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Investment Analysis for Intelligent Investors

February 13, 2008

Mesa Uranium Corp. (TSXV: MZU) – Lisbon Valley Drilling Makes New Discovery, Uranium Price Decline and Nearer-Term Outlook on Uranium Affects Valuation

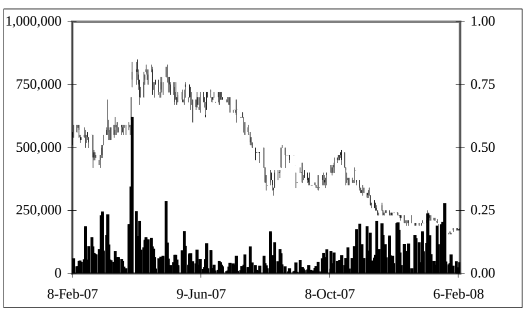
Sector/Industry: Mining/Uranium

www.mesauranium.com

Market Data (as of February 7, 2008)

Current Price	C$0.175
Fair Value	C$0.19 (↓)
Rating*	HOLD (↓)
Risk*	5 (Highly Spec)
52 Week Range	C$0.145 - C$0.85
Shares O/S	27,172,953
Market Cap	C$4.76 mm
Current Yield	N/A
P/E	N/A
P/B	0.98
YoY Return	-68.75%
YoY TSXV	-16.5%

*see back of report for rating and risk definitions



Investment Highlights

- Mesa's primary asset is the Lisbon Valley project, which is adjacent to the former Lisbon Mine. This region is the second largest uranium mining area of the United States. The average grade is 0.4% U_3O_8.
- The geology and exploration thus far suggests favorable host rock and structure for uranium deposits.
- The second round of drilling at Lisbon Valley in 2007 continues to discover new trends. Hole L-15 results included an overall mineralized interval of 17.5 feet grading 0.11% U_3O_8, with three higher-grade sections within.
- Drilling at Moonshine Springs encountered good uranium mineralization (>0.1% U_3O_8) in two holes. Further drilling is planned.

Risks

- We believe that junior resource companies exploring for uranium are especially sensitive to uranium prices. Mesa Uranium may experience upside with continued exploration success, but a change in the uranium market could negatively impact their share price.

(C $)	2006	Q2-2007 (6 mo) Sep-07
Cash	2,255,121	1,405,781
Working Capital	2,280,311	1,440,999
Mineral Assets	550,019	3,305,012
Total Assets	2,865,788	4,877,386
Net Loss	(606,615)	(717,927)
Loss per Share	(0.07)	(0.03)

Mesa Uranium is exploring for uranium in the Lisbon Valley Mining District of Utah, the second largest uranium producer in the United States. They are exploring the underexplored northeastern fault block of the Lisbon Valley Fault, which is believed to host similar mineralization that has produced 78 million pounds of uranium in the district. They drilled the property in 2006, and have a number of targets that remain to be tested.

Company Overview

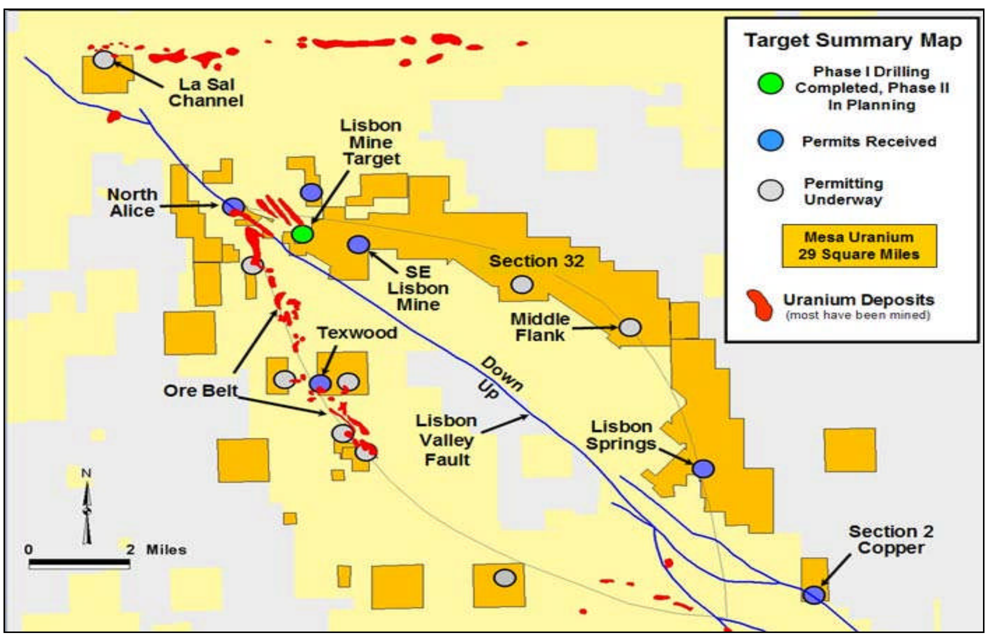
Mesa Uranium is an early stage uranium exploration company based in the prolific uranium district of the Colorado Plateau. Their properties are early stage, but we believe the property has significant potential based on the geologic model and historic production in the region. We believe Mesa's Lisbon Valley property is underexplored, and that initial drilling results suggest further upside is possible for the property.

Lisbon Valley Property

Property Overview: The Lisbon Valley property is located next to the former Lisbon Uranium Mine and the operating Lisbon Valley Copper Mine. The company has identified at least 10 prospects for drilling. They aim to discover new uranium trends.

Geology and Mineralization: The company's exploration model is important to understand. They are targeting potential uranium resources on the down dropped fault block of the Lisbon Valley Anticline. The Lisbon Valley Anticline is an evaporite salt deposit that was domed upwards by tectonic activity. Subsequent to formation, the Lisbon Fault cut the anticline along its axis, and the northeast side of the anticline was dropped down. The majority of exploration and production has been on the southwest, up thrown fault block, but the discovery of the Lisbon Uranium Mine on the down thrown block suggests that significant mineralization exists there. A disadvantage of the company's exploration target is that the uranium mineralization is found at great depths, which is more difficult to explore and more expensive to mine. However, uranium deposits are often found at great depths. These uranium deposits were all contained within the Moss Back Unit of the Chinle Sandstone Formation.

Current Developments: The company completed their 15,000-meter drilling program in November 2007. The drilling targets are summarized in the image below.



Source: Mesa Uranium

L-15 Discovery Hole: The company announced a new discovery in September that is exciting due to its grades and size. Hole L-15, located 8,000 feet to the east of the Lisbon

Mine, returned 3.5 feet of 0.28% U_3O_8 in an overall mineralized interval of 17.5 feet grading 0.11% U_3O_8. Three higher grade intercepts within this interval were 3.5 feet of 0.28% U_3O_8, 1.0 foot of 0.16% U_3O_8, and 1.5 feet of 0.13% U_3O_8. The company has continued step out drilling around this new discovery.

Hole	Depth (feet)	Thickness (feet)	eU3O8 %	Pounds Per Ton U_3O_8
L-11	2532.8	1.4	0.06	1.2
L-12	2771.0	1.0	0.07	1.4
L-13	--	--	Anomalous	
L-14	2528.0	1.0	0.05	1.0
L-15	2804.0	17.5	0.11	2.2
including	2788.0	1.5	0.13	2.6
including	2795.0	1.0	0.16	3.2
including	2804.0	3.5	0.28	5.6
L-16	--	--	Anomalous	
L-17	2726.0	2.0	0.08	1.6
L-18	2818.5	1.0	0.03	0.6
L-19	2803.0 2805.0	1.5 1.0	0.05 0.05	1.0 1.0
L-20	2740.0 2749.5	1.0 1.0	0.11 0.06	2.2 1.2
L-21	2699.0	0.5	0.02	0.4
including	2739.0	1.0	0.02	0.4
including	2773.5	0.5	0.02	0.4
including	2807.5	1.0	0.05	1.0
L-22	2808.0	13.0	Anomalous	

RAD and DAR Claims Drilling: The RAD Claims were staked by Mesa in 2006, based on historic exploration by Homestake Mining and Energy Fuels Nuclear that identified a 2.5 mile long mineral front. Three mineralized pods, Alpha, Alf, and Rophe, exist along the trend. High grade drilling results make it a priority target, and the results of a few orientation holes are included in the table below. Mineralization is contained within the Cutler sandstones, which hosts mineralization in many mines in the Lisbon Valley District. These claims are a priority for follow up in 2008.

Hole	Depth (feet)	Thickness (feet)	eU3O8 %	Pounds Per Ton U3O8
R-1	1,091	5.5	0.07	1.4
R-2	--	--	none	none
R-3	1,025	1.0	0.05	1.0
R-4	901	1.0	0.02	0.4

Resource Estimates: This property does not have any historic or NI 43-101 compliant resource estimates at this time. The property should be considered early stage, as the company has only completed one round of drilling.

Moonshine Springs Project

Property Overview: The 3,050 acre Moonshine Springs project is located in northeastern Arizona, in the Arizona Strip District (see below). It has limited historic exploration, but the region is a well-known historic uranium producer. The company encountered significant high grade uranium mineralization in two holes drilled late last year.

Current Developments: The company announced the commencement of drilling at Moonshine Springs in November 2007. They drilled two holes that encountered good uranium mineralization. Further step out holes are planned for late winter/early spring 2008.

Hole	Depth (feet)	Thickness (feet)	eU3O8 %	Pounds Per Ton U_3O_8
M-1	583.7	1.5	0.15	3.0
And	624.8	7.5	0.21	4.2
Including	624.8	2.0	0.55	11.0
M-2	615.7	4.0	0.47	9.4
Including	615.7	1.0	0.82	16.4

Resource Estimates: This property does not have any historic or NI 43-101 compliant resource estimates at this time.

Arizona Strip Breccia Pipes

Property Overview: The 10,600-acre Arizona Strip project is located in a well-known historic mining district, where high-grade uranium breccia pipes have been exploited using underground mining methods. It is an attractive target for nearer term production, as the deposits are closer to surface, higher grade, and easier to mine than the company's Lisbon Valley property. The property has been joint ventured to Energy Fuels Inc. (TSX: EFR). The company has not announced any work on the property since our initial report.

Management

Since our initial report, Mr. Greg Andrews as resigned as director and Mr. Joseph Giuffre was appointed. His biography follows.

Mr. Joseph Giuffre – Director
Mr. Giuffre has over eighteen years of combined experience in business and legal matters, and has a transaction-based practice in the areas of corporate finance, securities, mining, corporate structuring, project finance, mergers and acquisitions. Mr. Giuffre has extensive experience acting for Canadian public companies with an international focus, many of which have progressed from private start-up companies to publicly-listed emerging companies trading on the TSX Venture Exchange, the Toronto Stock Exchange, American Stock Exchange or NASDAQ.

Outlook for Uranium

Uranium prices have been exceptionally volatile and have dropped by 81% after achieving a record high of US$136/lb, to US$75/lb. However, uranium prices are still up by 100% since January 2006, when prices were US$37.5/lb. The table below shows uranium prices since

1970. Note the steep fall in prices after July 2007.

We have maintained our **long-term** outlook on Uranium prices based on the following factors.

- Nuclear power accounts for about 16% of the world's electricity generation. We believe increasing concerns about global warming and high oil prices will lead to increased demand for nuclear power plants going forward.
- According to the World Nuclear Association (WNA), global uranium requirements are estimated to grow at 2% per annum through 2030, based on global nuclear generating capacity growth of 1.5% per annum.
- Demand for nuclear energy is expected to grow across the world, as several major nations, including the UK, Russia, China, India and South Africa, are planning to increase their nuclear power consumption. According to the WNA, there are currently 439 operating nuclear reactors in the world. About 34 new reactors are under construction, and 93 have been proposed. China (35), India (16), Russia (15), S. Korea (8), USA (7), and Japan (13), combined, will account for 74% of the new nuclear reactors.

Although we do not expect a sharp increase in nuclear consumption worldwide in the short-term, the increase in nuclear generating capacity suggests that demand for uranium will increase in the long-term. Global consumption of uranium is about 180 million pounds a year versus production of about 100 million pounds; the deficit is filled by stockpiles. Since stockpiles are not expected to last forever, uranium primary production has to significantly increase from current levels to keep up with demand in the long-term.

The top 12 uranium mines in the world represented 72.6% of global uranium production in

2006. The McArthur mine is the top producer accounting for 18.3% of global production. Although production at the Cigar Lake mine (at full-scale production of 18 million lbs of U3O8 per year, this mine will account for more than 15% of current global production) is now expected to start only by 2011 – 12, additional supply from Kazhak (the world`s third-biggest uranium producer is expecting to increase uranium output fivefold within a decade and overtake Canada as the largest supplier of nuclear fuel), Canada and South Africa in 2009, we believe, will provide relief to the supply side of the market. Additional supply in the market is expected to come from Paladin's Langer Heinrich mine (which commenced production in late 2006) their project in Kayelekera in Malawi, Uranium One's (TSX: UUU) Dominion Reefs mine and Rio Tinto's Rossing. In addition to that, Kazakh producer Kazatomprom, recently announced that their shortage of sulphuric acid will be resolved by May 2008, while Uranium One announced that they have secured supplies of acid by investing in a Russian plant.

Forecasts: In the short-term, we believe that prices will be very sensitive to any development that could potentially affect supply. Although we do not expect prices to go higher from current levels in the short-term, we believe the supply-sensitive uranium market will keep the metal's prices high. Our long-term outlook on prices is positive, based on rising demand and the projected shortage in long-term supply.

Financials

As of September 30, 2007, the company had $1.41 million in cash, compared to $0.28 million at the end of FY2007. For the 6 months ended September 30, 2007, the company had a net loss of $0.72 million (eps: -$0.03), compared to $0.21 million (eps: -$0.01) in the comparable period in the previous year. Net loss increased due to increases in expenses, particularly from management and geological consulting fees, public company expenses and stock based compensation. We estimate that the company had a burn rate of $0.29 million per month for FY2007, compared to $0.03 million per month in FY2006. The table below shows the company's cash and liquidity position.

	2006	**Sep 30, 2007 (6 month)**
Working Capital	2,280,311	1,440,999
Current Ratio	68.0	80.4
LT Debts/ Assets	-	-
Burn Rate (incl exploration costs)	(27,635)	(287,340)
Cash from financing activities	2,586,737	2,851,861

Assuming that the company will continue to burn cash at $0.29 million per month (cash for operations and capital expenditures including exploration costs), we believe the company is well funded to continue its operations for the second half of FY2007.

Valuation

Since none of the company's projects have known resource estimates, we continue to value MZU based on the average ratio of enterprise value (EV) to mineral assets (book value) of the company's peers. Although EV/mineral assets does not really capture the upside potential of a junior exploration company, we believe it is a good metric (and probably the only metric) to determine the fair value of a company possessing very early stage exploration projects with no known resource estimates. The table below shows a list of the comparable companies and their EV/Mineral Assets ratio. All the companies that we have selected for this analysis primarily target Uranium in the U.S. and Canada.

Comparables Analysis

	Company	Symbol	Price	Enterprise Value	Mineral Assets	EV/Min Assets
1	Jourdan Resoures Inc.	JRN	$0.08	$1,458,927	$2,904,106	0.50
2	Pacific Ridge Exploration Ltd.	PEX	$0.09	$4,156,452	$5,720,116	0.73
3	Eso Uranium Corp.	ESO	$0.30	$10,169,376	$12,886,453	0.79
4	Purepoint Uranium Group Inc.	PTU	$0.37	$15,058,095	$15,429,811	0.98
5	Anglo-Canadian Uranium Corp.	URA	$0.20	$5,047,486	$5,038,415	1.00
6	Mesa Uranium	MZU	$0.19	$4,941,578	$4,583,571	1.08
7	Universal Uranium Ltd.	UUL	$0.41	$14,271,491	$12,024,319	1.19
8	Triex Minerals Corporation	TXM	$2.01	$22,563,161	$18,361,214	1.23
9	Canalaska Uranium Ltd.	CVV	$0.36	$36,593,525	$26,209,700	1.40
10	Bluerock Resources Ltd.	BRD	$0.63	$17,739,363	$7,453,911	2.38
					Average	**1.13**
					Fair Value	**$0.19**

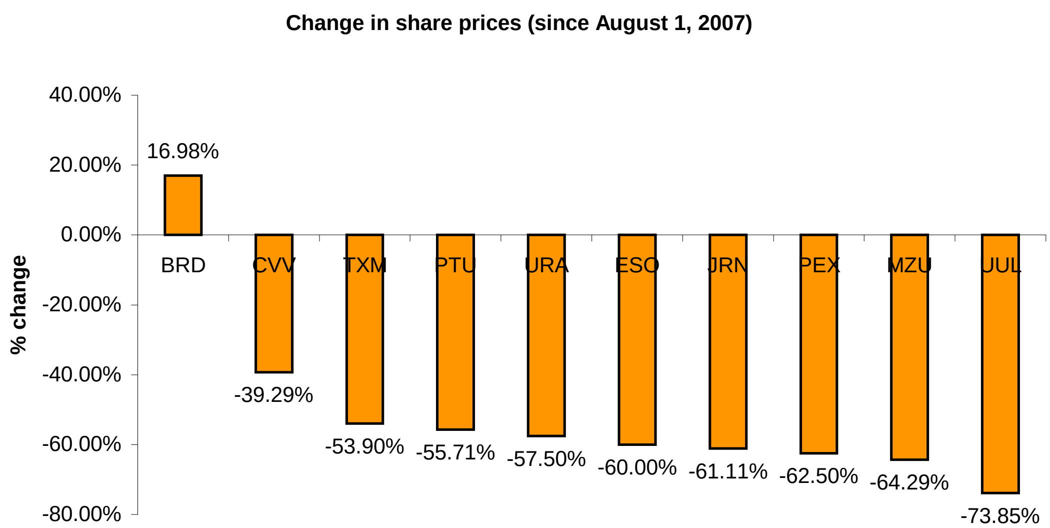
Note: Stock prices are the average of the stock prices YTD (up to February 07, 2008)

Based on the average EV/mineral assets ratio of 1.13 as shown in the above table, Mesa Uranium is fairly valued, and we believe MZU should trade at $0.19 per share. We will revise our valuation if and when we are in a position to determine resource estimates for any of the company's projects.

Conclusions & Rating

We believe investors holding MZU possess a good way to participate in a junior uranium explorer with a strong management team and good land position. Their drilling results to date have been good, highlighting new discoveries in historic mining regions.

The fundamentals of MZU have not changed since our last report, and our valuation is solely based on a comparable analysis with its peers. The share price of MZU and most of its peer companies has dropped considerably since our initiating report due to the decline in Uranium prices. The chart on the next page shows the change in share prices since August 1, 2007.



As shown in the chart, the share prices 9 of the 10 companies that we have used in our analysis have declined since August 1, 2007. MZU was one of the top decliners with a 64.3% drop in share price (from $0.49 per share to $0.175 per share). As we do not expect uranium prices to go up from current levels in the short-term, we are not expecting the average EV/mineral assets ratio to increase. However, considering that their drilling results to date have been good, we recommend investors should take a "wait and see" approach.

Therefore, based on our valuation model and review of the company's progress since our previous report, we have lowered our fair value estimate from $0.66 per share to $0.19 per share, and downgrade from BUY to HOLD.

Risks

The following risks, though not exhaustive, will cause our estimates to differ from actual results:

- Mesa Uranium does not have any 43-101 compliant resource estimates and its properties are all in early to intermediate stages of exploration.
- The success of further development, exploration, and expansion is a significant factor in Mesa's success.
- Like other junior exploration companies, the value of the company depends heavily on uranium prices.

We consider Mesa Uranium a high-risk investment as the company is still in its exploration stage and does not have any NI 43-101 compliant resource estimates. At this stage, we rate the shares a **RISK of 5 (Highly Speculative)**.

Fundamental Research Corp. Equity Rating Scale:
Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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