverick zone. These holes intersected intense structural disruption and hydrothermal alteration in the basal sandstone and graphitic pelitic basement rocks below the unconformity. In addition to the encouraging uranium values and geology, highly elevated pathfinder elements occur in the basement rocks of these two mineralized holes (up to 1,380 ppm V, 4,750 ppm Zn and 3,430 ppm Pb)

The companies will continue to evaluate and integrate the results of this winter's drilling program with the wealth of data collected on the property over the past several years. This work will focus on discovering and delineating new mineralization by identifying new drill targets in historically drill-tested areas; as well as on locating new targets on relatively under-explored sections of the property.

During the quarter ending October 31, 2011, the compilation of previous work was ongoing and planning of the 2012 exploration program was underway.

To October 31, 2011, the Company had incurred net acquisition costs of \$72,684 and exploration costs of \$7,069,476 in respect of these claims.

(g) Newnham Lake

The Company has a 100% unencumbered interest in this project which consists of eight mineral claims totalling 27,723 hectares. This project straddles the northeastern margin of the Athabasca Basin, approximately 50 kilometres east of the historic Nisto uranium deposit. It occurs directly along the Cable Bay Shear zone, a major transcrustal structural feature, which exhibits many of the positive geochemical and geological attributes required for the formation of significant uranium deposits.

Over the past two years a number of airborne and ground geophysical surveys have been completed. Seven initial 'zones of interest' were selected on the basis of a favorable geophysical/geological correlation. Although the property has been drill-tested historically, many high-priority targets remain. These better defined targets are anticipated to be the focus of future drilling programs.

During the quarter ending April 30, 2011, a 1,379 line-kilometre airborne gravity gradient survey was completed, the results of which were processed and integrated with previous ground and airborne geophysical programs to further define drill targets.

The preliminary results clearly show that this program was successful in better defining the structural setting of the property. Several 'zones of interest' outlined within the Newnham Lake claims lie along extensive corridors of well-defined, structurally-disrupted basement conductors. The corridors are typically several kilometres in strike

length. This property is now at a drill-ready stage with numerous high-priority targets identified.

During the quarter ending October 31, 2011, planning of the 2012 exploration program was underway.

To October 31, 2011, the Company had incurred net acquisition costs of \$53,106 and exploration costs of \$1,305,609 in respect of these claims.

(h) North Wedge

The North Wedge project is a Joint Venture with Denison Mines. It consists of one mineral claim totalling 4,247 hectares, located southeast of the Cigar Lake uranium deposit. JNR holds a 49% interest in the property.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred exploration expenses of \$81,440 in respect of these claims.

(i) Rocky Brook

The Rocky Brook project is a Joint Venture with Altius Minerals Corporation. It consists of 258 mineral claims totalling 6,450 hectares and covers the northeast margin of the Carboniferous Deer Lake Basin in Western Newfoundland. JNR holds a 70% interest in this project.

Over the course of the past several years the Company completed assorted airborne and ground geophysical surveys and geochemical surveys. The results indicate the presence of several prominent structural features coincident with the geochemical trends. Extensive follow-up diamond drilling programs identified significant geochemical enrichment and major structural disruption in the sandstone of several holes. This combination continues to support a structurally-hosted exploration model for the source of the high-grade uranium boulders. These features will be the focus of future diamond drilling programs.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred net acquisition costs of \$338,250 and exploration costs of \$2,948,998 in respect of these claims.

(j) Snowbird

The Company has a 100% interest in this project which consists of six mineral claims totalling 25,192 hectares immediately east of the South Dufferin project. The property covers the Virgin River shear, a major mineralized structural zone which hosts Cameco's

Centennial zone. At Centennial, a 650-m long mineralized zone with drill intersections of up to 8.78% U₃O₈ over 33.9 m has been outlined.

Over the course of the past two years airborne and ground geophysical surveys have identified several 'zones of interest' that lie along extensive corridors of well-defined, structurally-disrupted basement conductors, 2 to 10 kilometres in strike length. These properties are now at a drill-ready stage with numerous high-priority targets identified. Management strongly believes the Snowbird district has the potential to host a significant uranium deposit.

During the quarter ending October 31, 2011, a diamond drilling program, consisting of 1,190 metres in nine holes was completed. Four of these holes tested the northern end of the **Snowbird** conductive trend, while the remainder focused on the southern end. All of these structural/mineralized targets are located within previously untested portions of a 20 kilometre long electromagnetic (EM) graphite-sulfide-rich conductor system. Four of the nine drill holes intersected significantly disrupted and locally clay-altered Virgin River Group graphitic pelitic gneisses/schists and variably uraniferous granitic pegmatites. All holes were drilled at a -45 to -50 degree angle.

Multiple intervals of uranium and/or base metal mineralization were intersected in the four holes (SB-11-01, -02, -08 and -09) that tested the northern end of the Snowbird conductive trend, immediately east and southeast of Westgate Lake and within 2-3 kilometres of the southern margin of the Athabasca Basin. The best uranium intersections occur in drill hole SB-11-09. Highly anomalous concentrations of base metals accompanied by arsenic (As) and boron (B) enrichment are also present in these drill holes.

SB-11-09 returned three uranium mineralized intervals over a 50 metre downhole length; including a 2.00 metre interval of 20 ppm U, a 0.5 metre interval of 20 ppm U with anomalous B, and a 1.50 metre interval of 17 ppm U with anomalous B.

Drill hole SB-11-02, closest to the Athabasca margin, returned eight highly clay-altered intervals with highly anomalous As, up to 1,550 ppm, and B, up to 2,090 ppm, over a 100 metre downhole length. Some of these intervals also showed anomalous cobalt (Co), copper (Cu) and nickel (Ni).

SB-11-01 intersected two highly clay-altered intervals over a 42 metre downhole length; including a 6.0 metre interval of anomalous Cu and B. The deeper parts of this drill hole intersected anomalous uranium and associated bismuth mineralization over a 1.0 metre interval, with up to 25 ppm U.

Drill hole SB-11-08 returned multiple mineralized intervals of base metals over a 36 metre downhole length; including several 1.0 metre intervals with up to 86 ppm As, 282 ppm Cu, 88 ppm Ni, 109 ppm vanadium (V) and 277 ppm B.

The five drill holes that tested the southern part of the conductive trend also intersected numerous intervals that are anomalous in pathfinder base metals; in particular, Co, Cu, Ni, V and zinc (Zn), and associated in part with anomalous As and B.

The company is pleased with these geochemical results as they show the significant uranium and metal potential within the Snowbird district. The extent and volume of highly altered prospective rocks intersected along this conductive trend makes it promising for hosting another significant basement-hosted uranium deposit in this part of the Athabasca Basin. Also, the substantial metal and uranium endowment in the Snowbird district, lack of sandstone cover and shallow depth to mineralization, allows for efficient and timely exploration of these targets.”

These results will be integrated within on-going exploration models to plan and facilitate JNR’s next phase of drilling new targets.

To October 31, 2011, the Company had incurred net acquisition costs of \$26,831 and \$706,089 in exploration costs in respect of these claims.

(k) South Cigar

The South Cigar project is a Joint Venture with Denison Mines. It consists of three mineral claims totalling 10,244 hectares located 20 kilometres south-southeast of Cameco’s Cigar Lake uranium mine. JNR holds a 25% interest in this project.

Over the past few years airborne and ground geophysical programs verified that the southwestern extension of the Bird Lake fault, a major regional and hydrothermally altered structural zone, continues onto the project lands.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred exploration costs of \$42,560 in respect of these claims.

(l) South Dufferin

The South Dufferin project is a Joint Venture with Denison Mines. It consists of two mineral claims totalling 8,240 hectares, located along the south central margin of the Athabasca Basin and covers the Virgin River shear, a major mineralized structural zone which hosts Cameco’s Centennial zone. Since January of 2009, the Company has been funding all exploration activities on a 100% basis and as a result holds a 43.2% interest in this project.

Over the past couple of years airborne and ground geophysical surveys were completed over the project lands and delineated EM conductors and the structural setting of the properties. This project is now at the ‘drill-ready’ stage with a number of high priority

targets identified; specifically extensive corridors of well defined, structurally disrupted basement conductors, 2 to 10 kilometres in strike length.

During the quarter ending October 31, 2011, planning of the 2012 exploration program was underway.

To October 31, 2011, the Company had incurred exploration expenses of \$509,633 in respect of these claims.

(m) South Fork

The Company currently holds a 50% unencumbered interest in thirty-three mineral claims totaling 29,824 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.

Titan Uranium Inc. and Mega Uranium Ltd. hold the remaining 50% interest and can earn a further 15% interest by spending an additional \$1,000,000 on exploration activities by January 25, 2012.

Over the past few years airborne geophysical surveys and rotary drill holes identified what appear to be several weakly mineralized and radioactively anomalous well developed paleochannels over a large area, in sandstones and shales of the Frenchman and Ravenscrag formations.

There were no field activities carried out during the quarter ending October 31, 2011.

(n) Topsails

The Topsails uranium project is an alliance established with Altius Resources Inc. to explore for volcanic-hosted uranium deposits in Central Newfoundland. This project currently consists of 4,227 mineral claims totalling 105,675 hectares. The Company and Altius each hold a 50% Participating Interest.

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.

Over the past few years exploration programs consisting of property-wide lake sediment sampling, detailed airborne radiometric and magnetic surveying, and prospecting and geological mapping were completed. Trenching, rock and soil sampling were also carried out in select locales.

These programs resulted in the discovery of at least six significant areas (Koorae Cu-Mo-Au-Ag prospect, Railway U showing, Sheffield Lake South Cu prospect, Long Range Mountain U-REE prospects A and B, and Catcher's Pond Cu prospect) The Koorae prospect is a quartz-feldspar porphyry (QFP) containing appreciable amounts of copper, molybdenum, gold and silver mineralization. It bears numerous similarities to the alkalic, caldera-related group of porphyry copper-gold deposits observed world wide. Grab samples from the porphyry returned up to 0.87% Cu, while a sample from locally derived float returned 3.7% Cu, 0.1% Mo, 53.3 g/t Ag and 0.24 g/t Au. The Railway Uranium showing returned grab samples with up to 0.62% U₃O₈ along with anomalous amounts of other metals. The Sheffield Lake South prospect returned up to 13.9% Pb and 0.55% Mo from outcrops and locally derived boulders. The Long Range Mountain prospects contain significant amounts of uranium-thorium and rare earth metal mineralization. Grab samples previously taken from outcrops and boulder fields returned up to 3.44% TREE (including 0.50% Y), 2.38% Zr, 0.18% Nb, 0.022% U₃O₈, 0.144% Th, and anomalous amounts of other rare metals.

The Koorae prospect the southern margin of a roughly 1,200 by 300-metre, east-northeast trending magnetic low and on the southeast margin of an isolated K, U, and Th radiometric high of 350-metre diameter size.

During the quarter ending October 31, 2011, the 2011 exploration program was initiated. This program is focussing on the Sheffield Lake South Cu prospect and will follow up the encouraging results obtained in 2009 and 2010. It involves detailed prospecting, trenching, geological mapping, and sampling to further extend the area of the Sheffield Lake South prospect.

To October 31, 2011, the Company had incurred net acquisition costs of \$462,770 and exploration costs of \$1,281,750 in respect of these claims.

(o) Way Lake

The Company holds a 100% unencumbered interest in this project which consists of nineteen contiguous mineral claims totalling 80,925 hectares, located twenty kilometres southeast of the Athabasca Basin proper and 55 kilometres east of the Key Lake uranium mine.

Over the past few years a series of aggressive exploration programs were undertaken. They consisted of extensive airborne and ground geophysical surveys, prospecting and a number of diamond drilling programs. This resulted in the discovery of numerous uranium showings with the most significant results to date being returned from the Fraser Lakes area.

During the quarter ending July 31, 2011 a diamond drilling program comprising 2,590 metres in 10 holes was completed. Four holes tested the east-northeast extension of the Fraser Lakes Zone B. Six holes tested ancillary structural/mineralized targets related to the Fraser Lakes Zone B; located within previously untested portions of a folded, 65-km

long electromagnetic (EM) graphite-sulfide-rich conductor system. Six of the 10 drill holes intersected anomalous radioactivity accompanied by significantly disrupted and locally clay-altered Wollaston Group graphitic pelitic gneisses and uraniferous granitic pegmatites.

Multiple intervals of uranium and/or thorium (U-Th) mineralization were intersected in four new holes (WYL-11-68, -69, -70, and -71; Table 1) that tested Fraser Lakes Zone B on its east-northeast end. The better U-Th intersections occur in drill holes WYL-11-68, -70 and -71, and are accompanied by highly anomalous concentrations of base metals and rare earth element (REE) enrichment. At a cut-off grade of 0.025% U_3O_8 , the results from WYL-11-68 and -70 are impressive. To date, drilling of this zone has identified an extensive area approximately 1,250 metres long by 650 metres wide of moderately dipping, multiple stacked uranium and thorium mineralized horizons, which are open to the southwest and east-northeast to a depth of at least 175 metres.

Anomalous radioactivity was also intersected within a new area, Fraser Lakes North, located 5 kilometres northeast of Fraser Lakes Zone B. Drill holes WYL-11-73 and -74 (Table 1) report low-grade, basement-hosted U-Th mineralization in graphitic pelitic gneisses and granitic pegmatites. These holes also exhibit evidence for major structural reactivation, significant clay alteration, uranium remobilization, and basinal brine fluid circulation.

The drilling has also provided compelling evidence for the presence of major east-west and north-south structural corridors that intersect the main northeast-trending EM conductors. These intersecting features are postulated to be controlling structural geochemical traps for the formation of high-grade mineralized zones at Fraser Lakes.

The exceptional exploration potential of the Fraser Lakes area is further supported by geoanalytical results from PIMA infrared spectroscopy of four holes drilled in the T-Bone Lake area (News Release: June 17, 2010), located 4 kilometres west-southwest of Fraser Lakes North and due north of Fraser Lakes Zone B. These results indicate a preponderance of the important pathfinder mineral, illite, within a major clay-filled fault system that was intersected in 2010.

Dave Billard, Vice-President Exploration and COO, comments: "These results confirm that the Fraser Lakes district has significant exploration upside, with many targets having the potential to host high-grade uranium mineralization. Geological and geochemical features identified in the Fraser Lakes district show distinct similarities to high-grade, basement-hosted discoveries in the Athabasca basin, such as Cameco's Millennium and Hathor's Roughrider deposits".

Results from the 2011 drilling program continue to demonstrate the significant uranium and metal endowment within the Fraser Lakes district, and will be integrated within ongoing exploration models to plan and facilitate JNR's next phase of drilling. Also; the lack of sandstone cover and shallow depth to mineralization will allow for efficient and timely exploration of these targets.

Table 1. Fraser Lakes Area - Significant Drill Results, “ Winter 2011”

DDH#	From (m)	To (m)	Width (m)	U3O8 %	ThO2 %	Other Metals (%)
WYL-11-68	164.00	166.00	2.00	0.029	0.031	Cu-0.015, V-0.012, Zn-0.013
	172.00	173.00	1.00	0.074	0.088	Cu-0.017, Pb-0.025
	173.50	174.50	1.00	0.035	0.039	Cu-0.074, Pb-0.011
	209.50	211.00	1.50	0.028		Anomalous Th, Pb
	212.00	213.50	1.50	0.05	0.031	Pb-0.015
	232.80	233.50	0.70		0.034	Anomalous U, Cu, Pb, and Zn
	281.60	282.10	0.50	0.076	0.181	Pb-0.02, Zn-0.019
WYL-11-69	135.50	136.50	1.00	0.033	0.039	Cu-0.012
	137.50	138.00	0.50			Cu-0.044, V-0.009, Zn-0.008
WYL-11-70	99.50	100.00	0.50		0.051	Anomalous U
	190.50	192.50	1.50			Cu-0.012, Ni-0.03, V-0.041, Zn-0.065
	198.20	199.20	1.00	0.098	0.080	Pb-0.024, Zn-0.033
	208.00	211.00	3.00	0.053	0.054	Mo-0.017, Pb-0.018, V-0.01
	212.80	213.80	1.00	0.038	0.029	Pb-0.014, Zn-0.012
	214.00	214.50	0.50	0.024		Anomalous Mo, Th
	217.20	217.70	0.50	0.044	0.030	
	218.20	218.70	0.50	0.045	0.040	Mo-0.019
	220.50	221.00	0.50	0.025	0.023	
	225.40	226.40	1.00	0.036	0.049	Cu-0.022, Mo-0.013, Zn-0.012
	234.50	236.00	1.50	0.025	0.021	
	260.00	262.00	2.00	0.043	0.027	Anomalous Pb
	WYL-11-71	144.50	145.50	1.00		0.046
148.00		149.50	1.50			Anomalous Th, V, Zn
150.50		151.00	0.50		0.047	Anomalous Mo, U
153.50		154.50	1.00		0.028	
212.00		214.00	2.00			Cu-0.031, Ni-0.041, V-0.039, Zn-0.02
216.50		217.50	1.00			Cu-0.012, Ni-0.03, V-0.027
247.00		252.50	5.50			Cu-0.023, V-0.017, Zn-.014
287.75		288.00	0.25			Cu-0.51, V-0.015, Zn-.009
WYL-11-72	142.50	143.50	1.00			Ni-0.023, V-0.024, Zn-0.027
WYL-11-73	135.00	135.50	0.50		0.022	Anomalous U
	197.50	203.00	5.50			Cu-0.023, Ni-0.039, V-0.041, Zn-0.061
including	197.50	199.00	1.50	0.002	0.002	Mo-0.01, Ni-0.049, V-0.056, Zn-0.176
WYL-11-74	41.00	43.50	2.50			Anomalous U, Th
	123.00	125.50	2.50			Cu-0.011, V-0.016, Zn-.015

Note: All holes were drilled at a 45 to 50 degree angle across the lithostratigraphic/radioactive horizons on sections consisting of at least two drill holes. Widths represent downhole core lengths; true widths cannot be reliably estimated at this time. 0.025% U₃O₈ and 0.030% ThO₂ cut-offs were applied.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred net acquisition costs of \$148,588 and exploration costs of \$11,373,244 in respect of these claims.

(p) Yurchison Lake

The Yurchison Lake project consists of four mineral claims totalling 12,660 hectares, 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.

The results from a drilling program completed in 2009 were encouraging in that a number of holes intersected sulphidic and base metal-rich (copper/zinc) structurally disrupted and altered graphitic pelitic gneisses, while others returned highly anomalous molybdenum and anomalous uranium values. Following up these mineralized intercepts will be the focus of future drill programs.

There were no field activities carried out during the quarter ending October 31, 2011.

To October 31, 2011, the Company had incurred net acquisition costs of \$22,791 and exploration costs of \$1,958,853 in respect of these claims.

(q) Greywacke Claims

The Company retains a 1% NSR from Golden Band Resources Inc. (GB) on the Greywacke gold property. GB can buy down this royalty to 0.5%, by payment of \$500,000 to the Company.

Selected Annual Information

	Year ended Jan. 31/11	Year ended Jan. 31/10	Year ended Jan. 31/09
Total revenues	249,835	179,405	829,627
Net loss (income)	826,832	1,191,562	1,321,325
Basic & diluted loss per share	\$0.01	\$0.01	\$0.01
Total assets	33,016,328	34,552,245	33,334,808
Total long-term liabilities	0	0	0
Cash dividends	0	0	0

Differences in the net losses of \$826,832 for the year ended January 31, 2011, \$1,191,562 for the year ended January 31, 2010 and \$1,321,325 for the year ended January 31, 2009 were mainly due to the following: revenues of \$249,835 in 2011, \$179,405 in 2010 and \$829,627 in 2009, future income tax recovery of \$397,018 in 2011, \$537,402 in 2010 and \$405,000 in 2009, amortization expense of \$50,271 in 2011, \$354,172 in 2010 and \$363,951 in 2009, stock compensation expense of \$262,200 in 2011, \$460,000 in 2010

and \$1,200,000 in 2009, and wages and benefits expenses of \$190,374 in 2011, \$287,082 in 2010 and \$292,492 in 2009. Disposition of assets resulted in a gain of \$75,661 in 2011 (\$0 in 2010 and 2009).

Summary of Quarterly Results

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

	Oct. 31/11	July 31/11	Apr. 30/11	Jan. 31/11
Total assets	34,873,796	34,983,136	35,331,245	33,016,328
Mineral exploration & evaluation asset	33,489,157	32,845,319	32,701,795	31,478,382
Working capital (deficiency)	1,163,253	1,944,033	2,308,385	1,115,994
Shareholders' equity	30,649,871	30,798,982	30,745,807	29,346,428
Revenues	47,821	(23,168)	(36,120)	152,293
Net loss (profit)	338,110	53,176	510,376	(122,981)
Loss (earnings) per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

	Oct. 31/10	July 31/10	Apr. 30/10	Jan. 31/10
Total assets	34,409,385	34,132,244	34,335,281	34,552,245
Mineral exploration & evaluation assets	31,420,697	30,910,327	30,594,597	29,519,187
Working capital (deficiency)	1,742,966	1,980,045	2,407,249	2,189,322
Shareholders' equity	29,037,702	28,870,831	32,812,345	29,349,280
Revenues	50,385	34,041	13,115	41,739
Net loss (profit)	471,365	255,083	223,306	183,869
Loss (earnings) per share	\$0.00	\$0.00	\$0.00	\$0.00

Results of Operations

The net loss of \$338,110 for the quarter ended October 31, 2011 (\$471,365 in 2010) is mainly attributed to the following: revenues for the quarter were \$47,821 (\$50,385 in 2010), amortization was \$9,772 (\$106,419 in 2010), consulting was \$6,600 (\$30,000 in 2010), equipment lease expense was \$1,440 (\$2,195 in 2010), filing fees were \$2,740 (\$3,220 in 2010), general meeting costs were \$7,310 (\$16 in 2010), office expenses were \$3,955 (\$4,842 in 2010), premises rent was \$20,610 (\$18,090 in 2010), professional fees were \$4,260 (\$10,782 in 2010), recoverable field expenses were \$14,405 (\$3,080 in 2010), shareholder relations expenses were \$11,220 (\$18,410 in 2010), software support was \$798 (\$1,004 in 2010), stock compensation expense was \$189,000 (\$246,000 in 2010), training expense was \$344 (\$0 in 2010), travel was \$13,287 (\$7,459 in 2010), and wages and benefits expense was \$65,619 (\$39,741 in 2010).

The net income of \$53,176 for the quarter ended July 31, 2011 is greater than the net loss of \$255,083 at July 31, 2010 and is mainly due to the following: revenues were \$(51,542) (\$34,041 in 2010), mainly due to an unrealized loss on marketable securities of

\$23,656 (\$0 in 2010) and project management income of \$0 (\$24,740 in 2010). There was a deferred income tax recovery of \$283,775 (\$0 in 2010). Administrative expenses were \$179,057 (\$289,124 in 2010). The most significant changes in expenses included \$6,000 for consulting (\$11,100 in 2010), depreciation of \$9,772 (\$88,121 in 2010), \$0 for general meeting expenses (\$7,511 in 2010), \$4,405 for office expense (\$10,677 in 2010), \$7,915 for professional fees (\$0 in 2010), \$0 for recoverable field expenses (\$21,450 in 2010), \$17,666 for shareholder communication and promotion (\$29,968 in 2010), \$0 for software support (\$10,255 in 2010), \$11,572 for travel (\$6,844 in 2010), and \$63,831 for wages (\$45,265 in 2010).

The net loss for the quarter ended April 30, 2011 was \$510,376 compared to a net loss of \$223,366 reported April 30, 2010. The difference is attributed mainly to the following: amortization was \$9,772 (\$69,823 in 2010), consulting expenses were \$16,200 (\$12,600 in 2010), insurance expense was \$938 (\$1,810 in 2010), office expenses were \$7,956 (\$5,169 in 2010), professional fees were \$2,312 (\$3,103 in 2010), property examinations/research expenses were \$0 (\$2,000 in 2010), recoverable field expenses were \$1,200 (\$1,770 in 2010), shareholder relations were \$10,704 (\$15,469 in 2010), travel and accommodation expenses were \$14,407 (\$12,834 in 2010), and wages and benefits in 2011 were \$43,993 (\$60,785 in 2010). Deferred income tax provision (recovery) was \$219,852 (\$0 in 2010). Revenues for the quarter were \$(36,120) in 2011 and \$13,115 in 2010.

The net loss for the quarter ended January 31, 2010 was \$183,869 compared to a net gain of \$122,981 for the quarter ended January 31, 2011. The difference is attributed mainly to the following: unrealized gain on investments was \$56,133 (\$(1,267) in 2010), gain on disposition of assets was \$75,661 (\$0 in 2010), recovery of future income tax recorded for \$397,018 (\$537,402 in 2010), interest income was \$2,960 (\$2,960 in 2010), income for administrative overhead and project management was \$15,981 (\$2,000 in 2010), income for camp and equipment rental was \$0 (\$1,910 in 2010), recovery of expenses was \$0 (\$4,000 in 2010), other income was \$0 (\$16,606 in 2010), disposition of assets resulted in a gain of \$75,661 in 2011 (\$0 in 2010), amortization expense was \$(214,092) (\$89,809 in 2010), consulting was \$34,900 (\$17,200 in 2010), mining properties allowed to lapse was \$399,680 (\$252,123 in 2010), professional fees were \$21,884 (\$15,310 in 2010), recoverable field expenses were \$8,250 (\$2,200 in 2010), stock compensation expense was \$16,200 (\$104,000 in 2010), travel and promotion expenses were \$52,883 (\$63,791 in 2010), and wages and benefits were \$44,583 (\$53,170 in 2010).

Liquidity and Capital Resources

	October 31, 2011	January 31, 2011
Current Assets	1,252,480	1,376,471
Current Liabilities *	<u>89,227</u>	<u>260,477</u>
Working Capital	1,163,253	1,115,994

(*Other liabilities of \$786,800 have not been included in Current Liabilities as they will not be settled in cash.)

As at October 31, 2011 the Company held \$880,000 in Guaranteed Investment Certificates. Subsequent to the quarter, \$200,000 was withdrawn. There are currently two Guaranteed Investment Certificates; one for \$600,000 earns 0.75% and matures on April 4, 2012 and the second for \$80,000 earns 0.5% and matures March 24, 2012.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company is not exposed to significant interest, currency or credit risk arising from financial instruments.

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

Share Capital, Options and Warrants

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

At October 31, 2011 the Company's issued share capital was as follows:

	<u>Number of Shares</u>	<u>\$ Amount</u>
Preferred Shares - January 31, 2011	1,500	\$ 1,500
Preferred shares converted		
Preferred Shares – Oct. 31, 2011	<u>1,500</u>	<u>1,500</u>
Common Shares - January 31, 2011	100,360,234	39,534,477
Private placements	5,620,000	2,023,200
For property		
Exercise of options		
Exercise of warrants	180,000	45,000
Flow-through shares		
Share issue costs		(158,445)
Common Shares – Oct. 31, 2011	<u>106,160,234</u>	<u>41,444,232</u>
Total Shares	<u>106,161,734</u>	<u>41,445,732</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 or exceeds the market price of the Company's stock on the date of grant. Stock options are exercisable on the day of grant and are for a five-year term.

A summary of the status of the Company incentive stock option plan as at October 31, 2011 is as follows:

	<u>Number of Shares</u>
Outstanding January 31, 2011	6,585,000
Granted	3,000,000
Expired	<u>175,000</u>
Outstanding October 31, 2011	<u>9,410,000</u>

Options Granted

A summary of the status of the company incentive stock option plan as at October 31, 2011 is as follows:

<u>Number of Shares Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
775,000	2.62	January 4, 2012
200,000	2.55	July 2, 2012
1,525,000	1.25	February 15, 2013
1,910,000	0.30	July 28, 2014
2,000,000	0.25	August 12, 2015
3,000,000	0.13	October 16, 2016
<u>9,410,000</u>		

Warrants

A summary of outstanding warrants as at October 31, 2011 is as follows:

- 2,113,500 outstanding warrants entitling the holder to acquire one common share at a price of \$0.30 if exercised by August 27, 2012
- 3,085,000 outstanding warrants entitling the holder to acquire one common share at a price of \$0.65 if exercised by September 10, 2012

Related Party Transactions

Key management personnel include the board of directors, chief executive officer, chief financial officer and chief operating officer. Key management personnel compensation comprised:

Key management compensation

	Nine months ended Oct. 31,	
	2011	2010
Retainers, wages and benefits	\$ 294,459	\$ 285,216

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

Services and reimbursement of expenses	Nine months ended Oct.,	
	2011	2010
Cypress Geoservices Ltd. (a)	106,250	95,060
TerraVenture Ltd. (b)	140,950	151,800
RockSense Geological (c)	2,025	3,094
Salaries and benefits (d)	40,101	30,092
Reimbursement of expenses	5,133	5,170

- (a) Consulting (\$19,800 – 2011, \$37,200 – 2010), geological and other services (\$86,450 – 2011, \$57,860 – 2010) are provided by Cypress Geoservices Ltd. at market rates. Cypress Geoservices Ltd. is a private company controlled by the Chief Operating Officer.
- (b) Management (\$72,000 – 2011, \$72,000 – 2010), geological and other services (\$68,950 – 2011, \$79,800 – 2010) are provided by TerraVenture Ltd. at market rates. TerraVenture Ltd. is a private company controlled by the Chief Executive Officer.
- (c) Promotional services (\$2,025 – 2011, \$3,094 – 2010) are provided by RockSense Geological at market rates. RockSense Geological is a private company controlled by a director.
- (d) Key management personnel compensation.

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.

Internal Controls and Procedures

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under the National Instrument 52-109 for the fiscal period ended October 31, 2011.

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.

Changes in Accounting Policies

Conversion to International Financial Reporting Standards

The Accounting Standards Board of Canada (“AcSB”) required that Canadian publicly accountable enterprises adopt International Financial Reporting Standards (“IFRS”) effective January 1, 2011. The Corporation’s condensed interim financial statements for the quarter ended October 31, 2011 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

As outlined in Notes 2 and 3, the Company’s condensed interim financial statements for the period ending October 31, 2011 are the Company’s third IFRS condensed interim financial statements for part of the period covered by the first IFRS annual financial statements to be presented in accordance with IFRS for the year ending January 31, 2011. Previously, the Company prepared its annual and interim financial statements in accordance with Canadian GAAP.

In preparing the opening IFRS statement of financial position, comprehensive information for the nine months ended October 31, 2010, and the financial statements for the year ended January 31, 2011, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company’s financial position, financial performance and cash flows is reconciled in Note 14 to the Company’s condensed consolidated interim financial statements as filed on SEDAR (www.sedar.com).

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 and CEO

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.