UCORE URANIUM INC.

(A Development Stage Enterprise)

Unaudited Interim Consolidated Financial Statements

First Quarter
For the three month period ended March 31, 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 March 31, 2010.

UCORE URANIUM INC.

Interim Consolidated Balance Sheets
Expressed in Canadian dollars
(unaudited - Prepared by Management)

	March 31 2010	December 31 2009
	$	$
ASSETS		
Current assets		
Cash	59,095	183,830
Short-term deposits	1,775,696	1,993,533
Marketable securities	18,000	15,000
Sales taxes recoverable	16,235	23,892
Prepaid expenses (note 7)	105,409	34,646
	1,974,435	2,250,901
Capital assets	64,321	67,365
Resource properties and related deferred costs (note 6)	18,241,790	18,089,688
	20,280,546	20,407,954
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	356,796	310,231
Future income tax liability	878,000	878,000
	1,234,796	1,188,231
Shareholders' equity		
Share capital (note 8)	20,019,700	19,690,320
Contributed surplus	3,130,599	3,064,561
Warrants (note 10)	2,184,738	2,320,708
Accumulated other comprehensive loss	(27,750)	(24,500)
Deficit	(6,261,537)	(5,831,366)
	19,045,750	19,219,723
	20,280,546	20,407,954

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 URANIUM INC.

Interim Consolidated Statements of Operations, Comprehensive Income and Deficit
Expressed in Canadian dollars
(unaudited - Prepared by Management)

	For the Three Months Ended March 31	
	2010	2009
	$	$
EXPENSES		
Amortization	5,094	7,088
Investor relations and marketing	55,041	6,051
Office and premises	33,502	28,487
Professional services	11,732	6,294
Salaries and consultants	199,966	113,657
Securities and regulatory	28,331	19,688
Stock-based compensation	58,238	66,608
Travel	40,372	6,350
	432,276	254,223
OTHER INCOME (LOSS)		
Interest income	2,169	7,754
Gain (loss) on disposal of equipment	-	(4,982)
Foreign exchange	(64)	(1,192)
	2,105	1,580
LOSS BEFORE INCOME TAXES	(430,171)	(252,643)
FUTURE INCOME TAX RECOVERY	-	(60,000)
NET LOSS FOR THE PERIODS	(430,171)	(192,643)
DEFICIT, beginning of periods	(5,831,366)	(4,139,635)
DEFICIT, end of periods	(6,261,537)	(4,332,278)
Loss per share - basic and diluted	(0.00)	(0.00)
Weighted average number of common shares outstanding	87,027,637	61,019,782
COMPREHENSIVE LOSS:		
Net loss for the periods	(430,171)	(192,643)
Unrealized gain (loss) on available-for-sale securities	(3,250)	2,500
	(433,421)	(190,143)

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

UCORE URANIUM INC.

Interim Consolidated Statements of Cash Flows
Expressed in Canadian dollars
(unaudited - Prepared by Management)

	For the Three Months Ended March 31 2010	2009
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the periods	(430,171)	(192,643)
Adjustments for items not involving cash:		
Amortization	5,094	7,088
Stock-based compensation	58,238	66,608
Future income tax recovery	-	(60,000)
Gain on disposal of equipment	-	4,982
	(366,839)	(173,965)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	-	34,268
Decrease (increase) in sales taxes recoverable	7,657	(10,168)
Decrease (increase) in prepaid expenses	(70,763)	(1,950)
Increase (decrease) in accounts payable and accruals	69,358	(4,411)
	(360,587)	(156,226)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares on exercise of options and warrants	193,410	-
	193,410	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(2,050)	(581)
Proceeds on disposal of equipment	-	7,000
Resource property interests and options, net	(173,345)	(73,815)
Short-term deposits	217,837	212,264
Recovery of staking security deposits	-	2,300
	42,442	147,168
INCREASE (DECREASE) IN CASH	(124,735)	(9,058)
CASH, beginning of periods	183,830	46,430
CASH, end of periods	59,095	37,372
Non-cash financing and investment activities:		
Accounts payable and accrued liabilties related to resource properties and related deferred costs	(22,793)	86,702

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

1. NATURE OF OPERATIONS

Ucore Uranium 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.

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.

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 assets of $22,000. A 10% weakening in the exchange rate would result in a foreign exchange loss of $2,200. (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 $18,000.

6. RESOURCE PROPERTIES AND RELATED DEFERRED COSTS

The Company's interests in resource properties consist of:

	December 31, 2009 $	**Acquisition Costs $**	**Deferred Exploration Costs $**	**March 31, 2010 $**
Bokan Mountain/Dotson Ridge, Alaska	12,859,236	-	154,352	13,013,588
Lost Pond Uranium, Newfoundland and Labrador	4,691,493	-	(2,250)	4,689,243
Canada, Other	538,959	-	-	538,959
Total	**18,089,688**	**-**	**152,102**	**18,241,790**

	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	4,646,851	9,450	35,192	4,691,493
Canada, Other	536,799	-	2,160	538,959
Total	**15,541,602**	**118,429**	**2,429,657**	**18,089,688**

For the three month period ended March 31, 2010 (Expressed in Canadian dollars)

During the period ended March 31, 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 March 31, 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 March 31, 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	$	2,000
Reimbursement of expenses paid to a company owned by a director of the Company	$	441

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 month period ended March 31, 2010 are summarized as follows:

Authorized Unlimited number of common voting shares Unlimited number of first preferred non-voting shares issuable in series Unlimited number of second preferred non-voting shares issuable in series	**Three month period ended March 31, 2010**	
Issuance of common shares	Number of shares	Ascribed Value $
Opening balance	**86,475,198**	**19,690,320**
For cash and fair value pursuant to warrant agreements	728,500	329,380
Closing balance	**87,203,698**	**20,019,700**

9. STOCK-BASED COMPENSATION

Changes in stock options during the three month period ended March 31, 2010 are summarized as follows:

	Three month period ended March 31, 2010	
	Number of options	Weighted average exercise price $
Opening balance	**4,177,420**	**0.59**
Granted	200,000	0.38
Forfeited or expired	(100,000)	1.25
Closing balance	**4,277,420**	**0.57**

For the three month period ended March 31, 2010 (Expressed in Canadian dollars)

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2010:

Exercise price per share $	Number of outstanding options	Expiry Date	Number of exercisable options
0.10	690,000	April 24, 2014	-
0.21	150,000	June 10, 2014	-
0.30	112,500	September 19, 2013	37,500
0.35	250,000	August 6, 2014	-
0.38	200,000	February 2, 2015	-
0.45	250,000	July 2, 2013	75,000
0.47	850,000	March 31, 2013	637,500
0.50	300,000	October 2, 2011	300,000
0.75	50,000	November 22, 2012	37,500
0.76	102,000	March 13, 2011	102,000
0.84	250,000	September 21, 2014	-
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	66,666
	4,277,420		**1,856,086**

10. WARRANTS

Changes in share purchase warrants during the three month period ended March 31, 2010 are summarized as follows:

	Three month period ended March 31, 2010	
	Number of warrants	Weighted average exercise price $
Opening balance	**18,538,750**	**0.30**
Exercised	(728,500)	0.27
Closing balance	**17,810,250**	**0.30**

The following table summarizes information about the warrants outstanding and exercisable at March 31, 2010:

Exercise price per share $	Number of outstanding warrants	Expiry Date	Number of exercisable warrants
0.55	3,701,250	June 23, 2010 – July 2, 2010	3,701,250
0.10	4,200,000	April 2, 2011	4,200,000
0.30	8,862,500	July 24, 2011	8,862,500
0.26	1,046,500	July 24, 2011	1,046,500