

UCORE RARE METALS INC.
(Formerly Ucore Uranium Inc.)
(A Development Stage Enterprise)

Unaudited Interim Consolidated Financial Statements

Third Quarter
For the nine month period ended September 30, 2010

In accordance with National instrument 51-102, released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended September 30, 2010.

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

Interim Consolidated Balance Sheets

Expressed in Canadian dollars

(unaudited - Prepared by Management)

| | September 30 2010 \$ | December 31 2009 \$ |
|--|----------------------------|---------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | 459,351 | 183,830 |
| Short-term deposits | 2,600,793 | 1,993,533 |
| Marketable securities | 21,750 | 15,000 |
| Sales taxes recoverable | 26,628 | 23,892 |
| Prepaid expenses (note 7) | 49,535 | 34,646 |
| | <u>3,158,057</u> | <u>2,250,901</u> |
| Capital assets | 53,880 | 67,365 |
| Resource properties and related deferred costs (note 6) | <u>20,885,348</u> | <u>18,089,688</u> |
| | <u>24,097,285</u> | <u>20,407,954</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | <u>584,590</u> | <u>310,231</u> |
| Future income tax liability | <u>878,000</u> | <u>878,000</u> |
| | <u>1,462,590</u> | <u>1,188,231</u> |
| Shareholders' equity | | |
| Share capital (note 8) | 24,001,613 | 19,690,320 |
| Contributed surplus | 4,330,092 | 3,064,561 |
| Warrants (note 10) | 1,637,578 | 2,320,708 |
| Accumulated other comprehensive loss | (24,000) | (24,500) |
| Deficit | (7,310,588) | (5,831,366) |
| | <u>22,634,695</u> | <u>19,219,723</u> |
| | <u>24,097,285</u> | <u>20,407,954</u> |

Nature of operations (note 1)

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors

(s) Jim McKenzie
Jim McKenzie, Director

(s) Jos De Smedt
Jos De Smedt, Director

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

Interim Consolidated Statements of Operations, Comprehensive Income and Deficit

Expressed in Canadian dollars

(unaudited - Prepared by Management)

| | For the Three Months | | For the Nine Months | |
|---|----------------------|--------------------|---------------------|--------------------|
| | Ended September 30 | | Ended September 30 | |
| | 2010 | 2009 | 2010 | 2009 |
| | \$ | \$ | \$ | \$ |
| EXPENSES | | | | |
| Amortization | 5,249 | 7,842 | 15,535 | 21,471 |
| Investor relations and marketing | 27,278 | 51,585 | 234,218 | 61,106 |
| Office and premises | 32,316 | 23,292 | 102,369 | 83,488 |
| Professional services | 34,209 | 14,838 | 62,563 | 39,146 |
| Salaries and consultants | 127,781 | 162,680 | 531,529 | 383,261 |
| Securities and regulatory | 7,380 | 13,064 | 49,176 | 44,462 |
| Stock-based compensation | 161,846 | 105,250 | 287,969 | 286,945 |
| Travel | 54,475 | 26,863 | 194,407 | 51,856 |
| | <u>450,534</u> | <u>405,414</u> | <u>1,477,766</u> | <u>971,735</u> |
| OTHER INCOME (LOSS) | | | | |
| Interest income | 1,612 | 8,047 | 5,183 | 27,678 |
| Gain (loss) on disposal of equipment | - | 5,427 | - | 445 |
| Foreign exchange | (1,562) | 17,302 | (6,639) | 19,351 |
| | <u>50</u> | <u>30,776</u> | <u>(1,456)</u> | <u>47,474</u> |
| LOSS BEFORE INCOME TAXES | <u>(450,484)</u> | <u>(374,638)</u> | <u>(1,479,222)</u> | <u>(924,261)</u> |
| FUTURE INCOME TAX RECOVERY | <u>-</u> | <u>(94,000)</u> | <u>-</u> | <u>(190,000)</u> |
| NET LOSS FOR THE PERIODS | <u>(450,484)</u> | <u>(280,638)</u> | <u>(1,479,222)</u> | <u>(734,261)</u> |
| DEFICIT, beginning of periods | <u>(6,860,104)</u> | <u>(4,593,258)</u> | <u>(5,831,366)</u> | <u>(4,139,635)</u> |
| DEFICIT, end of periods | <u>(7,310,588)</u> | <u>(4,873,896)</u> | <u>(7,310,588)</u> | <u>(4,873,896)</u> |
| Loss per share - basic and diluted | <u>(0.00)</u> | <u>(0.00)</u> | <u>(0.02)</u> | <u>(0.01)</u> |
| Weighted average number of common shares outstanding | <u>106,016,456</u> | <u>80,299,347</u> | <u>94,369,182</u> | <u>69,166,375</u> |
| COMPREHENSIVE LOSS: | | | | |
| Net loss for the periods | (450,484) | (280,638) | (1,479,222) | (734,261) |
| Unrealized gain (loss) on available-for-sale securities | 5,000 | (12,500) | - | (10,000) |
| | <u>(445,484)</u> | <u>(293,138)</u> | <u>(1,479,222)</u> | <u>(744,261)</u> |

The accompanying notes form an integral part of these consolidated financial statements.

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars

(unaudited - Prepared by Management)

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-------------|---|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net loss for the periods | (450,484) | (280,638) | (1,479,222) | (734,261) |
| Adjustments for items not involving cash: | | | | |
| Amortization | 5,249 | 7,842 | 15,535 | 21,471 |
| Stock-based compensation | 161,846 | 105,250 | 287,969 | 286,945 |
| Future income tax recovery | - | (94,000) | - | (190,000) |
| Loss on disposal of equipment | - | (5,427) | - | (445) |
| | (283,389) | (266,973) | (1,175,718) | (616,290) |
| Change in non-cash operating working capital: | | | | |
| Decrease (increase) in accounts receivable | - | - | - | 34,268 |
| Decrease (increase) in sales taxes recoverable | (12,101) | (2,029) | (2,736) | 121,923 |
| Decrease (increase) in prepaid expenses | (347) | 2,527 | (14,889) | (4,664) |
| Increase (decrease) in accounts payable and accruals | 300,108 | 50,058 | 542,886 | 52,179 |
| Increase (decrease) in due to related parties | - | - | - | - |
| | 4,271 | (216,417) | (650,457) | (412,584) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Issuance of common shares and warrants for cash | - | 3,700,000 | 4,000,000 | 4,000,000 |
| Issuance of common shares on exercise of options and warrants | 774,608 | 197,112 | 970,518 | 203,112 |
| Financing costs | - | (300,199) | (383,105) | (306,231) |
| | 774,608 | 3,596,913 | 4,587,413 | 3,896,881 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of capital assets | - | (5,418) | (2,050) | (5,418) |
| Proceeds on disposal of equipment | - | 5,427 | - | 12,427 |
| Resource property interests and options, net | (2,878,780) | (1,045,007) | (3,052,125) | (1,233,855) |
| Short-term deposits | (825,097) | (1,748,042) | (607,260) | (1,581,185) |
| Recovery of staking security deposits | - | - | - | 2,300 |
| | (3,703,877) | (2,793,040) | (3,661,435) | (2,805,731) |
| INCREASE (DECREASE) IN CASH | (2,924,998) | 587,456 | 275,521 | 678,566 |
| CASH, beginning of periods | 3,384,349 | 137,540 | 183,830 | 46,430 |
| CASH, end of periods | 459,351 | 724,996 | 459,351 | 724,996 |
| Non-cash financing and investment activities: | | | | |
| Accounts payable and accrued liabilities related to resource properties and related deferred costs | 240,228 | 614,126 | 268,527 | 614,126 |
| Issuance (receipt) of common shares on payment of property option agreements | (6,250) | 9,450 | (6,250) | 9,450 |
| Issuance of warrants as compensation pursuant to private placement financing | 165,454 | 190,000 | 165,454 | 190,000 |

The accompanying notes form an integral part of these consolidated financial statements.

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

Notes to Interim Consolidated Financial Statements
For the nine month period ended September 30, 2010

(unaudited – Prepared by Management)
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Ucore Rare Metals Inc. (the “Company”) is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. To date, the Company has not earned significant revenues and is considered to be a development stage company. The recoverability of the amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, obtaining necessary financing and permitting to complete the development, and future profitable production or proceeds from the disposition thereof.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements. Accordingly, certain information and note disclosure normally included in annual consolidated financial statements have been condensed or omitted. The interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the consolidated financial statements for the year ended December 31, 2009, except as noted. These interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2009. Certain comparative financial data has been reclassified to conform to the presentation adopted in these financial statements.

3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Business combinations

In January 2009, the CICA issued the new handbook Section 1582, *Business Combinations*, effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with United States GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company’s financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact of adopting this pronouncement on the consolidated financial statements, it will be limited to any future acquisitions beginning in fiscal 2011.

Consolidated financial statements and non-controlling interests

In January 2009, the CICA issued the new handbook Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-controlling Interests*, effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of these recommendations is permitted. These pronouncements further align Canadian GAAP with United States GAAP and IFRS. Sections 1601 and 1602 change the accounting and reporting for ownership interest in subsidiaries held by parties other than the parent. Non-controlling interests are to be presented in the consolidated statement of financial position within equity but separate from the parent’s equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is to be clearly identified and presented on the face of the consolidated statement of income. In addition, these pronouncements establish standards for a change in a parent’s ownership interest in a subsidiary and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. They also establish reporting requirements for providing sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company, which controls 100% of all of its subsidiaries, is currently considering the impact of adopting these pronouncements on its consolidated financial statements in fiscal 2011 in connection with the conversion to IFRS.

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(Formerly Ucore Uranium Inc.)

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International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board announced that accounting standards in Canada are to converge with International Financial Reporting Standards (“IFRS”) and companies will begin reporting, with comparative data, under IFRS for fiscal years beginning on or after January 1, 2011. While IFRS is based on a conceptual framework similar to Canadian GAAP, there are significant differences with respect to recognition, measurement and disclosure. The Company has not yet completed a detailed assessment of the impact of these differences on the financial statements. The Company will commence reporting under the new standards on January 1, 2011.

4. CAPITAL MANAGEMENT

The Company’s capital consists of share capital, contributed surplus and warrants. The Company’s objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financings. Future financings are dependent on market conditions, and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments.

There were no changes to the Company’s approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS

The Company recognizes financial instruments based on their classification. Depending on the financial instruments’ classification, changes in subsequent measurements are recognized in net income or comprehensive income (loss).

If a financial instrument is measured at fair value, changes in its fair value shall usually be recognized in the period in which the change occurs, with some exceptions, such as for cash flow hedges and available-for-sale investments. For investments designated as being available-for-sale, changes in the fair value shall be recorded directly in shareholders’ equity in a separate account called “Accumulated Other Comprehensive Income (Loss)” until the asset is disposed of or becomes impaired. At that time, the gains and losses are transferred to the Statement of Operations and Deficit.

The Company has implemented the following classifications:

- Cash and short-term deposits are classified as financial assets held for trading. These financial assets are marked-to-market through net income at each period end.
- Marketable securities are classified as available-for-sale financial assets and are marked-to-market with changes in fair value recognized in other comprehensive income (loss) each period or in the Statement of Operations to the extent the decline in value is considered to be other than temporary.
- Sales taxes recoverable, accounts receivable and due from related parties are classified as “Loans and Receivables”. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.
- Accounts payable and due to related parties are classified as “Other Financial Liabilities”. After their initial fair value measurement, they are measured at amortized costs using the effective interest method.

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Fair value

The fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value.

The carrying values of cash, short-term deposits, accounts receivable, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Short-term deposits are held in interest-bearing instruments that can be converted to cash without penalty at any time and are recorded at fair value.

Foreign currency rate risk

A significant portion of the Company's transactions occur in United States dollars and accordingly, the related financial assets are subject to fluctuations in the respective exchange rates. At period end, the Company had net US dollar liabilities of \$280,000. A 10% weakening in the exchange rate would result in a foreign exchange gain of \$28,000. (A 10% strengthening would have an equal but opposite impact.)

Concentration of credit risk

Management does not believe it is exposed to any significant concentration of credit risk. All of the sales taxes recoverable are with the Government of Canada.

Interest rate risk

The Company has cash, short-term deposits and no interest-bearing debt. The Company's short term funds are held primarily in guaranteed investment certificates, the rates of which are fixed for periods ranging up to one year. A one-percent change in the interest rate for these instruments would affect the Company by an annualized amount of interest equal to approximately \$31,000.

6. RESOURCE PROPERTIES AND RELATED DEFERRED COSTS

The Company's interests in resource properties consist of:

| | December 31, 2009 | Acquisition Costs | Deferred Exploration Costs | September 30, 2010 |
|--|----------------------|----------------------|----------------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Bokan Mountain/Dotson Ridge, Alaska | 12,859,236 | 100,295 | 2,695,153 | 15,654,684 |
| Lost Pond Uranium, Newfoundland and Labrador | 4,691,493 | - | 212 | 4,691,705 |
| Canada, Other | 538,959 | - | - | 538,959 |
| Total | 18,089,688 | 100,295 | 2,695,365 | 20,885,348 |

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

Notes to Interim Consolidated Financial Statements
For the nine month period ended September 30, 2010

(unaudited – Prepared by Management)
(Expressed in Canadian dollars)

| | December 31, 2008 \$ | Acquisition Costs \$ | Deferred Exploration Costs \$ | December 31, 2009 \$ |
|---|----------------------------|----------------------------|--|----------------------------|
| Bokan Mountain/Dotson Ridge, Alaska | 10,357,952 | 108,979 | 2,392,305 | 12,859,236 |
| Lost Pond Uranium, Newfoundland and Labrador Canada, Other | 4,646,851 536,799 | 9,450 - | 35,192 2,160 | 4,691,493 538,959 |
| Total | 15,541,602 | 118,429 | 2,429,657 | 18,089,688 |

During the nine month period ended September 30, 2010 the company received 50,000 shares of Kirrin Resources Inc. pursuant to an option agreement dated September 15, 2008 relating to the Lost Pond property. These shares were valued at \$6,250 and represent a recovery of deferred exploration costs.

7. RELATED PARTY TRANSACTIONS

As at September 30, 2010 the Company has recorded an advance, for corporate expenses, to an Officer of the Company in the amount of \$12,056 as a prepaid expense (December 31, 2009 - \$12,056), which is non-interest bearing with no fixed terms of repayment.

During the period ended September 30, 2010, the Company entered into transactions with related parties as follows:

| | |
|---|-----------|
| Geological consulting fees paid to a company owned by a director of the Company | \$ 9,875 |
| Reimbursement of expenses paid to a company owned by a director of the Company | \$ 2,809 |
| Fees for airborne surveys paid to a company owned by an officer of the Company | \$ 43,970 |

All related party transactions were in the normal course of operations and were valued at the exchange amount agreed to between the parties.

8. SHARE CAPITAL

Changes in share capital during the three and nine month periods ended September 30, 2010 are summarized as follows:

| Authorized | Three month period ended September 30, 2010 | | Nine month period ended September 30, 2010 | |
|---|--|-------------------|---|-------------------|
| Unlimited number of common voting shares | Number of | Ascribed | Number of | Ascribed |
| Unlimited number of first preferred non-voting shares issuable in series | shares | Value | shares | Value |
| Unlimited number of second preferred non-voting shares issuable in series | | \$ | | \$ |
| Issuance of common shares | | \$ | | \$ |
| Opening balance | 105,410,516 | 22,489,465 | 86,475,198 | 19,690,320 |
| For cash and fair value pursuant to option and warrant agreements | 3,916,125 | 1,512,148 | 4,669,625 | 1,846,278 |
| Pursuant to property agreements | - | - | - | - |
| Pursuant to private placement, net of costs | - | - | 18,181,818 | 2,465,015 |
| Closing balance | 109,326,641 | 24,001,613 | 109,326,641 | 24,001,613 |

On June 18, 2010, the Company completed a brokered private placement financing of 18,181,818 units at a price of \$0.22 per unit, for aggregate gross proceeds of \$4,000,000. Each unit consisted of one common share and one half warrant, with each full warrant entitling the holder to purchase an additional common share at a price of \$0.30 until June 18, 2012. The value allocated to the common shares was \$2,909,091 and the value allocated to the warrants was \$1,090,909. The Company paid

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2010

(unaudited – Prepared by Management)

(Expressed in Canadian dollars)

broker fees of 7% of the gross proceeds in cash and broker warrants equal to 7% of the units issued. Each broker warrant gives the right to purchase one common share at a price of \$0.22 for a period of two years. A total of \$280,000 and 1,272,727 broker warrants were paid and issued. Other costs associated with the private placement totaled \$103,105.

The value allocated to the warrants was based on the Black-Scholes model, using an assumed volatility of 115% and an expected life of 2 years, resulting in the following allocation of proceeds and costs between common shares and warrants:

| | Common Shares | Warrants | Total |
|-----------------------|-----------------------|-----------------------|------------------|
| | Ascribed Value | Ascribed Value | |
| | \$ | \$ | \$ |
| Gross Proceeds | 2,909,091 | 1,090,909 | 4,000,000 |
| Cash costs | (278,622) | (104,483) | (383,105) |
| Broker Warrants | (165,454) | 165,454 | - |
| Net Proceeds | 2,465,015 | 1,151,880 | 3,616,895 |

9. STOCK-BASED COMPENSATION

Changes in stock options during the three and nine month periods ended September 30, 2010 are summarized as follows:

| | Three month period ended | | Nine month period ended | |
|------------------------|---------------------------------|--|--------------------------------|--|
| | September 30, 2010 | | September 30, 2010 | |
| | | Weighted average exercise price \$ | | Weighted average exercise price \$ |
| | Number of options | | Number of options | |
| Opening balance | 4,252,420 | 0.57 | 4,177,420 | 0.59 |
| Granted | 1,450,000 | 0.59 | 1,650,000 | 0.59 |
| Exercised | (10,000) | 0.10 | (35,000) | 0.10 |
| Forfeited or expired | (187,500) | 0.22 | (287,500) | 0.58 |
| Closing balance | 5,504,920 | 0.59 | 5,504,920 | 0.59 |

UCORE RARE METALS INC.

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The following table summarizes information about the stock options outstanding and exercisable at September 30, 2010:

| Exercise price per share \$ | Number of outstanding options | Expiry Date | Number of exercisable options |
|--------------------------------|-------------------------------|--------------------|-------------------------------|
| 0.10 | 580,000 | April 24, 2014 | 137,500 |
| 0.21 | 150,000 | June 10, 2014 | 37,500 |
| 0.35 | 250,000 | August 6, 2014 | 166,667 |
| 0.38 | 200,000 | February 2, 2015 | 66,666 |
| 0.40 | 300,000 | August 19, 2015 | - |
| 0.45 | 250,000 | July 2, 2013 | 187,500 |
| 0.47 | 850,000 | March 31, 2013 | 850,000 |
| 0.50 | 300,000 | October 2, 2011 | 300,000 |
| 0.67 | 1,150,000 | September 29, 2011 | - |
| 0.75 | 50,000 | November 22, 2012 | 50,000 |
| 0.76 | 102,000 | March 13, 2011 | 102,000 |
| 0.84 | 250,000 | September 21, 2014 | 62,500 |
| 0.97 | 47,600 | November 16, 2011 | 47,600 |
| 1.00 | 25,000 | January 30, 2012 | 25,000 |
| 1.00 | 100,000 | February 1, 2012 | 100,000 |
| 1.04 | 750,000 | December 21, 2011 | 375,000 |
| 1.22 | 50,320 | March 14, 2012 | 50,320 |
| 1.25 | 100,000 | June 13, 2012 | 100,000 |
| | 5,504,920 | | 2,658,253 |

10. WARRANTS

Changes in share purchase warrants during the three and nine month periods ended September 30, 2010 are summarized as follows:

| | Three month period ended September 30, 2010 | | Nine month period ended September 30, 2010 | |
|------------------------|--|--|---|--|
| | Number of warrants | Weighted average exercise price \$ | Number of warrants | Weighted average exercise price \$ |
| Opening balance | 25,202,636 | 0.27 | 18,538,750 | 0.30 |
| Granted | - | 0.29 | 10,363,636 | 0.29 |
| Exercised | (3,906,125) | 0.20 | (4,634,625) | 0.21 |
| Forfeited or expired | (730,000) | 0.55 | (3,701,250) | 0.55 |
| Closing balance | 20,566,511 | 0.27 | 20,566,511 | 0.27 |

UCORE RARE METALS INC.

(Formerly Ucore Uranium Inc.)

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(unaudited – Prepared by Management)

(Expressed in Canadian dollars)

The following table summarizes information about the warrants outstanding and exercisable at September 30, 2010:

| Exercise price per share | Number of outstanding | | Expiry Date | Number of exercisable warrants |
|---------------------------------|------------------------------|--|--------------------|---------------------------------------|
| \$ | warrants | | | |
| 0.10 | 2,365,000 | | April 2, 2011 | 2,365,000 |
| 0.30 | 7,562,500 | | July 24, 2011 | 7,562,500 |
| 0.26 | 285,000 | | July 24, 2011 | 285,000 |
| 0.30 | 9,090,909 | | June 18, 2012 | 9,090,909 |
| 0.22 | 1,263,102 | | June 18, 2012 | 1,263,102 |

11. SUBSEQUENT EVENTS

On November 9, 2010, the Company announced a Private Placement of up to 25,000,000 units at a price of \$0.40 per unit. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant gives the holder the right to purchase one common share at an exercise price of \$0.55 for a period of 24 months. The financing is expected to close on December 8, 2010 subject to certain conditions. The Company intends to pay a commission of 7% of the gross proceeds and issue brokers' warrants equal to 7% of the aggregate number of units issued by the Company pursuant to the Placement. Each brokers' warrant gives the holder the right to purchase one common share at an exercise price of \$0.40 for a period of 24 months from the closing date.