
ULTRA URANIUM CORP.
(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2010

(Unaudited – Prepared by Management)

ULTRA URANIUM CORP.

June 30, 2010

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated 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 auditors.

ULTRA URANIUM CORP.
INTERIM CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2010 (Unaudited)</u>	<u>December 31, 2009 (Audited)</u>
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 6,800	\$ 343,418
Amounts receivable	382	441
Deposits	10,000	10,000
GST receivable	31,599	18,649
Marketable securities – <i>Note 9</i>	10,000	10,000
Prepaid expense	20,603	33,338
	<u>\$ 79,384</u>	<u>\$ 415,846</u>
Equipment – <i>Note 4</i>	3,916	8,934
Mineral properties – <i>Note 7</i>	2,881,723	2,710,060
	<u>\$ 2,965,023</u>	<u>\$ 3,134,840</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 228,502	\$ 200,694
Due to related parties – <i>Note 9</i>	2,957	2,957
Loans payable – <i>Note 13</i>	1,246	1,246
	<u>\$ 232,705</u>	<u>\$ 204,897</u>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – <i>Note 8</i>	\$ 13,592,688	\$ 13,573,188
Contributed surplus – <i>Note 8</i>	1,955,069	1,955,069
Deficit	(12,815,439)	(12,598,314)
	<u>\$ 2,732,318</u>	<u>\$ 2,929,943</u>
	<u>\$ 2,965,023</u>	<u>\$ 3,134,840</u>

APPROVED BY DIRECTORS:

"Douglas B. Brooks"

Director

"James Boyce"

Director

SEE ACCOMPANYING NOTES

ULTRA URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT
(Unaudited - Prepared by Management)

	Six months ended June 30,	
	<u>2010</u>	<u>2009</u>
DEFICIT, BEGINNING OF THE PERIOD	\$ 12,598,314	\$ 11,767,057
NET LOSS	217,125	203,400
DEFICIT, END OF THE PERIOD	<u>\$ 12,815,439</u>	<u>\$ 11,970,457</u>

SEE ACCOMPANYING NOTES

ULTRA URANIUM CORP.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(Unaudited – Prepared by Management)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Administrative Expenses				
Amortization	\$ -	\$ 1,406	\$ 5,017	\$ 2,446
Bank charges and interest	159	(1,183)	271	1,454
Consulting	12,000	9,000	37,800	35,000
Filing fees	3,937	2,888	7,581	6,799
Management fees	7,500	7,500	15,000	15,000
Office services and expenses	13,147	33,945	20,311	48,237
Professional fees	24,010	25,068	45,298	28,364
Rent – Note 5	5,233	6,803	11,974	14,720
Salaries – Note 9	13,664	19,436	14,867	39,985
Trade show and conferences	-	-	36,856	135
Transfer agent	732	1,534	5,120	2,508
Travel and promotion	5,527	4,557	1,713	6,411
Loss from Operations before other items	\$ (85,909)	\$ (110,954)	\$ (201,808)	\$ (201,059)
Other items				
Gain (loss) on foreign exchange	(668)	-	(983)	-
Interest income	422	1,607	1,095	3,853
Property investigation costs	-	5,703	(2,463)	(6,194)
Recovery of accounts payable	1,101	-	1,101	-
Write-off of amounts receivable	(7,034)	-	(14,067)	-
Net loss and comprehensive loss for the period	\$ (92,088)	\$ (103,644)	\$ (217,125)	\$ (203,400)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	22,635,928	21,547,310	22,635,928	21,547,310

SEE ACCOMPANYING NOTES

ULTRA URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three months ended 2010	June 30, 2009	Six months ended 2010	June 30, 2009
Operating Activities				
Net loss for the period	\$ (92,088)	\$ (103,644)	\$ (217,125)	\$ (203,400)
Add (deduct) items not affecting cash:				
Amortization	-	1,406	5,017	2,446
Write-off of amounts receivable	7,034	-	14,067	-
	\$ (85,054)	\$ (102,238)	\$ (198,041)	\$ (200,954)
Changes in non-cash working capital balances related to operations:				
Amounts receivable	(7,014)	(14,339)	(14,008)	(28,678)
GST receivable	(6,000)	157,845	(12,950)	152,007
Prepaid expense	1,250	4,750	12,735	(5,557)
Accounts payable and accrued liabilities	35,360	(42,373)	27,809	(157,093)
	\$ (61,458)	\$ 3,645	\$ (184,455)	\$ (240,275)
Investing Activities				
Advances	\$ -	\$ -	\$ -	(12,000)
Mineral property acquisition costs	(11,613)	-	(56,113)	-
Deferred exploration costs	(51,086)	(55,603)	(115,550)	(105,015)
	\$ (62,699)	\$ (55,603)	\$ (171,663)	\$ (117,015)
Financing Activities				
Issuance of common shares for property acquisition	-	-	19,500	-
Increase (decrease) in due to/from related parties	-	(4,341)	-	(17,128)
	\$ -	\$ (4,341)	\$ 19,500	\$ (17,128)
Increase (Decrease) in cash during the period	(124,157)	(56,299)	(336,618)	(374,418)
Cash, beginning of the period	130,957	754,774	343,418	1,072,893
Cash, end of the period	\$ 6,800	\$ 698,475	\$ 6,800	\$ 698,475

Non-cash transaction – *Note 10*

SEE ACCOMPANYING NOTES

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements
For the three and six months ended June 30, 2010
(Unaudited-Prepared by Management)

Note 1 Nature of Operations and Ability to Continue as a Going Concern

Ultra Uranium Corp. (the "Company") is an exploration stage public company listed for trading on the TSX Venture Exchange ("TSX") and is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to satisfy expenditure requirements under property acquisition agreements to complete their development, and future profitable production or proceeds from the disposition thereof.

The Company was incorporated pursuant to the British Columbia *Company Act* on February 2, 1981.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2010, the Company had not yet achieved profitable operations, had working capital deficiency of \$153,321 which may not be sufficient to sustain operations over the next six months, has accumulated losses of \$12,815,439 since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Note 2 Interim Reporting

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompany financial information reflects all adjustments, consisting primarily of normal and recurring adjustments considered necessary for fair presentation of the results for the interim period. Operating results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010. These interim consolidated financial statements follow the same accounting policies as the annual audited consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the year ended December 31, 2009 audited consolidated financial statements and notes thereto.

Note 3 Future Accounting Standards

i) International Financial Reporting Standards ("IFRS")

In 2006, AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. A transition date of January 1, 2010 will be required for the restatement for comparative purposes of amounts

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements
For the three and six months ended June 30, 2010
(Unaudited-Prepared by Management)

Note 3 Future Accounting Standards (continued)

i) International Financial Reporting Standards ("IFRS") (continued)

reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

ii) Business Combination, Non-controlling Interest, and Consolidation

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("Section 1582"), 1601, Consolidated Financial Statements, ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standard for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

Note 4 Equipment

Equipment is recorded at cost. The Company provides for amortization using the declining balance method at the following annual rates:

Computer equipment	30%
Furniture and fixtures	20%
Office equipment	20%

Additions during the year are amortized at one-half the annual rates.

	June 30, 2010			June 30, 2009
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 19,341	\$ 18,309	\$ 1,032	\$ 6,863
Furniture and fixtures	16,585	14,787	1,798	2,817
Office equipment	10,000	8,914	1,086	1,699
	<u>\$ 45,926</u>	<u>\$ 42,010</u>	<u>\$ 3,916</u>	<u>\$ 11,379</u>

Note 5 Commitments

By an agreement dated July 9, 2009, the Company agreed to pay \$4,033 per month until July 31, 2010 and \$4,317 per month until July 31, 2012 for office premises. Common area expenses and property taxes are subject to change. Also the Company is a party to an agreement with a private British Columbia company to sublease the office premises for \$2,233 per month. The initial term of the agreement was six months commencing July 1, 2009, continuing thereafter on a month to month basis.

Note 6 Comparative Figures

Certain of the comparative figures for the six months ended June 30, 2010 have been reclassified in order to be consistent with the current period's presentation.

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended June 30, 2010

*(Unaudited-Prepared by Management)***Note 7 Mineral Properties**

Six Months Ended June 30, 2010						
	Anne Mark/ Plata North Claims	Buck Lake Claims	Gwyn Lake Claims	Kalnica- Selec/Horka Claims	Mud & AEG Rare Earth Claims	Total
Acquisition costs						
Balance, beginning of period	\$ 100,000	\$ 148,235	\$ 153,350	\$ 102,383	\$ -	\$ 503,968
Cash	34,555	-	-	1,700	358	36,613
Shares	-	-	-	-	19,500	19,500
Balance, end of period	\$ 134,555	\$ 148,235	\$ 153,350	\$ 104,083	\$ 19,858	\$ 560,081
Deferred exploration costs						
Balance, beginning of period	\$ 13,000	\$ 1,010,743	\$ 726,868	\$ 455,481	\$ -	\$ 2,206,092
Assay	-	-	-	-	-	-
Field costs	-	-	-	-	-	-
Geological consulting	9,729	28,497	37,651	38,073	1,600	115,550
Balance, end of period	\$ 22,729	\$ 1,039,240	\$ 764,519	\$ 493,554	\$ 1,600	\$ 2,321,642
Total	\$ 157,284	\$ 1,187,475	\$ 917,869	\$ 597,637	\$ 21,458	\$ 2,881,723
Six Months Ended June 30, 2009						
		Buck Lake Claims	Gwyn Lake Claims	Kalnica- Selec/Horka Claims		Total
Acquisition costs						
Balance, beginning of period		\$ 405,200	\$ 103,350	\$ 91,517		\$ 600,067
Cash		-	5,000	-		5,000
Shares		-	-	-		-
Balance, end of period		\$ 405,200	\$ 108,350	\$ 91,517		\$ 605,067
Deferred exploration costs						
Balance, beginning of period		\$ 963,610	\$ 659,336	\$ 401,481		\$ 2,024,427
Field costs		25,212	-	-		25,212
Geological consulting		7,522	56,081	11,200		74,803
Balance, end of period		\$ 996,344	\$ 715,417	\$ 412,681		\$ 2,124,442
Total		\$ 1,401,544	\$ 823,767	\$ 504,198		\$ 2,729,509

Title to resource properties 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 frequent ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing. However, this should not be construed as a guarantee to title. The properties may be subject to prior claims, agreements or transfer and rights of ownership may have undetected defects.

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements
For the three and six months ended June 30, 2010
(Unaudited-Prepared by Management)

Note 7 Mineral Properties (continued)

Kalnica-Selec Claims - Slovakia

By an agreement dated June 28, 2005 with the Slovak government, the Company has been granted the right to carry out exploration activities in an area referred to as the Kalnica-Selec property located in Western Slovakia. The Company established a subsidiary, Beckov Minerals, S.R.O. ("Beckov") in Western Slovakia on May 22, 2007 to hold the claims. The claims are valid for a period of four years. The Company paid four annual fees (in Euros) of EUR 2,889 every September 22 of each year for a total of EUR 11,556 (Canadian equivalent \$14,477) ("paid") under the agreement in order to maintain its annual exploration rights.

By an agreement dated July 15, 2009 with the Slovak government, the Company has extended the exploration rights on the Kalnica- Selec property area for four years until July 19, 2013. Annual fees (in Euros) are required under the agreement to maintain annual exploration rights:

EUR	4,382	by October 15, 2009 (paid, Canadian equivalent \$6,946)
	4,382	by October 15, 2010
	4,382	by October 15, 2011
	<u>4,382</u>	by October 15, 2012

EUR 17,528

By an agreement dated October 1, 2005, the Company granted a private company a royalty (net of taxes to Slovakian government) ranging from \$2 per pound to over \$5 per pound, depending on the selling price of uranium. All other metals will be subject to a 1.5% NSR royalty. The Company also paid the private company \$75,000 for its services to identify this project.

During the year ended December 31, 2007, Beckov also obtained additional licences on property areas to the south and southwest of the existing Kalnica-Selec license, called Horka and Vahom from the Ministry of Environment of the Slovak Republic. Annual fees (in Euros) are required under the agreement to maintain annual exploration rights:

EUR	1,295	by September 4, 2007 (paid, Canadian equivalent \$1,703)
	1,295	by September 4, 2008 (paid, Canadian equivalent \$1,810)
	1,295	by September 4, 2009 (paid, Canadian equivalent \$2,051)
	<u>1,295</u>	by September 4, 2010 (paid, Canadian equivalent \$1,700)

EUR 5,180

As at June 30, 2010, exploration expenditures amounted to \$493,554 and acquisition cost \$104,083 for total expenditures on the property to date of \$597,637.

Buck Lake Claims - Ontario, Canada

The Company holds a 100% interest in the Buck Lake claims located in the Thunder Bay Mining Division of Ontario. The claims are subject to a 2.5% net smelter return royalty, one-half of which royalty may be purchased at any time for \$500,000.

During the year ended December 31, 2009, management decided not to continue with some of the mineral claims and has allowed them to lapse. Costs incurred with respect to these of \$256,965 have been written off and the balance is \$148,235.

As at June 30, 2010, expenditures amounted to \$1,039,240 and acquisition cost of \$148,235 for total expenditures on the property to date of \$1,187,475.

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended June 30, 2010

*(Unaudited-Prepared by Management)***Note 7** Mineral Properties (continued)Gwyn Lake Claims - Ontario, Canada

The Company holds a 100% interest in the Gwyn Lake claims ("Beardmore Gold Property") located in the Thunder Bay Mining District of Ontario. The claims are subject to a 1% net smelter return royalty which royalty may be purchased at any time for \$500,000.

The Company also holds a 100% interest in certain additional mineral claims contiguous to the Gwyn Lake Claims. These claims are also subject to 1% net smelter royalty return.

On January 13, 2010, the Company entered into an option agreement to grant Pierre Enterprises Ltd. ("Pierre"), a company having a director in common, the option to acquire a 70% interest in the Beardmore Gold Property comprised of a portion of Gwyn Lake claims. As consideration, Pierre is required to pay \$180,000 over four years and incur exploration and development expenditures on the property of \$500,000 on or before September 30, 2013.

As at June 30, 2010, exploration expenditures amounted to \$764,519 and acquisition cost of \$153,350 for total expenditures on the property to date of \$917,869.

Anne Mark and Plata North Claims - Yukon Territory, Canada

The Company has been granted an option by International Alliance Resources Inc. to acquire an 80% interest in the Anne Mark and Plata North claims located in the Mayo Mining Division of Yukon Territory in consideration for cash payments totalling \$500,000, and the issuance of three million common shares of Ultra over five years. The payment schedule is as follows:

	<u>Shares</u>	<u>Issued</u>
Upon TSX approval of the option agreement	1,000,000	November 18, 2009
On or before November 1, 2010	1,000,000	Not issued
On or before November 1, 2014	<u>1,000,000</u>	Not issued
	<u>3,000,000</u>	
	<u>Cash</u>	<u>Paid</u>
Upon TSX approval of the option agreement	\$ 25,000	November 13, 2009
On or before February 28, 2010	25,000	January 29, 2010
On or before February 28, 2011	50,000	Not paid
On or before February 28, 2012	100,000	Not paid
On or before February 28, 2013	100,000	Not paid
On or before February 28, 2014	<u>200,000</u>	Not paid
	<u>\$ 500,000</u>	

The properties are subject to a 2% net smelter royalty. The Company will be responsible for incurring \$1.2 million in exploration expenditures on the properties prior to International Alliance Resources Inc. contributing exploration financing to maintain its interest.

As at June 30, 2010, expenditures amounted to \$22,729 and acquisition cost of \$134,555 for total expenditures on the property to date of \$157,284.

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended June 30, 2010

(Unaudited-Prepared by Management)

Note 7 Mineral Properties (continued)

Mud and AEG Rare Earth Claims - British Columbia, Canada

On January 12, 2010, the Company agreed to acquire a 100% interest in two rare earth mineral properties located in the Kamloops Mining Division, British Columbia, Canada. The properties are located approximately 10 km northeast of Blue River. The two properties in the Mud Lake agreement are the Mud and the AEG Rare Earth properties.

Under the terms of the purchase agreement, the Company can acquire a 100% interest in the properties by paying \$13,000 (not paid) to the vendor and issuing 300,000 common shares ("issued"). The acquisition has been accepted for filing by the TSX Venture Exchange on February 24, 2010. The Company has issued 300,000 common shares at a deemed price of \$0.065 per share to the vendor pursuant to the Agreement, which shares are restricted from trading until June 2, 2010.

As at June 30, 2010, expenditures amounted to \$1,600 and acquisition cost of \$19,858 for a total expenditures on the property to date of \$21,458.

Note 8 Share Capital

a) Authorized: Unlimited common shares without par value

b) Issued:

	Number	Amount	Contributed Surplus
Balance, December 31, 2009	22,513,463	\$ 13,573,188	\$ 1,955,069
Acquisition of Mud and AEG properties			
- at \$0.065 per share (Note 7)	300,000	19,500	-
Balance, June 30, 2010	22,813,463	\$ 13,592,688	\$ 1,955,069

c) Commitments:

i) Stock-based Compensation Plan

The Company has a stock option plan whereby the maximum number of share reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated, share purchase options vest when granted. The value was determined using the Black-Scholes model.

As at June 30, 2010, there were no share purchase options outstanding.

ii) Share Purchase Warrants

As at June 30, 2010, there were no share purchase warrants outstanding.

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended June 30, 2010

(Unaudited-Prepared by Management)

Note 9 Related Party Transactions

The Company was charged the following amounts by directors and/or officers and/or by companies with directors or officers in common:

	Six months ended June 30,	
	2010	2009
Consulting fees	\$ 12,000	\$ 12,000

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

At June 30, 2010, marketable securities include \$10,000 (2009: \$500) in shares of companies with common directors.

At June 30, 2010, amounts due to related parties of \$2,957 (2009: \$700) are due to directors or officers or to companies with directors or officers in common. These amounts are unsecured, non-interest bearing and are due on demand. These amounts are comprised of loans and advances made from the Company.

At June 30, 2010, due from related party of \$Nil (2009: \$8,007) is due from a director and a private company controlled by the director. These amounts are unsecured, non-interest bearing and due on demand.

At June 30, 2010, advances include \$Nil (2009: \$30,000) paid to a public company with a common director to purchase a mineral property acquisition.

Note 10 Non-cash Transaction

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. During the three months ended March 31, 2010, the Company issued 300,000 common shares pursuant to the acquisition of Mud and AEG Rare Earth properties (Note 7).

Note 11 Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral property and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. As at June 30, 2010, the Company has not entered into any debt financing other than a loan payable (Note 6).

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements.

ULTRA URANIUM CORP.

Notes to the Interim Consolidated Financial Statements
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Note 12 Financial Instruments

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics.

The Company designated cash and cash equivalents and marketable securities as held-for-trading assets, measured at fair value. Changes in the fair value are recorded in net earnings. Amounts receivable and due from related parties are measured at amortized cost. Accounts payable and accrued liabilities, due to related parties and loan payable are designated as other financial liabilities and measured at amortized cost. Management did not identify any material embedded derivatives, which require separate recognition and measurement under the new accounting standards. The Company had neither available-for-sale, nor held-to-maturity instruments during the six months ended June 30, 2010.

The fair value of the current financial instruments approximates their carrying value as they are short term in nature.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rate. As at June 30, 2010, the Company has a minimal exposure to the US\$ and Slovakian Koruna that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash, cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at June 30, 2010 the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in the financial statements is interest income on Canadian dollar cash. As at June 30, 2010, the Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liability. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options.

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Notes to the Interim Consolidated Financial Statements
For the three and six months ended June 30, 2010
(Unaudited-Prepared by Management)

Note 13 Loan Payable

	June 30, <u>2010</u>	June 30, <u>2009</u>
Loan payable, unsecured, with interest at 10% per annum and payable on demand.	\$ <u>1,246</u>	\$ <u>1,246</u>

Note 14 Segmented Information

The Company's assets as at June 30, 2010 and 2009 are allocated to geographic segments as follows:

	<u>2010</u>	<u>2009</u>
Canada	\$ 2,367,386	\$ 3,097,235
Europe	597,637	516,900
	<u>\$ 2,965,023</u>	<u>\$ 3,614,135</u>