

# **URANIUM POWER CORP.**

**(FORMERLY BELL COAST CAPITAL CORP.)**

## **Management Discussion and Analysis**

**For the Third Quarter Ended**

**JUNE 30, 2005**

Notice to Reader

This Management Discussion and Analysis and the related interim financial statements and notes to financial statements have not been reviewed by the Company Auditors.

**URANIUM POWER CORP.**

The following discussion and analysis, prepared as of May 29, 2005, should be read together with the unaudited consolidated financial statements for the six month period ended June 30, 2005 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited financial statements for the year ended September 30, 2004 and 2003 and the Management Discussion and Analysis for those years.

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](http://www.sedar.com).

## **DESCRIPTION OF BUSINESS**

Uranium Power Corp (Formerly Bell Coast Capital Corp.) (the "Company") was incorporated under the Company Act of British Columbia and is primarily engaged in the acquisition and exploration of resource properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

## **OPERATIONS REVIEW**

### **Mongolia**

Uranium Power Corp (Formerly Bell Coast Capital Corp.) currently holds exploration licenses that cover approximately 100,000 hectares in the highly prospective Gobi Desert of Mongolia. The region is underlain by a major geotectonic belt that extends from Kazakhstan in the west to China in the South and is host to several high-grade gold mines and copper-gold porphyry deposits. The discoveries by Ivanhoe Mines of a series of world-class gold and copper deposits at Turquoise Hill (Oyu Tologoi) and Kharmagtai, in the Gobi Desert region are the talk of the international mining industry.

Uranium Power's investment in Mongolia consists of 2 exploration concessions. Strategically located over promising geological targets and in close proximity to known copper and gold occurrences, several of the properties are in close proximity to Ivanhoe's recent discoveries. Copper-gold porphyry deposits typically occur in clusters with individual deposits often kilometres apart. Ivanhoe's Turquoise Hill property hosts porphyry copper-gold-molybdenum mineralization in four separate, but geologically related areas. Immediately to the southwest, Uranium Power geologists have discovered a widespread area of similar near-surface mineralization on the Shadow Mountain Project. This prospect is in its early stages of exploration.

### **Shadow Mountain**

The Shadow Mountain prospect is located in the Southwest corner of Gobi property #1, which covers approximately 100,000 acres and borders Ivanhoe Mines to the north and east. Uranium Power geologists have completed surface prospecting, mapping, and magnetic and induced polarization (IP) geophysical surveys. The exploration team has observed copper staining and copper mineralization in ten separate locations within an east trending zone that is three kilometres long and between two and three hundred meters wide. Surface samples collected within this zone have assayed up to 2.76% copper, 1.64 grams/tonne gold and 0.27% molybdenum.

Based on the above results, the Company contracted Insight Geophysics Inc. of Toronto to perform Gradient and Insight Array Induced Polarization/Resistivity Surveys over the Shadow Mountain Property, Mongolia. This survey, which was completed in the summer of 2004, was designed to provide reconnaissance measurements over the whole grid, and high-density Apparent Resistivity and Chargeability measurements from near surface to a depth of 400m over subsequently determined areas of interest.

The Tuned Gradient Survey was successful in delineating many areas of anomalous resistivity and chargeability measurements on the Shadow Mountain Grid. Upon completion of the gradient survey, a total of 10 Insight Sections were constructed over 7 areas of interest as determined through the co-operative efforts of Insight Geophysics and Mr. Ken Thorsen. This collaboration ensured the Insight Sections were built in areas of both geological and geophysical interest.

The Insight Sections have further delineated the anomalous trends seen in the gradient data by providing a depth component of the data set. An interpretation and recommendation for future work has been included for every Insight Section. Of the 7 zones outlined by the gradient work, all contain potential for drilling.

As a result of the Insight program, Uranium Power commenced a drill program at Shadow Mountain. The program included multiple angled diamond drill holes, proposed to test the targets to depths of 500 meters. Drilling was conducted by Can-Asia Drilling of Mongolia, with logistical support supplied by Mine-Info of Mongolia, and supervision on-site by qualified geologists. During the course of the drill program, the geologists prospected portions of the property and discovered an area that appeared to be altered felsic intrusive rocks with quartz-calcite veining that the geologists felt may be a good gold target. A fifth drill hole was drilled to test this area. A total of 1504.6m were drilled in the five holes. Drilling was completed in late December 2004 and results have now been obtained. Maximum copper values from the five holes was 362ppm and maximum gold values were 90ppb.

Results from the mapping, geophysical surveys indicated the potential for a large porphyry copper-gold system. Subsequent drilling proved that the alteration and mineralization noted in surface exposures and drill results from two programs are evidence of an immature mineralizing system that is primarily structurally controlled and the strength of the system may not be enough to produce a large economic orebody.

## **NEVADA CLAIMS, USA**

During the previous year, the Company acquired various interests in five mineral exploration properties located in Nevada, U.S.A. through an agreement with Royal Gold Corp. They are known as the Copper Basin Claims, ICMB Claims, Long Peak Claims, Dixie Flats Claims and the Hoosac Claims.

Previous drilling on the Copper Basin Property by other operators has intersected highly anomalous gold values (including 60 ft @ .084 opt Au; and 95 ft. of .049 opt Au) in structurally controlled skarn type mineralization associated with major intrusive rocks. Magnetic surveys have also outlined a large strong anomaly in the area of intersecting structural patterns that has not been previously tested.

During the current year, the Company signed a binding letter agreement with Staccato Gold Resources Ltd (“CAT”-TSX- V) whereby Staccato will acquire Uranium Power’s remaining 50% interest in the advanced exploration Nevada gold properties together with all of its interest in the High Desert office assets in Elko, Nevada. Under an option agreement dated November 20, 2003, Staccato acquired a minority interest in the properties and subsequently increased its interest to 50% on November 16, 2004.

Under the terms of the agreement, Staccato will pay to Uranium Power \$100,000 (CDN) plus one million shares of Staccato to acquire the remaining 50% from Uranium Power. In addition to the cash and share consideration, Staccato will pay to Uranium Power 15% of any net proceeds received by Staccato from its interest in the Long Peak property. As part of the transaction Staccato and Uranium Power have agreed to continue to share a 50/50 interest in a sixth property; the Cobb Creek property which was acquired subsequent to the original option agreement. The Cobb Creek property is located in the Independence trend in northern Nevada.

Most recently, the Company signed a binding letter agreement with Staccato Gold Resources Ltd whereby Staccato will acquire Uranium Power’s remaining 50% interest in a suite of 5 advanced exploration Nevada gold properties together with all of its interest in the High Desert office assets in Elko, Nevada. Under an option agreement dated November 20, 2003, Staccato acquired a minority interest in the properties and subsequently increased its interest to 50% on November 16, 2004. The Joint Venture operates in Nevada as BH Minerals USA Inc. The transaction is intended to involve Staccato’s

acquisition of all of the shares of BH Minerals USA Inc. so that on closing of the acquisition BH Minerals will become a wholly owned subsidiary of Staccato.

Under the terms of the agreement, Staccato will pay to Uranium Power \$100,000 (CDN) plus one million shares of Staccato to acquire the remaining 50% from Uranium Power. In addition to the cash and share consideration, Staccato will pay to Uranium Power 15% of any net proceeds received by Staccato from its interest in the Long Peak property. As part of the transaction Staccato and Uranium Power have agreed to continue to share a 50/50 interest in a sixth property; the Cobb Creek property which was acquired subsequent to the original option agreement. The Cobb Creek property is located in the Independence trend in northern Nevada.

## **WYOMING CLAIMS, USA**

### **Sheep Mountain**

The Sheep Mountain uranium mines located in south-central Wyoming were originally developed in the 1970's. They were acquired by USECC from Western Nuclear, Inc., a subsidiary of Phelps Dodge Corporation in 1987. According to a 1980 report by S.G. Douglas of Western Nuclear, fourteen categorized mining areas, including both underground and open pit operations have been operative in the past at Sheep Mountain. From pre-1969 through 1980, records show 5,063,813 tons of ore have been mined and milled, yielding 17,385,116 pounds of uranium at an average grade of 0.17% U<sub>3</sub>O<sub>8</sub>. In excess of \$25 million has been spent on Sheep Mountain exploration, development and production. The mining operations on Sheep Mountain were suspended in 1981 and have been on a standby maintenance basis since that time except for a short period of production in 1988 by USECC.

According to Western Nuclear, Inc. records, uranium occurs in a series of related geochemical cells, or roll fronts within the Battle Spring Formation. Uranium mineralization identified from drilling and mining occurs over approximately 800 feet of vertical elevation with uranium ore deposits having been mined and tested over approximately 650 feet of vertical range at Sheep Mountain. Sixteen mineral horizons varying between 25 and 45 feet thick and one 80-foot thick horizon were identified on cross sections in the lower member of the Eocene Battle Spring Formation at Sheep Mountain.

In an evaluation for US Uranium Limited dated May 28, 1999, Watts, Griffis and McOuat reviewed reserves of the Sheep Mountain deposits previously calculated in 1988 by US Energy Corp. The resource totaled 1.66 million tons grading 0.258% U<sub>3</sub>O<sub>8</sub> (8.6 million pounds of U<sub>3</sub>O<sub>8</sub>) and was based on a 0.15% cutoff grade and a minimum mining thickness of 3 feet. As the cutoff grade and the mining thickness are lowered, the reserve estimate increases. The resource was based on a previous resource calculated by Western Nuclear in 1971 with the additional information gained from underground sampling and longhole drilling completed between the two resource calculations. Watts, Griffis McOuat concluded that, due to the lack of background compilation, the resource should be classified as an Inferred Resource under the Australian Code (the Joint Ore Reserves Committee) that was used as an industry standard at the time and was the forerunner of the current Canadian Institute of Mining standards.

The historic resource estimate reported above, was completed before the implementation of National Instrument 43-101 and the Company believes that the work was carried out under standard industry practices in use at that time and that the estimate was considered reliable at that time. Although independent verification of the data has not been performed, the resources are considered relevant today. The Company has not completed sufficient work to verify the historical resources and they should not be relied upon. Although the classification of the resources does not meet the current definitions as required by NI 43-101, the Company believes that under the current definitions, the above historic resource estimates would be classified as inferred resources. There are no recent resource estimates other than reported above.

A full review of all relevant data will commence immediately to bring the historical resources to current standards, upgrade them to at least indicated resources, and then prepare a feasibility study within the shortest time possible. Management cautions that at any point during this process, it may be determined the project is not economic. Uranium Power will fund the acquisition and proposed work programs by completing further equity financings as required.

Kennecott Energy Company owns a modern mill located approximately 20 miles from the Sheep Mountain deposits and, as part of Uranium Power's feasibility studies, will be approached with respect to possibly processing Sheep Mountain ore. As a parallel study the heap leaching possibilities will also be evaluated.

USECC has posted a \$1.4 million bond and has fully permitted the Sheep Mountain Mines. This will definitely assist and speed up the feasibility study process.

Keith Larsen, President of US Energy said, "Because spot prices for uranium have risen from \$10.90 to \$20.25 per pound of U<sub>3</sub>O<sub>8</sub> in the last 18 months and are projected by the Uranium Exchange and others to increase even more, we are confident that the level of interest in Sheep Mountain and USECC's extensive holdings will increase." Mr. Larsen continued, we are pleased to enter this venture with Uranium Power in developing these mines, expanding and developing the uranium resource."

Rahoul Sharan, President of Uranium Power said, "We are excited to become a joint venture partner with US Energy in developing the Sheep Mountain uranium property in this time of short supply of uranium. With most experts expecting a continuation in the rapid rise in uranium prices we look forward to our expanding mineral property portfolio and in developing our relationship with USECC."

In addition to the Joint Venture on Sheep Mountain, USECC will provide Uranium Power with access to its extensive uranium data libraries. These libraries contain information on additional known and potential uranium deposits. Exploration capital will be used to further delineate the Sheep Mountain deposits and to acquire, develop and produce additional uranium deposits. Uranium Power will own 50% of any new deposits. USECC will, in addition, supply Uranium Power with information of other uranium deposits it has knowledge of.

The claims are located in the Great Divide Basin - Crooks Gap area that encompasses approximately 3,500 square miles in south-central Wyoming. Uranium mineralization has been found in three types of deposits in this area: (1) low-grade deposits associated with Eocene sub-bituminous coal and carbonaceous shale in the central and eastern part; (2) low grade caliche-type deposits of schroekingite in Eocene sediments in the north-central part; and (3) **higher grade deposits** in Eocene sandstone and conglomerate **at Crooks Gap at the north edge of the basin**. The Company's newly acquired claims are within the north edge of the basin and are situated immediately south of the historic Green Mountain, and Sheep Mountain Mines, which are reported to contain in excess of 100 million pounds U<sub>3</sub>O<sub>8</sub> and approximately 5 miles north of the Sweetwater Uranium Mine and Mill.

Claim block one (the "GH" claims) consists of 44 lode mining claims on Federal Lands, covering approximately 880 acres, and Claim block two consists of 1360 acres of Wyoming State Board Lands. The majority of the claims are located in Sweetwater County, with the remainder in Fremont County. Both blocks are situated approximately 15 miles South of Jeffrey City, Wyoming. An excellent mining infrastructure exists in the Crooks Gap – Green Mountain districts. Access to claims is via well maintained paved and gravel roads via Rawlins from the south or Jeffrey City from the north. The district is supplied by telephone, water and natural gas lines and the eastern boundary of the claims, is adjacent to a high-voltage power grid.

Since the first production, Wyoming mines have produced 193 million pounds of U<sub>3</sub>O<sub>8</sub>. The energy contained in one pound of uranium is equivalent to 31 barrels of fuel oil or 10 tons of coal; so the total energy produced from Wyoming uranium is equivalent to 5.9 billion barrels of fuel oil or 1.9 billion tons of Wyoming coal. Indeed, Wyoming leads the nation in uranium production.

Subsequent to the quarter end, the Company resumed exploratory drilling at the Sheep Mountain property in south central Wyoming. Drilling at the property had begun July 6 but was temporarily suspended due to drilling rig issues. The issues have now been addressed and drilling resumed as of July 28, according to Chris Healey, director of Uranium Power and, USEG vice president for exploration. "We have budgeted a total of 20,000 feet of air rotary drilling at Sheep Mountain," Healey said. "We are following up on previous high grade intersections that had not been adequately tested. The current drilling program will test for mineralized zones in stratigraphically deeper trends. Historical data indicates that drilling by Western Nuclear in 1977 intersected zones of 13.5 feet grading 1.49% U<sub>3</sub>O<sub>8</sub> and 8.0 feet grading 0.81%. These two intersections are located approximately 1500 feet apart down dip on the same trend in the area to be explored. Our intent is assemble additional information for publication to the standards set out in Canadian National Instrument 43-101."

## **UTAH CLAIMS**

### **Sahara Uranium Mine**

The Company has signed a letter of intent to option the Sahara Uranium Mine located in Emery County, Utah USA. The Sahara Mine is approximately 14 miles (23km) SW of Green River, Utah. The property consists of over 375 unpatented lode-mining claims located on BLM land and five State of Utah mining leases. The mine was developed in the late 1970's, with a decline being driven approximately 2,600 ft (792m) and an additional 700 ft (213m) of lateral development being completed. Mining was halted almost immediately after it was started in 1980. Old mine records indicate that only one

truckload of ore was shipped in the 80's. The records of the mine operator, Energy Fuels Nuclear, indicate a proven and probable resource of approximately 500,000 lbs  $U_3O_8$  with an average grade of about 0.23%  $U_3O_8$ . Similar amounts of vanadium are predicted to exist.

The historic resource estimate reported above, was completed by Energy Fields Nuclear before the implementation of National Instrument 43-101 and the Company believes that the work was carried out under standard industry practices in use at that time and that the estimate was considered reliable at that time. Although independent verification of the data has not been performed, the resources are considered relevant today. The Company has not completed sufficient work to verify the historical resources and they should not be relied upon. Although the classification of the resources does not meet the current definitions as required by NI 43-101, the Company believes that under the current definitions, the above historic resource estimates would be classified as inferred resources. There are no recent resource estimates other than reported above.

The company has since retracted the statement in the press release dated March 22, 2005 where the company stated, "the potential for developing over a million lbs of  $U_3O_8$  is considered good" as this statement does not comply with NI 43-101. While the company believes the property has potential, the previous data has not yet been independently verified.

The uranium mineralization is located in the Salt Wash member of the Morrison formation in the upper Jurassic. The deposits are localized in sandstones that fill paleo-stream channels, where organic material creating a reducing environment. In this area, these channels typically trend to the northeast. Drilling beyond the immediate mine area indicates excellent potential to add to the resource base within the project lands, by following the strike of the channels.

Previous drilling to 1959 delineated the Sahara Mine deposit. A 550-foot decline was sunk and a small portion of the resource was mined intermittently through 1977 by Trio Industries and others. In 1977, Energy Fuels Nuclear bought into the project and ramped up drilling. Over 450 reverse circulation drill holes, many about 500 feet in depth, were used to delineate the first 1800 feet of the Sahara trend. Energy Fuels geologist reported to the Vendors in various annual reports to from 1985 to 1990 that the formation contained about 500,000 lbs proven/probable  $U_3O_8$  at an average grade of about 0.23%  $U_3O_8$ . Vanadium, they estimated, existed in the formation in a ratio of between 1/1 and 1/2 Uranium/Vanadium, with the actual value probably closer to the 1/1 ratio..

Over 37 % of approximately 450 holes drilled on the Sahara mine property intersected ore grade mineralization, according to Jim Andrus, former Chief Uranium Geologist at Energy Fuels Nuclear. This included all wide spaced exploration drilling done on the property, which showed that the Sahara trend could be followed for over a mile across the old claims block. The last wide spaced ore intercept occurred within 150 feet of the former northern property boundary. Additional properties in the current land package follow the probable extension of the Sahara Trend to the north and east. Substantial drilling in these areas did not occur because Energy Fuels did not control the land position now controlled by the Vendor and included in the land to be optioned to Uranium Power.

In 1979, the Sahara Mine project was begun with the intention of mining the Resource on the Sahara Trend and 3 Phase, 440 electricity was routed to the property. A new haulage decline was driven to the area of previous mining and the old decline cleaned out for extra ventilation. 700 feet of haulage drifts were completed. Pumping facilities to dewater the mine were added, and two settling ponds completed.

By 1980, only one truckload of ore had been shipped to the Energy Fuels mill facility near Blanding, Utah when the Three Mile Island Nuclear accident occurred. At that point, no further mining went forward. The facility was placed on standby and remained so until the early 1990's, when Energy Fuels Nuclear, then facing financial setbacks, withdrew from the project and reclaimed the property. All drill records, maps, reports, etc. were turned over to the current owners and remain in their possession to this day. Sahara Mine records indicate that development expenditures on the property by Energy Fuels Nuclear during the 1970's and 1980's exceeded \$10,000,000 in today's dollars.

Under the terms of the agreement, Uranium Power would initially option 70% of the Sahara Mine and surrounding properties based on the following terms:

Upon signing by the Parties of a definitive agreement and after a due diligence process. Uranium Power will pay US\$150,000 cash and issue 100,000 shares of Uranium Power Corp. Uranium Power will commit to spending a minimum of US\$750,000 in exploration and development of the Sahara Mine Property in the first 2 years. An advance royalty payment of US\$50,000 will be due in year 2. In years 3 and 4, the advance payment and work program of Uranium Power will be indexed to the Long Term contract sales price of  $U_3O_8$  (LT  $U_3O_8$ ), as it exists on the anniversary date of the signing of the definitive agreement in years 3 and 4. If the LT  $U_3O_8$  is at or above US\$40.00/lb, Uranium Power will pay an advance

payment of US\$100,000 and commit to \$1,000,000 in work per year in both years. If the LT U<sub>3</sub>O<sub>8</sub> is below US\$40.00/lb, the advance payment will be US\$50,000 in both years, and the work commitment will be US\$500,000 in both years. In years 5 to 11, the yearly advance payment will be keyed to the LT U<sub>3</sub>O<sub>8</sub> price as stated for years 3 and 4 above. If the LT U<sub>3</sub>O<sub>8</sub> is at or above US\$40.00/lb, Uranium Power will pay a yearly advance payment of \$100,000 per year and \$50,000 per year if below US\$40.00/lb in all years.

Upon completion of the work commitment and positive feasibility, Uranium Power would earn a 70% interest in the Sahara mine property. Uranium Power would retain an option to acquire an additional 10% interest in the property at any time for \$1,000,000 cash, and beyond that, an additional 5% interest in the property for \$2,000,000 cash.

The Vendor and buyer will split equally any finder's fee payable to Jim Petit (up to a total for both parties of \$15,000.).

## **SUMMARY**

Management is very excited about the resurgence in the uranium exploration sector and as such has made a very aggressive entry into Utah and Wyoming.

Our Company's Board has evolved into a highly qualified team of professionals with essential experience in resource acquisition, exploration, and development, finance and marketing. We are committed to building a highly valued asset base and a strong, loyal shareholder following.

## **LIQUIDITY AND CAPITAL MARKETS**

The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	June 30, 2005	September 30, 2004
Working Capital	\$ 4,348,312	\$ 1,105,500
Deficit	9,213,579	8,710,613

This increase in working capital for the nine-month period ended June 30, 2005 was due to the issuance of common stock mainly through a private placement for gross proceeds of \$4,020,360.

Net cash provided by operating activities for the three-month period ended June 30, 2005 was \$6,107 compared to (\$34,515) used during the three-month period ended June 30, 2004. The cash provided by operating activities for the current period consists primarily of an operating loss and a change in non-cash working capital.

Net cash used by investing activities for the three month period ended June 30, 2005 was \$473,193 compared to \$311,702 used during the prior year. Net cash used during the current period consists primarily of expenditures of \$325,215 on mineral properties.

Net cash provided by financing activities for the three-month period ended June 30, 2005 was \$118,290 compared to \$0 provided during the prior year period. The cash provided by financing activities for the current period was primarily raised through the exercise of warrants and options.

## **RESULTS OF OPERATIONS**

For the third quarter ended June 30, 2005, the Company incurred a net loss of \$178,655 compared to a net loss of \$38,011 in the same period the previous year. The increase in the current period is the result of an increase in business operations resulting from the acquisition of mineral properties. The increase was also due to the increased costs in regulatory expenses, management fees and shareholder communications. Some of the significant expenses are as follows: paid or accrued \$61,324 (2004 - \$9,750) in professional fees, \$28,814 (2004 - \$7,858) on office rent and administration fees and, \$22,361 (2004 - \$6,508) on shareholder communications fees.

## **RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties during the period:

- a) Paid or accrued management fees of \$30,000 to KJN Management, a company controlled by Rahoul Sharan who is President and Director of Bell Coast Capital Corp.

These transactions were in the normal course of operations and were measured at the exchange amount which was the amount established and agreed to by the related parties.

## **SUMMARY OF QUARTERLY RESULTS**

	June 30/05	March 31/05	Dec 31/04	Sept 30/04	June 30/04	March 31/04	Dec 31/03	Sept 30/03
(a) Net sales or total revenues	\$ 3,145	\$ 10,847	\$ 5,156	\$ 34,252	\$ 1,541	\$ 894	\$ 660	\$ 11,264
(b) Loss before extraordinary items								
- total	(178,655)	(244,041)	(79,863)	(363,540)	(33,666)	(54,738)	(25,030)	(623,653)
- per share undiluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)
- per share diluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)
(c) Net loss								
- total	(178,655)	(244,041)	(79,863)	(363,540)	(33,666)	(54,738)	(25,030)	(623,653)
- per share undiluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)
- per share diluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)

Significant changes in key financial data from 2003 to 2005 can be attributed to a write-off of various mineral properties, revenues generated from interest income and the sale of various short-term investments. Revenues increased particularly in recent quarters when the Company held large cash balances from funds raised through private placements.

## **SELECTED ANNUAL INFORMATION**

	September 30, 2004	September 30, 2003	September 30, 2002
(a) Net sales or total revenues	\$ 34,252	\$ 6,232	\$ 1,614
(b) Net income or (loss) before discontinued items or extraordinary items:			
- total	(363,540)	(734,187)	(403,214)
- per share undiluted	(0.01)	(0.03)	(0.02)
- per share diluted	(0.01)	(0.03)	(0.02)
(c) Net income or loss			
- total	(363,540)	(734,187)	(403,214)
- per share undiluted	(0.01)	(0.03)	(0.02)
- per share diluted	(0.01)	(0.03)	(0.02)
(d) Total assets	\$ 2,753,541	\$ 1,592,702	\$ 1,221,734
(e) Total long-term financial liabilities	Nil	Nil	Nil
(f) Cash dividends declared per share	Nil	Nil	Nil

The Company earns interest revenue from cash held in banks and securities held as short-term investments.

The Company's accounting policy is to record its mineral properties at cost. Exploration and development expenditures relating to mineral properties are deferred until either the properties are brought into production, at which time they are amortized on a unit of production basis, or until the properties are sold or abandoned, at which time the deferred costs are written off.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

### **OUTSTANDING SHARE DATA**

	Number of shares	Amount
Authorized 100,000,000 common shares without par value		
Issued Balance at August 20, 2005	60,523,729	\$ 16,296,461

### **Stock options**

As of August 20, 2005, the following stock options are outstanding:

	Number of Shares	Exercise Price	Expiry Date
	1,425,000	\$ 0.17	September 27, 2006
	300,000	0.32	February 8, 2007
	200,000	0.50	May 5, 2007
	250,000	0.50	April 12, 2007

### **Warrants**

As of August 20, 2005, the following warrants are outstanding:

	Number of Shares	Exercise Price	Expiry Date
	3,005,381	\$ 0.50	January 13, 2006
	11,684,588	\$ 0.25	December 24, 2006
	1,299,917	\$ 0.17	December 27, 2006
	125,000	\$ 0.25	December 27, 2006

### **SUBSEQUENT EVENTS**

Subsequent to June 30, 2005

a) Subsequent to June 30, 2005, the Company issued 1,000,000 shares to the Vendors of the Sheep Mountain property located in Fremont County of the State of Wyoming. These shares were issued as the first installment of shares required to be issued under the option agreement entered into between Uranium Power and US Energy Corp and Crested Corp. dated December 8, 2004.