

**QUEST URANIUM CORPORATION**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2008**

**STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS**

Management has compiled the unaudited interim financial statements as at April 30, 2008 and for the three-month and six-month periods ended April 30, 2008. There are no comparative figures since the Corporation only commenced activities subsequent to October 31, 2007. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered accountants.

**QUEST URANIUM CORPORATION**  
**(AN EXPLORATION STAGE CORPORATION)**  
**BALANCE SHEETS**  
**AS AT**

	<b>April 30 2008 (Unaudited)</b>	<b>October 31 2007 (Audited)</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	602,265	1,000
Cash held for exploration work	1,077,206	-
Accounts receivable	34,967	-
Prepaid expenses	<u>86,958</u>	<u>17,909</u>
	1,801,396	18,909
<b>MINING PROPERTIES AND DEFERRED COSTS</b>	<u>2,682,285</u>	<u>-</u>
	<u>4,483,681</u>	<u>18,909</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	81,375	22,507
Due to related corporation (note 5)	<u>127,761</u>	<u>19,265</u>
	<u>209,136</u>	<u>41,772</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK (note 4)</b>	4,407,614	1,000
<b>WARRANTS (note 4c)</b>	31,078	-
<b>DEFICIT</b>	<u>(164,147)</u>	<u>(23,863)</u>
	<u>4,274,545</u>	<u>(22,863)</u>
	<u>4,483,681</u>	<u>18,909</u>

See accompanying notes  
to financial statements.

Approved on Behalf of the Board:

(Signed: Peter J. Cashin) Director

(Signed: Ronald Kay) Director

**QUEST URANIUM CORPORATION**  
**(AN EXPLORATION STAGE CORPORATION)**  
**INTERIM STATEMENT OF INCOME AND RETAINED EARNINGS (DEFICIT)**  
**(UNAUDITED)**

	<b>Three-month period ended April 30 2008</b>	<b>Six-month period ended April 30 2008</b>
	<u>\$</u>	<u>\$</u>
<b>REVENUE</b>		
Interest	<u>17,783</u>	<u>21,052</u>
	17,783	21,052
<b>EXPENSES</b>		
Professional fees	13,344	31,834
Filing costs and shareholders' information	71,039	131,103
Administrative expenses and others	15,270	18,796
Write-off, write-down of properties	<u>220,202</u>	<u>234,396</u>
	319,855	416,129
<b>INCOME (LOSS) BEFORE RECOVERY OF INCOME TAXES</b>	(302,072)	(395,077)
<b>INCOME TAXES - FUTURE</b>	<u>-</u>	<u>432,086</u>
<b>NET INCOME (LOSS)</b>	(302,072)	37,009
<b>RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD</b>	146,997	(23,863)
<b>ISSUE COSTS</b>	<u>(9,072)</u>	<u>(177,293)</u>
<b>RETAINED EARNINGS (DEFICIT) - END OF PERIOD</b>	<u>(164,147)</u>	<u>(164,147)</u>
<b>BASIC AND FULLY DILUTED NET INCOME (LOSS) PER SHARE</b>	<u>(0.014)</u>	<u>0.002</u>
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<u>21,257,000</u>	<u>15,523,670</u>

See accompanying notes  
to financial statements.

**QUEST URANIUM CORPORATION**  
**(AN EXPLORATION STAGE CORPORATION)**  
**INTERIM STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Three-month period ended April 30 2008</b>	<b>Six-month period ended April 30 2008</b>
	<u>          </u> \$	<u>          </u> \$
<b>CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>		
Net income (Loss)	(302,072)	37,009
Adjustments for:		
Write-off, write-down of properties	220,202	234,396
Income taxes - future	<u>          -</u>	<u>(432,086)</u>
	<u>(81,870)</u>	<u>(160,681)</u>
Changes in non-cash working capital components		
Accounts receivable	(24,868)	(34,967)
Prepaid expenses	(74,076)	(69,049)
Accounts payable and accrued liabilities	6,111	58,868
Due to related corporation	<u>53,486</u>	<u>108,496</u>
	<u>(39,347)</u>	<u>63,348</u>
Cash Flows (Used In) Operating Activities	<u>(121,217)</u>	<u>(97,333)</u>
 <b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Issuance of common shares	-	1,088,430
Issuance of flow-through shares	-	1,350,270
Issue costs	<u>(9,071)</u>	<u>(146,214)</u>
Cash Flows From (Used In) Financing Activities	<u>(9,071)</u>	<u>2,292,486</u>
 <b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Mining Properties Acquisition Expenditures	(160,804)	(160,804)
Mining Properties Exploration Expenditures	<u>(288,678)</u>	<u>(355,878)</u>
Cash Flows (Used In) Investing Activities	<u>(449,482)</u>	<u>(516,682)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(579,770)	1,678,471
Cash and cash equivalents - beginning of period	<u>2,259,241</u>	<u>1,000</u>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<u><b>1,679,471</b></u>	<u><b>1,679,471</b></u>
 <b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash	602,265	602,265
Cash held for exploration work	<u>1,077,206</u>	<u>1,077,206</u>
	<u><b>1,679,471</b></u>	<u><b>1,679,471</b></u>
 <b>ADDITIONAL INFORMATION</b>		
Interest received	17,783	21,052
Interest paid	Nil	Nil
Income taxes paid	Nil	Nil

See accompanying notes  
to financial statements.

**QUEST URANIUM CORPORATION**  
**(AN EXPLORATION STAGE CORPORATION)**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**APRIL 30, 2008**  
**(UNAUDITED)**

**1. NATURE OF OPERATIONS**

The Corporation was incorporated under the Canada Business Corporations Act on June 6, 2007 as a wholly-owned subsidiary of Freewest Resources Canada Inc. and subsequently took over the uranium exploration activities previously carried on by Freewest on December 7, 2007.

To date, the Corporation has not earned any operating revenues and is considered to be in the exploration stage.

The recoverability of amounts shown for mining properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Corporation's interest in the underlying mining claims, the ability of the Corporation to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition of the properties.

**2. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern. However, the Corporation is in the exploration stage and is subject to the risk and challenges particular to companies at this stage. There is no assurance that the Corporation projects will be successful. As a result, there may be doubt regarding the going concern assumption. The Corporation's continuing operations are dependent on the ability to secure adequate financing, the discovery of economically recoverable mineral reserves, securing and maintaining title or beneficial interest in the mining properties and on future profitable production or proceeds from the disposition of the mineral property interests. While the Corporation is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for operations.

The unaudited interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods as described in note 2 "Significant Accounting Policies" of the Corporation's most recent annual audited financial statements. All disclosure required for audited annual financial statements have not been included in these unaudited interim financial statements. These unaudited interim financial statements should be read in conjunction with the Corporation's most recent annual audited financial statements as at October 31, 2007.

In the opinion of management, the unaudited interim financial statements reflect all adjustments, which consist of normal and recurring adjustments, necessary to present fairly the financial position at April 30, 2008 and the results of operations and cash flows for the three-month and six-month periods ended April 30, 2008.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

**3. USE OF ESTIMATES**

The preparation of the unaudited interim financial statements in conformity with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the unaudited interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the unaudited interim financial statements are reasonable and prudent; however, actual results could differ from these estimates.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**APRIL 30, 2008**  
**(UNAUDITED)**

**4. CAPITAL STOCK**

a) The authorized and issued capital stock of the Corporation consists of the following:

**Authorized:**

An unlimited number of no par value common shares.

	<b>Number of Shares</b>	<b>Amount</b>
	<b>#</b>	<b>\$</b>
<b>Issued:</b>		
Balance at beginning, October 31, 2007 (audited)	2,000,000	1,000
Issuance of shares on acquisition of mining properties	8,000,000	2,400,000
Issuance of shares under flow-through agreements	4,500,900	1,350,270
Issuance of shares for cash	6,756,100	1,088,430
	21,257,000	4,839,700
Tax benefits renounced on flow-through shares	-	(432,086)
Balance at end, April 30, 2008 (unaudited)	21,257,000	4,407,614

b) Stock option plan

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
	<b>#</b>	<b>\$</b>
Balance at beginning October 31, 2007 (audited)	-	-
Granted	1,835,000	0.30
Balance at end, April 30, 2008 (unaudited)	1,835,000	0.30

**Accounting for the stock-based compensation plan**

The fair value of 1,800,000 options was estimated using Black-Scholes option pricing model with the following weighted-average assumptions:

Weighted risk-free interest rate	3.96%
Expected volatility	89%
Dividend yield	Nil
Weighted average expected life	5 years

The fair value of the 1,800,000 options granted during the six-month period ended April 30, 2008 amounted to \$533,982 by using the Black-Scholes options pricing model and is being recorded as an expense over the eighteen month vesting period. For the three-month and six-month periods ended April 30, 2008 a total of \$Nil was recorded as an administration expense and \$Nil as an exploration expenditure.

The fair value of 35,000 options was estimated using Black-Scholes option pricing model with the following weighted-average assumptions:

Weighted risk-free interest rate	3.45%
Expected volatility	191%
Dividend yield	Nil
Weighted average expected life	1 year

The fair value of the 35,000 options granted during the six-month period ended April 30, 2008 amounted to \$7,434 by using the Black-Scholes options pricing model and is being recorded as an expense over the eighteen month vesting period. For the three-month and six-month periods ended April 30, 2008 a total of \$Nil was recorded as an exploration expenditure.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**APRIL 30, 2008**  
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**4. CAPITAL STOCK (Cont'd)**

**c) Warrants**

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
	<b>#</b>	<b>\$</b>
Balance at beginning October 31, 2007 (audited)	-	-
Granted	250,050	0.30
Balance at end, April 30, 2008 (unaudited)	250,050	0.30

The fair value of 250,050 warrants was estimated using Black-Scholes option pricing model with the following weighted-average assumptions:

Weighted risk-free interest rate	3.84%
Expected volatility	94%
Dividend yield	Nil
Weighted average expected life	1 year

The fair value of the 250,050 warrants granted during the six-month period ended April 30, 2008 amounted to \$31,078 by using the Black-Scholes options pricing model and is being recorded as an expense upon issue. For the three-month and six-month periods ended April 30, 2008 a total of \$31,078 was recorded as an issue cost expense.

**5. RELATED PARTY TRANSACTIONS**

All related party transactions are in normal course of operations and are measured at the exchange value which is the amount of consideration established and agreed to by the related parties.

(i) During the period the Corporation retained the services of certain members of the board of directors of the Corporation to carry out work on its exploration projects and for administrative duties. For the six-month period ended April 30, 2008, the total amount of such services was \$50,275.

(ii) The related corporation charged an aggregate amount of \$44,072 for mining properties and exploration expenditures and \$64,424 for administrative expenditures paid on behalf of Quest.

(iii) Due to related corporation represents the net amount of charges for exploration and administrative expenses between Quest Uranium Corporation and Freewest Resources Canada Inc.

(iv) Amounts due to related corporation are non-interest bearing with no specific terms of repayment.

Certain directors and shareholders of the Corporation are also directors, officers and shareholders of the related corporation.