INTERNATIONAL URANIUM CORP
Form 20-F/A
June 24, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F/A
AMENDMENT NO. 2

(SEE "SUMMARY OF AMENDMENTS ON PAGE 2
FOR A SUMMARY OF THE AMENDMENTS TO THE FORM 20-F)

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934.

OR

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended September 30, 2004

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the transition period from_____ to_____

Commission File Number: 0-24443

INTERNATIONAL URANIUM CORPORATION
(Exact name of Company as specified in its charter)

ONTARIO, CANADA
(Jurisdiction of incorporation or organization)

SUITE 2101, 885 WEST GEORGIA STREET, VANCOUVER, B.C. CANADA V6C 3E8
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.
NONE

Securities registered or to be registered pursuant to Section 12(g) of the Act:

COMMON STOCK WITHOUT PAR VALUE
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
NONE

Indicate the number of outstanding shares of each of the Company's classes of capital or common stock as of the close of the period covered by the annual report:

TITLE OF CLASS	ISSUED AND OUTSTANDING AS OF SEPTEMBER 30, 2004

Common Stock, Without Par Value 79,635,066 common shares

Indicate by check mark whether the Company (1) has filed all reports required to be filed during the preceding 12 months (or shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

Indicate by check mark which financial statement item the Company has elected to follow:

ITEM 17 [X] ITEM 18 [ ]

SUMMARY OF AMENDMENTS

This Amendment No. 2 to Form 20-F makes the following amendments to the Company's Form 20-F for the fiscal year ending September 30, 2004:

- The Auditors' Report on page F-1 has been replaced with the form of Auditors' Report published in the Company's Annual Report to Shareholders, which includes a reference that the audit was also conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States). An incorrect version of the Auditors' Report was inadvertently included with the Form 20-F.

- Item 15(d) has been amended to state that there has been no changes in the Company's internal control over financial reporting that occurred during the fiscal year ending September 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Form 20-F contained a similar statement that incorrectly limited this conclusion to the period subsequent to February 10, 2005, the date of the Form 20-F.

In all other respects, the Form 20-F remains unchanged.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Except for the statements of historical fact contained therein, the information under the headings "Item 4 - "Information on the Company," "Item 5 - "Operating and Financial Review and Prospects," "Item 11 - Quantitative and Qualitative Disclosure About Market Risk," and elsewhere in this Form 20-F constitutes forward looking statements ("Forward Looking Statements") within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements projected or implied by such Forward Looking Statements. Such factors include, among others, exploration risks, the ability of the Company to develop the alternate feed business, dependence on a limited number of customers, limited operating history, government regulation and policy risks, environmental risks, reclamation obligations, and the other factors set forth in the section entitled "Risk Factors".

GLOSSARY OF TERMS

ALTERNATE FEED	Material or residues from other processing facilities that contain uranium in quantities or forms that are either uneconomic to recover or cannot be recovered at these other facilities, but can be recovered either alone or in conjunction with other co-products at the Company's facilities;
BLM	Means the United States Department of Interior Bureau of Land Management;
CCD CIRCUIT	The counter-current decantation circuit at the White Mesa Mill, in which uranium-bearing solution is separated from waste solids;
COMPANY	The Company and all of its subsidiaries, including Fortress, on a consolidated basis;
CONVERSION	A process whereby the purified uranium obtained in the refining process is converted into forms suitable for making nuclear fuel (UO2) or for enrichment (UF6);
DOE	United States Department of Energy;
$	Means United States dollars and "CDN $" means Canadian dollars;
ENRICHMENT	A process whereby the U-235 isotope content is increased from the natural level of 0.711% to a concentration of 3% to 5% as required in fuel for light water reactors;
EPA	Means the United States Environmental Protection Agency;
FEE LAND	Means private land;
FORTRESS	Fortress Minerals Corp., a subsidiary of the Company, the shares of which are traded on the TSX Venture Exchange;
FUSRAP	Formerly Utilized Sites Remedial Action Program;
GPT	Grams per tonne;
HECTARE	Measurement of an area of land equivalent to 10,000 square meters or 2.47 acres;

ISL OR IN SITU LEACH	In situ leach mining is solution mining that is confined to mineralized horizons and does not involve excavation and removal of mineralized rock or subsequent processing of such rock through a mill to recover uranium. Rather, the mineralized material is mined by using groupings of wells completed in the mineralized horizons to inject leach solution, which is recovered in production wells. The leaching solution selectively dissolves uranium mineralization, and the solution is then processed to recover contained uranium.
KM	Kilometer, a measurement of distance equivalent to 1,000 meters or 0.62 miles;

METER	Meter, a measurement of distance equivalent to 39.37 inches;
MINERALIZATION	Means a natural aggregate of one or more metallic minerals;
MINERAL DEPOSIT OR MINERALIZED MATERIAL	Is a mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metal(s). Such a deposit does not qualify as a reserve until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility;
NI 43-101	National Instrument 43-101 Standards of Disclosure for Mineral Projects, promulgated by the Canadian Securities Administrators;
NRC	The United States Nuclear Regulatory Commission;
NSR ROYALTY	An acronym for Net Smelter Returns Royalty, which means the amount actually paid to the mine or mill owner from the sale of ore, minerals and other materials or concentrates mined and removed from mineral properties. This type of royalty provides cash flow that is free of any operating or capital costs;
PARTIALLY DEVELOPED	With respect to properties, means properties that contain workings from previously operating mines that were shut down due to a lack of economic feasibility of the remaining mineralized material at the time the properties were shut down;
PPB	Parts per Billion;
REFINING	A process whereby yellowcake is chemically refined to separate the uranium from impurities to produce purified uranium;
RESERVE	That part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination;
SAG MILL	The semi-autogenous grinding mill at the White Mesa Mill in which the uranium ore is ground prior to the leaching process;
TAILINGS	Waste material from a mineral processing mill after the metals and minerals of commercial value have been extracted;
TON	A short ton (2,000 pounds);
TONNE	A metric tonne (2,204.6 pounds);
UDEQ	State of Utah Department of Environmental Quality;

URANIUM OR U	Means natural uranium; 1% U=1.18% U(3)O(8);
UF(6)	Means natural uranium hexafluoride, produced by conversion from U(3)O(8) , which is not yet enriched or depleted;
U(3)O(8)	Triuranium octoxide;
V2O5	Vanadium pentoxide;
WHITE MESA MILL	Means the 2,000 ton per day uranium mill, with a vanadium or other co-product recovery circuit, located near Blanding, Utah that is owned by the Company's subsidiary, IUC White Mesa, LLC. Also referred to as the "Mill;"
YELLOWCAKE	Means the concentrate powder produced from uranium milling, or from an in situ leach facility. Yellowcake typically contains approximately 90% U(3)O(8) from conventional mineralized material.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial data of International Uranium Corporation (the "Company" or "IUC") for the periods ended September 30, 2004, 2003, 2002, 2001 and 2000, and was prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The table also summarizes certain corresponding information prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). This selected consolidated financial data includes the accounts of the Company and its subsidiaries. All amounts stated are in United States dollars:

SELECTED FINANCIAL DATA

	FISCAL YEAR ENDED SEPTEMBER 30 2004	FISCAL YEAR ENDED SEPTEMBER 30 2003	FISCAL YEAR ENDED SEPTEMBER 30 2002	FISCAL YEA SEPTEMBE 2001
Revenues	$ 2,424,456	$ 12,550,018	$ 6,830,137	$ 809
Net income (loss)				
Canadian GAAP	$ (2,186,679)	$ 5,533,152	$ 184,990	$ (2,822
US GAAP	$ (7,400,858)	$ 4,295,067	$ (353,907)	$ (2,822

Basic/diluted income(loss) per equity share				
Canadian GAAP	$ (0.03)	$ 0.08	$ -	$ (
US GAAP	$ (0.10)	$ 0.06	$ (0.01)	$ (
Total assets				
Canadian GAAP	$ 38,387,555	$ 25,616,252	$ 32,379,270	$ 36,017
US GAAP	$ 38,452,180	$ 24,991,779	$ 32,063,607	$ 36,040
Net Assets				
Canadian GAAP	$ 20,532,482	$ 10,124,496	$ 4,122,420	$ 3,920
US GAAP	$ 19,597,107	$ 8,570,748	$ 3,806,757	$ 3,943
Capital stock				
Canadian GAAP	$ 50,305,480	$ 37,935,533	$ 37,466,609	$ 37,449
US GAAP	$ 49,960,859	$ 37,319,563	$ 36,850,639	$ 36,633
Number of shares outstanding	79,635,066	68,970,066	65,735,066	65,600
Dividends declared	$ -	$ -	$ -	$

B. CAPITALIZATION AND INDEBTEDNESS

Not Applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not Applicable.

D. RISK FACTORS

The following risk factors should be considered in connection with any investment in the Company.

NATURE OF MINERAL EXPLORATION AND MINING

The Company is engaged in exploration activity for uranium in Canada and Mongolia, and through the Company's subsidiary Fortress Minerals Corp. ("Fortress"), for precious and base metals in Mongolia. The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a uranium, precious or base metal deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses are required to establish reserves by drilling and to construct mining and processing facilities at a site. The Company's exploration properties are all at the exploration stage and do not contain any reserves at this time. It is impossible to ensure that the current or proposed exploration programs on properties in which the Company has an interest will result in the delineation of mineral deposits or in profitable commercial mining operations.

The operations of the Company are subject to the hazards and risks normally incident to exploration, development and production of uranium, precious and base metals, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. While the Company may obtain insurance against certain risks, the nature of these risks

are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially its financial viability.

Whether a uranium, precious or base metal deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as its size and grade; costs and efficiency of the recovery methods that can be employed; proximity to infrastructure; financing costs; and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital.

VOLATILITY AND SENSITIVITY TO PRICES, COSTS AND EXCHANGE RATES

Because a significant portion of the Company's revenues have been derived from the sale of uranium and vanadium in the past, the Company's net earnings can be affected by the long- and short-term market price of U(3)O(8) and V(2)O(5). Uranium and vanadium prices are subject to fluctuation. The prices of uranium and vanadium have been and will continue to be affected by numerous factors beyond the Company's control. With respect to uranium, such factors include the demand for nuclear power, political and economic conditions in uranium producing and consuming countries, uranium supply from secondary sources and uranium production levels and costs of production.

During fiscal 2004, U(3)O(8) prices started at $12.20 per pound U(3)O(8) in September 2003, and then increased to $20.00 per pound in September 2004 and to $21.00 per pound in February 2005. Vanadium prices also continued to strengthen throughout the fiscal year, starting in the $3.00 to $3.75 per pound V(2)O(5) range and ending the year in the $5.00 to $6.50 per pound V(2)O(5) range. By the end of January, 2005 V(2)O(5) prices have posted even stronger gains to $9.00 per pound V(2)O(5).

IMPRECISION OF MINERAL DEPOSIT ESTIMATES

Mineral deposit figures included in this document for uranium and vanadium are estimates, and no assurances can be given that the indicated levels of recovery will be realized. Such estimates are expressions of judgment based on knowledge, mining experience, and analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral deposit estimates included in this document are well established and reflect management's best estimates, by their nature, mineral deposit estimates are imprecise and depend upon statistical inferences which may ultimately prove unreliable. Furthermore, none of the Company's mineral deposits are considered reserves, and there can be no assurances that any of such deposits will ever be reclassified as reserves. Mineral deposit estimates included here have not been adjusted in consideration of these risks and, therefore, no assurances can be given that any mineral deposit estimate will ultimately be reclassified as reserves.

MINING AND MILLING RISKS AND INSURANCE

The mining and milling of uranium and uranium-bearing materials is a capital intensive commodity business and is subject to a number of risks and hazards. These risks are environmental pollution, accidents or spills, industrial accidents, labor disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, underground flooding and earthquakes), and encountering unusual or unexpected geological conditions. Depending on the size and extent of the event, the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties, personal injury or death, environmental damage, delays in or cessation of production from the Company's Mill, mines or in its exploration or development activities, monetary losses, cost increases which could make the Company uncompetitive, and potential legal liability. In addition, due to the radioactive nature of the materials handled in uranium mining and milling, applicable regulatory requirements result in additional costs that must be incurred by the Company on a regular and ongoing basis.

The Company maintains insurance against certain risks that are typical in the uranium industry. As of February 14, 2005, this includes approximately $49,300,000 of real and personal property insurance coverage for the White Mesa Mill and mining properties, $3,000,000 of business interruption insurance for the White Mesa Mill caused by fire or other insured casualty, and $6,000,000 of general liability insurance per occurrence. Although the Company maintains insurance in amounts it believes to be reasonable, such insurance may not provide adequate coverage in the event of certain unforeseen circumstances. Insurance against certain risks (including certain liabilities for environmental pollution or other hazards as a result of production, development or exploration), is generally not available to the Company or to other companies within the uranium mining and milling business.

ENVIRONMENTAL RISKS

The Company is required to comply with environmental protection laws and regulations and permitting requirements, and the Company anticipates that it will be required to continue to do so in the future. The material laws and regulations that the Company must comply with are the Atomic Energy Act, Uranium Mill Tailings Radiation Control Act of 1978 ("UMTRCA"), Clean Air Act, Clean Water Act, Safe Drinking Water Act, Federal Land Policy Management Act, National Park System Mining Regulations Act, and the State Mined Land Reclamation Acts or State Department of Environmental Quality regulations, as applicable. The Company complies with the Atomic Energy Act, as amended by UMTRCA, by applying for and maintaining an operating license from the State of Utah. Uranium milling operations must conform to the terms of such licenses, which include provisions for protection of human health and the environment from endangerment due to radioactive materials. The licenses encompass protective measures consistent with the Clean Air Act and the Clean Water Act.. The Company utilizes specific employees and consultants in order to comply with and maintain the Company's compliance with the above laws and regulations.

Although the Company believes that its operations are in compliance, in all material respects, with all relevant permits, licenses and regulations involving worker health and safety as well as the environment, the historical trend toward stricter environmental regulation may continue. The uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The possibility of more stringent regulations exists in the areas of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining and milling sites, and other environmental matters, each of which could have a material adverse effect on the costs or the viability of a particular project.

The Company has detected some chloroform contamination in the perched groundwater zone at the Mill site. The contamination appears to have resulted from the operation of a temporary laboratory facility that was located at the site prior to and during construction of the Mill facility, and septic drainfields that were used for laboratory and sanitary wastes prior to construction of the Mill's tailings cells. See "Item 8. Financial Information - Legal Proceedings." The source and extent of this contamination are currently under investigation, and interim measures have been instituted in order to contain the contamination and to pump contaminated groundwater into the Mill's tailings cells. A final corrective action plan has not yet been developed. Although investigations to date indicate that this contamination appears to be contained in a manageable area, the scope and costs of remediation have not yet been determined and could be significant.

RECLAMATION OBLIGATIONS

As owner and operator of the White Mesa Mill and numerous uranium and uranium/vanadium mines, and for so long as the Company remains owner thereof, the Company is obligated to eventually reclaim such properties. Most but not all of these reclamation obligations are bonded, and cash and other assets of the Company have been reserved to secure this bonded amount. Although the Company's financial statements contain, as a liability, the Company's current estimate of the cost of performing these reclamation obligations, and the bonding requirements are generally periodically reviewed by applicable regulatory authorities, there can be no assurance or guarantee that the ultimate cost of such reclamation obligations will not exceed the estimated liability contained on the Company's financial statements. In addition, effective January 20, 2001, the BLM implemented new Surface Management (3809) Regulations pertaining to mining operations conducted on mining claims on public lands. The new 3809 regulations impose additional requirements for permitting of mines on federal lands and may have some impact on the closure and reclamation requirement for Company mines on public lands. If more stringent and costly reclamation requirements are imposed as a result of the new 3809 rules, the amount of reclamation bonds held by the Company may need to be increased. See "Item 4. Information on the Company - Reclamation."

MONGOLIAN PROPERTIES

The Company owns an interest in a Mongolian uranium joint venture, which owns uranium properties and is undertaking a uranium exploration program in Mongolia. The Company's subsidiary Fortress is also undertaking a precious and base metals exploration program in Mongolia. As with any foreign operation, these Mongolian properties and interests may be subject to certain risks, such as adverse political and economic developments in Mongolia, foreign currency controls and fluctuations, as well as risks of war and civil disturbances. Other events may limit or disrupt activities on these properties, restrict the movement of funds, result in a deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, increases in taxation or the placing of limits on repatriations of earnings. No assurance can be given that current policies of Mongolia or the political situation within that country will not change so as to adversely affect the value or continued viability of the Company's interest in these Mongolian assets.

ABILITY TO DEVELOP ALTERNATE FEED BUSINESS

A major focus of the Company is the continuing development of the alternate feed, uranium-bearing waste recycling business. The alternate feed business has helped to offset Mill and mine standby costs, but has not itself generated sufficient revenues to result in sustained profitability for the Company. In

order for the Company to become profitable solely from this business the Company must be able to: A) identify a sufficient number of contracts that would be profitable for the Company; B) be successful in winning a sufficient number of these contracts in the face of competition from other facilities; and C) receive these contracts in a time frame and have sufficient backlog of such contracts to allow the Mill to operate at a sufficient rate to more than cover its costs of production, any standby costs that are incurred between Mill runs, and other corporate overheads. While the Company has had considerable success to date in this initiative, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company. Developing this backlog will be a prerequisite if the Company is to be profitable in the future solely from this business. There can be no guarantee or assurance that the Company will be successful in developing the necessary backlog, or that the Urizon joint venture will be successful (see "Urizon Joint Venture"), or that the Company will otherwise be successful at this business initiative.

DEPENDENCE ON LIMITED NUMBER OF CUSTOMERS

The Company's main alternate feed contracts to date have come from, and future contracts are expected to come from, a limited number of government and private sources. The loss of any of the Company's customers could have a material adverse effect on the Company's financial performance. Factors which may affect the Company's clients include change in government policies and the availability of government funding, and variations in environmental regulations and competition from direct disposal and other competitors. The loss of any of the Company's largest customers or curtailment of purchases of recycling services by such customers along with the inability to replace such customers with new customers could have a material adverse effect on the Company's financial condition and results from operations.

RELIANCE ON ALTERNATE FEED INCOME; DEPENDENCE ON ISSUANCE OF LICENSE AMENDMENTS

A significant portion of the Company's expected revenues and income over the next several years is expected to result from processing alternate feed materials through the White Mesa Mill. The Company's ability to process alternate feeds is dependent upon obtaining amendments to its Mill license. There can be no assurance that such license amendments will be issued by applicable regulatory authorities. See "Item 4. Information on the Company - Alternate Feed Processing" and "Item 8. Financial Information - Legal Proceedings."

Although the Company believes that alternate feed sources will continue to generate income for the Company in the foreseeable future, there can be no guarantees or assurance that this will be the case.

DEPENDENCE ON KEY PERSONNEL

The Company's success will largely rely on the efforts and abilities of certain key employees. Certain of these individuals have significant experience in the uranium and radioactive waste recycle/disposal industry. The number of individuals with significant experience in this industry is small. While the Company does not foresee any reason why such key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. The Company has not purchased key man life insurance for any of these individuals.

LIMITED OPERATING HISTORY

The Company began its business in May 1997, following the acquisition of assets from the Energy Fuels group of companies (See "Item 4: Information on the Company - History and Development of the Company"). As a result, the Company has had a limited history of operations. There can be no assurance that the Company's operations will be profitable.

GOVERNMENTAL REGULATION AND POLICY RISKS

Mining and milling operations and exploration activities, particularly uranium mining and milling in the United States and alternate feed processing activities, are subject to extensive regulation by state and federal governments. Such regulation relates to production, development, exploration, exports, taxes and royalties, labor standards, occupational health, waste disposal, protection and remediation of the environment, mine and mill reclamation, mine and mill safety, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing, constructing, operating and eventual closure of the Company's Mill, mines and other facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may have an impact on the Company's decisions as to whether to operate the Mill, existing mines and other facilities or, with respect to exploration and development properties, whether to proceed with exploration or development. Furthermore, future changes in governments, regulations and policies, could materially adversely affect the Company's results of operations in a particular period or its long-term business prospects.

Worldwide demand for uranium is directly tied to the demand for energy produced by the nuclear electric industry, which is also subject to extensive government regulation and policies. The development of mines and related facilities is contingent upon governmental approvals which are complex and time consuming to obtain and which, depending upon the location of the project, involve various governmental agencies. The duration and success of such approvals are subject to many variables outside the Company's control. In addition, the international marketing of uranium is subject to governmental policies and certain trade restrictions, such as those imposed by the suspension agreements entered into by the United States with certain republics of the former CIS and the agreement between the United States and Russia related to the supply of Russian Highly Enriched Uranium ("HEU") into the United States.

URANIUM INDUSTRY COMPETITION AND INTERNATIONAL TRADE RESTRICTIONS

The international uranium industry is highly competitive in many respects, including the supply of uranium. The Company markets uranium to utilities in direct competition with supplies available from a relatively small number of Western World uranium mining companies, from certain republics of the former CIS and from excess inventories, including inventories made available from decommissioning of military weapons. To some extent, the effects of the supply of uranium from the former CIS republics are mitigated by a number of international trade agreements and policies, including suspension agreements entered into by the United States with certain republics of the former CIS, including Russia, that restrict imports into the United States market. In addition, in January 1994, the United States and Russia signed a 20-year agreement to convert HEU from former Russian nuclear weapons to an enrichment level suitable for use in nuclear power plants. During 1995, the United States also amended its suspension agreements with the Republics of Kazakhstan and Uzbekistan, which increased the limit on the supply of uranium from those republics into the United States for a 10-year period. The European Community

also has an informal policy limiting annual consumption of uranium sourced from the former CIS republics. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of uranium available in the United States, which is the largest market for uranium in the world.

CONFLICTS OF INTEREST

Certain of the directors of the Company also serve as directors of other companies involved in natural resource exploration and development, and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors must declare, and refrain from voting on, any matter in which such directors may have a conflict of interest. The Company believes that no material conflicts of interest currently exist. See "Item 7. Major Shareholders and Related Party Transactions - Related Party Transactions" and "Item 6. Directors Senior Management and Employees - Board Practices."

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

DESCRIPTION OF BUSINESS

The Company is engaged primarily in uranium exploration and in the business of recycling uranium-bearing waste products at its White Mesa uranium Mill as an alternative to the direct disposal of these waste products. In addition, the Company sells uranium recovered from these operations. The Company also sells vanadium and other metals that can be produced as a co-product with uranium. The Company owns several uranium and uranium/vanadium mines that have been shut down pending further improvements in commodity prices. See "Current Operations". In addition, the Company's subsidiary Fortress is engaged in precious and base metal exploration in Mongolia. See "Mongolian Precious and Base Metals Properties."

The Company is the product of an amalgamation under the Business Corporations Act (Ontario) (the "Act") of two companies; namely, International Uranium Corporation, incorporated on October 3, 1996 under the laws of the Province of Ontario pursuant to the Act, and Thornbury Capital Corporation, incorporated under the laws of the Province of Ontario by Letters Patent ("Thornbury") on September 29, 1950. The amalgamation was made effective on May 9, 1997, pursuant to a Certificate of Amalgamation dated that date. The amalgamated companies were continued under the name "International Uranium Corporation." The Company operates under the Act.

The head office of the Company is located at 2101 - 885 West Georgia Street, Vancouver, B.C. Canada V6C 3E8, telephone number 604-689-7842. The Company's United States operations are headquartered at Suite 950, 1050 Seventeenth Street, Denver, CO 80265, telephone number 303-628-7798. The registered office of the Company is located at Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, telephone number 416-869-5300.

The Company entered the uranium industry in May 1997 by acquiring substantially all of the uranium producing assets of Energy Fuels Ltd., Energy Fuels Exploration Company, and Energy Fuels Nuclear, Inc. (collectively "Energy Fuels"). The Company raised Cdn $47.25 million through a special warrant private

placement and used cash of approximately Cdn $29.3 million ($20.5 million) to purchase the Energy Fuels' assets. Energy Fuels was a uranium producer with properties in the United States and Mongolia.

The Energy Fuels' assets acquired included several developed mines that were shut down, several partially developed properties and exploration properties within the states of Colorado, Utah, Arizona, Wyoming and South Dakota, as well as the 2,000 ton per day White Mesa Mill near Blanding, Utah. The White Mesa Mill is a fully permitted dual circuit uranium/vanadium mill. In addition to the U.S. properties, the Company also acquired a 70% interest in a joint venture with the government of Mongolia and a Russian geological concern to explore for uranium mineralization in Mongolia.

Due to deteriorating commodity prices at the time and other factors, the Company ceased its uranium mining and exploration activities in 1999, and shut down all of its mines and its Mongolian uranium joint venture. However, as a result of recent increases in uranium prices, the Company has acquired and staked uranium exploration properties in Canada and commenced exploration on certain of those properties in early fiscal 2004. The Company has also recommenced its uranium exploration program in Mongolia. In addition, the Company is currently evaluating the possibility of recommencing certain of its U.S. mining activities if uranium prices continue to increase.

The Company's subsidiary Fortress is undertaking a precious and base metals exploration program in Mongolia. See "Exploration for Precious and Base Metals in Mongolia."

In addition to its uranium and base and precious metals exploration programs, the Company continues to devote significant resources to the development of the alternate feed, uranium-bearing waste recycling business. While the Company has had considerable success to date in this initiative, and the alternate feed business has helped to offset Mill and mine standby costs, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company solely from this business. Developing this backlog will continue to be a major focus of the Company. See "Alternate Feed Processing."

SUMMARY OF PRINCIPAL ASSETS OF THE COMPANY

UNITED STATES ASSETS

The Company's principal assets in the United States are the following:

- the White Mesa Mill, a 2,000 ton per day uranium and vanadium processing plant near Blanding, Utah. See "White Mesa Mill."
- the Arizona Strip uranium properties, in north central Arizona. See "Arizona Strip."
- the Colorado Plateau uranium properties, straddling the southwestern Colorado and Utah border. See "Colorado Plateau District."
- the Bullfrog project, a uranium deposit in south central Utah. See "Other U.S. Mineral Properties."
- various uranium waste processing contracts and joint venture contracts. See "Alternate Feed Processing" and "Urizon Joint Venture."

CANADIAN ASSETS

In Canada, the Company has the following assets:

- an option to earn a 75% interest in the Moore Lake uranium exploration property.

- an option to earn a 75% interest in the Lazy Edward Bay uranium exploration property.

- an option to earn a 75% interest in the Crawford Lake and Brown Lake exploration projects, subject to signing of formal agreements.

- a 100% interest in the Key Lake South, Perpete Lake, Ford Lake and Johnstone Lake uranium exploration properties

In addition, the Company has staked additional exploration ground in the Athabasca Basin. See "Canadian Uranium Exploration Properties."

MONGOLIAN PROPERTIES

The Company has the following assets in Mongolia:

- a 70% interest in the Gurvan-Saihan Joint Venture. The other parties are the Mongolian Government as to 15% and Geologorazvedka, a Russian geological concern, as to the remaining 15%. As of February 14, 2005, the Gurvan-Saihan Joint Venture holds 1.774 million hectares of uranium exploration properties in Mongolia. See "Mongolian Uranium Property."

- Six exploration licenses, totaling 607,700 hectares as of February 14, 2005, which are wholly owned by the Company through it's subsidiary International Uranium Mongolia, XXK.

- A 58.24% share ownership interest in Fortress. Fortress holds gold and base metals exploration properties, totaling 4.5 million hectares, as of February 14, 2005. See "Mongolian Precious and Base Metals Properties." Fortress is a Canadian corporation whose shares are listed on the TSX Venture Exchange (ticker symbol: FST), and have traded in the range of Cdn$0.20 to Cdn$0.65 per share between June 28, 2004 and January 31, 2005, with the total volume of shares traded during that period being 8,119,600 shares.

PRINCIPAL CAPITAL EXPENDITURES AND DIVESTITURES

The Company's principal capital expenditures during the last three fiscal years were $5,806,847 for mineral property exploration. $2,309,178 was spent on Canadian uranium exploration, $3,444,593 was spent on Fortress' precious and base metals exploration program in Mongolia, and $53,076 was spent on Mongolian uranium exploration. The Company expended $454,653 during the last three fiscal years primarily on plant and equipment for its U.S. operations. In addition, the Company contributed $1,500,000 in cash together with its technology license to the Urizon Joint Venture. During this same time period the Company raised proceeds of approximately $335,203 from the sale of surplus mining equipment, resulting in a net gain of $274,119. In addition, due to a significant deterioration in the market price of uranium and vanadium during the period 1999-2002, the Company wrote off its investment in its Mongolian uranium joint venture and U.S. mining properties at that time. However, with continued upward pressure on world uranium prices throughout fiscal 2004, the Company recommenced its uranium exploration program in Mongolia (See "Mongolian Uranium Property"), and is currently evaluating the possibility of recommencing certain of its U.S.

mining activities if uranium prices continue to increase.

The Company expects to finance the development of the alternate feed business, which continues to be a major focus of the Company in the United States, through internal sources, and its uranium exploration program in Canada and Mongolia through the issuance of equity by the Company. To this end, the Company raised gross proceeds of Cdn $12.25 million through the issuance of equity in the first quarter of fiscal 2004 and Cdn $5,000,000 through the issuance of equity in the fourth quarter of fiscal 2004. Fortress's precious and base metals exploration program in Mongolia will continue to be funded through the issuance of equity by Fortress. To that end, Fortress raised gross

proceeds of Cdn $1,995,000 through the issuance of equity in fiscal 2004. See "Canadian Uranium Exploration Properties," "Mongolian Precious and Base Metals Properties" and "Financing Activities."

HISTORY OF URANIUM MINING OPERATIONS

The Company commenced conventional uranium/vanadium mining operations at its Sunday Mine Complex in November 1997 and at its Rim Mine in January 1998 after completion of minor development activities. These properties are located in the Colorado Plateau District of western Colorado and eastern Utah, and contain high grades of vanadium along with uranium.

To supplement its own production, the Company implemented a mill-feed purchase program under which it intended to purchase feed for the Mill from many small independent mines in the Uravan district of the Colorado Plateau mining region. Unfortunately, this program did not materialize to the degree hoped, as the independent miners found that their operations were not economic at then current commodity prices, due to new regulatory and environmental licensing requirements that had come into effect since they last operated.

The Company continued the mining of uranium and vanadium-bearing material from its Sunday and Rim Mine complexes in the Colorado Plateau district until mid-1999. At that time, the Company elected to suspend mining operations as a result of continued weak uranium and vanadium prices and the expectation at that time that these conditions would not improve for the next several years. The shut down of the mines took several months to complete, and the process of putting the mines on standby was completed in November 1999. Due principally to the lack of success of the Company's mill-feed purchase program, the tonnage ultimately delivered to the Mill was less than originally expected. Approximately 87,250 tons of material, with a U(3)O(8) grade of 0.28% and a V(2)O(5) grade of 1.9% were mined from the Company's mines and independent mines. All of the material was shipped to the White Mesa Mill, and the Company commenced the milling of this material in June, 1999. The conventional mill run was much shorter than originally anticipated, which impacted operating efficiencies and, ultimately, unit production costs. In addition, certain operational problems were encountered with the vanadium circuit which had not operated since 1990, resulting in lower realized recoveries. Nevertheless, the milling of the material was completed in October of 1999 and the Company recovered approximately 487,000 pounds of U(3)O(8) in concentrates and approximately 2.0 million pounds of vanadium.

Due to deteriorating commodity prices at the time and other factors, the Company placed all of its U.S. mines on standby in fiscal 1999. The Company had also written-off the carrying value of its U.S. mineral properties for the same reason in fiscal 1999, and closed its Colorado Plateau mining office in fiscal 1999 and Arizona mining office in fiscal 2000. Uranium prices have since

improved, and the Company has initiated a uranium exploration program in Canada (See "Canadian Uranium Exploration Properties"), and has recommenced its Mongolian uranium exploration program (See "Mongolian Exploration Properties"). In addition, the Company is currently evaluating the possibility of recommencing certain of its U.S. mining activities if uranium prices continue to increase.

B. BUSINESS OVERVIEW

CURRENT OPERATIONS

Due to deteriorating commodity prices at the time and other factors, the Company ceased its uranium mining and exploration activities in 1999/2000, and shut down all of its mines and its Mongolian uranium joint venture, pending significant improvements in commodity prices. During that time period, the Company focused its resources primarily on the continuing development of the alternate feed, uranium-bearing waste recycling business, and the Company initiated a precious and base metals exploration program in Mongolia, which is currently being undertaken by the Company's subsidiary Fortress. See "Alternate Feed Processing" and "Mongolian Precious and Base Metals Properties." Uranium prices have risen significantly since late fiscal 2003. As a result of these increases in uranium prices, the Company acquired and staked uranium exploration properties in the Athabasca Region of Saskatchewan, Canada, which presently accounts for nearly one-third of the world's annual uranium production, and commenced exploration on certain of those properties in early fiscal 2004. See "Canadian Uranium Exploration Properties." The Company has also recommenced its uranium exploration program in Mongolia. See "Mongolian Exploration Properties". In addition, the Company is currently evaluating the possibility of recommencing certain of its U.S. mining activities if uranium prices continue to increase.

In addition to its uranium exploration program, the Company will continue to devote significant resources to the continuing development of the alternate feed, uranium-bearing waste recycling business. See "Alternate Feed Processing."

To keep overhead and stand-by expenditures at a minimum, the Company continues to staff the White Mesa Mill with a crew of 16 personnel, down from previous levels of 20 to 25 personnel while on standby. Staffing at the Mill will increase during fiscal 2005 with the next Mill run, which is expected to commence in late second or early third quarter of fiscal 2005. See "White Mesa Mill: Current Condition and Operating Status".

ALTERNATE FEED PROCESSING OVERVIEW

During fiscal 2004, the Company continued to receive uranium bearing materials under its existing contract with Cameco Corporation, and small quantities of materials under its existing Formerly Utilized Sites Remedial Action Program ("FUSRAP") contract for the Linde site, near Buffalo, New York. During fiscal 2004 the Company received approximately 3,400 tons of material from the Linde site, which together with material received from that site in previous fiscal years totals approximately 117,600 tons of material received from that site. There is a possibility that the Company may receive additional quantities of material from the Linde site. In addition, in fiscal 2004, the Company received approximately 5,400 tons of material from a commercial metals producer, and to date in fiscal 2005, the Company has received approximately 260 tons of monazite sands from Heritage Minerals Inc. in New Jersey. As of December 31, 2004, the Mill has approximately 44,800 tons of alternate feed material from these three sites that, along with the Cameco materials received at the Mill to date, will be processed during the next mill run, which is expected to commence in the second or third quarter of fiscal 2005.

The Company intends to continue to devote significant resources to the development of the alternate feed, uranium-bearing waste recycling business. While the Company has had considerable success to date in this initiative, and the alternate feed business has helped to offset Mill and mine standby costs, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company solely from this business. Developing this backlog will continue to be a major focus of the Company. See "Alternate Feed Processing."

Process milling of alternate feeds and related activities generated revenues of $420,646, which was 17% of the Company's fiscal 2004 revenues. Alternate feed processing activities in fiscal 2004 consisted primarily of the receipt, sampling and analysis of Linde materials and materials from a commercial metals processor. In the case of the Linde materials, the Company receives a recycling fee as these materials are delivered, which is recorded as deferred revenue until the material is processed, at which time it becomes revenue. In the case of the materials from the metals processor, the Company receives a materials receipt fee on receipt of the materials, which is recorded as revenue, and a recycling fee which is recorded as deferred revenue until the material is processed, at which time it becomes revenue. In fiscal 2002, 2003 and 2004, process revenues from alternate feed production and related activities were, $6,830,137, $12,415,001 and $420,646, respectively, representing, 100%, close to 100% and 17% of total revenues for those periods. The remaining revenues received during those periods were derived from the sale of vanadium black flake, which was produced during the 1999 conventional ore mill run, and from engineering services the Company provided, on a cost plus basis to a related company, which was reclaiming a mine site in the U.S. There were no sales of uranium in fiscal 2004. As mentioned below (see "Marketing"), the Company has sold all of its uranium inventory and uranium contracts, and all but approximately 65,000 pounds of its vanadium inventories. It is therefore expected that future operating revenues will be primarily from the Company's alternate feed business, or, if commodity prices improve enough to justify production from the Company's U.S. uranium properties, from future uranium and vanadium production.

On August 16, 2004, the State of Utah assumed primary regulatory authority over the Mill, from the United States Nuclear Regulatory Commission.

URANIUM EXPLORATION AND DEVELOPMENT

As a result of recent increases in uranium prices, the Company acquired interests in and staked uranium exploration properties in Canada in early fiscal 2004, and commenced exploration on certain of those properties in fiscal 2004. The total amount expended by the Company on the acquisition and exploration of Canadian exploration properties was $2,309,178. See "Canadian Uranium Exploration Properties" and "The Uranium Industry."

Due to the depressed uranium market at the time and then current market forecasts, the Company shut down the field operations at the Gurvan-Saihan Joint Venture in fiscal 2000, which is the Company's uranium development and exploration program in Mongolia. The decision was also made in fiscal 2000 to reduce the carrying value of the Company's investment in the Gurvan-Saihan Joint Venture by $10,963,248. See "Mongolian Uranium Property." The Company's office in Ulaanbaatar was downsized during fiscal 2000 but was maintained, and has been utilized to support the Company's subsidiary, Fortress', precious and base metals exploration program in Mongolia. See "Mongolian Precious and Base Metals Properties." However, with higher uranium prices, the Company restarted uranium

exploration for the Gurvan-Saihan Joint Venture in fiscal 2004, spending $53,076 on field work during the period. See "Mongolian Uranium Properties". In addition, the Company initiated a property acquisition and uranium exploration program in late fiscal 2004 on properties acquired 100% for the benefit of the Company, through the Company's wholly owned subsidiary International Uranium Mongolia, XXK.

MARKETING

Given the depressed uranium market at the time and then continued forecasted weakness in the uranium market, the Company decided to sell its entire uranium inventory along with its remaining uranium sales contracts in fiscal 2000. The Company did not produce or sell any uranium in fiscal 2004. However, the Company did sell all of its inventory of 417,748 pounds of vanadium blackflake, for net proceeds of $1,582,628. The Company continues to hold approximately 65,000 pounds of vanadium, as vanadium pregnant liquor. Over the past six months, vanadium prices have improved and are currently trading in the range of $9.00 to $9.50 per pound V(2)O(5). The Company is continuing to evaluate opportunities to sell its remaining inventory.

MOAB TAILINGS PROJECT INITIATIVE

The Moab tailings pile contains an estimated 12 million tons of mill tailings, mill debris, contaminated soils, and cover material, located near Moab Utah, approximately 90 miles north of the White Mesa Mill. The location of the tailings pile, adjacent to the Colorado River and an environmentally sensitive wetlands, as well as the ongoing contamination of groundwater due to seepage of pollutants into the River, have lead DOE to investigate several alternatives for final remediation of the pile. In December 2002, the DOE announced the initiation of an Environmental Impact Statement ("EIS") for the remediation of the tailings pile, in which it will evaluate several alternatives, including the relocation of the Moab tailings pile to the White Mesa Mill by slurry pipeline. In May 2003, the Company presented the White Mesa option for inclusion in the DOE's EIS. A draft EIS was published for public comment in November, 2004, and will remain open for comment until February 18, 2005. Contrary to normal practice, the draft EIS does not state a recommended or preferred option. See "Moab Tailings Project."

PRECIOUS AND BASE METALS EXPLORATION PROGRAM

During fiscal 2002 the Company commenced an exploration program for precious and base metals in Mongolia. On June 23, 2004, the Company sold its Mongolian precious and base metals assets to Fortress, in consideration of a majority share ownership interest in Fortress. Fortress is a public company traded on the Toronto Venture Exchange. As of February 14, 2005, Fortress' land holdings for the precious and base metals exploration program total 4.5 million hectares. During fiscal 2004, the Company expended $1,085,631 on field campaigns of geologic mapping, geophysical surveys, sampling and data analysis, and drilling on certain of the properties, up until June 23, 2004, the date of acquisition of those properties by Fortress. From June 24, 2004 to September 30, 2004, Fortress expended an additional $463,899 on its precious and base metals exploration program in Mongolia. See "Mongolian Precious and Base Metals Properties."

FINANCING ACTIVITIES

In order to fund exploration work on the Company's Canadian uranium properties (see "Canadian Uranium Exploration Properties") the Company completed private placements of 2.0 million common shares at a price of Cdn $1.10 per share, on November 12, 2003 and 1,250,000 common shares at a price of Cdn $4.00 per share on September 21, 2004, and realized gross proceeds of Cdn $2,200,000 and $5,000,000, respectively. Because the proceeds from the issuance of these shares will be used solely for exploration on eligible Canadian mineral properties,

these shares, which are regular common shares, are considered "flow-through" shares for Canadian income tax purposes. Under Canadian income tax rules, a flow-through share is a mechanism whereby the flow-through share investor is entitled to deduct certain Canadian exploration and development expenditures incurred by the Company, and the Company renounces its ability to deduct such expenditures.

On December 16, 2003, the Company completed a private placement offering for a total of 6,700,000 common shares at a price of Cdn $1.50 per share, and realized gross proceeds of Cdn $10,050,000. Net proceeds of the offering are used towards uranium exploration as well as for general working capital purposes.

In addition to the foregoing, on September 1, 2004, the Company's subsidiary Fortress completed a private placement of 4,987,500 units at a price of Cdn $0.40 per unit for gross proceeds of Cdn $1,995,000. Each unit consists of one common share and one-half common share purchase warrant, each whole warrant entitling the holder to purchase one additional share of Fortress for a period of twenty-four months from closing of the placement at a price of Cdn $0.50 per share for the first year and Cdn $0.60 per share in the second year. Certain selling agents were issued warrants entitling them to purchase 249,375 common shares in aggregate, exercisable until September 1, 2005 at a price of Cdn $0.50 per share. These funds are used for exploration in Mongolia and for Fortress' general working capital purposes.

ALTERNATE FEED PROCESSING

Commissioned in 1980, the White Mesa Mill has processed conventionally mined mineralized material for the recovery of uranium and vanadium for many years. In addition, the Company's State of Utah Radioactive Materials License gives the Company the right to process other uranium-bearing materials known as "alternate feeds," pursuant to an Alternate Feed Guidance adopted by the NRC in 1995 and amended in 2000. Alternate feeds are uranium-bearing materials, which usually are classified as waste products to the generators of the materials. Requiring a routine amendment to its license for each different alternate feed, the Company can process these uranium-bearing materials and recover uranium, in some cases, at a fraction of the cost of processing conventional ore, alone or together with other valuable metals such as niobium, tantalum and zirconium. In other cases, the generators of the alternate feed materials are willing to pay a recycling fee to the Company to process these materials to recover uranium and then dispose of the remaining byproduct in the Mill's licensed tailings cells, rather than directly disposing of the materials at a disposal site. This gives the Company the ability to process certain alternate feeds and generate earnings that are largely independent of uranium market prices. By working with the Company and taking the recycling approach, the suppliers of alternate feed materials can significantly reduce their remediation costs, as there are only a limited number of disposal sites for uranium-bearing materials in the United States.

As of February 14, 2005, the Mill has received fourteen license amendments, authorizing the Mill to process seventeen different alternate feed materials. As of February 14, 2005, the Mill has recovered approximately 1,125,000 pounds of U(3)O(8) from processing alternate feed materials. Of these amendments, eight involve the processing of feeds provided by nuclear fuel cycle facilities and private industry and one has involved the processing of DOE material. These nine feed materials have been relatively high in uranium content and relatively low in volume. The remaining five amendments have been to allow the Mill to process uranium-bearing soils from former defense sites, known as Formerly Utilized Sites Remedial Action Program ("FUSRAP") sites, which are being remediated by

the U.S. Army Corps of Engineers (the "Corps"). These materials are typically relatively low in uranium content but relatively high in volume. The Company has received and processed approximately 52,000 tons of FUSRAP material from the Ashland 2 site, approximately 172,830 tons of FUSRAP material from the Ashland 1 site and approximately 78,390 tons of FUSRAP material from the Linde site, all near Buffalo, New York. In addition, another 39,000 tons of Linde material is currently stockpiled at the Mill, which will be processed during the next Mill run. Previously, material excavated from FUSRAP sites was only directly disposed of at one of the few direct disposal sites in the country, and at considerable cost. The Corps, charged with the task of reducing the cost of this remediation program, awarded these contracts to the Company to recycle the materials and recover uranium before disposing of the resulting tailings in the Mill's tailings cells. By processing these soils through the Mill for the recovery of uranium, the Company was able to allow the Corps to clean up these sites at less cost than would have been incurred had the disposal-only option been used.

As of February 14, 2005 the Company estimates that there are potentially several hundred thousand tons of uranium-bearing soils and materials located at FUSRAP and similar sites. It is anticipated that these uranium-bearing soils will be excavated over the next several years and then transported to either a disposal only facility or in some cases to a recycling facility, like the White Mesa Mill.

Even though there are significant volumes of materials estimated under the government programs, nuclear fuel cycle facilities and private industry will remain an important part of the Company's alternate feed program over the

foreseeable future. For example, the second alternate feed campaign completed in fiscal 1999 involved an alternate feed material that the Company acquired under a contract with a nuclear fuel cycle facility. The high-grade uranium content of this material resulted in the production of 160,000 pounds of uranium. The Company continues to receive alternate feeds under this contract. As well, the Company will continue to be an outlet for smaller private companies seeking recycling as an alternative to direct disposal.

Government remediation projects, such as those involving the clean-up of FUSRAP sites, are generally well known in the industry. Each such project typically takes several years to characterize and to obtain all agency approvals required in order to proceed to remediation. Once the project reaches the remediation stage, and government funding has been allocated to the project, it typically is put out to tender for sealed bids, and site remediation, transportation and disposal/recycling facility contracts are then awarded. This process typically takes several months to complete. Once contracts are awarded, actual remediation could last for months to years, depending on the size of the project and government funding priorities. Depending on the project, there are typically three to five qualified disposal/recycling facilities that will bid on each contract. There are also other government sources of alternate feed materials that are not on any particular schedule or program for remediation. These are not as well known in the industry, and it is incumbent upon the Company to identify these. These types of contracts may be sole-source or may be subject to public tender, depending on the circumstances. While some private industry contracts relate to private sites that must be remediated under regulatory order or directive within set time frames and in many respects resemble government remediation contracts in scope and timing, most private industry contracts are not well publicized and need not be remediated within any set time period. It is incumbent upon the Company to identify these types of contracts. Most of these types of contracts are sole-source. As of February 14, 2005, the Company has been successful in obtaining approximately 33% of the contracts that were issued

under competitive bids and approximately 65% of all contracts the Company sought.

While the progress made to date is considerable, there have been regulatory uncertainties associated with this uranium recycling business. As noted, the Company's license gives the Company the right, with appropriate amendments, to process alternate feeds. These amendments are granted under the rules and regulations of the State of Utah. Some of the Company's alternate feed projects have been challenged in the past by the State of Utah, a commercial disposal company and other parties. As of February 14, 2005, the Company's White Mesa Mill has been granted fourteen license amendments for processing alternate feeds out of fourteen requests, and the Company has successfully defended all challenges before the NRC, to date.

The 2000 legal dispute between the Company and the State of Utah has been resolved, and the Company now works closely and in cooperation with the Utah Department of Environmental Quality ("UDEQ") on all Mill regulatory matters. The State of Utah became an Agreement State for the regulation of uranium mills in Utah on August 16, 2004, and at that time assumed primary regulatory jurisdiction over the Mill.

In conducting its alternate feed business to date, the Company has not been dependent on patents or technological licenses or new manufacturing processes (other than those that have been developed by the Company as necessary), although it has been dependent upon entering into commercial contractual relations with generators of alternate feed materials. Costs of processing alternate feed materials are dependent upon costs of raw materials and labor, which in the case of some reagents, while readily available, can be volatile. However, volatility in the cost of such materials has not significantly impacted costs of processing alternate feeds to date.

The Company intends to continue to devote significant resources to the development of the alternate feed, uranium-bearing waste recycling business. The Company expects that revenues from recycling uranium-bearing materials can continue to help offset Mill and mine standby costs, and, potentially, result in sustained profitable operations for the Company. As noted above, there are potentially several hundred thousand tons of this type of material in the U.S. However, in order for the Company to become profitable solely as a result of this business the Company must be able to: A) identify a sufficient number of contracts that would be profitable for the Company; B) be successful in winning a sufficient number of these contracts in the face of competition from other facilities; and C) receive these contracts in a time frame and have sufficient backlog of such contracts to allow the Mill to operate at a sufficient rate to more than cover its costs of production, any standby costs that are incurred between Mill runs, and other corporate overheads. While the Company has had considerable success to date in this initiative, and the alternate feed business has helped to offset Mill and mine standby costs, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company solely from this business. Developing this backlog will continue to be a major focus of the Company. Given the timeframes

inherent in bidding for and being awarded government contracts and identifying and securing commercial contracts for alternate feed materials, this could take a matter of years to achieve.

URIZON JOINT VENTURE

In November, 2002 the Company formed a 50/50 joint venture company, "Urizon

Recovery Systems, LLC", with Nuclear Fuel Services, Inc. ("NFS") to pursue the development of a new, alternate feed program (the "USM Ore Program") for the Company's White Mesa Mill that, if successful, could result in the Mill producing two to three million pounds of yellowcake per year over at least a three-year period.

NFS is a privately owned corporation with operations based in Erwin, Tennessee. Since 1957, NFS has been a leader in the process development and production of specialty nuclear fuels for commercial power, research reactors and naval reactors. NFS is the supplier of highly enriched uranium fuel materials for the U.S. Government. NFS has also developed and implemented the process for recycling highly enriched uranium material into lower commercial enrichments. This process supports the U.S government's program for downblending surplus material from the weapons program into fuel for nuclear power reactors. In addition, NFS is involved as a contractor at DOE facilities.

The USM Ore Program that Urizon is pursuing involves the development of a process and construction of a plant at NFS' facility in Erwin, Tennessee, for the blending of contaminated low enriched uranium with depleted uranium to produce a natural uranium ore ("USM Ore"). The USM Ore will then be further processed at the Mill to produce conventional yellowcake.

The primary source of feed for Urizon will be the significant quantities of contaminated materials within the DOE complex. Throughout the DOE complex, there are a number of streams of low enriched uranium that contain various contaminants. These surplus nuclear materials often require additional processing in order to meet commercial fuel cycle specifications. Urizon's USM Ore Program will provide a solution to DOE that will enable DOE to deal with the material, while at the same time recycling the material as a valuable energy resource for reintroduction into the nuclear fuel cycle.

Blending low enriched uranium with depleted uranium to make a reconstituted natural uranium ore that can be returned to the nuclear fuel cycle as yellowcake has never been accomplished before. This program will allow DOE to deal with its surplus low enriched uranium and depleted uranium in a cost effective manner, while providing for the recovery of valuable energy resources that would otherwise be lost through direct disposal of the materials, and, at the same time providing a source of alternate feed materials for the Company's White Mesa Mill.

The process is capable of recycling thousands of metric tons of surplus materials within the DOE Complex. A preliminary report by the DOE in 2000 stated there were 4,700 metric tons of contained surplus low enriched uranium at 28 sites across the DOE Complex, which would yield approximately 6 million pounds of yellowcake, as well as other sources of materials suitable for the program.

The first phase of the project is the preparation and submittal of a request for an amendment to the Mill's license. Assuming receipt of regulatory approvals, construction of the blending facility at NFS' site in Erwin, Tennessee could be completed within two years of submittal. Commercial production would be expected to last three to six years or longer depending on the amount of DOE materials that are available.

Application testing was conducted from 2002 to 2004. Pursuant to its agreement with NFS, the Company contributed $1.5 million to the joint venture in December 2002 to be used in connection with this project. The success of the program will depend on DOE's support of the program as a means to disposition these surplus nuclear materials within the DOE complex. An unsolicited proposal was submitted by NFS to DOE in April 2003 for funding of this program. The DOE informed Urizon in early 2004 that it was not prepared to accept the proposal at that time due to funding considerations and other DOE priorities. The DOE is in the process of choosing a contractor who will manage the disposition of the materials that

would be the feedstock for the Urizon program, in conjunction with the closure of an existing DOE site. The Joint Venture currently expects that a decision will be made by DOE in fiscal 2005 as to how it intends to proceed on this matter, and that the joint venture will have an opportunity to propose the Urizon Program as a suitable disposition option for this feedstock. In the interim, the Company will not be submitting its license amendment application until the path forward is further defined.

MOAB TAILINGS PROJECT

The Company has submitted a technical and financial proposal to the DOE to relocate the Moab uranium mill tailings to the White Mesa Mill.

The Moab Uranium mill tailings pile, which is now under the control of the DOE, is located at the former Atlas Minerals Corporation site, approximately three miles north of Moab, Utah, which is approximately 90 miles north of the White Mesa Mill. The Moab tailings pile contains an estimated 12 million tons of mill tailings, mill debris, contaminated soils and cover material. The location of the tailings pile, adjacent to the Colorado River and an environmentally sensitive wetlands, as well as the ongoing contamination of groundwater and seepage of pollutants into the river, has lead DOE to investigate several alternatives for final remediation of the pile.

One alternative is to remediate the tailings on-site through the use of an engineered rock armor cover. Although this appears to be initially less costly, a number of federal and state agencies, local business interests, downstream water users, and environmental groups are objecting to this final closure alternative. Concerns raised by some of the more than 30 million downstream users of the Colorado River focus on the risk of continued long-term contamination of site groundwater and the Colorado River, as well as actual long-term costs for monitoring and maintenance. In addition to the remediation in-place alternative, DOE is currently evaluating alternatives for relocating the pile to the Mill using a slurry pipeline or to other potential relocation sites using alternative transportation methods.

The Company believes that relocation of the Moab tailings to the White Mesa Mill has many economic, technical, and environmental advantages over in-place final closure or relocation to a new, unproven disposal site. The Company believes that relocating the tailings via slurry pipeline to the White Mesa Mill will enhance long-term environmental, social, and aesthetic values as well as public health and safety. Engineering on the project to date by the Company and Pipeline Systems Inc. indicates that utilization of proven pipeline technology, which has a long history of safe operations, will be the least disruptive to the local communities and will enable the relocation to be completed faster. Although the White Mesa option is currently estimated by DOE to be the highest cost option, there are a number of factors that still need to be considered by the DOE, including the long term use of the pipeline, which the Company believes will make the White Mesa option competitive with the other options being considered by DOE.

In December 2002, DOE initiated the process to complete an environmental impact statement aimed at evaluating several alternatives for remediation of the site, including the White Mesa Mill option. In November, 2004, DOE published a draft environmental impact statement for public comment. The draft EIS will remain open for comment until February 18, 2005. Contrary to original expectations, the draft EIS does not state a recommended or preferred option. Implementation of any alternative chosen by DOE will be subject to receipt of funding from the U.S. Congress. If the Company is chosen by the DOE, as the preferred alternative

and permitting and funding have been obtained, relocation of the pile will take several years to complete.

THE URANIUM INDUSTRY

Although the Company has placed all of its uranium mines on standby and has sold all of its uranium inventories and supply contracts, it has begun a significant uranium exploration program in Canada and produces uranium from the processing of alternate feed materials. With the current higher uranium prices and the improvement in long term uranium market fundamentals, the Company has recommenced its Mongolian uranium exploration program, and, is currently evaluating the possibility of recommencing certain of its U.S. mining activities. For these reasons, the Company has included a brief description of the uranium industry.

OVERVIEW

Commercial nuclear power generation began just over forty years ago and now generates as much global electricity as was produced forty years ago by all sources. The low operating cost of nuclear power combined with the increased focus on climate change could result in increased electricity production from nuclear generators in various areas of the world.

There are 103 nuclear reactors in the United States and a total of 438 worldwide, operating in 31 countries representing a total world nuclear capacity of 364.7 gigawatts. A further 27 reactors with a capacity of 21.6 gigawatts are under construction in 10 countries and an additional 37 reactors are either on order or planned. With

the only significant commercial use for uranium being nuclear fuel for nuclear reactors, it follows that reactor requirements will be the key component in the uranium market.

URANIUM SUPPLY AND DEMAND

The world's nuclear power reactors require about 174 million pounds of uranium per year. As nuclear power capacity increases, the uranium fuel requirement also increases. Demand for uranium can be supplied through either primary production (newly mined uranium) or secondary sources (inventories and alternate production). Secondary sources are of particular importance to the uranium industry when compared to other commodity markets.

Over the three-year period 2000-2002, primary uranium production averaged 95.2 million pounds of uranium. In 2003, primary production declined to 92.4 million pounds due to production problems at the McArthur River and Olympic Dam production centers. Canada and Australia currently account for over half the world's production. The United States production only represented about 2% or 2.0 million pounds uranium. During the last decade, takeovers, mergers and closures have consolidated the uranium production industry. In 2003, eight companies accounted for almost 80% of primary production.

Primary production presently supplies only 57% of the requirements of nuclear power generators. The remaining supply is from secondary sources, which include inventories held by producers and utilities, government inventories, and uranium recycled from government stockpiles. The recycling of Highly Enriched Uranium ("HEU") from Russia is a unique subset of secondary sources of supply. Surplus fissile military materials are converted from HEU into low enriched uranium ("LEU") suitable for use in nuclear reactors. In February 1993, the United

States and Russia entered into an agreement (the "Russian HEU Agreement") which provided for the United States to purchase 500 metric tons of Russian HEU over a 20-year period. In April 1996, the USEC Privatization Act gave Russia the authority to sell Russian natural uranium derived from the LEU (referred to as the "HEU Feed") in the United States over the 20-year period under certain defined quotas. The USEC Privatization Act provides a framework for the introduction of this Russian HEU Feed into the U.S. commercial uranium market. Russia has been selling this HEU Feed through long term supply agreements with various producers and other companies involved in the nuclear fuel cycle.

Based upon recent assessments of future secondary uranium supply, the scheduled uranium production forecast and forecasted nuclear generating capacity, there appears to be a growing deficit of available uranium supplies to meet expected uranium needs beginning as soon as 2006. By the year 2010, that deficit may increase to over 25 million pounds U(3)O(8) per year and, without additional supply, could potentially reach almost 50 million pounds U(3)O(8) by 2015. These estimates are subject to a number of assumptions about future events and the anticipated deficit could change if the assumptions are incorrect.

URANIUM PRICES

Most of the countries that use nuclear-generated electricity do not have a sufficient domestic uranium supply to fuel their nuclear power reactors, and their electric utilities secure a substantial part of their required uranium supply by entering into medium-term and long-term contracts with foreign uranium producers and other suppliers. These contracts usually provide for deliveries to begin one to three years after they are signed and to continue for several years thereafter. In awarding medium-term and long-term contracts, electric utilities consider, in addition to the commercial terms offered, the producer's or supplier's uranium reserves, record of performance and cost competitiveness, all of which are important to the producer's or supplier's ability to fulfill long-term supply commitments. Under medium-term and long-term contracts, prices are established by a number of methods, including base prices adjusted by inflation indices, reference prices (generally spot price indicators but also long-term reference prices) and annual price negotiations. Many contracts also contain floor prices, ceiling prices, and other negotiated provisions which affect the amount paid by the buyer to the seller. Prices under these contracts are usually confidential.

Electric utilities procure their remaining requirements through spot and near-term purchases from uranium producers and other suppliers. These other suppliers typically source their uranium from organizations holding excess inventory, including utilities, producers and governments.

The spot market is the market for uranium that may be purchased for delivery within one year. Over the last nine years, annual spot market demand averaged just under 20 million pounds U(3)O(8) or about 12% of the annual world

consumption. In 2004, the total volume was 18.2 million pounds U(3)O(8), which was down from the 2003 level of 21.8 million pounds. Historically, spot prices have been more volatile than long-term contract prices, increasing from $6.00 per pound in 1973 to $43.00 in 1977, and then declining from $40.00 in 1980 to a low of $7.25 in October of 1991. From this low in 1991, the spot price increased to $16.50 in June 1996. The primary reasons for this increase were trade restrictions limiting the free flow of uranium from the former CIS republics into the Western world markets, the Nuexco bankruptcy under Chapter 11 of the United States Bankruptcy Code and related defaults on deliveries, and the reluctance of uranium producers and inventory holders to sell at low spot price

levels. The drop in spot demand in the following four years along with Russian HEU Feed sold under the USEC Privatization Act largely contributed to a relatively steady drop in prices to $7.40 in September 2000. Prices remained depressed as a result of weak demand, falling to $7.10 in January 2001, but, due to moderate increases in demand and production problems at the McArthur River and Olympic Dam operations, prices rose to $12.25 by September 2003. Another major impact to the market occurred in early November 2003, as a result of Russia attempting to terminate a long term contract for the supply of HEU Feed with Globe Nuclear Services and Supply GNSS, Limited ("GNSS"). Litigation is on-going between GNSS and the Russians over this termination, and it is not possible to predict the outcome of such litigation or the long term effect of this development on the market.

The uranium spot price started 2004 at $14.50 per pound U(3)O(8). Throughout the year, due to limited availability of material and the concerns regarding the GNSS/Tenex dispute, the uranium spot price rose steadily to end 2004 at $20.70 per pound, a twenty year high. As of January 24, 2005, the spot price increased further to $21.00 per pound U(3)O(8). While the spot uranium price reflects near-term market conditions (usually involving delivery within 12 months or less of contracting), the term market provides much more information regarding the general state of the natural uranium market. By way of definition, the reported term uranium price reflects the initial base price under a newly-negotiated multi-year uranium agreement with deliveries commencing 12-24 months in the future and extending for 3-4 years thereafter. The annual volume of transactions in the spot market reflects less than 10% of aggregate transactions of uranium. The remaining 90% is bought and sold under multi-year agreements between nuclear utilities and uranium producers. The term uranium price has undergone an even more pronounced increase over the past two years, rising from just under US$11.00 per pound U(3)O(8), to US$26.00 per pound U(3)O(8) by the end of January 2005.

Future uranium prices will depend largely on the amount of incremental supply made available to the market from the remaining excess inventories, HEU Feed supplies, including the final resolution of the dispute between GNSS and Russia, other stockpiles and increased or new production from other uranium producers.

COMPETITION

Uranium production is international in scope and is characterized by a relatively small number of companies operating in only a few countries. In 2003, four (4) companies, Cameco, Compagnie Generales des Matieres Nucleaires ("Cogema"), WMC Limited and Energy Resources of Australia Ltd. ("ERA"), produced approximately 55% of total world output. Most of Western World production was from Canada and Australia. In 2002, Kazakhstan, Russia and Uzbekistan also supplied significant quantities of uranium into Western World markets. The Canadian uranium industry has in recent years been the leading world supplier, producing nearly 30% of the world supply.

THE VANADIUM MARKET

The following is a brief summary of the vanadium market.

The Company produces and sells vanadium as a co-product of the production of uranium from the Colorado Plateau District ores. As of February 14, 2005, the Company holds an inventory of approximately 65,000 pounds V2O5 as vanadium pregnant liquor.

Vanadium is an essential alloying element for steels and titanium, and its chemical compounds are indispensable for many industrial and domestic products and processes. The principal uses for vanadium are: (i) carbon steels used for reinforcing bars; (ii) high strength, low alloy steels used in construction and pipelines; (iii) full alloy steels used in castings; (iv) tool steels used for

high speed tools and wear resistant parts; (v) titanium alloys used for jet engine parts and air frames; and (vi) various chemicals used as catalysts.

Principal sources of vanadium are (i) titaniferous magnetites found in Russia, China, Australia and South Africa; (ii) sludges and fly ash from the refining and burning of U.S., Caribbean and Middle Eastern oils; and (iii) uranium

co-product production from the Colorado Plateau. While produced and sold in a variety of ways, vanadium production figures and prices are typically reported in pounds of an intermediate product, vanadium pentoxide, or V(2)O(5). The White Mesa Mill is capable of producing three products, ammonium metavanadate ("AMV") and vanadium pregnant liquor ("VPL"), both intermediate products, and vanadium pentoxide ("flake", "black flake", "tech flake" or "V(2)O(5)"). The majority of sales are as V(2)O(5), with AMV and VPL produced and sold on a request basis only.

In the United States, vanadium is produced through processing petroleum residues, spent catalysts, utility ash, and vanadium bearing iron slag. Historically, the most significant source of production has been as a byproduct of uranium production from ores in the Colorado Plateau District, accounting for over half of historic U.S. production. Vanadium in these deposits occurs at an average ratio of six pounds of vanadium for every pound of uranium, and the financial benefit derived from the byproduct sales have helped to make the mines in this area profitable in the past. Low prices for both uranium and vanadium in recent years have forced producers in the Colorado Plateau District to place their facilities on standby. However, increases in the price of both of these metals since third quarter 2003 have given rise to renewed interest in these facilities.

The market for vanadium has fluctuated greatly over the last 20 years. During the early 1980s, quoted prices were in the range of $3.00 per pound, but increased exports from China and Australia, coupled with the continued economic recession of the 1980s drove prices to as low as $1.30 per pound. Prices stabilized in the $2.00 - $2.45 per pound range until perceived supply problems in 1988 caused by cancellation of contracts by China and rumors of South African production problems resulted in a price run-up of unprecedented magnitude, culminating in an all time high of nearly $12.00 per pound in February of 1989. This enticed new producers to construct additional capacity and oversupply problems again depressed the price in the early 1990s to $2.00 per pound and below. Late in 1994, a reduction in supplies from Russia and China, coupled with concerns about the political climate in South Africa and a stronger steel market caused the price to climb to $4.50 per pound early in 1995. In the beginning of 1998, prices had climbed to a nine-year high of $7.00 caused by supply being unable to keep pace with record demand from steel and aerospace industries. However, during the second half of 1998, prices began to decline to $5.42 per pound by September 1998 and $2.56 per pound in December 1998. This was due to sudden decreases in Far East steel production, along with suppliers from Russia and China selling available inventories at low prices in order to receive cash. Since that time, prices fell dramatically to a range of $1.20 to $1.50 per pound V(2)O(5) due in part to the difficult economic conditions being experienced throughout the Pacific Rim and new sources of supply. In the third quarter of 2003 vanadium prices started to increase due to increased steel consumption and the shutdown of an Australian primary producer. This trend continued through fiscal 2004. Prices began fiscal 2004 in the range of $2.00 to $2.50 per pound V(2)O(5) and increased to $5.00 to $6.00 per pound V(2)O(5) by year end. This is due to increased steel demand, particularly driven by the strong Chinese economy. This trend is continuing with vanadium prices, as of the end of February, 2005, nearly doubling to the range of $9.00 to $9.50 per pound

V(2)O(5).

World demand will continue to fluctuate in response to changes in steel production. However, the overall consumption is anticipated to increase as demand for stronger and lighter steels grows, augmented by the demand created by new applications, such as the vanadium battery.

Vanadium has been largely producer-priced historically, but during the 1980s, this came under pressure due to the emergence of new sources. As a result, merchant or trader activity gained more and more importance. Prices for the products that are produced by the Company are based on weekly quotations of the London Metal Exchange ("LME"). Historically, vanadium production from the White Mesa Mill has been sold into the world-wide market both through traders, who take a 2% to 3% commission for their efforts and, to a lesser extent, through direct contacts with domestic converters and consumers. While priced in U.S. dollars per pound of V(2)O(5), the product is typically sold by the container, which contains nominally 40,000 pounds of product packed in 55 gallon drums, each containing approximately 550 pounds of product. Typical contracts will call for the delivery of one to two containers per month over a year or two to a customer with several contracts in place at the same time. Pricing is usually based on the LME price and may include floor and ceiling price protection for both the producer and seller. Spot sales are also made based on the current LME quote.

C. ORGANIZATIONAL STRUCTURE

The Company conducts its business through a number of subsidiaries. A diagram depicting the organizational structure of the Company and its subsidiaries, including the name, country of incorporation and proportion of ownership interest is included as Exhibit 1.1 to this Form 20-F.

All of the Company's U.S. assets are held through the Company's wholly owned subsidiary International Uranium Holdings Corporation. International Uranium Holdings Corporation ("IUH") holds its uranium mining and milling assets through a series of Colorado limited liability companies: the White Mesa Mill through IUC White Mesa LLC; the Colorado Plateau mines through IUC Colorado Plateau LLC, IUC Sunday Mine LLC and IUC Properties LLC; the Arizona Strip properties through IUC Arizona Strip LLC; and the Bullfrog and other exploration properties through IUC Exploration LLC. All of the U.S. properties are operated by International Uranium (USA) Corporation, a wholly owned subsidiary of International Uranium Holdings Corporation.

The Company's 70% interest in the Gurvan-Saihan Joint Venture in Mongolia is held through International Uranium Company (Mongolia) Ltd, which is wholly owned by International Uranium (Bermuda I) Ltd, a wholly owned subsidiary of the Company. In addition to its interest in the Gurvan-Saihan Joint Venture, the Company also holds its own uranium properties in Mongolia. These properties are held by International Uranium Mongolia, XXK, a Mongolian entity, which is also wholly owned by International Uranium Company (Mongolia) Ltd. The Company's precious and base metals exploration properties are held through Mongol Resources Exploration, XXK and Shiveengol XXK, both Mongolian entities, which are wholly owned by Fortress, a Canadian corporation, and its wholly owned subsidiaries, Fortress Minerals (Bermuda) Ltd., a Bermuda company and Fortress (Cayman) Corp., a Cayman company. The Company owns 58.24% of the 49,331,338 (60,399,463 on a fully diluted basis) issued and outstanding shares of Fortress as at September 30, 2004.

The Company's Canadian uranium exploration properties are held through

International Uranium (Sask) Corporation, an Ontario corporation that is wholly owned by the Company.

The Company's 50% interest in Urizon Recovery Systems, LLC is held through IUC Recovery LLC, which is owned as to 1% by IUH and as to 99% by IUH's wholly owned subsidiary, International Uranium Recovery Corporation.

D. PROPERTY, PLANT AND EQUIPMENT

The following is an overview of the properties held by the Company as of January 31, 2005:

CANADIAN URANIUM EXPLORATION PROPERTIES

The Company acquired interests in two uranium exploration properties in the southeastern sector of the Athabasca Basin region of northern Saskatchewan, Canada in early fiscal 2004, and commenced exploration on certain of those properties in fiscal 2004, as described below. The Company has also signed a letter of intent to earn an interest in a third uranium property, which is subject to signing of formal agreements and regulatory approval. In addition, the Company has staked additional ground in the Athabasca Basin region in fiscal 2004, bringing its total staked and optioned land position to over 408,000 hectares in this area.

The Athabasca Basin region hosts the world's richest uranium reserves. This region fuels well over 10% of the United States' electrical power needs and accounts for approximately one-third of the world's uranium production. The locations of the Company's properties relative to existing mines are illustrated on the following figure.

To assist and advise the Company on the acquisition, exploration and development of prospective uranium exploration properties in Canada, the Company has formed a Uranium Exploration Advisory Committee. Heading the committee is Dr. Klaus Lehnert-Thiel, P. Eng., P. Geo., an exploration geoscientist with over 30 years of operations and management experience on uranium, gold, diamond and base metals projects, predominantly in Canada. Considered an expert in the uranium field, Dr. Lehnert-Thiel began his work in the Athabasca Basin of northern Saskatchewan in the late 1960's where he was in charge of large integrated exploration programs during the uranium exploration boom in the area following the discovery of the Rabbit Lake mine. In the early 1970's, Dr. Lehnert-Thiel joined Uranerz Exploration and Mining Limited and was part of the Key Lake discovery team. The

other members of the committee are Ron Netolitzky and Rick Bailes. Messrs. Netolitzky and Bailes bring a wealth of uranium exploration, Athabasca Basin, and economic geology experience to the team.

There can be no assurance that the Company will develop any minable deposits from its exploration properties, or that any minable deposits developed by the Company from these properties would have uranium grades comparable to the existing mines in the area.

MOORE LAKE PROJECT

On December 15, 2003, the Company entered into an option agreement with JNR Resources Inc. ("JNR") under which the Company acquired the option to earn up to a 51% interest in the Moore Lake project by making aggregate investments and expenditures of Cdn $2.2 million over two years, of which Cdn $2,000,000

represent exploration expenditures and $200,000 represent subscriptions for equity in JNR. The Company may earn an additional 24% interest in the project by making further aggregate exploration expenditures of Cdn $2.0 million and subscriptions for equity in JNR of $200,000 within a four year time period. The project is subject to a 2.5% NSR royalty in favor of Kennecott Canada Exploration Inc. ("Kennecott"), which can be bought down to a 1.25% NSR royalty for an expenditure of Cdn $1 million. The Company continues to make exploration expenditures on the project and expects to earn its 75% interest in the project by the end of fiscal 2005.

Property Description and Location

The Moore Lake property comprises 11 contiguous claims totaling approximately 36,000 hectares, which includes additional ground to the northeast and the southwest of the pre-existing Moore Lake property that was staked in fiscal 2004. The property is located in the La Ronge Mining District of Saskatchewan. The project lands are located in the southeastern portion of the Athabasca basin. The location of the Moore Lake project is indicated on the following figure.

[MAP]

Ownership and Status

JNR owns a 50% interest in the property with an option to acquire the remaining 50% of the property from Kennecott upon expending Cdn $2 million on the property, pursuant to an amended joint venture agreement with Kennecott. The expenditures made by the Company under its option agreement with JNR will satisfy these expenditure requirements, with the result that the expenditures made by the Company in earning its 51% interest in the project will result in JNR earning Kennecott's 50% interest in the property.

Physiography and Accessibility

The claims are accessible by float/ski equipped aircraft or by winter road originating at km 38 of the McArthur River Road, approximately 20 km west of the property. The property may be worked year round.

Geological Setting

Regional Geology The Athabasca Basin is an extensive sedimentary basin of Middle Proterozoic age located primarily in northeast Saskatchewan, extending into Alberta and occupying over 100,000 square kilometers. The basin is comprised primarily of flat lying unmetamorphosed sandstones of the Athabasca Group, with a maximum thickness of over 1,500 meters in its central portion.

The Rae (western portion) and eastern Hearne (eastern portion) provinces of the Churchill Structural province underlie the Athabasca, separated by a major structural suture, the Snowbird Line. The Rae and Hearne provinces are highly deformed and metamorphosed and are comprised of Archean gneisses containing infolded keels of Proterozoic metasedimentary and plutonic rocks. The Hearne province in turn, is subdivided into the western Mudjatic and eastern Wollaston domains based upon their tectonic settings, with the Mudjatic exhibiting a sinuous

arcuate character and the Wollaston comprising broad linear metasedimentary belts wrapped around granitic Archean domes.

Property Geology The property is underlain by 200 meters to 350 meters of Proterozoic Athabasca Group sandstone and conglomerates of the Manitou Falls A, B and C formation. These units unconformably overlie Aphebian rocks of the Wollaston Lithostructural Domain and Archean granites.

The Moore Lake property is cut by numerous east-west and northeast striking fault systems, either in conjunction with, or independent of, graphitic conductors on the property. In addition to these, a notable feature on the property is the existence of an Archean granite dome in the southwestern portion of the claims. This dome is mantled on its margins by graphitic metapelites and is proximal to several significant fault systems. This setting is highly analogous to that encountered at Key Lake and at several other unconformity type uranium deposits in the Athabasca basin. A large diabase sill complex, the Moore Lake Complex, exists along the northeast portion of the property.

Deposit Types

The main deposit type being explored for is an unconformity type uranium deposit for which the Athabasca Basin is noted. These deposits occur at the unconformity between the Athabasca formation and basement rocks, primarily in the Wollaston and Mudjatic Domains but also in other lithostructural domains underlying the Athabasca basin. The mineralization is spatially associated with graphitic metasedimentary units in the basement and is typically located along major structural zones that act as conduits for hydrothermal mineralizing fluids. The deposits are commonly enriched in copper, nickel, lead, cobalt and boron. Although the deposits are very large with respect to grade and contained uranium, the footprint of the deposits is small in relation to most other economic ore bodies. They are therefore difficult to identify and require relatively closely spaced drilling in order to evaluate their potential.

Exploration for these deposits typically involves the identification of graphitic conductors and structure using electromagnetics, magnetics and gravity surveys, followed up by diamond drilling.

Exploration History

Historic Exploration On The Property. Uranium exploration in the Moore Lakes area has been carried out periodically throughout the past 30 years. In 1986 and subsequent years airborne geophysics surveys over the property were followed up by ground geophysics, magnetometer and lake sediment surveys. These surveys identified several basement conductors on the property, several of which were drill tested with 13 holes (3,703 meters).

In the spring of 2000, a joint venture consisting of JNR and Kennecott carried out a geophysics program on the property. An initial diamond drilling program of five holes (1,682 meters) identified significant uranium mineralization (0.442 e% U(3)O(8) / 9.20 meters) at the Maverick Zone. Follow up drilling (9 holes, 2,958 meters) was carried out in the summer of 2000. This drilling confirmed the presence of a significant structural zone and an intense hydrothermal system associated with the Maverick Zone, along with highly enriched trace element geochemistry, most notably boron, nickel and uranium.

In 2001, Kennecott became operator of the Moore Lake project. An extensive airborne and ground geophysical program took place during the winter of 2000-2001. Three new areas of interest were identified by this work: Raratonga, Venice and Puka Puka.

The exploration program carried out on the Moore Lake property in 2002 consisted

primarily of diamond drilling accompanied by additional geophysics on the Maverick Zone. A total of 2,257 meters in seven holes were completed on the property, five on the Maverick Zone with one follow up hole drilled on the Puka Puka prospect. In October 2002, Kennecott decided to discontinue exploration on the property and granted JNR the option to earn a 100% interest in the property. See "Ownership and Status."

2004 Exploration Program. In fiscal 2004, the Company and JNR conducted winter and summer exploration programs on the Moore Lake property. During the winter drilling campaign, a total of 6,747 meters were completed in 19 diamond drill holes. The results not only expanded the extent of the known high grade uranium zone but also significantly expanded the extent of the mineralizing system associated with the high grade Maverick Zone to at

least 800 meters northeast of the discovery hole, ML-25. The first eight holes (ML-28 to ML-35) of the 2004 winter program focused primarily on the high grade Maverick Zone and returned two new high grade uranium intercept holes ML-29 and ML-35. Hole ML-29, based on probe results, returned a grade equivalent of 1.3% U(3)O(8) over 7.5 meters, including 2.3 meters of 3.6% U(3)O(8). Within the higher grade core there was one continuous 0.5 meter sample that assayed 7.91% U(3)O(8), as well as 3.65% nickel, 1.6% copper, 0.9% cobalt, 0.7% zinc, 0.35% total rare earths and 5 g/t silver. The presence of high levels of these "pathfinder" elements is significant in that this association is unique and common to the larger unconformity uranium deposits in the Athabasca Basin.

Hole ML-35 intersected 11.1 meters of uranium mineralization, including 5.5 meters that assayed 1.61% U(3)O(8), of which a 1.5 meter interval graded 5.3% U(3)O(8), and a 0.7 meter lost core interval returned a grade equivalent of 2.69% U(3)O(8) based on probe results. The next 11 holes were largely of a reconnaissance nature and focused on identifying the extent of the mineralizing system for further follow up in fiscal 2005.

The summer program was completed in late October, 2004 and consisted of 33 holes (ML-47 to ML-71 and ML-501 to ML-508), totaling 12,437 meters. Phase 1 of the summer program focused on better defining the grade and extent of the main mineralized lens at the Maverick zone. The results included a number of high-grade intersections: 4.03% eU(3)O(8) over 10.0 meters (including 19.96% eU(3)O(8) over 1.4 meters in ML-61); 5.14% U(3)O(8) over 6.2 meters (ML-55) and 4.01% eU(3)O(8) over 4.7 meters (ML-48).

Phase 2 of the summer program was largely focused on the Maverick structural corridor, to the northeast and southwest of the main zone. A number of geological holes were also drilled to better define the lithological and structural geology of the corridor itself. Eight holes tested the corridor to the northeast of the main zone. They were drilled on section with drill holes from the winter program, ranging from 175 to 1,075 meters northeast of the discovery hole, ML-25. All of the holes were strongly altered, structurally disrupted and returned highly anomalous geochemistry, specifically uranium and boron. The best result was from ML-501, an angle hole that tested the corridor 475 meters northeast of ML-25 and assayed 0.26% U(3)O(8) over 5.0 meters. The Company considers these results very encouraging, particularly given that the individual sections are 150 meters apart.

Five holes tested the structural corridor to the southwest of the main zone over a distance of 400 meters. These holes also returned highly anomalous geochemical results, which in combination with the geology suggests they were either too far into the footwall or the hanging wall of the mineralized system. Multiple graphitic horizons and structures are also evident in this southwest direction.

The best result was from ML-57 which was collared 30 meters southeast of ML-03 and ML-29 and assayed 0.648% U(3)O(8) over 2.5 meters. This intersection was hosted entirely by sandstone and is similar in character to that of ML-49 (2.41% U(3)O(8) over 4.5 meters).

The geological holes have better defined the lithological and structural geology of the Maverick structural corridor. The most interesting of these holes was ML-507, which was collared 100 meters south of the main mineralized lens and also targeted an EM conductor interpreted to be present at a depth in excess of 500 meters. Although it did not intersect significant radioactivity, multiple graphitic horizons, some of which were structurally disrupted and altered, were intersected at vertical depths of between 540 and 630 meters.

Mineralization

The most significant uranium mineralization identified on the property to date has been found at the Maverick Zone. This mineralization is found along a northeast trending, southerly dipping conductor-fault system that wraps around a core of Archean granite and continues along an east-west trend. This system has been found to be highly deformed and has been affected by a large, intense hydrothermal system. This system is accompanied by clay replacement and secondary hematite in the basement rocks, as well as clay alteration and bleaching of the overlying Athabasca sandstone.

The mineralization identified to date has been located primarily within the altered basement rocks of the Maverick Zone, although the mineralization identified in the discovery hole (0.442 % U(3)O(8) / 9.20 meters, calculated from downhole radiometrics) was identified in both the sandstone and basement rocks, near the unconformity.

The Raratonga, Venice and Puka Puka prospects have yet to be fully explored at this time and are still high priority exploration targets. Prospective electromagnetic conductors, gravity and magnetic features as well as encouraging geochemistry and geological features from drilling were identified in all of these areas.

Proposed Exploration Program

The Company is very pleased with the results of its fiscal 2004 exploration program on the Moore Lake property and has approved an extensive program for the winter of 2004-2005. Currently underway, this program will include 200 kilometers of line cutting and/or re-establishing several grids in the general Maverick area and property wide. This will be followed up with a combination of ground electromagnetics ("EM") and magnetics, gravity surveys and an extensive 3D seismic survey, similar to that used in the oil and gas industry, over the Maverick structural corridor. A diamond drilling program comprising 15,000 meters and utilizing 3 drills commenced in January 2005. It will focus on: (a) following up the anomalous results along the structural corridor, northeast and southwest of the main Maverick mineralized zone. (b) testing geophysically defined targets on newly gridded areas along the corridor, and (c) testing a number of targets that were identified by the 2002 winter program on four regional grids, as well as newly defined targets.

LAZY EDWARD BAY PROJECT

On December 15, 2003, the Company entered into a Mining Option Agreement with JNR under which the Company was granted the option for a period of two years to acquire a 75% interest in the Lazy Edward Bay Project, in consideration for

which the Company would expend Cdn $500,000 to carry out two winter exploration programs.

The Lazy Edward Bay project is comprised of three mineral claims in the Cree Lake area of the Northern Mining District, Saskatchewan, which were acquired by staking in December 1999 as part of a joint venture with Kennecott. The location of the property is indicated on the foregoing figure.

The Lazy Edward Bay project area has been explored since 1969, with the bulk of the work performed between 1977 and 1989 by a joint venture consisting of Uranerz Exploration and Mining and SMDC (later to be Cameco). These exploration programs included an extensive range of geophysical, geochemical and geological techniques. Seventy three diamond-drill holes totaling 12,916 meters were drilled in the project area during this period, mainly to test several conductors at depth. Although several of these holes intersected notable structure, alteration and geochemistry along extensive conductive systems, the best uranium value obtained was 0.077%.

In the winter of 2000-2001, the JNR-Kennecott joint venture completed geophysical programs that outlined several targets of note on the property. Of the three targets drilled on the property, the best results were obtained along the Horse Conductor, where significant faulting and desilicification occurs over a minimum of 2 km of strike length. Enrichment of uranium pathfinder elements such as copper, nickel, cobalt, vanadium and boron, as well as uranium (0.01%) occur in the basement rocks along the entire Horse Conductor.

In March of 2002, the JNR-Kennecott joint venture carried out a two hole 172 meter diamond drilling program on the Lazy Edward Bay project. The drilling was focused on the Blanchard Bay and Tommy Davis Bay areas in the eastern portions of the property. Both holes intersected anomalous nickel, boron and uranium in the sandstone column, with anomalous nickel and vanadium values in the basement rocks peripheral to conductive systems.

CRAWFORD LAKE PROJECT

On January 8, 2004, the Company signed a letter of intent to earn up to a 75% interest in the Crawford Lake uranium property from Phelps Dodge Corporation of Canada, Limited, through total aggregate expenditures of Cdn $2.5 million over a period of 4 years. First year expenditures will be Cdn $250,000, of which Cdn $150,000 is a firm commitment. Crawford Lake is a 12,979 hectare uranium property located in the heart of the Athabasca Basin of northern Saskatchewan.

Historic work on the Crawford Lake project has defined a large-scale, intense alteration zone within what appears to be an extensive hydrothermal system. During the winter of 1997, three diamond drill holes were completed at Crawford Lake for a total of 1,157 meters on a conductor in the northern sector of the property. Extensive alteration, extending from approximately 100 meter depth almost all the way down to the unconformity was encountered. This zone shows strong friability with matrix dissolution, bleaching, argillitization and disseminated pyrite mineralization.

Upon signing formal agreements, the Company intends to perform a geophysical and geochemical review of this project, followed by a drilling program.

OTHER PROPERTIES

In fiscal 2004, the Company staked additional ground in the Athabasca Basin, bringing its total staked and optioned land position to over 408,000 hectares,

as indicated on the foregoing map. With this newly acquired land package combined with existing properties, the Company has one of the largest exploration programs in the Athabasca Basin.

Included in this additional ground is the Company's 100% owned Key Lake South project, located southwest of Moore Lake. The Company is planning a ground geophysical and a drill program on this property during the 2005 winter program.

On the remainder of the properties, the Company is evaluating the work done on the projects by previous operators in order to develop exploration programs for the summer 2005 program. The Company may also evaluate joint venture opportunities on select properties.

WHITE MESA MILL

OVERVIEW

The White Mesa Mill, a fully permitted uranium mill with a vanadium co-product recovery circuit, is located in southeastern Utah near the Colorado Plateau District and the Arizona Strip. The Mill is approximately six (6) miles south of the city of Blanding, Utah. Access is by state highway.

Construction of the White Mesa Mill started in 1979, and conventionally mined uranium mineralized material was first processed in May 1980. The Mill cost $40 million to construct. With inflation, more stringent permitting requirements, and the lack of suitable sites, the cost of constructing a facility such as the White Mesa Mill, if possible, would be considerably more than that amount today. The Mill is in compliance with NRC, State of Utah and EPA standards.

During mining, uranium mineralized material is received at the Mill and stockpiled. The material is initially fed to an 18-foot diameter SAG Mill, then stored in slurry form in one of the two pulp storage tanks. The Mill utilizes a two-stage leach process where overflow solution from the No. 1 CCD Thickener is combined, in an "acid kill" step, with feed from the pulp storage tanks. The slurry from this first stage leach is then separated in the pre-leach thickener, with the solids going to the second stage leach and the clarified solution going to the solvent extraction circuits. Concentrated sulfuric acid, steam, and an oxidizer are added in the second stage leach. This slurry is subsequently fed to the 8-stage CCD Circuit where the underflow is discharged to tailings. In full operation, the Mill employs approximately 100 people.

CURRENT CONDITION AND OPERATING STATUS

The Mill recommenced milling in June 2002 and operated through May 2003, following a period of standby that commenced in November 1999. During that period of standby, the Mill had been receiving and stockpiling alternate feed materials from the Ashland 1 and Linde FUSRAP sites, as well as other alternate feed materials. During the most recent Mill run, the Mill processed 266,690 tons of alternate feed materials from the Ashland 1, Linde, Heritage and Molycorp sites, of which 178,352 tons were processed in fiscal 2003. The Mill is currently on standby until a sufficient stockpile of alternate feed materials or other ores have been accumulated at the Mill to justify an efficient Mill run. As of February 14, 2005, 45,117 tons of alternate feed materials from the Linde FUSRAP and Heritage sites and from a commercial metals processor are in stockpile at the Mill. While on standby, the Mill is maintained in good operating condition and is capable of commencing a Mill run at any time without the need for regulatory approvals or any significant capital expenditures.

The next Mill run is currently expected to commence in late second or early third quarter of fiscal 2005, at which time the Linde, Heritage and other materials currently in stockpile, as well as the Cameco alternate feed materials that have been accumulating at the Mill since 1999, will be processed. The

Company estimates that these materials contain in excess of 485,000 pounds of U(3)O(8) .

INVENTORIES

As of February 14, 2005, there were no inventories of U(3)O(8) at the Mill. As of that date, there were approximately 65,000 pounds of vanadium, as vanadium pregnant liquor, located at the Mill.

TAILINGS

Synthetic lined cells are used to contain tailings and, in one case, solutions for evaporation. There is sufficient volume available, as of February 14, 2005, for approximately another 117,000 tons of tailings solids, after taking into account materials that are expected to be received under existing contracts. Thereafter, Cell No. 4A can be utilized after it is relined. Difficulties have been encountered with damage to the seams in the liner for Cell No. 4A, due to working of the liner by thermal stress, since it has not been used since 1990 and has been exposed to full sunlight for several years. This cell does not contain any tailings solids, although it does contain some crystallized tailings solutions that were deposited in the cell in 1990. Cell 4A must be relined before it can receive tailings. The Company has commenced removal of these crystals from Cell 4A and is depositing them in Cell 3, in preparation for repair of Cell 4A. After Cell No. 4A is relined, approximately 2,000,000 tons of tailings solids can be disposed of in Cell No. 4A before an additional cell will be needed.

The Environmental Statement for the Mill permits that three additional forty-acre tailings cells may be added to provide a total tailings capacity for the Mill of approximately 10 million tons.

REQUIRED CAPITAL EXPENDITURES

Other than routine maintenance, the only significant capital project anticipated over the next three years with respect to operations of the White Mesa Mill is the relining of tailings Cell No. 4A, at an estimated cost of $1,500,000-$3,000,000. In addition, if Cell No. 4A is put into use, the reclamation obligation for the Mill would increase by approximately $1,000,000, which would require an increase in the Mill's reclamation bond by that amount. It is not expected that these expenditures will be required during fiscal 2005.

RECENT OPERATIONS

Since January of 1995, the Mill has completed several campaigns: the processing in 1995 and 1996 of approximately 200,000 tons of stockpiled mineralized material, mainly from the Arizona Strip Mines; the processing in 1996 of an alternate feed source; the processing in 1997 of three alternate feed sources; the processing in 1998 of uranium-bearing tantalum residues for a major tantalum producer; the processing in 1999 of two alternate feed sources and an 87,250 ton conventional mill run; and, in 2002 and 2003 the Company processed 266,900 tons from four different alternate feed sources. The next Mill run is expected to commence in the second or third quarter of fiscal 2005.

CLOSURE

THE FOLLOWING DISCUSSION OF THE COMPANY'S CURRENT PLANS FOR THE FUTURE OPERATION OF THE MILL CONSTITUTES FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF FEDERAL SECURITIES LAWS. SEE "SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS."

In the future, should the Company choose to shut down and close the Mill, it would be subject to certain closure costs. The estimate of closure costs for the Mill was revised by the Company after discussion with the NRC, prior to transition of regulatory authority to UDEQ. These estimated closure costs are summarized as follows:

30

WHITE MESA MILL CLOSURE COSTS

CATEGORY	
Mill dismantling and decommissioning	$ 1,599,054
Tailings cell #2 Reclamation	1,161,790
Tailings cell #3 Reclamation	1,630,429
Tailings cell #4A Reclamation	81,913
Tailings cell #1 Reclamation	1,333,377
Miscellaneous - management, hygiene, radiation, etc.	2,018,304
Direct Costs	7,824,867
Contractors' Profit	782,487
Contingency	1,173,730
Licensing and bonding	156,496
Long term care fund	681,315
TOTAL ESTIMATED COSTS	$10,618,895

Since September 30, 2004, the Mill's reclamation estimate and bonding requirement increased from $10,336,283 to $10,618,895.

SEQUENTIAL RECLAMATION

As each tailings cell is filled with tailings, the water is drawn off and pumped to the evaporation pond and the tailings solids allowed to dry. As each cell reaches final capacity, reclamation will begin with the placement of interim cover over the tailings. Additional cells are excavated into the ground, and the overburden is used to reclaim previous cells. In this way there is an ongoing reclamation process.

GROUND WATER DISCHARGE PERMIT

Although the Mill is designed as a facility that does not discharge to groundwater, the Company is finalizing a Groundwater Discharge Permit with UDEQ, which is required for all similar facilities in the State of Utah, and specifically tailors the implementation of the State groundwater regulations to the Mill site. The State of Utah requires that every operating uranium mill in the State have a Groundwater Discharge Permit, regardless of whether or not the facility discharges to groundwater. It is expected that the Groundwater Discharge Permit for the Mill will be finalized and implemented during the second quarter of fiscal 2005.

SUMMARY OF MINERALIZED MATERIAL DEPOSITS

The following is a summary of the Company's estimates of the uranium and vanadium contained in mineral deposits (not confirmed to be compliant with NI

43-101 requirements) on the Company's properties, as of January 31, 2005:

Conventional Mines

Project	Mineralized Tons	%U(3)O(8)	%V(2)O(5)
Arizona Strip Mines(1,4)			
Arizona 1	80,000	0.652	
Canyon	108,000	0.903	
Pinenut	110,000	0.427	
Total Arizona Strip	298,000	0.660	
Colorado Plateau(2,4)	1335,600	0.208	1.234
Bullfrog Project(3,4)	1937,000	0.334	

In-Situ Leach Projects(5)

	Mineralized Tons	% U(3)O(8)
Mongolia JV	21,672,000	0.052

1) The reported mineralized tons for the Arizona Strip mines include extraction dilution losses (which includes mining dilution and mining recovery losses).

2) The reported mineralized tons for the Colorado Plateau mines include extraction dilution losses (which includes mining dilution and mining recovery losses).

3) The reported mineralized tons for the Bullfrog Project do not include extraction dilution losses.

4) Processing of uranium bearing material in a uranium/vanadium recovery mill normally results in recovery of approximately 94% to 98% of the contained uranium and 70% to 80% of the contained vanadium. Milling Recovery losses are not included in the foregoing table.

5) Total uranium recovery from ISL projects is normally in the range of 70% to 75% of the in place mineralization. These recovery losses are not incorporated in the foregoing figures for the Company's ISL projects.

The Company mined uranium and vanadium-bearing mineralized material from its Sunday and Rim Mine complexes in the Colorado Plateau District from November 1997 to mid-1999. In mid-June, 1999, the Company elected to suspend mining operations as a result of weak uranium and vanadium prices and the expectation at that time that these conditions would not improve for the next few years. The Company also wrote off the carrying value of its mineral properties for the same

reason. At this time, the Company has not performed the necessary studies to classify the mineralized material as "reserves"; hence none of the above properties are considered to contain "reserves" at this time but should be classified as "mineral deposits."

The Company recommenced its uranium exploration program in Mongolia in fiscal 2004 and is currently evaluating the possibility of recommencing certain of its U.S. mining activities.

COLORADO PLATEAU DISTRICT

OVERVIEW

The Uravan mineral belt in the Colorado Plateau (the "Colorado Plateau District") has a lengthy mining history, with the first shipment of mined materials made to France in 1898. World War II brought increased attention to the uranium mineralization in the Uravan area, and by the 1950s this district was one of the world's foremost producers of both uranium and vanadium. Production continued more or less uninterrupted until 1984 when low uranium prices forced the closure of all operations. Production resumed in 1987, but once again ceased in 1990. Total historical production from the Union Carbide mines in the Uravan area (many of which were later purchased by Energy Fuels, and hence the Company) is reported at 47 million pounds of U(3)O(8) and 273 million pounds of vanadium, yielding an overall ratio of V(2)O(5)/U(3)O(8) of 5.79.

EXPLORATION POTENTIAL

The uranium mineralization found in the Colorado Plateau was deposited in alluvial fans by braided streams. The shape and size of the mineralized lenses are extremely variable. As a result, exploration and mining have historically involved conducting exploration to find a lense and then following its erratic path, with little additional surface exploration drilling other than development drilling in the course of following the lense. This is unlike other types of mining where mineralization is almost completely delineated by surface explorative drilling prior to mining.

The unusual nature of these deposits has therefore traditionally resulted in a limited amount of resources being dedicated to delineate reserves prior to mining. Traditionally, there will be some reserves that have been delineated at the beginning of each year, uranium will be mined during the year and approximately the same amount of reserves will remain delineated at the end of the year. This pattern has persisted since the 1940s.

Based on this history of production from the Colorado Plateau, the Company believes, that with high enough commodity prices, the potential to continue this pattern of production exists and that additional mineral deposits will be delineated each year that mining continues.

Presently mineral deposits estimated to contain approximately 1,335,600 tons with an average grade of 0.208% U(3)O(8) and 1.234% V(2)O(5) have been identified by the Company in its Colorado Plateau properties. These estimates

take into account extraction dilution losses, but do not include milling recovery losses, which are estimated to be 2% to 6% for uranium and 20% to 30% for vanadium.

GEOLOGY

The Company's properties in this geographic area are typical uranium-vanadium deposits of the Colorado Plateau type located in the southern end of the Uravan mineral belt. The rocks of the Colorado Plateau are predominately sedimentary ranging in age from Precambrian to Tertiary and, although uranium mineralization occurs in sediments of different ages, the most important deposits of the Uravan belt occur in the Salt Wash Member of the Jurassic Morrison Formation.

The Salt Wash Member consists of light gray to light brown sandstones interbedded with red-green siltstones and mudstones. The sandstones, which are generally fine-grained and well to moderately sorted, are considered to have been deposited as alluvial fans by braided streams. The mineralization occurs in the lenticular sandstone deposits as tabular, elongate bodies generally parallel to the bedding following the paleo-channels. Fine-grained uraninite is the dominant uranium mineral accompanied by lesser amounts of coffinite. The chief vanadium mineral is montrosite. In the oxidized parts of the deposits, the distinctive yellow colored uranyl-vanadate mineral, carnotite, is common.

Individual deposits are small, varying in length from a few hundred to several thousand feet and in width from a hundred to a thousand feet. Thickness varies from a few inches to several tens of feet, but generally average between two to five feet. Mines often contain several such mineralized deposits. The host sediments are generally flat lying to low dipping with little structural deformation.

OPERATIONS

The Company's principal mining complexes in the Colorado Plateau District consist of the Deer Creek, Thunderbolt, Sunday, and East Canyon (Rim) zones. The bulk of the mineral deposits in the Colorado Plateau District are contained in three areas: the Sunday Mine Complex; the Deer Creek complex, which includes the La Sal and Pandora mines; and, the East Canyon Area, which includes the Rim Mine. All of these areas have developed, permitted mines that have been shut down, pending further improvement in commodity prices. The location of these mines is indicated on the following figure.

33

[MAP]

The Company commenced conventional mining operations at its Sunday Mine Complex in November 1997 and at its Rim Mine in January 1998 after completion of mine development activities. The Company continued the mining of uranium and vanadium bearing materials from these mines until mid-1999. During this mining campaign a total of approximately 81,500 tons of mineralized material with a U(3)O(8) grade of 0.28% and a V(2)O(5) grade of 1.9% was recovered from these mines. This mineralized material, together with approximately 5,750 tons of mineralized material from independent mines, was milled at the White Mesa Mill during the period June 1999 to November 1999, to recover approximately 487,000 pounds of U(3)O(8) and 2.0 million pounds of V(2)O(5). At that time, the Company elected to suspend operations at these mines as a result of continued weak uranium and vanadium prices and the expectation at that time that these conditions would not improve for the next several years. The shutdown of the mines took several months to complete and was completed in November 1999. The mines continue to remain in a shutdown status; however, the Company is evaluating re-commencing mining operations pending further increases in the uranium price.

Due to the shutdown of mining operations on the Colorado Plateau, the Company closed its field office in Dove Creek, Colorado in 1999.

ARIZONA STRIP

OVERVIEW

The Arizona Strip is an area bounded on the north by the Arizona/Utah state line; on the east by the Colorado River and Marble Canyon; on the West by the Grand Wash cliffs; and on the south by a mid-point between the city of Flagstaff and the Grand Canyon. The area encompasses approximately 13,000 square miles. The Arizona Strip is separate and distinct from the Colorado Plateau District. The two mining districts are located approximately 200 air miles (310 road miles) apart and have been historically administered as two separate mining camps.

The Company owns four mines in the Arizona Strip, all of which have been shut down pending further improvement in commodity prices.

Since 1980, when mine development first began at Hack Canyon II, the Arizona Strip has produced in excess of 19 million pounds of uranium, from seven mines, each of which was owned and operated by Energy Fuels. Of these mines, Hack Canyon I, II, and III, Pigeon and Hermit are mined out and have been reclaimed; Pinenut, Kanab North, Canyon and Arizona 1 have remaining mineral deposits but have been placed on shut down status pending improvements in commodity prices. Mineralized material from the Arizona Strip mines can be hauled by truck from the mine sites to the White Mesa Mill. The Arizona 1 Mine is 307 road miles, and the Canyon Mine is 316 road miles from the Mill.

Due to the shutdown of mining activities and the Company's initiatives to reduce the holding costs of its U.S. mineral properties, the Company sold its field office in Fredonia Arizona, effective March 31, 2000.

MINE DEVELOPMENT

The mineral deposits occur in collapsed breccia pipes and range from 1,000 to 1,800 feet below surface with a mineralized interval of up to 600 feet thick. Each of the mines in the Arizona Strip consists of one breccia pipe. The pipes typically are 200 to 400 feet in diameter. Within this envelope, the mineral deposits can be at times massive but often are irregular and discontinuous.

A 1,000 to 1,600 foot deep shaft is generally required to access the deposits. In the case of the Hack Canyon I, II, and III mines, access was obtained through declines driven from nearby canyons.

BACKGROUND GEOLOGY

Breccia pipes are collapse features created by cavern dissolution in the Redwall Limestone, some 3,000 feet below present day surface. Overlying sediments fracture as the cavern size increases and ultimately collapse forming a pipe-like structure, which is filled with the rubble of the sediments. Uranium mineralization occurs in this brecciated rock.

Uranium mineralization is hosted by the breccia in a sand, silt, and clay matrix. The principal uranium mineral, pitchblende, occurs primarily in the matrix, filling voids between sand grains and replacing rock fragments. Pyrite is the principal gangue mineral. Calcite and gypsum are common cementing minerals. Copper, lead and zinc minerals may also be present.

Nearly always, the pipe is haloed by alteration or a zone of bleaching resulting from the partial removal of red iron minerals from formations surrounding the

pipe. "Ring fractures" are often seen at the pipe margins. These fractures may also be an important host for associated mineralization and reserves.

DESCRIPTION

The Arizona Strip properties consist of four developed and partially developed mines, being the Arizona 1, Canyon, Pinenut and Kanab North mines, all of which have been shut down. The Arizona Strip properties are estimated to contain in total approximately 298,000 tons with an estimated average grade of approximately 0.66% U(3)O(8). These estimates take into account extraction dilution losses, but do not include milling recovery losses which are estimated to be 2% to 6% for uranium. The location of these mines is indicated on the following figure:

[MAP]

The Company is currently evaluating re-commencing mining operations on the Arizona Strip pending further increases in the uranium price.

OTHER U.S. MINERAL PROPERTIES

In addition to the mineral properties on the Colorado Plateau and the Arizona Strip, the Company also acquired the Bullfrog property from Energy Fuels.

BULLFROG PROPERTY

The Bullfrog property is located in eastern Garfield County, Utah, 20 miles north of Bullfrog Basin Marina on Lake Powell, about 40 air miles south of Hanksville, Utah, and 125 miles from the White Mesa Mill.

More than 2,200 rotary drill holes have been completed on the Bullfrog property. There are no surface or underground workings or infrastructure on the property. The location of the Bullfrog property is indicated on the figure under the heading "Colorado Plateau District - Operations."

In 1993, Energy Fuels personnel calculated an in-place mineral deposit of 1,937,000 tons at a grade of 0.334% U(3)O(8). A higher grade portion of the deposit was estimated by Energy Fuels to contain 1,300,000 tons at a grade of 0.417% U(3)O(8). These estimates do not take into account extraction dilution losses or milling recovery losses.

MONGOLIAN PROPERTIES

COUNTRY OVERVIEW

Mongolia is a landlocked nation bounded by Russia to the north and China to the east, south, and west. With an area of more than 1.5 million sq. km. (world's 7th largest country) and population of about 2.6 million people, Mongolia has one of the lowest population densities in the world. The landscape includes forested mountain ranges in the north, desert and low mountains in the south, high mountains in the west, and vast steppes in the east. The climate is continental with hot summers and long harsh winters.

Mongolia's population is relatively homogeneous in its ethnicity, language and

religion. More that 60% of the population is below the age of 30, and about one third live in the capital city of Ulaanbaatar while most of the remainder live as nomadic herdsmen throughout the country.

In 1921, Mongolia came under the influence of the Soviet Union, which dominated the politics, economy and infrastructure of the country until 1990 when Mongolia's transition to democracy and a free market economy was begun.

Since 1991, Mongolia has been on a course to implement comprehensive economic reforms to develop a sustainable, independent economy. One of the primary objectives of this program has been to encourage direct foreign investment to stimulate growth of the economy; several laws have been enacted to support this program.

The primary industries and sources of foreign trade in Mongolia are agriculture and mineral products. Mongolia is one of the "last frontiers" for mineral exploration. Large mineral deposits are located along geologic systems that trend through Mongolia, but exploration in Mongolia is still in early stages. An increasing number of mining and exploration companies are active in Mongolia. Among the reasons for this increased attention are:

- The geology is considered by many to be highly prospective for large mineral deposits
- The country is under-explored
- The Government has demonstrated its commitment to developing the mineral sector by attracting foreign investment
- Appropriate laws have been enacted to encourage foreign investment
- Proximity to major metal markets in China, Japan, and South Korea.

Mongolia is an exporter of copper and molybdenum, a leading producer of fluorspar, and an increasingly important gold producer. Mongolia possesses one of the most progressive mineral regimes in Asia. The Mineral Law of Mongolia was adopted in 1997 and provides a transparent licensing system that encourages investment in this sector.

The Mineral Law allows any Mongolian citizen, foreign citizen or entity, or legal person to hold any number of mineral exploration licenses, each up to 400,000 hectares. An exploration license holder is afforded the exclusive right to conduct exploration within the license for up to seven years, the exclusive right to obtain a mining license for any part of the exploration license, and the right to transfer or pledge any part of an exploration license.

Mining license holders have the exclusive right to engage in mining within the license for 60 years, with an additional 40 year extension allowed. A gross royalty of 2.5% of the sales value of products sold is payable to the Government.

MONGOLIAN URANIUM PROPERTY

Background and Property Descriptions

The Company owns a 70% interest and is the managing partner in the Gurvan Saihan Joint Venture; the other participants in the Joint Venture are the Mongolian government and a Russian state geological concern, each as to 15%. The Joint

Venture was formed in 1994, and originally held five concessions in Mongolia: the Choir, Hairhan, Gurvan Saihan, Ulzit and Undershilin depressions. Following several years of active exploration and pilot testing, the program was placed on temporary standby in 2000 due to the continuing decline of world uranium prices at that time.

As a result of recent increases in uranium prices, the Company resumed uranium exploration for the Joint Venture in fiscal 2004. This involved acquiring new exploration licenses in known prospective areas, adjusting the area held under the five original Joint Venture concessions (including dropping the Undershilin depression in its entirety), and conducting geologic data acquisition and review and field reconnaissance on new license areas. As of September 30, 2004, the Joint Venture held a total of 11 exploration licenses, encompassing 1.211 million hectares. As of February 14, 2005, the Joint Venture had acquired 5 additional licenses, totaling 607,700 hectares, bringing the Joint Venture total to 16 licenses covering 1.774 million hectares.

In the third quarter of fiscal 2004, the Company established a 100% owned Mongolia business entity to conduct uranium exploration, solely for the account of the Company and independent from the Joint Venture, in frontier areas in Mongolia. As of September 30, 2004, the new entity, International Uranium Mongolia XXK, had submitted applications for four exploration licenses. These licenses were issued in November, and as of February 14, 2005, the new entity controlled 546,000 hectares and had applications pending on additional license areas.

The uranium exploration licenses currently held by the Company, through the Joint Venture, and through International Uranium Mongolia, XXK, are shown on the following figure:

[MAP]

Exploration licenses in Mongolia are held under the Mineral Law of Mongolia, enacted in 1997. The Mineral Law provides for secure rights for exploration, and although no work commitments are required, annual license fee payments are required, and these escalate through the allowable 7-year term of exploration licenses. The Joint Venture holds four of its exploration areas under a Mineral Agreement between the Joint Venture and the government of Mongolia. The Mineral Agreement grants the Joint Venture unique terms for these four areas, and although they have been assigned exploration licenses for purposes of land management by the government, these areas are exempt from many of the provisions of the Mineral Law regarding property holdings for exploration.

On both the Joint Venture properties and the solely held Company properties, data acquisition and review were conducted during the last quarter of fiscal 2004. This review work was followed by field investigation of several new target areas. This work is the basis for planning an expanded exploration program in 2005, which will include geologic prospecting, radiometric surveys, and reconnaissance drilling on a number of new target areas.

Geology

Uranium mineralization has been discovered in Cretaceous sediments in the south central region of Mongolia. These deposits are hosted by fluvial, alluvial, and lacustrine sediments where uranium is associated with carbonaceous sandstone, siltstone, and clay. The prospective sedimentary basins ("depressions") are related to a large regional tectonic belt that extends in an arc from northeast Mongolia to southwest Mongolia. Intrusion of granitic plutons, volcanic

activity, and structural deformation took place along this belt. Many of the intrusive granites are anomalously high in uranium, and are the likely source of uranium, which was later mobilized through weathering processes and subsequently concentrated in sedimentary basins.

After active tectonism subsided, sedimentary basins formed along regional fault zones and rifts. During Cretaceous times, sediments were deposited under humid, tropical conditions, which formed thick sequences of carbonaceous,

reduced sediments. In later Cretaceous times, the climate became continental and drier, and sediments from this period are often oxidized and weathered.

The Company's exploration properties, both under the Joint Venture as well as the properties held 100% for the Company's interest, lie within this tectonic belt through south-central Mongolia. The properties cover many prospective basins with identified uranium anomalies and sediments of favorable age and composition for uranium mineralization.

Prior to the entry of the Company in Mongolia, joint Russian-Mongolian geological expeditions conducted regional uranium reconnaissance and drilling, including resource delineation drilling on the Haraat deposit in the Choir Depression. Following its formation in early 1994, the Joint Venture expanded exploration into its other licensed areas, including the Hairhan Depression where an important uranium discovery was made in late 1996.

The focus of Company exploration programs in Mongolia has been on sediment-hosted deposits that can be exploited by In Situ Leach ("ISL") technology. The Company, through the Gurvan Saihan Joint Venture, has conducted two ISL pilot tests - one each at the Haraat deposit and at the Hairhan deposit. These tests have confirmed that the geology and hydrology of the Company's uranium properties are favorable for ISL development.

Exploration

Since the Joint Venture's inception in 1994, it has invested over $10 million in exploration on its concessions. To date, the early Joint Venture programs included resource delineation and confirmation drilling in areas where past Russian work had defined uranium resources in sediments. Joint Venture work increased in the 1996 - 1998 time frame when drilling and ISL pilot testing were conducted at both the Haraat deposit in the Choir Depression and the Hairhan deposit in the Hairhan Depression. Initial stage exploration, including car-borne spectrometric gamma surveys and reconnaissance drilling, was also conducted in other Joint Venture license areas.

During the period from 1994 through 1998, the Joint Venture completed 147,000 meters of exploration, resource delineation, and ISL test drilling. Drilling was conducted in all five of the original license areas, with the bulk of the work being done at the Hairhan and Haraat deposits. Gamma spectrometric surveys, totaling over 16,000 line kilometers, were conducted in all of the Joint Venture original concession areas as well as a number of areas which were licensed in 1997 and which were subsequently reacquired by the Joint Venture in 2004.

Due to the continuing deterioration of world uranium prices in the late 1990's and into the early 2000's, the Joint Venture work was placed on "standby", and all of its exploration expenditures to that date were written off. The Joint Venture's property holdings were preserved however, and the Joint Venture was maintained.

Starting in early 2004, the Joint Venture began ramping up to resume uranium exploration in Mongolia as the world uranium market entered a period of stronger prices. Exploration licenses were obtained in areas known to be prospective based on past Joint Venture investigations in the late 1990's. Based on this past work and the reacquisition of key licenses, the Joint Venture now has several targets areas ready for initial drilling in the 2005 summer drilling season.

Mineralization

Delineation drilling has been conducted at both the Haraat and Hairhan deposits. Uranium mineralization at Haraat occurs at depths from surface to about 120 meters. The identified mineral deposits occur as sinuous lenses and bedded mineralization localized along paleo river channels. Much of this mineralization occurs above the natural water table and is not considered suitable for exploitation by ISL under industry standard practices.

Mineral deposit estimates (not confirmed to be compliant with NI 43-101 requirements) prepared by the Company for Haraat total 2,461 metric tonnes uranium ("MTU") in zones below the natural water table. In addition, mineral deposits totaling over 14,000 MTU have been delineated in horizons above the water table.

At Hairhan, mineralization ranges from 10 to 120+ meters deep and averages 60 to 80 meters. The Hairhan deposit is compact with multiple, stacked mineralized horizons in area of approximately 2 kilometers by 1.5 kilometers. All mineralization of interest at Hairhan is below the natural water table. Mineral deposit estimates (not confirmed to be compliant with 43-101 requirements) prepared by the Company for Hairhan total 6,226 MTU. The combined

delineated mineralization at Hairhan and Haraat total 8,687 MTU suitable for ISL exploitation.

ISL Pilot Testing

In 1996 the Joint Venture conducted an ISL Pilot Test at Haraat. This test confirmed that the identified mineral deposit is amenable to ISL. Further testing is required at Haraat to provide definitive criteria for feasibility analysis.

A limited scale ISL test was conducted at Hairhan in 1998. This test was directed specifically toward determining optimal leaching conditions. By incorporating operational experience from test work at Haraat, the ISL leach test at Hairhan successfully demonstrated that ISL is applicable at Hairhan. The test results, including important viability factors such as uranium production headgrade, acid consumption, projected recovery factors, leaching time, and production well flow rate, provide a solid basis for designing a commercial demonstration projection at Hairhan.

The exploration successes at Hairhan and Haraat, combined with the ISL test work results, confirm the potential for development of commercially viable uranium deposits on the Company's properties in Mongolia.

MONGOLIAN PRECIOUS AND BASE METALS PROPERTIES

Mongolia has a variety of favorable environments for deposits of copper, gold and related metals and has become the focus of worldwide exploration concerns seeking to test its under-explored potential.

In early 2002, the Company initiated a regional exploration effort in Mongolia for precious and base metals. In June, 2004, the Company sold its precious and base metals properties to Fortress, in consideration of a majority share ownership position in Fortress. See "Organizational Structure". While the Company has one representative on the board of directors of Fortress, the Company's precious and base metals exploration program in Mongolia is now conducted and managed by Fortress.

Program Overview

Through the Gurvan Saihan uranium joint venture, the Company has operated in Mongolia for over ten years and has particular geologic and operating expertise in the country, offering a competitive advantage for the precious and base metals exploration program. Building on its existing foundation in Mongolia, the Company, through Fortress, has established a significant land position in Mongolia for base and precious metals exploration. Land acquisition has been guided by a concentrated reconnaissance program, including review of available geologic and metallogenic data and analysis of geophysical data and satellite imagery.

As of September 30, 2004, Fortress controlled 3.6 million hectares under its precious and base metals exploration program. The precious and base metals exploration property holding is up from 3.5 million hectares held at this time last year. As of February 14, 2005, Fortress controls exploration licenses, totaling 4.5 million hectares.

Work to date on the precious and base metals properties has involved field reconnaissance, including review of available geologic and metallogenic data, and analysis of geophysical data and satellite imagery, and an exploration drilling program that was conducted on certain of the properties in the 2003 and 2004 field seasons. Total gross program expenditures, including capitalized exploration expenditures, for fiscal 2004 were $1,909,971 as compared to $1,360,410 in fiscal 2003.

Fortress' priority project is the Burleg River gold project located in the Huvs Region, northern Mongolia. Fortress has two further properties, Teltiin (gold-copper) and Oyuut Uul (gold), which are scheduled for drilling in 2005, and a number of other properties, including the Shiveen Gol property. Fortress' properties are described below, and shown in the following Figure. All of these properties are at the exploration stage. The properties contain no known mineral deposits at this time and have no workings or infrastructure.

[MAP]

Burleg River

The Burleg River property is located in Huvsgul Aimag, Northern Mongolia, approximately 650 km northwest of the capital of Ulaanbaatar. The property comprises approximately 120 km(2) (12,000 hectares).

Local geology consists of Proterozoic age chlorite-sericite schists with interbedded "black shales" (low grade black fissile schists) of the Hug terrain (part of the Trans-Baikalian fold belt that extends northeast into Russia). Mineralization is typically black shale hosted gold, sometimes with platinum, or sediment hosted gold.

Historic work includes some limited studies that had been performed by the

Mongolian government. 1:50,000 scale geologic mapping and regional geochemistry conducted by the Mongolian government in 2000 discovered numerous gold in stream anomalies throughout the prospect and the region. In 2003, the Company carried out a number of stream sediment sampling campaigns. In 2004, the Company and Fortress completed mapping and geochemical sampling throughout a 120 km(2) stream gold anomaly, as well as collected 200 rock chip, 400 soil and 50 stream sediment samples. The 2004 program identified abundant "black shales" in accord with Sukhoi Log-type (i.e., model deposit in Siberia in similar setting as Burleg River) stratigraphy, and an orientation survey identified a 2km by 300m soil gold anomaly (up to 0.49 gpt gold in soils).

The 2005 work program on this property is expected to include an instantaneous potential ("IP") geochemical survey, excavation of trenches to define drill targets, followed by 2000 meters of combination reverse circulation and core drilling.

Erdenet Belt

Fortress has two projects in the Erdenet Belt area of Mongolia: the Teltiin property and the Oyuut Uul property.

Teltiin. The Teltiin property comprises 40 km(2) (4,000 hectares) and is located approximately 250 km northwest of the capital, Ulaanbaatar, and 90 km northeast of the active Erdenet porphyry copper mine.

Local geology consists of alkali-rich syenite, and lesser granodiorite, monzonite and diorite dikes that intrude andesitic to rhyolitic volcanic rocks of presumed Permian age. Target mineralization is porphyry copper-gold.

Previous studies by a joint Soviet and Mongolian team consisted of IP and soil geochemical surveys. A total of 12 core holes were drilled. All but one drill hole was drilled in the phyllic shell of the alteration zone. One hole drilled within the potassic core intercepted 9 meters of 0.7% copper (the hole was lost at 11 meters). During 2004, the Company and Fortress completed 1:5,000 scale geologic mapping over 80 km(2), excavated 1,200 meters of mechanized trenches, completed a 56 km(2) ground magnetics survey and 51.5 line-km of IP surveys (150 meter dipole spacings), and conducted geochemical sampling of 300 rock chip samples and 400 soil samples.

Geochemical sampling to date indicates strong gold and copper mineralization within potassically altered rocks. To date, maximum concentrations of 1.69 gpt gold, 151 ppm silver, and 4.72% copper have been found. The gold-copper association includes 5 samples containing more than 0.5 gpt gold and greater than 1% copper, including chip sample 9178 containing 1.3 gpt gold and 4.72% copper from potassically altered porphyry. Alteration characteristics, geochemical results, and geophysical vectors define a drill target along the eastern margin of the prospect beneath a 2 km(2) valley.

The work program for 2005 is expected to include a 2,000 meter combination reverse circulation and core drill program.

Oyuut Uul. The Oyuut Uul property comprises some 60 km(2) (6,000 hectares) and is located approximately 225 km north-northwest of the capital Ulaanbaatar, and 70 km northeast of the Teltiin property.

Local geology consists of Triassic to Jurassic age quartz porphyry diorite and granodiorite that intrude andesite porphyries and tuffs of presumed Permian age. Alteration suites include silicification and advanced argillic alteration.

Target mineralization is epithermal gold.

Little work had been completed on this property prior to its staking by Fortress. In 2004, Fortress completed 1:10,000 scale geologic mapping over a 100 km(2) area, a 34 km(2) ground magnetics survey, 31 line-km of IP surveys (50 and 150 meter dipole spacings), and geochemical sampling of 75 rock chip samples and 200 soil samples.

Geologic mapping indicates a silicified cap localized along a northeast trending regional fault underlain by rocks displaying advanced argillic alteration. Geochemical sampling of these strongly leached, silicified and argillized cap rocks show elevated copper and gold concentrations (0.9% copper and 147 ppb in rock chips) that are associated with a strong chargeability anomaly. Incorporation of geochemical and geophysical character with alteration mapping indicates the presence of an epithermal gold target underlying the silicified cap rocks exposed on surface.

Fortress plans to conduct a 2,000 meter combination reverse circulation and core drill program on this property in 2005.

Shiveen Gol

The Shiveen Gol property is comprised of some 21 km(2) (2,100 hectares) and is located in Uvs Aimag in northwest Mongolia, approximately 1,100 km west of the capital Ulaanbaatar.

Local geology consists of Devonian age metadiorites and andesites intruded by abundant granites and quartz monzonites of Triassic age localized along a distal ring fault/dike complex associated with the Triassic age Shiveen Gol Caldera Complex. Mineralization is iron oxide copper gold.

Numerous ancient Chinese workings of unknown age occur throughout the prospect. A geologic study of the Shiveen Gol prospect was completed by a Russian/Mongolian team in 1991. This investigation included geologic mapping, rock and soils geochemical sampling, and ground geophysical surveys. The study resulted in discovery of a large combined magnetic susceptibility/induced polarization geophysical anomaly in the Shiveen Gol Prospect area, and identification of a large stream copper anomaly throughout the area. The Company recognized the iron

oxide copper gold ("IOCG") character of the prospect and in 2003 conducted extensive geochemical rock and soil geochemistry, IP surveys and magnetic surveys to characterize the mineral system. Additionally, the entire Shiveen Gol complex was mapped at the 1:25,000 scale. This work concluded with three drill holes drilled into the Shiveen Gol prospect all of which intercepted copper mineralization. In 2004, the Company and Fortress completed 1:5,000 scale mapping and geochemical sampling throughout the 21 km(2) prospect and eight combination RC/Diamond drill holes for a total of 1721 meters.

Five of the holes drilled in 2004 intercepted anomalous but localized copper mineralization. The results were all subeconomic, with the best results being 10 meters of 0.32% copper, 14 meters of 0.23% copper (including 2.2 meters of 0.86% copper) and 4 meters of 0.51% copper. No significant gold intercepts were reported, the highest value recorded was 2.5 meters of 0.25 gpt of gold with no associated copper.

Further interpretation of these results by an external consultant and in-house geologists, incorporating the 2003 drilling results, will determine whether it

is recommended that Fortress carry out additional work at Shiveen Gol in 2005 in the areas covered by post-mineral gravels.

Other Properties.

Fortress holds a number of other properties, including Tsagaan Tolgoi (gold and copper), on which approximately 300 rock chip samples have been collected to date from several gold and copper-gold prospects, and the Gobi Altai region (gold and copper), on which approximately 150 rock chip samples were collected during reconnaissance completed in September 2004.

PERMITTING

As discussed above, due to deteriorating commodity prices and other factors in 1999, the Company shut down all of its uranium mines. The Company intends to keep those properties on a shut down status indefinitely, pending further improvements in commodity prices.

The permitting status of the various mines is set out below.

SUNDAY MINE COMPLEX

The Sunday Mine Complex is fully permitted for its mining activities. Recent changes in the laws of Colorado could give rise to additional future permitting requirements.

In recent years, the State of Colorado passed a law that provides that the Colorado Division of Minerals and Geology ("DMG") can determine that a mine is a Designated Mining Operation (a "DMO") if it is a mining operation at which "toxic or acidic chemicals used in extractive metallurgical processing are present on site or acid- or toxic-forming materials will be exposed or disturbed as a result of mining operations." If a mine is determined to be a DMO, the most significant result is the requirement that it submit an Environmental Protection Plan (an "EPP"). The EPP must identify the methods the operator will utilize for the protection of human health, wildlife, property and the environment from the potential toxic- or acid-forming material or acid mine drainage associated with the operations. The EPP must be submitted to the DMG for review, and after a public hearing, a decision must be made within 120 days of the submission of a complete application, unless the application is considered to be complicated, which would extend the deadline to 180 days.

In 1995, DMG notified Energy Fuels that it believed the Sunday Mine Complex was a DMO, because of the potential that storm water could come in contact with the low grade waste rock on site. Energy Fuels disputed this assertion. Testing was performed on the waste rock. In November 1996, the DMG advised Energy Fuels that the test results of the average uranium content of the waste dumps at the mine sites satisfied the DMG that the Sunday Mine Complex is not a DMO. However, the DMG also advised that its determination could change if site conditions or circumstances change. As of February 14, 2005, the Company has not been notified of any additional permitting requirements relating to its mining activities at the Sunday Mine Complex.

During 2004 the Company completed submittal of updated permit-related maps and records to ensure that historical mine operations, as conducted under valid permits, are properly documented. The DMG will use the updated site information to review reclamation bond amounts in fiscal 2005.

OTHER COLORADO PLATEAU MINES

The Rim, Van 4 and certain other Colorado Plateau mines are also permitted for mining.

ARIZONA STRIP MINES

The Canyon Mine is the first mine to be permitted in the portion of the Arizona Strip that is south of the Grand Canyon. The Canyon Mine is located on federal lands administered by the United States Forest Service and is approximately 18 miles south of the Grand Canyon. The plan of operations submitted by Energy Fuels in 1984 for development and operation of the mine generated significant public comment resulting in the preparation of an environmental impact statement by the United States Forest Service. The United States Forest Service for the State of Arizona approved the plan set forth by Energy Fuels and issued all necessary federal and state permits and approvals. The Havasupai Indian Tribe and others filed appeals. The United States Forest Service for the State of Arizona and Energy Fuels prevailed on all appeals. During the permitting process, Energy Fuels constructed all the necessary service facilities at the mine site. Energy Fuels agreed with the United States Forest Service not to implement underground development during the environmental impact statement process. Energy Fuels did not resume underground development at the mine site after the appeals were decided due to the decrease in uranium prices at that time.

In 1992, the State of Arizona updated its laws relating to groundwater issues, requiring that an Aquifer Protection Permit be obtained. In April 2001 the Company was notified by the Arizona Department of Environmental Quality that the Aquifer Protection Permit application for the Canyon Mine had lapsed. If the Company desires to resume the permitting effort in the future, a new application will be required.

As with the Canyon Mine, the Pinenut and Kanab North mines require that Aquifer Protection Permits be obtained. As with the Canyon Mine Aquifer Protection Permit application, the applications for the Pinenut and Kanab North mines have also lapsed. In the event that resumption of mining is contemplated in the future, sufficient lead time will need to be allowed to secure the necessary Aquifer Protection Permits for these mines. The Arizona 1 Mine currently has an Aquifer Protection Permit and is fully permitted for mining.

RECLAMATION

The Company is responsible for the environmental and reclamation obligations relating to all of its existing mines and assets, as well as for all reclamation and environmental obligations associated with all mined out, inactive, reclaimed or partially reclaimed mines and properties acquired from Energy Fuels.

The total amount of the estimated reclamation liability is approximately $12.3 million with restricted cash and marketable securities of approximately $12.1 million securing the liability, as of September 30, 2004. All of the Company's mines and the White Mesa Mill were permitted through either state or federal authorities. As a part of the permit requirements, reclamation and decommissioning bonds are in place to cover the estimated cost of final project closures. The major cost is for closure of the White Mesa Mill and tailings cells, which is estimated at approximately $10.6 million. The Company has posted a reclamation bond to the State of Utah for that amount.

Although the Company's financial statements contain as a liability the Company's current estimate of the cost of performing these reclamation obligations, and the bonding requirements are generally periodically reviewed by applicable regulatory authorities, there can be no assurance or guarantee that the ultimate cost of such reclamation obligations will not exceed the estimated liability contained on the Company's financial statements.

In addition, effective January 20, 2001, the BLM implemented new Surface Management (3809) Regulations pertaining to mining operations conducted on mining claims on public lands. The new Regulations impose significant requirements on permitting of operations and on plans for reclamation and closure of mining operations on public lands. The new Regulations were challenged by industry and a revised final rule was issued on December 31, 2001. The new 3809 regulations impose additional requirements on permitting of mines on federal lands and may have some impact on the closure and reclamation requirements for Company mines on public lands. However, the final rule deleted many of the onerous conditions that were included in the initial version of the new regulations. The Secretary of the Interior noted that many of the revisions that were made in the final rule were dictated by limitations and enforceability restrictions under the current law.

Final closure and reclamation plans will continue to be developed by the state regulatory authorities and the BLM in those states where the Company has permitted mines. Although the ultimate impact on reclamation bonds held by the Company is yet to be determined, substantial increases in final reclamation requirements, and hence the associated reclamation bonds posted by the Company, are not expected beyond the normal bond increases required due to escalation.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of the financial condition and results of operations of the Company for the fiscal years ending September 30, 2004, 2003, and 2002, should be read in conjunction with the consolidated financial statements of the Company and accompanying notes. THIS DISCUSSION CONTAINS FORWARD LOOKING STATEMENTS - SEE "SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS." The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada. Note 17 of the consolidated financial statements provides a discussion of the differences between Canadian and United States accounting principles and practices affecting the Company.

SELECTED ANNUAL FINANCIAL INFORMATION

($000, except per share amounts)	2004	2003	2002
Revenues	2,424	12,550	6,830
Net (loss) income for the year	(2,187)	5,533	185
Basic (loss) income per share	(0.03)	0.08	-
Total assets	39,388	25,616	32,379
Total long-term liabilities	16,296	14,630	12,365

RESULTS OF OPERATIONS

FISCAL 2004 VERSUS FISCAL 2003

IUC recorded a net loss of $2,186,679 ($0.03 per share) for the year ended September 30, 2004, compared with net income of $5,533,152 (0.08 per share) for 2003, reflecting primarily the fact that the Mill was operating in fiscal 2003 but has been on standby throughout fiscal 2004. Results for 2004 included, a gain on change of percentage interest in Fortress of $548,549, representing the Company's proportionate share of the increase in Fortress' net assets resulting

from the issuance of equity by Fortress during the period, and minority interest of $134,219, representing the minority interest's proportionate share of Fortress' loss for the period since acquisition. In addition, the Company recorded a gain of $585,133 for the recovery of future income taxes, which relates to 2.0 million flow-through shares the Company issued on November 30, 2003 and a foreign exchange gain of $242,059. For 2003, results included mineral property write-downs of $118,081, a $579,926 gain on the sale of short-term investments, a $210,603 gain on the sale of land and equipment, and a $79,000 gain on the disposition of the "other asset" (see Fiscal 2003 versus Fiscal 2002).

REVENUES

Revenues for fiscal 2004 of $2,424,456 consisted of revenues from vanadium sales, process milling fees generated under the Company's alternate feed processing agreements, and fees from engineering services. Revenues for fiscal 2004 decreased $10,125,562 or 81% as compared to $12,550,018 in fiscal 2003. The decrease was due to the fact that the Mill was on stand-by during fiscal 2004.

During the second quarter of fiscal 2004 the Company sold its inventory of vanadium black flake, which was produced during the 1999 conventional ore mill run, leaving an ending inventory of approximately 65,000 pounds of vanadium, as vanadium pregnant liquor. The Company is evaluating opportunities to sell this inventory.

As the Mill is currently on stand-by, alternate feed processing activities during fiscal 2004 consisted primarily of the receipt of material from the Linde site and from another commercial metals producer. The Company receives a

recycling fee for a majority of its alternate feed materials once they are delivered to the Mill. A portion of the fees for the Linde materials, equal to the costs that are incurred receiving materials, is recognized as revenue, while the remaining recycling fees are recorded as deferred revenue until the material is processed at which time they are recorded as revenue. With respect to the materials from the commercial metals producer, the Company received a materials receipt fee on receipt of the materials, representing approximately 22% of the total fees from that producer, which is recorded as revenue, and a recycling fee, representing the remaining 78% of the fees from that producer, which is recorded as deferred revenue until the material is processed, at which time it becomes revenue. Revenue recognized from receiving alternate feed material during fiscal 2004 was $420,646. In addition to the material receipt and recycling fees, the Company will retain any uranium recovered from these materials, which can be sold in subsequent periods, at which time the revenue from the sales will be recorded.

Revenue from engineering services of $421,182 during fiscal 2004 is for services the Company provided, on a cost plus basis to a related company, which was reclaiming a mine site in the U.S.

In addition to the foregoing alternate feed materials, the Company continues to receive deliveries of alternate feed materials from another uranium producer under a long-term arrangement. While the Company will not receive a processing fee for this particular alternate feed material, it will produce uranium from these materials, which will then be sold. As of September 30, 2004, there were approximately 7,200 tons of these materials at the Mill, containing approximately 485,800 lbs of uranium. Revenues will be recognized as recovered uranium is sold. Materials received from other uranium producers or private industry sources tend to be relatively high in uranium content but relatively

small in volume as compared to materials from the Linde project.

SELECTED QUARTERLY FINANCIAL INFORMATION

($000, except per share amounts)	1st Qtr	2nd Qtr	2004 3rd Qtr	4th Qtr	Full Ye
Vanadium sales	-	1,583	-	-	1,5
Process milling revenue	31	-	-	390	4
Engineering services revenue	359	62	-	-	4
Total revenue	390	1,645	-	390	2,4
Net income (loss)	(1,166)	(455)	(1,198((1)	632	(2,1
Basic and diluted income (loss) per share	(0.02)	(0.01)	(0.02)	0.01	(0.

(1) In preparing the financial statements for the year ended September 30, 2004, the Company determined that the transfer of mineral properties to Fortress should be accounted for at book value. In the 3rd quarter 2004 interim financial statements, the Company had incorrectly recorded a loss on the transaction of $478,839. This summary table reflects the corrected net loss for the third quarter of fiscal 2004.

($000, except per share amounts)	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	F
Process milling revenue	4,274	4,818	3,281	42	
Engineering services revenue	-	-	-	135	
Total revenue	4,274	4,818	3,281	177	
Net income (loss)	2,266	2,545	1,126	(404)	
Basic and diluted income (loss) per share	0.03	0.04	0.02	(0.01)	

IUC recorded net income of $632,242 ($0.01 per s hare) for the three months ended September 30, 2004, compared with a net loss of $403,373 (0.01 per share) for same period in fiscal 2003. Results for the three months ended September 30, 2004 included a gain on change of percentage interest in Fortress of $548,549, representing the Company's proportionate share of the increase in Fortress' net assets resulting from the issuance of equity by Fortress during the period, and minority interest of $94,327, representing the minority interest's proportionate share

47

of Fortress' loss for the period. In addition, the Company recorded a gain of $585,133 for the recovery of future income taxes, which relates to 2.0 million flow-through shares issued by the Company on November 30, 2003 and a foreign exchange gain of $336,525. For the three months ended September 30, 2003, results included mineral property write-downs of $118,081, a $579,926 gain on the sale of short-term investments, a $127,510 gain on the sale of land and equipment, and a $79,000 gain on the disposition of the "other asset" (see Fiscal 2003 versus Fiscal 2002).

COST OF PRODUCTS AND SERVICES SOLD

During fiscal 2004, cost of goods sold of $706,274 was recognized as a result of the sale of the Company's vanadium black flake inventory.

Process milling expenditures during fiscal 2004 of $139,793 represent expenditures incurred receiving alternate feed materials. The expenditures decreased by $4,531,406 or 97% as compared to process milling expenditures of $4,671,199 during fiscal 2003. The decrease is due to the fact that the Mill was on stand-by during fiscal 2004. During fiscal 2004, the Company received 3,440 tons of alternate feed material from the Linde site and an additional 5,409 tons of material from another commercial metals producer. As of September 30, 2004, approximately 44,600 tons of material remained in stockpile waiting to be processed during the next mill run. The next mill run is currently scheduled to commence in the second or third quarter of fiscal 2005, at which time all alternate feed materials currently stockpiled at the Mill are expected to be processed.

MILL STAND-BY

Mill stand-by expenses consist primarily of payroll and related expenses for personnel, parts and supplies, contract services and other overhead expenditures required to maintain the Mill on stand-by status until a sufficient stockpile of alternate feed material or other ores have been accumulated to justify an efficient mill run. Mill stand-by expenditures were $2,330,554 for fiscal 2004 as compared to $738,730 for fiscal 2003. The increase of $1,591,824 was primarily due to twelve months of stand-by in fiscal 2004 versus approximately four months in fiscal 2003. At September 30, 2004 sixteen management and maintenance personnel remained at the Mill. During the most recent mill run, which was completed in fiscal 2003, the Mill maintained an average of 64 employees to process its stockpile of alternate feed material.

SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, legal, contract services and other overhead expenditures. Selling, general and administrative expenses for fiscal 2004 were $3,218,295 as compared to $2,655,341 for fiscal 2003. This change, an increase of $562,954, was the result of decreases in Urizon and other alternate feed expenditures of $893,467, offset by increases of $1,454,798 in other selling, general and administrative ("SGA") expenditures. These increases are attributable to the engineering services that the Company provided, increased audit/accounting fees, legal fees associated with the acquisition of the Canadian uranium exploration properties, increased investor relation expenditures and the Company's consolidation of Fortress' SGA. For fiscal 2004, Fortress' SGA was $302,709.

EXPLORATION

Uranium Exploration

In the first quarter of fiscal 2004, the Company acquired interests in uranium exploration properties in the Athabasca Basin region of Saskatchewan, Canada and commenced an exploration program on certain of those properties. During fiscal 2004, the Company continued to increase its land position in the Athabasca Basin region through acquisition and land staking. Total gross program expenditures, including capitalized exploration expenditures, for fiscal 2004 were $2,326,265. Expenditures to date have primarily been on the Moore Lake project where the Company has an extensive drilling program augmented by geophysical and geological field programs. IUC has an option to earn up to a 75% interest in the Moore Lake property from JNR Resources Inc. through aggregate expenditures and

investments of Cdn $4.4 million over a period of 4 years. Fiscal 2004 expenditures on the Moore Lake Project were $1,766,485. The remaining expenditures were for geological field programs and airborne geophysical surveys on a number of other projects in the Athabasca region.

The Company also has a 70% interest in the Gurvan-Saihan Joint Venture in Mongolia. The other parties to the joint venture are the Mongolian government as to 15% and Geologorazvedka, a Russian geological concern, as to 15%. With continued upward pressure on world uranium prices throughout fiscal 2004, the joint venture recommenced its uranium exploration program in Mongolia. Additional exploration licenses were acquired by the joint venture in areas known to be prospective based on past joint venture reconnaissance. In addition, the Company formed a new Mongolian business entity in fiscal 2004 to conduct uranium exploration, 100% for the Company's account, in frontier areas in Mongolia. Total gross program expenditures for the joint venture and for the Company's own account, including capitalized exploration expenditures, for fiscal 2004 of $213,548 increased by $8,269 as compared to $205,279 spent in fiscal 2003.

Precious and Base Metals Exploration

During the second quarter of fiscal 2002, the Company initiated a precious and base metals exploration program in Mongolia. This program was funded 100% by the Company until the second quarter of fiscal 2004. During the second quarter, the Company entered into a Purchase Agreement with Fortress for the sale of 100% of the exploration licenses held by the Company, in consideration for cash and a majority equity interest in Fortress. The Company maintains a position on the Board of Directors of Fortress but no longer manages the Mongolian precious and base metals exploration program.

Fortress continued the active exploration program in 2004, including additional drilling on the Shiveen Gol project in western Mongolia. A number of additional projects were explored in detail in 2004 and are ready for initial drilling in 2005. Total gross program expenditures, including capitalized exploration expenditures, for fiscal 2004 of $2,032,027 increased by $671,887 as compared to $1,360,140 in fiscal 2003. Increased program expenditures in fiscal 2004 were attributable to implementation of detailed geophysical and geochemical programs on the Teltiin Gol prospect in the Erdenet area and a large regional gold geochemical survey in the Huvsgol region. Based on the work in the Huvsgol region, approximately 40 new exploration licenses were obtained, which also contributed to the increase in program expenditures.

MINORITY INTEREST

The minority interest share of Fortress' post acquisition loss for fiscal 2004 was $134,219. On June 23, 2004 the Company completed the sale of its Mongolian base and precious metals exploration properties held by its Bermuda subsidiary to Fortress and began recording the minority interest's share of the losses. The Company had expended $3,088,201 on these properties through June 23, 2004. In consideration for transferring these properties to Fortress, the Company received 28 million common shares of Fortress' capital stock, which gave the Company a 63.14% interest in Fortress and cash of $656,580 for reimbursement of costs incurred on the properties from the time of agreement to the transfer date. No gain or loss has been recognized on the transaction. On September 1, 2004 Fortress completed a private placement of 4,987,500 common shares at Cdn $0.40 per share. The Company purchased 732,500 of the common shares, which resulted in the Company owning a 58.24% interest in Fortress as of September 30, 2004. The Company's percentage ownership in Fortress decreased from 63.14% to

58.24% as a result of this private placement and the Company recorded a gain on dilution of $548,549.

OTHER INCOME AND EXPENSE

Net interest and other income (excluding gain on dilution and minority interest) for fiscal 2004 was $796,101 as compared to $1,375,738 for fiscal 2003. The decrease of $579,637 was primarily the result of a decrease in gains of $617,972 on the sale of short-term investments and a decrease in income from the sale of land and equipment of $151,673. These decreases were offset by an increase in foreign exchange gains of $230,233.

RESULTS OF OPERATIONS

FISCAL 2003 VERSUS FISCAL 2002

IUC recorded net income of $5,533,152 ($0.08 per share) for the year ended September 30, 2003, compared with net income of $184,990 (nil per share) for 2002. Results for 2003 included, mineral property write-downs of $118,081, a $579,926 gain on the sale of short-term investments, a $210,603 gain on the sale of land and equipment, and a $79,000 gain on the disposition of the "other asset". For 2002, results included asset write-downs of $155,334, a $288,409 gain on the sale of short-term investments, a gain of $29,174 from a decrease in Mill reclamation

obligations, and an increase in the carrying value of the "other asset" of $261,000 to reflect then current uranium prices. The "other asset" and the offsetting deferred credit represent a put option entered into in fiscal 1999, which granted a third party the option to put up to 400,000 pounds of uranium back to the Company at a price of $10.55 per pound, at any one time during the period of October 1, 2001 to March 31, 2003. On December 20, 2002, the third party exercised the put option. The Company negotiated a settlement and termination of the put option agreement for a payment of $280,000, which was equal to the value of the put option based on then current market conditions.

REVENUES

Revenues for fiscal 2003 of $12,550,018 consisted primarily of process milling fees generated under the Company's alternate feed processing agreements. Revenues for fiscal 2003 increased $5,719,881 or 84% as compared to $6,830,137 in fiscal 2002. The increase was primarily due to the alternate feed mill run, which began during the third quarter of fiscal 2002, and was completed on May 23, 2003. Alternate feed processing activities in fiscal 2003 consisted of the receipt, sampling, analysis and processing of Ashland 1, Linde, Heritage and Molycorp materials.

COST OF PRODUCTS AND SERVICES SOLD

Process milling expenditures for fiscal 2003 of $4,671,199, which represent expenditures incurred receiving and processing alternate feed materials, increased $2,623,408 as compared to process milling expenditures of $2,047,791 for fiscal 2002. The increase was due to approximately eight months of mill processing during fiscal 2003 versus approximately four months during fiscal 2002.

Approximately 51,200 tons of material was received during the fiscal year bringing the total received as of September 20, 2003 to over 302,400 tons from the Ashland 1, Linde, Heritage and Molycorp sites. As of September 30, 2003,

approximately 35,700 tons of material remained in stockpile waiting to be processed during the next mill run.

MILL STAND-BY

Mill stand-by expenses consist primarily of payroll and related expenses for personnel, parts and supplies, contract services and other overhead expenditures required to maintain the Mill on stand-by status until a sufficient stockpile of alternate feed material has been accumulated to justify an efficient mill run. Mill stand-by expenditures were $738,730 for fiscal 2003 as compared to $2,136,389 for fiscal 2002. The decrease of $1,397,659 or 65% was primarily due to approximately four months of stand-by in fiscal 2003 versus eight months in fiscal 2002. Significant staff reductions at the end of the third quarter also contributed to the decrease in mill stand-by costs.

SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, legal, contract services and other overhead expenditures. Selling, general and administrative expenses for fiscal 2003 were $2,655,341 as compared to $3,449,651 for fiscal 2002. The decrease of $794,310 or 23% was the result of decreased expenditures of $878,218 for legal fees associated with regulatory actions, and other related overhead cost decreases, offset by increases in Urizon expenditures of $113,504.

EXPLORATION

During the second quarter of fiscal 2002, the Company initiated a precious and base metals exploration effort in Mongolia. This program was funded 100% by the Company. As of September 30, 2003, the Company controlled 68 exploration licenses totaling 2.5 million hectares, 46 of these licenses are held 100% by the Company and 22 licenses are under a purchase option. Detailed field programs were initiated in the 2003 field season, including geologic mapping, geochemical sampling, and geophysical surveys. In addition, the Company drilled approximately 3,100 meters on its Shiveen Gol project area in western Mongolia.

Total gross program expenditures, including capitalized exploration expenditures, for fiscal 2003 of $1,360,140 increased by $821,243 as compared to $538,897 in fiscal 2002. The increase was due to extensive exploration, including the drilling program on specific targets.

The Company also has a 70% interest in the Gurvan-Saihan Joint Venture in Mongolia. The other parties to the joint venture are the Mongolian government as to 15% and Geologorazvedka, a Russian geological concern, as to 15%. As of September 30, 2003, the joint venture holds 5 exploration licenses totaling 1 million hectares. This in-situ leach uranium project remained on stand-by during fiscal 2003. Total stand-by expenditures for fiscal 2003 of $205,279 increased by $142,343 as compared to $62,936 in fiscal 2002.

OTHER INCOME AND EXPENSE

Net interest and other income for fiscal 2003 was $1,375,738 as compared to $916,780 for fiscal 2002. The increase of $458,958 was primarily the result of an increase in gains on the sale of short-term investments of $291,517 and an increase in income from the sale of land and equipment of $206,017. In addition, interest income decreased $99,154 due to a decrease in the average cash balances available for investment.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2004, the Company had cash and short-term investments of $13,134,915 and working capital of $15,467,462 as compared to cash and short-term investments of $4,729,039 and working capital of $7,294,884 at September 30, 2003. The increase of $8,172,578 in working capital was in part due to the receipt of net proceeds of $12.4 million from private placements of 9.95 million common shares, offset by exploration expenditures of $4.2 million.

Net cash used in operating activities was $922,143 for the fiscal year ended September 30, 2004 and consisted primarily of the net loss from continuing operations of $2,186,679, adjusted for non-cash items of depreciation and amortization of $543,054, a gain of $583,133 for the recovery of future income taxes, a gain on dilution of $548,549, and a decrease in working capital of $181,375. Working capital changes primarily include increases in receivables of $291,038 and a decrease in inventories of $571,977. The decrease in inventory is the result of the sale of the Company's vanadium black flake inventory during the second quarter of fiscal 2004. In addition, deferred revenue increased by $1,397,654 primarily as the result of proceeds received or receivable on delivery of alternate feed materials but in advance of the required processing activity.

Net cash used in investment activities was $4,821,793 for the fiscal year ended September 30, 2004 and consisted primarily of capitalized exploration expenditures of $4,186,908. Restricted investments increased by $380,119 as a result of interest income, the Company invested $892,221 in marketable securities, and the Company received cash of $977,094 on acquisition of Fortress.

Net cash provided by financing activities during the fiscal year ended September 30, 2004 totaled $14,149,812 and consisted primarily of proceeds from the issuance of 9.95 million common shares by the Company and proceeds from the issuance of 4.99 million common shares by Fortress.

The Company believes that existing funds and cash flow from operations should be sufficient to satisfy its working capital requirements, commitments under the Urizon Joint Venture, and capital expenditures for the next twelve months. Additional funding through issuance of common shares may be required to fund the Company's exploration activities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with accounting principles in Canada and the United States requires management to make estimates and assumptions regarding future events. These estimates and assumptions affect the reported amounts of certain assets and liabilities, and disclosure of contingent liabilities.

Significant areas requiring the use of management estimates include the determination of impairment of intangibles and plant and equipment and mineral property interests, reclamation obligations, rates for depreciation and amortization, and variables used in determining stock based compensation. These estimates are based on management's best judgment. Factors that could affect these estimates include: changes in the price of uranium and other market conditions, risks inherent in mineral exploration and development, changes in reclamation requirements and other laws, changes in government policy and changes in foreign exchange rates.

On an ongoing basis, management re-evaluates its estimates and assumptions. However actual amounts could differ from those based on such estimates and assumptions.

CONTRACTUAL OBLIGATIONS

The Company has a reclamation obligation of $12,603,595, the timing of which will depend upon the Company's business objectives. While this reclamation obligation was valued on the assumption that the Company must be able to fund reclamation of the White Mesa Mill and U.S. mining operations at any time, the Company currently has no intention of placing the Mill or U.S. mines into reclamation in the foreseeable future.

The Company also has operating lease obligations of $105,000 for fiscal 2005 and $240,000 for the following two fiscal years.

ENVIRONMENTAL RESPONSIBILITY

Each year, the Company reviews the anticipated costs of decommissioning and reclaiming its Mill and mine sites as part of its environmental planning process. The Company also formally reviews the Mill's reclamation estimate annually with applicable regulatory authorities. The Mill and mine reclamation estimates at September 30, 2004 are $12,603,595, which are currently expected to be sufficient to cover the projected future costs for reclamation of the Mill and mine operations. However, there can be no assurance that the ultimate cost of such reclamation obligations will not exceed the estimated liability contained in the Company's financial statements.

The Company has posted bonds as security for these liabilities and has deposited cash, cash equivalents, and fixed income securities as collateral against these bonds. For fiscal 2004 and 2003, the amount of these restricted investments collateralizing the Company's reclamation obligations was $12,487,066 and $12,106,947, respectively. The increase of $380,119 was due to interest income from these investments.

As mentioned in previous reports, the Company had detected some chloroform contamination at the Mill site that appeared to have resulted from the operation of a temporary laboratory facility that was located at the site prior to and during the construction of the Mill facility, and from septic drain fields that were used for laboratory and sanitary wastes prior to construction of the Mill's tailings cells. In April 2003, the Company commenced an interim remedial program of pumping the chloroform-contaminated water from the groundwater to the Mill's tailings cells. This will enable the Company to begin clean up of the contaminated areas and to take a further step towards resolution of this outstanding issue. Although the investigations to date indicate that this contamination appears to be contained in a manageable area, the scope and costs of remediation have not yet been determined and could be significant.

RESEARCH AND DEVELOPMENT

The Company does not have a research and development program per se. Process development efforts expended in connection with processing alternate feeds are included as a cost of processing. Process development efforts expended in the evaluation of potential alternate feed materials that are not ultimately processed at the Mill are included in Mill overhead costs. The Company does not rely on patents or technological licenses in any significant way in the conduct of its business.

TREND INFORMATION

During the period 1997 through 2000, the Company saw a deterioration in both uranium and vanadium prices, from $11.00 per pound of U(3)O(8) and $4.10 per

pound of V(2)O(5) in October 1997 to $7.40 per pound of U(3)O(8) and $1.70 per pound of V(2)O(5) at the end of September, 2000. As a result of these decreases in commodity prices, the Company decided to cease its uranium and uranium/vanadium mining and exploration activities in 1999, and shutdown all of its uranium and uranium/vanadium mines and its Mongolian Gurvan-Saihan Joint Venture, pending improvements in commodity prices. Also as a result of these market events, the Company decided to marshal its resources and to concentrate its operations primarily on the continuing development of the alternate feed, uranium-bearing waste recycling business. Since then, commodity prices have improved dramatically. During fiscal 2004, uranium prices increased 65%, from $12.20 per pound on October 1, 2003, to $20.00 per pound by September 30, 2004. As of January 31, 2005, the uranium spot price had increased to $21.00 per pound. Vanadium prices have also increased throughout the past 18 months and are currently trading in the range of $9.00 to $9.50 per pound V(2)O(5). As a result

of the increase in uranium price, the Company acquired and staked uranium exploration properties in Canada in fiscal 2004 and has commenced an aggressive exploration program on certain of those properties. In addition, the Company has recommenced its uranium exploration program in Mongolia and is currently evaluating the possibility of recommencing certain of its U.S. mining activities.

Although the Mill's tailings system currently has capacity to process all of the alternate feed materials under contract with the Company, this capacity is expected to run out within the next one to three years, depending on the level of success of the Company in entering into contracts for the processing of additional feed materials or if the Company decides to recommence U.S. mining operations. In order to provide additional tailings capacity, the Company will have to repair existing tailings Cell No. 4A, at an estimated cost of $1.5-$3.0 million. In addition, if Cell No. 4A is put into use, the reclamation obligation for the Mill would increase by approximately $1.0 million, which would require an increase in the Mill's reclamation bond by that amount. The repair of Cell No. 4A will provide the Company with approximately 2 million tons of additional tailings capacity, which should be ample capacity for the foreseeable future.

OUTLOOK FOR 2005

The Company will be expanding its uranium exploration programs in both Canada and Mongolia in 2005. In Canada, the Company along with its joint venture partner, JNR Resources Inc. is planning a 15,000 meter winter drilling program, as well as ground geophysics and a 3D seismic program at the Moore Lake project. In addition to the program at Moore Lake, the Company will also have a winter geophysical and drilling program at its 100% owned Key Lake South project. During the summer, the Company will continue to expand its Moore Lake project exploration program and will initiate additional programs on its 100% staked land, as well as the Phelps-Dodge and JNR option properties. In Mongolia, the Company is planning a 35,000-meter drill program and gamma surveys, which will investigate a number of targets on its current land position. The Company will continue to evaluate other potential exploration projects, as well as more advanced project acquisitions.

At the beginning of fiscal 2005, the uranium spot price was $20.00 per pound and the long-term price was $23.00 per pound. As of January 31, 2005, the spot price had increased to $21.00 per pound and the long-term price had increased $3.00 per pound to $26.00 per pound. A number of market projections predict a continued increase in both spot and long-term uranium prices; however, these projections indicate that the rate of increase will likely be lower than that seen in 2004.

With the forecasted continued improvement in commodity prices, the Company has begun studying the viability of restarting certain U.S. mining operations. These operations are higher cost than the current uranium producers due to the lower grade of the ore bodies. Assuming that the price continues to rise and given that a majority of the U.S. mines are fully permitted and can be put back into production within a four to six month period, the Company is encouraged that a production decision will be made in 2005.

In addition to the potential restart of the U.S. mining operations, the Company will be restarting the White Mesa Mill late in the second quarter or early third quarter of fiscal 2005 to process an alternate feed material that contains over 485,000 pounds of uranium. The processing of this material is anticipated to take about twelve months to complete, at which time the Company will process the remaining alternate feed materials at the Mill site. With respect to the Urizon project, the Company and its joint venture partner, Nuclear Fuel Services, Inc., are awaiting a decision by the U.S. Department of Energy (DOE) on the path forward for the handling of the Urizon feed stock. This decision was anticipated in the first quarter of fiscal 2005, but has been delayed.

RISKS AND UNCERTAINTIES

Exploration for and development of mineral properties involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, constructing mining and process facilities at a site, developing metallurgical processes and extracting uranium and other metals from ore. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations.

Under the United States Nuclear Regulatory Commission's Alternate Feed Guidance, the Mill is required to obtain a

specific license amendment allowing for the processing of each new alternate feed material. Various third parties have challenged certain of the Mill's license amendments, although none of such challenges have been successful to date. The Company intends to continue to defend its positions and the validity of its license amendments and proposed license amendments. If the Company does not ultimately prevail in any such actions and any appeals therefrom, the Company's ability to process certain types of alternate feeds, in certain circumstances, may be adversely affected, which could have a significant impact on the Company.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere in this Form 20-F constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration activities and other operating and development risks, competition, environmental regulations, reliance on alternate feed income, the ability to develop the alternate feed business, changes to reclamation requirements, dependence on a limited number of customers, volatility and sensitivity to market prices for uranium and vanadium, the impact of changes in foreign currencies' exchange rates, political risk arising from operating in Mongolia, changes in government regulation and policies including trade laws and policies, demand for nuclear power, replacement of reserves and production, receipt of permits and approvals from governmental authorities (including amendments for each alternate feed transaction).

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The names, municipalities of residence, positions with the Company, and principal occupations of the directors and executive officers of the Company as of February 14, 2005, are as follows:

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

NAME AND MUNICIPALITY OF RESIDENCE	PERIOD OF SERVICE AS A DIRECTOR	COMMON SHARES OF THE COMPANY BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, OR CONTROLLED OR DIRECTED(1)	PRESENT PRINCIPAL OCCUPATI COMPANY
JOHN H. CRAIG Toronto, ON	May 9, 1997 to present	132,500	Lawyer, partner of Cassels Director of a number of pub including: Canadian Gold Hu Mining Corp.
DAVID C. FRYDENLUND Denver, CO	May 9, 1997 to present	433,000	Vice President, General Cou Officer and Corporate Secre
RON F. HOCHSTEIN Vancouver, BC	April 6, 2000 to present	343,000	President and Chief Executi since April 6, 2000; from J 6, 2000, Vice President and of the Company. Director o publicly-traded companies, Corp., Fortress Minerals Co Santoy Resources Ltd.
LUKAS H. LUNDIN Vancouver, BC	May 9, 1997 to present	192,250	Chairman of the Board of th officer of a number of publ resource companies, includi Atacama Minerals Corp., Val Canadian Gold Hunter Corp., Tanganyika Oil Company Ltd. Corporation
WILLIAM A. RAND Vancouver, BC	May 9, 1997 to	25,000	Self-employed businessman; publicly-traded companies,

	present	Petroleum AB, Valkyries Pet Gold Hunter Corp., Tenke Mi Company Ltd. and Lundin Min

(1) Each of the Directors and Officers of the Company owns less than one percent of the outstanding shares of the Company,

(2) All persons listed are directors of the Company.

The information as to shares beneficially owned or over which the directors exercise control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.

All of the above-named directors have held their present positions or other executive positions with the same or associated firms or organizations during the past five years, except Mr. Ron Hochstein who was Vice President, Corporate Development of the Company from October 11, 1999 to January 30, 2000, and was an engineering consultant with the AGRA-Simons Mining Group, an engineering and consulting firm, from July 1995 to October 1999.

Please note Item 7 below for information relating to interests of Management in certain related party transactions.

B. COMPENSATION

DIRECTOR COMPENSATION

No remuneration has been paid to directors of the Company in their capacities as directors since the date of incorporation, other than stock options described under "Share Ownership" below. The directors are reimbursed for their expenses incurred to attend meetings of the Company.

EXECUTIVE OFFICER COMPENSATION

The following table summarizes the compensation of each of the executive officers of the Company for the year ended September 30, 2004:

ANNUAL COMPENSATION
FOR THE YEAR ENDED SEPTEMBER 30, 2004

NAME AND PRINCIPAL POSITION	SALARY(1)	BONUS	OTHER ANNUAL COMPENSATION	SECURITIES UNDER OPTIONS/ SARS GRANTED (#)
Ron F. Hochstein President and Chief Executive Officer(2)	163,000	Nil	58,980(3)	650,000
David C. Frydenlund, Vice President, General Counsel, Chief Financial Officer, and Corporate Secretary(2)	158,400	Nil	Nil	250,000

Harold R. Roberts(4), Vice President, Corporate Development of the Company's subsidiary International Uranium (USA) Corporation	11,667	Nil	Nil	Nil

(1) The Company's currency for disclosure purposes is US dollars, which are the functional currency of the Company's operations.

(2) Each of Messrs. Ron F. Hochstein and David C. Frydenlund currently have, contracts of employment with the Company or its subsidiary, International Uranium (USA) Corporation. There are no compensatory plans or arrangements provided in such contracts in respect of resignation, retirement, termination, change in control of the Company or responsibilities. The expiry date of the employment contracts for Messrs Hochstein and Frydenlund is September 30, 2005.

(3) Amount represents re-imbursement of expenditures associated with re-locating Mr. Hochstein from the Company's Denver Office to its Vancouver office, including $11,977, being amounts reimbursed for the payment of taxes incurred by Mr. Hochstein in connection with relocation expenses, and the remainder being relocation expenses paid by the Company on behalf of Mr. Hochstein.

(4) Mr Roberts was Vice President, Corporate Development of the Company's subsidiary International Uranium (USA) Corporation from May 14, 2001 until October 31, 2003. As a result of a downsizing of the Company's head office in October 2003, Mr. Roberts resigned from his position of Vice President Corporate Development effective October 31, 2003, and was retained on a consulting basis from November 1, 2003 until December 31, 2004. Mr. Roberts received a severance payment of $35,000. Mr. Roberts recommenced employment with the Company on January 1, 2005 as Vice President, Corporate Development of International Uranium (USA) Corporation. Mr. Roberts currently has a contract of employment with International Uranium (USA) Corporation. There are no compensatory plans or arrangements provided in such contract in respect of resignation, retirement, termination, change in control of the Company or responsibilities. The expiry date of Mr. Roberts' employment contract is December 31, 2006. In addition, $250 represents 401K matching

contributions made to the named executive's retirement account per the Company's 401K Benefit Plan available to all eligible employees.

There were no long-term incentive plan awards made to any of the named executive officers of the Company during the most recently completed financial year. In addition, there are no plans in place with respect to any of the named individuals for termination of employment or change in responsibilities under employment contracts, apart from those separately disclosed herein.

OPTION/SAR GRANTS TO EXECUTIVE OFFICERS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

MARKET VAL
OF SECURITI

NAME	SECURITIES UNDER OPTIONS/ SARS GRANTED (#)	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FINANCIAL YEAR	EXERCISE OR BASE PRICE (CDN $/ SECURITY)	UNDERLYIN OPTIONS/SA ON THE DATE GRANT (CDN SECURITY
David C. Frydenlund	250,000	12.6%	$1.01	$1.01
Ron F. Hochstein	400,000	20.2%	$1.01	$1.01

A summary of the Company's Stock Option Plan is provided under "Share Ownership" below.

C. BOARD PRACTICES

Directors are elected annually to one year terms at the annual meeting of shareholders and serve until the next annual meeting or until their successor is duly elected. Executive Officers are appointed by the directors and serve until replaced by the directors or their resignation. Each of the above directors was elected to his present term of office at the annual meeting of shareholders of the Company held on March 23, 2004.

Each of Messrs. Ron F. Hochstein and David C. Frydenlund have contracts of employment with the Company or its subsidiary, International Uranium (USA) Corporation. There is no compensatory plan or arrangement provided in such contracts in respect of resignation, retirement, termination, change in control of the Company or responsibilities. These employment contracts expire on September 30, 2005. None of the other directors have service contracts with the Company or any of its subsidiaries.

The board of directors does not have an Executive Committee. The board has established an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and an Environment, Health and Safety Committee. The following table sets out the members of such Committees:

COMMITTEES OF THE BOARD

AUDIT COMMITTEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	ENVIRONMENT, SAFETY COM
John H. Craig	John H. Craig	John H. Craig	John H.
Lukas H. Lundin	Lukas H. Lundin	Lukas H. Lundin	Lukas H.
William A. Rand	William A. Rand	William A. Rand	David C. Fr

AUDIT COMMITTEE

Charter of the Audit Committee

57

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and

non-audit services to be provided to the Company by the Company's auditors are pre-approved by the audit committee. The Committee reviews, on a continuous basis, any reports prepared by the Company's external auditors relating to the Company's accounting policies and procedures, as well as internal control procedures and systems. The Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the Code of Ethics for senior officers, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year. The Audit Committee's Charter is attached as Exhibit 1.2.

Composition of the Audit Committee

The members of the Audit Committee are William A; Rand, John H. Craig and Lukas H. Lundin. Of these members, Mr. Rand is considered to be "independent" within the meaning of applicable United States and Canadian securities regulations. Under Canadian securities regulations, effective at the Company's annual general meeting to be held on March 22, 2005, all members of the Company's Audit Committee must be independent. Management of the Company has nominated for election at the meeting one additional director who is independent within the meaning of applicable securities regulations and who will, if elected, be appointed to the Audit Committee. The Board continues to search for another candidate for director of the Company who would be independent and financially literate within the meaning of applicable securities regulations.

Each of Messrs. Rand, Craig and Lundin are considered to be "financially literate" within the meaning of applicable Canadian securities regulations in that they each have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonable be expected to be raised by the Company's financial statements.

Relevant Education and Experience of Audit Committee Members

Each member of the Audit Committee has extensive experience in dealing with financial statements, accounting issues, internal control and other related matters relating to public resource-based companies. Mr. Rand is a retired corporate and securities lawyer and mining executive, with an accounting educational background, who has sat on a number of boards and audit committees of similar public resource-based companies for over 25 years. Mr. Craig is a corporate and securities lawyer with over 25 years of experience, who has sat on a number of Boards and Audit Committees of similar types of companies. Mr. Lundin has a university degree in engineering, and is an executive officer and director of a number of similar public resource-based companies.

COMPENSATION COMMITTEE

The Company's executive compensation program is administered by the Compensation Committee, which is composed of three non-management directors who are identified above. The Committee meets at least annually to receive information on and determine matters regarding executive compensation, in accordance with policies approved by the board of directors. Recommendations for changes to the policies are also reviewed on an annual basis to ensure that they remain current, competitive and consistent with the Company's overall goals.

The Committee's terms of reference include the responsibility to determine the

level of compensation paid to the President and Chief Executive Officer of the Company and other senior management and executive officers of the Company.

The Company's compensation philosophy for executives continues to follow three underlying principles; namely,(i)

to provide a compensation package that encourages and motivates performance; (ii) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and (iii) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock-related programs.

When determining both compensation policies and programs and individual compensation levels for executive officers, the Committee takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company, the Committee and the Board's overall assessment of each executive's individual performance and contribution towards meeting corporate objectives, levels of responsibility, length of service, and industry comparables.

Executive compensation is comprised primarily of a base salary and participation in the Corporation's incentive stock option and 401K plans, and may also consist of bonuses and other perquisites which are awarded on an occasional basis.

Compensation is generally reviewed in the early part of each year having regard to the prior year's performance both at a corporate level and individually in order to determine compensation adjustments for the following year.

The Compensation Committee has also been mandated to review the adequacy and form of the compensation of directors and to ensure that the compensation realistically reflects the responsibilities and risk involved in being an effective director.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Company's approach to corporate governance issues. The Committee overseas the effective functioning of the Board, overseas the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies possible nominees for the Board and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the contribution of individual directors. In addition, the Committee delivers an annual statement on corporate governance to the Board for inclusion in either the Company's annual report or management proxy circular.

ENVIRONMENT, HEALTH AND SAFETY COMMITTEE

The mining and milling industry, by its very nature, can have a significant impact on the natural environment. As a result, environmental planning and compliance must play an ever-increasing part in the operations of any company engaged in these activities. The Company takes these issues very seriously and has established an Environment, Health and Safety Committee to oversee the Company's efforts to act in a responsible and concerned manner with respect to matters affecting the environment, health and safety.

D. EMPLOYEES

The following table sets out the number of employees of the Company and its subsidiaries at September 30, 2004 for each of the past three financial years, and a breakdown of persons employed by main category of activity and geographic location.

NUMBER OF EMPLOYEES BY GEOGRAPHIC LOCATION

LOCATION	2004	2003	2002
Vancouver, B.C.	2	-	-
Denver	2	9	10
White Mesa Mill	16	15	66

Mongolia Office	2	4	2
Total	22	28	78

None of the Company's employees are unionized. The Company's subsidiary, Fortress, also has four employees in Vancouver, B.C.

E. SHARE OWNERSHIP

See the table above under the heading "Directors and Senior Management" for information as to the share ownership in the Company held by Directors and Officers of the Company.

The following table summarizes individual grants of options to purchase or acquire securities of the Company or any of its subsidiaries to each of the named executive officers and directors as of February 14, 2005.

STOCK OPTIONS HELD BY DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

EXECUTIVE OFFICER AND DIRECTOR	NUMBER OF COMMON SHARES UNDER OPTION	DATE OF GRANT	OPTION PRICE (CDN $)
John H. Craig	50,000	November 27, 2003	1.01
David C. Frydenlund	250,000	November 27, 2003	1.01
Ron F. Hochstein	400,000	November 27, 2003	1.01
	250,000	October 11, 2002	0.31
Lukas H. Lundin	400,000	November 27, 2003	1.01
William A. Rand	100,000	November 27, 2003	1.01

Total	1,450,000

STOCK OPTION PLAN

The major features of the Company's stock option plan (the "Stock Option Plan") can be summarized as follows:

Under the Stock Option Plan the board of directors, or a committee appointed for such purposes, may from time to time grant to directors, officers, eligible employees of, or consultants to, the Company or its subsidiaries, or to employees of management companies providing services to the Company (collectively, the "Eligible Personnel") options to acquire Common Shares in such numbers, for such terms and at such exercise prices as may be determined by the board or such committee. The purpose of the Stock Option Plan is to advance the interests of the Company by providing Eligible Personnel with a financial incentive for the continued improvement of the Company's performance and encouragement to stay with the Company.

The maximum number of Common Shares that may be reserved for issuance for all purposes under the Stock Option Plan is 6,700,000 Common Shares and the maximum number of Common Shares which may be reserved for issuance to any one insider pursuant to share options and under any other share compensation arrangement may not exceed 5% of the Common Shares outstanding at the time of grant (on a non-diluted basis). Any Common Shares subject to a share option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the Stock Option Plan.

The maximum number of Common Shares that may be reserved for issuance to insiders of the Company under the Stock Option Plan and under any other share compensation arrangement is limited to 10% of the Common Shares outstanding at the time of grant (on a non-diluted basis).

The board of directors of the Company has the authority under the Stock Option Plan to establish the option price at the time each share option is granted. The option price may not be lower than the market price of the Common Shares at the time of grant.

Options granted under the Stock Option Plan must be exercised no later than 10 years after the date of grant and options are not transferable other than by will or the laws of dissent and distribution. If an optionee ceases to be an Eligible Person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable 30 days following the termination date (being the date on which such optionee ceases to be an Eligible Person). If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date.

At the 2005 Annual General Meeting to be held on March 22, 2005, the shareholders of the Company will be asked to consider a resolution to approve an amendment to the Company's Stock Option Plan to increase the maximum number of common shares that may be reserved under the plan from 6,700,000 to 10,700,000, as well as several other amendments required in order to bring the Plan into alignment with the new rules of The Toronto Stock Exchange (the "TSX") provided for in section 613 of the revised TSX Manual.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

Information is set forth below with respect to persons known to the Company to be the owner of five percent or more of the Company's voting securities as of February 14, 2005 and the total amount of these securities owned by the officers and directors as a group.

MAJOR SHAREHOLDERS

IDENTITY OF PERSON OR GROUP	NUMBER OF COMMON SHARES OWNED	PERCENTAGE
Adolf H. Lundin	6,500,000	8.1%
Directors and Officers as a group (6 persons)	1,125,750	1.4%

None of the Company's major shareholders have different voting rights than other holders of common shares of the Company.

As far as it is known to the Company, the Company is not directly or indirectly owned or controlled by another corporation(s), any foreign government, or by any other natural or legal person(s).

As of January 25, 2005, 14,494,125, or 18%, of the Company's outstanding common stock were registered in the names of 62 residents of the United States, as record holders. The Company's common stock is issued in registered form and the number of shares reported to be held by U.S. shareholders of record is taken from the records of Computershare Trust Company of Canada, the registrar and transfer agent for the Common Stock.

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

B. RELATED PARTY TRANSACTIONS

Ron F. Hochstein, Lukas H. Lundin, John H. Craig, and William A. Rand are also directors and officers of other natural resource companies and, consequently, there exists the possibility for such directors and officers to be in a position of conflict relating to any future transactions or relationships between the Company or common third parties. However, the Company is unaware of any such pending or existing conflicts between these parties. Any

decision made by any of such directors and officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, each of the directors of the Company, discloses and refrains from voting on, any matter in which such director may have a conflict of interest.

None of the present directors, senior officers or principal shareholders of the Company and no associate or affiliate of any of them has any material interest in any transaction of the Company or in any proposed transaction which has materially affected or will materially affect the Company except as described herein.

During the year ended September 30, 2004, the Company incurred legal fees of

$169,026 with a law firm of which a partner is a director of the Company. Legal fees incurred with this law firm were $45,847 for the year ended September 30, 2003 and $10,960 for the year ended September 30, 2002.

During the year ended September 30, 2004, the Company incurred management and administrative service fees of $136,335 with a company owned by the Chairman of the Company, which provides investor relations, office premises, secretarial and other services in Vancouver. This amount is based on a fee of $7,500 per month from October 2003 through January 2004 and Cdn$16,000 (approximately US$13,292) per month from February through September 2004. The increase in monthly fees from February through September 2004 resulted from the Company increasing the size of its Vancouver office in February. Management and administrative service fees incurred with this company were $90,000 for the years ended September 30, 2003 and 2002. Amounts due to this company were nil as of September 30, 2004 and 2003.

During the year ended September 30, 2004, the Company provided mine reclamation management and engineering support services of $421,182 on a cost plus basis to a company with common directors. Amounts due from this company were $64,801 as of September 30, 2004.

C. INTERESTS OF EXPERTS AND COUNSEL

Not Applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS

The consolidated financial statements of the Company are attached hereto as pages F-1 through F-19 and incorporated herein by reference.

EXPORT SALES

The amount of export sales does not constitute a significant portion of the Company's total sales volume.

LEGAL PROCEEDINGS

Under the NRC's Alternate Feed Guidance, the Mill is required to obtain a specific license amendment allowing for the processing of each new alternate feed material. See "Item 4. Information on the Company Alternate Feed Processing."

Some of the Company's alternate feed license amendments have been challenged in the past by the State of Utah, a commercial disposal company and other parties. As of February 14, 2005, the Company's White Mesa Mill has been granted fourteen license amendments for processing alternate feeds out of fourteen requests, and the Company has successfully defended all challenges before the NRC, to date. In fact, in February, 2000 the NRC rendered a decision, upholding an amendment to the Company's NRC license that allowed the Company to process the Ashland 2 FUSRAP materials. This decision by the five NRC Commissioners reaffirmed an earlier ruling by the Atomic

Safety and Licensing Board, and resolved in the Company's favor the dispute at that time with the State of Utah over the types of materials that can be

processed at the Mill. As a result of this ruling, it is clear that the uranium bearing soils and materials located at former defense sites that are being pursued by the Company can be processed at the Mill in accordance with NRC health and safety regulations. This decision resolved the dispute with the State of Utah in 2000.

The Company intends to continue to defend its positions and the validity of its license amendments and proposed license amendments. If the Company does not ultimately prevail in any such actions and any appeals therefrom, the Company's ability to process certain alternate feeds, in certain circumstances, may be adversely affected since license amendments are required for each alternate feed transaction.

During a sampling event at the White Mesa Mill in May, 1999, the Company discovered unusually high levels of chloroform in one monitoring well which monitors the water in the perched zone, and is located cross-gradient from the Mill's tailings impoundments. Investigations by independent experts retained by the Company indicate that the source of the chloroform is not from Mill operations or from the Mill's tailings cells. Rather the source appears to be from a temporary laboratory facility that was located at the Mill site prior to construction and operation of the Mill, and that disposed of laboratory wastes into a State of Utah inspected and approved disposal leach field, and/or septic tank drainfields that serviced both laboratory operations and sanitary sewage prior to construction of the Mill's tailings cells. Further investigations are ongoing. On August 23, 1999, while acknowledging that this contamination does not threaten groundwater resources in the regional aquifer, because the aquifer is separated from the perched zone by some 1,000 feet of low-permeability rocks, the State of Utah issued a Corrective Action Order requiring the Company to investigate the source and extent of chloroform contamination and, if necessary, to develop a corrective action plan to address the chloroform contamination. The Company is performing investigations and taking actions in accordance with the Corrective Action Order. Interim measures have been instituted in order to contain the contamination and to pump contaminated groundwater into the Mill's tailings cells. A final corrective action plan has not yet been developed. Although investigations to date indicate that this contamination appears to be contained in a manageable area, the scope and costs of remediation have not yet been determined and could be significant.

In the first quarter of fiscal 2004, the Company received a demand and threat of pursuit of litigation in respect of alleged preferential payments by a former customer, in the amount of approximately $1.2 million, that were paid pursuant to certain contracts with the Company. The former customer filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in January 2002. That company subsequently sold substantially all of its assets to The Shaw Group, Inc. ("Shaw"), who was believed to have assumed the contracts in question and has subsequently performed the contracts with the Company. In May 2004 the Company received a formal Complaint in the bankruptcy proceeding seeking the recovery of approximately $1.7 million as an alleged preferential payment. The Company has answered the complaint, disputing the claim, asserting, among other defenses that there is no liability on account that the Company's contract was assumed and assigned to Shaw and as a result there is no preference liability. The Company has sought summary judgment in its favor. The Court has not yet ruled on the Company's request.

DIVIDEND POLICY

To date, the Company has not paid any dividends on its outstanding Common Shares and has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors of the Company may consider appropriate in the

circumstances.

B. SIGNIFICANT CHANGES

There have been no significant changes in the business or affairs or financial condition of the Company since September 30, 2004, the date of the annual financial statements incorporated into this Form 20-F, except as otherwise disclosed in this Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

See "Markets" below.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

The common shares of the Company are currently listed on The Toronto Stock Exchange in Canada. The Company's common shares commenced trading on The Toronto Stock Exchange on May 16, 1997. The following table sets forth the high and low market prices and the volume of the common shares traded on The Toronto Stock Exchange during the periods indicated:

TRADING INFORMATION

PERIOD	HIGH (Cdn $)	LOW (Cdn $)	VOLUME
October 1, 1999-September 30, 2000	0.38	0.13	19,626,816
October 1, 2000-September 30, 2001	0.40	0.20	11,342,300
October 1, 2001-September 30, 2002	0.50	0.25	9,883,580
October 1, 2002-September 30, 2003	0.75	0.25	29,388,200
October 1, 2003-September 30, 2004	5.15	0.50	92,514,000
October-December 2002	0.35	0.25	1,117,600
January-March 2003	0.49	0.29	3,321,900
April-June 2003	0.35	0.28	3,371,600
July-September 2003	0.75	0.29	21,577,100
October-December 2003	1.76	0.50	28,288,600
January-March 2004	3.30	1.35	23,977,900
April-June 2004	2.94	1.51	11,762,000
July-September 2004	5.15	2.43	28,575,600
October-December 2004	4.80	3.34	22,735,600
August 2004	4.00	2.46	9,589,600
September 2004	5.15	3.68	15,803,300
October 2004	4.80	3.34	10,454,900
November 2004	4.70	3.55	7,476,900
December 2004	4.40	3.53	4,803,800
January 2005	4.88	3.81	6,791,300
February 1 to February 10, 2005	5.90	4.30	7,187,800

CURRENCY TRANSLATION

As the Company's stock is traded in Canadian dollars, the following table sets forth the exchange rates for one Canadian dollar expressed in terms of one U.S. dollar for the past five fiscal years and the calendar quarters ended 12/31/03, 3/31/04, 6/30/04, 9/30/04 and December 31, 2004:

EXCHANGE RATES-ANNUAL

YEAR	AVERAGE	LOW - HIGH	SEPTEMBER 30
2000	0.6735	0.6422 - 0.6970	0.6653
2001	0.6461	0.6227 - 0.6714	0.6341

2002	0.6361	0.6175 - 0.6656	0.6336
2003	0.6853	0.6252 - 0.7512	0.7391
2004	0.7551	0.7138 - 0.7856	0.7876

EXCHANGE RATES-QUARTERLY

CALENDAR QUARTER ENDED	AVERAGE	LOW-HIGH	LAST DAY OF QUARTER
12/31/03	0.7601	0.7371 - 0.7747	0.7727
03/31/04	0.7594	0.7357 - 0.7883	0.7648
06/30/04	0.7363	0.7138 - 0.7685	0.7440
09/30/04	0.7644	0.7405 - 0.7886	0.7876
12/31/04	0.8200	0.7836 - 0.8532	0.8303

The rate of exchange for the conversion of United States dollars into Canadian dollars average on February 10, 2005 was $0.8003 (Cdn.$1.00 = U.S.$0.8003).

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

OBJECTS AND PURPOSES OF THE COMPANY

The Company was incorporated by Articles of Amalgamation under the Ontario Business Corporations Act (the "OBCA") on May 9, 1997, under Incorporation Number 1236943.

Section 15 of the OBCA provides that a corporation incorporated under the OBCA has the capacity and the rights, powers and privileges of a natural person.

Neither the Articles of Amalgamation nor the By-Laws of the Company contain any further objects or purposes or restrict the Company from carrying on any business or from exercising any of its powers.

INTERESTED DIRECTORS

Section 3.18 of the Company's By-Laws provides that a director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Company shall disclose in writing to the Company or request to have entered in the minutes of the meetings of the directors the nature and extent of his interest at the time and in the manner provided by the OBCA. Any such contract or transaction or proposed contract or transaction shall be referred to the Board or shareholders for approval even if such contract is one that in the ordinary course of the Company's business would not require approval by the Board or shareholders, and a director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as permitted by the OBCA. Section 132(5) of the OBCA provides that such a director shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is:

- An arrangement by way of security for money lent to or obligations undertaken by the director for the benefit of the Company or an affiliate;

- One relating primarily to his or her remuneration as a director, officer, employee or agent of the Company or an affiliate;

- One for indemnity or insurance under Section 136 of the OBCA; or

- One with an affiliate.

There is no requirement in the OBCA or in the Company's Articles of Amalgamation or By-Laws restricting the directors from voting compensation to themselves or any members of their body, whether in the absence of an independent quorum or otherwise.

BORROWING POWERS

Article 10 of the Articles of Amalgamation of the Company provides that the Board may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:

- Borrow money upon the credit of the Company;

- Issue, re-issue, sell or pledge debt obligations of the Company;

- Subject to the provisions of the OBCA, give a guarantee on behalf of the Company to secure performance of an obligation of any person; and

- Mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Company owned or subsequently acquired, to secure any obligation of the Company.

Article 10 also provides that the Board may from time to time delegate to a director, a committee of directors or an officer of the Company any or all of the powers conferred on the Board as set out above, to such extent and in such

manner as the Board shall determine at the time of such delegation.

As these borrowing powers are contained in the Articles of Amalgamation, any changes to the borrowing powers would require a special resolution of two-thirds of the shareholders of the Company.

MANDATORY REQUIREMENT AND SHARE QUALIFICATION FOR DIRECTORS

There is no requirement for retirement of directors under an age limit requirement, and there is no number of shares required for a director's qualification.

ATTRIBUTES OF COMMON SHARES

The following is a summary of the principal attributes of the Company's Common Shares:

- VOTING RIGHTS. The holders of the Common Shares are entitled to receive notice of, attend and vote at any meeting of the shareholders of the Company. The Common Shares carry one vote per share. There are no cumulative voting rights, and directors do not stand for re-election at staggered intervals.

- DIVIDENDS. The holders of common Shares are entitled to receive on a pro-rata basis such dividends as may be declared by the Board, out of funds legally available therefor. Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company.

- PROFITS. Each Common Share is entitled to share pro-rata in any profits of the Company to the extent they are distributed either through the declaration of dividends or otherwise distributed to shareholders, or on a winding up or liquidation.

- RIGHTS ON DISSOLUTION. In the event of the liquidation, dissolution or winding up of the Company, the holders of the Common Shares will be entitled to receive on a pro-rata basis all of the assets of the Company remaining after payment of all the Company's liabilities.

- PRE-EMPTIVE, CONVERSION AND OTHER RIGHTS. No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will

not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of Common Shares. There are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of shares.

The rights of holders of Common Shares may only be changed by a special resolution of holders of two-thirds of the issued and outstanding Common Shares, in accordance with the requirements of the OBCA.

ANNUAL AND SPECIAL MEETINGS

The annual meeting of shareholders shall be held at such time in each year as the Board, the Chairman of the Board (if any) or the President may from time to

time determine, for the purpose of considering the financial statements and reports required by the OBCA to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting. The Board, the Chairman of the Board (if any) or the President shall have the power to call a special meeting of shareholders at any time. In addition, Section 105 of the OBCA provides that in certain circumstances the holders of not less than 5 percent of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

The only persons entitled to be present at a meeting of shareholders are those entitled to vote thereat, the directors and the auditor of the Company and others who, although not entitled to vote are entitled or required under any provision of the OBCA or the Articles of Amalgamation or By-Laws of the Company to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

LIMITATIONS ON THE RIGHT TO OWN SECURITIES

There are no limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by foreign law or by the charter or other constituent document of the Company, except as discussed under "Exchange Controls" below.

CHANGES IN CONTROL

There are no provisions in the Company's Articles of Amalgamation or By-Laws that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries).

DISCLOSURE OF OWNERSHIP

There are no provisions in the Company's Articles of Amalgamation or By-Laws governing the ownership threshold above which shareholder ownership must be disclosed. However, as discussed under "Exchange Controls" below, non-Canadians may be required in certain circumstances to report their ownership interests in the Company. In addition, the Ontario Securities Act requires disclosure by any person acquiring or holding 10 percent or more of the outstanding Common Shares of the Company.

C. MATERIAL CONTRACTS

The Company has not entered into any material contracts, other than in the ordinary course of business during the previous two years, other than the following contracts:

- Agreement dated March 1, 2004 between Fortress and the Company pursuant to which the Company agreed to sell to Fortress the Company's precious and base metals properties; and

- Underwriting Agreement dated December 16, 2003 between the Corporation and a syndicate of underwriters led by Griffiths McBurney & Partners and including Dundee Securities Inc. and Toll Cross Securities Inc., pursuant to which the Company issued a total of 6,700,000 common shares for gross proceeds of Cdn$10,050,000.

D. EXCHANGE CONTROLS

Canada has no system of exchange controls. There are no foreign exchange restrictions on the export or import of capital, including the availability of cash and cash equivalents for use by the Company group, or on the remittance of dividends, interest, or other payments to non-resident holders of the Company's securities, apart from usual withholding taxes payable at rates fixed by Treaty.

The Company is subject to the Investment Canada Act (the "ICA"). Under the ICA, the acquisition of "control" of certain "businesses" by "non-Canadians" is subject to either notification or review, by the Investment Review Division of Industry Canada (or the Department of Canadian Heritage, with respect to cultural businesses and businesses that relate to Canada's cultural heritage or national identity), and where review is required, will not be allowed unless they are found likely to be of "net benefit to Canada". The term "control" is defined by the ICA as any one or more non-Canadian persons acquiring all or substantially all of the assets used in the Canadian business, or acquisition of the voting shares of a Canadian corporation carrying on the Canadian business or the acquisition of the voting interests of an entity controlling the Canadian corporation. The acquisition of the majority of the outstanding shares or the acquisition of less than a majority but 1/3 or more of the voting shares unless it can be shown in fact that the purchaser will not control the Canadian company, shall be deemed to be "control" under the ICA.

Where an investor acquiring control of a Canadian business is resident of a World Trade Organization ("WTO") country, including Americans, the investment is generally reviewable only if it involves the direct acquisition of a Canadian business with assets, and as of February 14, 2005, of Cdn $250 million or more (this figure is adjusted annually to reflect inflation). Indirect acquisitions by WTO investors are not reviewable, unless the Canadian business acquired is engaged in activities in any of the sensitive areas discussed below, in which case lower thresholds for review apply.

Special thresholds apply to acquisitions of Canadian businesses engaged in certain sensitive areas, namely uranium production, financial services, transportation or cultural businesses. Where the Canadian business participates in any of these sensitive areas, the investment is subject to review where its assets are valued at over Cdn $5 million (for direct acquisitions) and Cdn $50 million (for indirect acquisitions). In addition, where certain requirements of ICA's regulations are met and a cabinet order is issued to the effect that the Canadian business relates to Canada's cultural heritage or national identity, review is possible, at the discretion of the Minister of Canadian Heritage, regardless of asset values.

If an investment is reviewable, an application for review, in the form prescribed by the ICA's regulations, is normally required to be filed with the Investment Review Division of Industry Canada or the Department of Canadian Heritage, as applicable, prior to the investment taking place and the investment may not be consummated until the review has been completed. However, the ICA provides for the Minister of Industry or of Canadian Heritage, as applicable, to permit an investment to be consummated prior to completion of review if he is satisfied that delay would cause undue hardship to the acquirer or jeopardize the operation of the Canadian business that is being acquired. An application in this regard is filed with the applicable Minister, together with any other information or written undertakings given by the acquirer and any representation submitted to the applicable department by a province that is likely to be significantly affected by the investment.

The Minister determines whether the investment is likely to be of net benefit to Canada, taking into account the information provided and having regard to factors of assessment, as set out in the ICA, where they are relevant. Some of

the factors to be considered are the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on resource processing on the utilization of parts, components and services produced in Canada, and on exports from Canada. Additional factors of assessment include: (i) the degree and significance of participation by Canadians in the Canadian business and in any industry in Canada of which it forms a part; (ii) the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada; (iii) the effect of the investment on competition within any industry or industries in Canada; (iv) the compatibility of the investment with national industrial, economic and cultural policies taking into consideration industrial, economic and cultural policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the investment; and (v) the contribution of the investment to Canada's ability to compete in world markets.

If an acquisition of control of a Canadian business by a non-Canadian is not reviewable, the ICA requires that the non-Canadian investor provide notice of the acquisition, in the form prescribed, within 30 days after its completion.

There are no limitations under Canadian law on the right of nonresident or foreign owners to hold or vote the common stock of the Company.

E. TAXATION

The following paragraphs set forth United States and Canadian income tax considerations about the ownership of shares of the Company, as of February 14, 2005. There may be relevant state, provincial or local income tax considerations, which are not discussed.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of possible United States federal income tax consequences, under current law as of February 14, 2005, applicable to a U.S. Holder (as defined below) of shares of the Company. This discussion does not address consequences peculiar to persons subject to special provisions of federal income tax law, such as those described below as excluded from the definition of a U.S. Holder. In addition, this discussion does not cover any state, local or foreign tax consequences. (See "Taxation -- Certain Canadian Federal Tax Considerations" below.)

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the "Code"), Internal Revenue Service ("IRS") rulings, published administrative positions of the IRS and court decisions that are applicable as of February 14, 2005, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time. This discussion does not consider the potential effects, both adverse and beneficial, of any recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. Accordingly, holders and prospective holders of shares of the Company are urged to consult their own tax advisors about the state, and local tax consequences of purchasing, owning and disposing of shares of the Company.

U.S. HOLDERS

As used herein, a "U.S. Holder" means a holder of shares of the Company who is a citizen or individual resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or of

any political subdivision thereof or a trust whose income is taxable in the United States irrespective of source. This summary does not address the tax consequences to, and U.S. Holder does not include persons subject to specific provisions of federal income tax law, such as tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a "functional currency" other than the U.S. dollar, shareholders who hold shares as part of a straddle, hedging or a conversion transaction, and shareholders who acquired their stock through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders who own shares as capital assets. This summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership exercise or disposition of any options, warrants or other rights to acquire shares.

DISTRIBUTIONS ON SHARES OF THE COMPANY

U.S. Holders receiving dividend distributions (including constructive dividends) with respect to shares of the Company are required to include in gross income for United States federal income tax purposes the gross amount of such distributions equal to the U.S. dollar value of such dividends on the date of receipt (based on the exchange rate on such date) to the extent that the Company has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder's United States federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder's United States federal taxable income, but in the case of an individual only applies to those who itemize deductions. (See discussion that is more detailed at "Foreign Tax Credit" below.) To the extent that distributions exceed current or accumulated earnings and profits of the Company, they will be treated first as a return of capital up to the U.S. Holders' adjusted basis in the shares and thereafter as gain from the sale or exchange of the shares. Preferential tax rates for long-term capital gains are applicable to a U.S. Holder which is an

individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder, which is a corporation.

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including an exchange for U.S. dollars, will be ordinary income or loss.

Dividends paid on the shares of the Company will not generally be eligible for the dividends received deduction provided to corporations receiving dividends from certain United States corporations. A U.S. Holder which is a corporation may, under certain circumstances, be entitled to a 70% deduction of the United States source portion of dividends received from the Company (unless the Company qualifies as a "passive foreign investment company," as defined below) if such U.S. Holder owns shares representing at least 10% of the voting power and value of the Company. The availability of this deduction is subject to several complex limitations, which are beyond the scope of this discussion.

FOREIGN TAX CREDIT

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of shares of the Company may be entitled, at the option of the U.S. Holder, to either a deduction or a tax credit for such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces United States federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to tax. This election is made on a year-by-year basis and applies to all foreign taxes paid by (or withheld from) the U.S. Holder during that year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's United States income tax liability that the U.S. Holder's foreign source income bears to his or its worldwide taxable income. In the determination of the application of this limitation, the various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately based on two specific classes of income: "passive" and "general." Dividends distributed by the Company will generally constitute "passive income." The availability of the foreign tax credit and the application of the limitations on the credit are fact specific, and holders and prospective holders of shares of the Company should consult their own tax advisors regarding their individual circumstances.

DISPOSITION OF SHARES OF THE COMPANY

A U.S. Holder will recognize gain or loss upon the sale of shares of the Company equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received, and (ii) the shareholder's tax basis in the shares of the Company. This gain or loss will be capital gain or loss if the shares are a capital asset in the hands of the U.S. Holder, which will be a short-term or long-term capital gain or loss depending upon the holding period of the U.S. Holder. Gains and losses are netted and combined according to special rules in arriving at the overall capital gain or loss for a particular tax year. Deductions for net capital losses are subject to significant limitations. For U.S. Holders who are individuals, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted. For U.S. Holders that are corporations (other than corporations subject to Subchapter S of the Code), an unused net capital loss may be carried back three years from the loss year and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

OTHER CONSIDERATIONS

In the following circumstances, the above sections of this discussion may not describe the United States federal income tax consequences resulting from the holding and disposition of shares:

PASSIVE FOREIGN INVESTMENT COMPANY

As a foreign corporation with U.S. Holders, the Company could potentially be treated as a passive foreign investment company ("PFIC"), as defined in section 1297 of the Code, depending upon the percentage of the Company's income which is passive, or the percentage of the Company's assets which is producing passive income.

U.S. Holders owning shares of a PFIC are subject to an additional tax and to an interest charge based on the value of deferral of tax for the period during

which the shares of the PFIC are owned, in addition to treatment of gain realized on the disposition of shares of the PFIC as ordinary income rather than capital gain. However, if the U.S. Holder makes a timely election to treat a PFIC as a qualified electing fund ("QEF") with respect to such shareholders interest therein, the above-described rules generally will not apply. Instead, the electing U.S. Holder would include annually in his gross income his pro rata share of the PFIC's ordinary earnings and net capital gain regardless of whether such income or gain was actually distributed. A U.S. Holder of a QEF can, however, elect to defer the payment of United States federal income tax on such income not currently received subject to an interest charge on the deferred tax. Alternatively, a U.S. Holder may elect to "mark to market" his or her shares in the Company at the end of each year as set forth in Section 1296 of the Code. Special rules apply to U.S. Holders who own their interests in a PFIC through intermediate entities or persons.

The Company believes that it was not a PFIC for its fiscal year ended September 30, 2004. If in a subsequent year the Company concludes that it is a PFIC, it intends to make information available to enable an U.S. Holder to make a QEF election in that year. There can be no assurance that the Company's determination concerning its PFIC status will not be challenged by the IRS, or that it will be able to satisfy record keeping requirements which will be imposed on QEF's.

CONTROLLED FOREIGN CORPORATION

If more than 50% of the voting power of all classes of stock or the total value of the stock of the Company is owned, directly or indirectly, by citizens or residents of the United States, United States domestic partnerships and corporations or estates or trusts other than foreign estates or trusts, each of whom own 10% or more of the total combined voting power of all classes of stock of the Company ("United States shareholder"), the Company could be treated as a "controlled foreign corporation" under Subpart F of the Code. This classification would effect many complex results including the required inclusion by such United States shareholders in income of their pro-rata shares of "Subpart F income" (as specially defined by the Code) of the Company. In addition, under Section 1248 of the Code, gain from the sale or exchange of stock by a holder of shares of the Company who is or was a United States shareholder at any time during the five year period ending with the sale or exchange is treated as ordinary dividend income to the extent of earnings and profits of the Company attributable to the stock sold or exchanged. Because of the complexity of subpart F and because it is not clear that Subpart F would apply to the holders of shares of the Company, a more detailed review of these rules is outside of the scope of this discussion.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The summary below, as of February 14, 2005, is restricted to the case of a holder (a "Holder") of one or more common shares who for the purposes of the Income Tax Act (Canada) (the "Act") is a non-resident of Canada, holds his common shares as capital property and deals at arm's length with the Company.

DIVIDENDS

A Holder will be subject to Canadian withholding tax ("Part XIII Tax") equal to 25%, or such lower rate as may be available under an applicable tax treaty, of the gross amount of any dividend paid or deemed to be paid on his common shares. Under the Canada-U.S. Income Tax Convention (1980) (the "Treaty") the rate of Part XIII Tax applicable to a dividend on common shares paid to a Holder who is a resident of the United States is generally reduced to 15% of the gross amount of the dividend or to 5% if the Holder is a company that beneficially owns at least 10% of the voting stock of the Company. The Company will be required to withhold the applicable amount of Part XIII Tax from each dividend so paid and

remit the withheld amount directly to the Receiver General for Canada for the account of the Holder.

DISPOSITION OF COMMON SHARES

A Holder who disposes of a common share, including by deemed disposition on death, will not be subject to Canadian tax on any capital gain (or capital loss) thereby realized unless the common share constituted "taxable Canadian property" as defined by the Act. Generally, a common share will not constitute taxable Canadian property of a Holder unless he held the common share as capital property used by him carrying on a business (other than an insurance business) in Canada, or he or persons with whom he did not deal at arm's length alone or together held or

held options to acquire, at any time within the five years preceding the disposition, 25% or more of the shares of any class of the capital stock of the Company.

A Holder who is a resident of the United States and who realizes a capital gain on a disposition of a common share that was taxable Canadian property will nevertheless, by virtue of the Treaty, generally be exempt from Canadian tax thereon unless (a) more than 50% of the value of the common share is derived from, or for an interest in, Canadian real property, including Canadian mineral resource properties, (b) the common share formed part of the business property of a permanent establishment that the Holder has or had in Canada within the 12 months preceding the disposition, or (c) the Holder (i) was a resident of Canada at any time within the ten years immediately, and for a total of 120 months during the 20 years, preceding the disposition, and (ii) owned the common share when he ceased to be resident in Canada.

A Holder who is subject to Canadian tax in respect of a capital gain realized on a disposition of a common share must include one half of the capital gain (taxable capital gain) in computing his taxable income earned in Canada. The Holder may, subject to certain limitations specified in the Act, deduct one half of any capital loss (allowable capital loss), arising on disposition of taxable Canadian property from taxable capital gains realized in the year of disposition in respect to taxable Canadian property. To the extent the capital loss is not deducted, it may be deducted from between one half and three quarters of taxable capital gains realized in any of the three preceding years or any subsequent year.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

The documents concerning the Company which are referred to in this Form 20-F may be inspected during regular business hours at the offices of the Company's subsidiary, International Uranium (USA) Corporation, at Suite 950, 1050 17th Street, Denver, Colorado, 80265.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

FOREIGN CURRENCY EXCHANGE RATE SENSITIVITY

The Company's functional currency is the U.S. dollar, and its activities are predominantly executed using the U.S. dollar. The Company incurs a portion of its expenditures in Canadian and Mongolian currencies; however, it is not subject to significant operational exposures due to fluctuations in those currencies.

The Common shares of the Company are currently only listed on The Toronto Stock Exchange in Canada and thus, the shares are purchased and sold in Canadian dollars. Therefore, please refer to Item 9 for more information relating to the Company's share price information and the tables relating to the U.S./Canadian dollar currency translations.

The Company has not entered into any agreements or purchased any instruments to hedge any possible currency risks at this time.

INTEREST RATE SENSITIVITY

The Company currently has no significant long-term or short-term debt requiring interest payments. Thus, the Company has not entered into any agreement or purchased any instrument to hedge against possible interest rate risks at this time.

The Company's interest earning investments are primarily short-term, or can be held to maturity, and thus, any reductions in carrying values due to future interest rate declines are believed to be immaterial. However, as the Company has a significant cash or near-cash position, which is invested in such instruments, reductions in interest rates will reduce the interest income from these investments.

COMMODITY PRICE SENSITIVITY

The Company can be subject to price risk due to changes in the market value of uranium and vanadium regarding its future sales revenues and carrying values relating to its finished goods, ore stockpiles and property holdings.

The Company has entered into future long-term contracts for uranium sales in the past, thereby reducing its exposure to changes in uranium prices. However, the Company has sold all of its uranium inventory and uranium supply contracts at this time and has written off all of its uranium properties. As a result, only future uranium production, which at this time is expected to be from alternate feed materials, and, if commodity prices continue to rise, possibly from production from uranium mining properties, will be subject to uranium price fluctuations. To the extent that any such future uranium production is expected to constitute a significant portion of the Company's revenues, the Company will consider the possibility of entering into future sales contracts for all or some of such future production.

The Company's finished goods inventories are recorded at the lower of cost or net realizable value as of September 30, 2004. The Company currently has some finished goods inventories of vanadium product.

The Company has not entered into any future vanadium sales contracts at this

time, and therefore its revenue and profits from vanadium sales are subject to future price changes.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There have been no defaults, dividend arrearages or delinquencies.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

There have been no modifications to securities of any class of the Company.

ITEM 15. CONTROLS AND PROCEDURES

(a) The President and Chief Executive Officer and the Chief Financial Officer of the Company have reviewed the Company's disclosure controls and procedures (as defined in 17 CFR 240.13a-15(e), and the effectiveness thereof, based on an evaluation conducted on February 10, 2005, and have concluded that such controls and procedures are effective and are adequate to support the certificates given by such officers in this document.

(b) Not Applicable.

(c) Not Applicable.

(d) There has been no change in the Company's internal control over financial reporting that occurred during the fiscal year ending September 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Board of Directors has determined that Mr. William A. Rand, a member of the Company's Audit Committee is an audit committee financial expert, within the meaning of item 401(h) of SEC Regulation S-K.

Mr. Rand is a retired corporate and securities lawyer and mining executive, with a university degree with an honors in economics and a major in accounting, who has sat on a number of boards and audit committees of similar public resource-based companies for over 25 years. Through this education and experience, Mr. Rand has experience overseeing and assessing the performance of companies and public accountants with respect to the preparation, auditing and evaluation of financial statements, and has: (1) an understanding of generally accepted accounting principles and financial statements; (2) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (3) experience analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements; (4) an understanding of internal controls over financial

reporting; and (5) an understanding of audit committee functions.

ITEM 16B. CODE OF ETHICS

The Company has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions and other officers of the Company. This code of ethics is filed as an exhibit to this Form 20-F and is also available on the Company's website at www.intluranium.com.

The code of ethics was adopted on February 12, 2004.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

FISCAL YEAR ENDING	AUDIT FEES	AUDIT-RELATED FEES	TAX FEES	ALL OTHER FEES)
9/30/04	$ 95,048	Nil	$49,594(1)	Nil
9/30/03	$ 57,000	Nil	$24,450(2)	Nil
9/30/02	$ 52,500	$2,500(4)	$17,500(3)	Nil

(1) Tax fees consist of fees of $36,522 for assisting the Company in preparing U.S. and Canadian income tax returns and $13,072 for tax planning services relating to the sale of the Company's precious and base metals assets to Fortress Minerals Corp.

(2) Tax fees consist of fees of $19,500 for assisting the Company in preparing U.S. and Canadian income tax returns and $4,950 for tax planning services.

(3) Tax fees consist of fees for assisting the Company in preparing and filing U.S. and Canadian income tax returns.

(4) Audit-related fees consist of fees for review and discussion of accounting matters relating to the Urizon Joint Venture.

The Company's audit committee policy provides "All auditing services and non-audit services provided to the Corporation by the Corporation's auditors shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee of the Corporation. In no circumstances shall the Corporation's auditors provide any non-audit services to the Corporation that are prohibited by applicable law or regulation."

The following sets forth the percentage of services described above that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X:

Audit Related Fees:	100%
Tax Fees:	100%
All Other Fees:	not applicable

ITEM 16D. EXEMPTION FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PERSONS

There have been no purchases of the Company's common stock by the Company or affiliated purchasers during the period covered by this report.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Pages F-1 through F-19 incorporated herein by reference.

ITEM 18. FINANCIAL STATEMENTS

Not applicable.

ITEM 19. FINANCIAL STATEMENTS AND EXHIBITS

a) The following consolidated statements, together with the report of PricewaterhouseCoopers LLP thereon, are filed as part of this 20-F:

P
-

Index to Consolidated Financial Statements.....
Auditors' Report to the Shareholders.....
Consolidated Balance Sheets at September 30, 2004 and 2003.....
Consolidated Statements of Operations and Deficit
For the Years Ended September 30, 2004, 2003 and 2002.....
Consolidated Statements of Cash Flows for the Years Ended
September 30, 2004, 2003 and 2002.....
Notes to the Consolidated Financial Statements.....

All other schedules are omitted because they are not applicable or because the required information is contained in the Consolidated Financial Statements or Notes thereto.

b) Documents filed as exhibits to this Annual Report:

Index to Exhibits F

Exhibit 1.1 Company's Corporate Structure Chart F

Exhibit 1.2 International Uranium Corporation Audit Committee Charter F

Exhibit 4.1 Agreement dated March 1, 2004 between the Company, International Uranium (Bermuda) I Ltd. and Fortress IT Corp. F

Exhibit 4.2	Underwriting Agreement dated December 16, 2003 between GMP Securities Ltd., Dundee Securities Corporation, TOLL Cross Securities Inc., and the Company	F
Exhibit 14	Code of Ethics For the Chief Executive Officer, Chief Financial Officer and Other Officers	F
Exhibit 31	302 Certification	F
Exhibit 32	906 Certification	F

SIGNATURES

The Company hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

INTERNATIONAL URANIUM CORPORATION

By: /s/ David C. Frydenlund

David C. Frydenlund, Vice President and Chief Financial Officer

Dated: February 14, 2005

EXHIBIT 1.1- COMPANY'S CORPORATE STRUCTURE CHART

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report to the Shareholders.....F-1

Consolidated Balance Sheets at September 30, 2004 and 2003.....F-2

Consolidated Statements of Operations and Deficit
For the Years Ended September 30, 2004, 2003 and 2002.....F-3

Consolidated Statements of Cash Flows for the Years Ended
September 30, 2004, 2003 and 2002.....F-4

Notes to the Consolidated Financial Statements.....F-5

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
INTERNATIONAL URANIUM CORPORATION

We have audited the consolidated balance sheets of INTERNATIONAL URANIUM CORPORATION as at September 30, 2004 and 2003 and the consolidated statements of loss and deficit, cash flows and shareholders' equity for the years ended September 30, 2004, 2003 and 2002. These financial statements are the responsibility of the company's management. Our responsibility is to express an

opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at September 30, 2004 and 2003 and the results of its operations and its cash flows for the years ended September 30, 2004, 2003 and 2002 in accordance with Canadian generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP
CHARTERED ACCOUNTANTS
Vancouver, B.C., Canada
February 10, 2005

INTERNATIONAL URANIUM CORPORATION
CONSOLIDATED BALANCE SHEETS
(UNITED STATES DOLLARS)

	AT SEPTEMBER 30	
	2004	2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,044,955	$ 3,639,07
Short-term investments	1,089,960	1,089,96
Trade and other receivables	1,630,591	833,03
Inventories (Note 3)	1,189,391	1,761,36
Prepaid expenses and other	408,038	382,48
Due from Urizon Joint Venture (Note 4)	-	451,15
	16,362,935	8,157,08
Plant and equipment, net (Note 5)	2,786,570	2,825,23
Mineral properties (Note 6)	6,171,263	1,776,98
Marketable securities (Note 7)	892,221	
Intangible assets, net (Note 4)	687,500	750,00
Restricted investments (Note 8)	12,487,066	12,106,94
	$ 39,387,555	$ 25,616,25
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 879,994	$ 847,72
Notes payable	15,479	14,47

	895,473	862,20
Notes payable, net of current portion	35,573	51,05
Reclamation obligations (Note 9)	12,603,595	12,320,98
Deferred revenue	3,556,592	2,158,93
Other long-term liability (Note 4)	99,593	98,58
Minority interest (Note 10)	1,664,247	
	18,855,073	15,491,75
SHAREHOLDERS' EQUITY		
Share capital (Note 11)		
Issued and outstanding (79,635,066 and 68,970,066 shares)	50,305,480	37,935,53
Value assigned to stock options	224,718	
Deficit	(29,997,716)	(27,811,03
	20,532,482	10,124,49
	$ 39,387,555	$ 25,616,25

Contingency (Note 15)

ON BEHALF OF THE BOARD

/s/ Ron F. Hochstein
Ron F. Hochstein, Director

/s/ Lukas H. Lundin
Lukas H. Lundin, Director

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND (DEFICIT)
(UNITED STATES DOLLARS)

	YEARS ENDED SEPTEMBER 3	
	2004	2003
OPERATIONS		
Revenue		
Vanadium	$ 1,582,628	$ -
Process milling	420,646	12,415,001
Engineering services (Note 14c.)	421,182	135,017
Total revenue	2,424,456	12,550,018
Costs and expenses		
Vanadium cost of sales	706,274	-
Process milling expenditures	139,793	4,671,199
Mill stand-by expenditures	2,330,554	738,730
Selling, general and administrative	3,218,295	2,655,341
Stock based compensation	224,718	-
Exploration general	55,503	209,253
Write-down of inventories	-	-
Write-down of mineral properties	-	118,081

Change in market value of other asset	-	-
Change in reclamation obligations	-	-
	6,675,137	8,392,604
(Loss) income before the under noted items	(4,250,681)	4,157,414
Gain on disposal of other asset	-	79,000
Gain on sale of land and equipment	58,930	210,603
Gain (loss) on sale of short-term investments	(38,046)	579,926
Foreign exchange gain	242,059	11,826
Net interest and other income	533,158	494,383
Dilution gain (Note 10)	548,549	-
Minority interest	134,219	-
Net (loss) income for the year before taxes	(2,771,812)	5,533,152
Recovery of future income tax asset	585,133	-
Net income (loss) for the year	$ (2,186,679)	$ 5,533,152
Basic and diluted (loss) income per share (Note 11)	$ (0.03)	$ 0.08
Basic weighted average number of shares outstanding	76,306,520	67,011,765
DEFICIT		
Deficit, beginning of year	(27,811,037)	(33,344,189)
Net (loss) income for the year	(2,186,679)	5,533,152
DEFICIT, END OF YEAR	$ (29,997,716)	$ (27,811,037)

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNITED STATES DOLLARS)

	YEARS ENDED SEPTEMBER 30		
	2004	2003	2002
CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Net (loss) income for the period	$ (2,186,679)	$ 5,533,152	$ 184,9
Items not affecting cash			
Depreciation	480,554	617,554	813,0
Amortization	62,500	-	
Gain on sale of land and equipment	(58,930)	(210,603)	(4,5
Gain on sale of short-term investments	(38,046)	(579,926)	(288,4

Write-down of inventories	-	-	155,3
Gain on disposition of other asset	-	(79,000)	
Gain in market value of other asset	-	-	(261,0
Decrease in reclamation obligations	-	-	(29,1
Write-down of mineral properties	-	118,081	
Forgiveness of note receivable	-	-	200,0
Recovery of future income tax asset	(585,133)	-	
Minority interest	(134,219)	-	
Stock based compensation	224,718	-	
Dilution gain	(548,549)		
Changes in non-cash working capital items			
(Increase) decrease in trade and other receivables	(742,190)	(733,188)	1,450,3
Decrease (increase) in due from Urizon Joint Venture	451,152	(451,152)	
Decrease (increase) in inventories	571,977	(40,416)	10,2
Increase in other current assets	(25,550)	(14,053)	(162,5
(Decrease) increase in accounts payable and accrued liabilities	(74,014)	183,428	355,4
Increase in reclamation obligations	282,612		
Increase (decrease) in deferred revenue	1,397,654	(8,740,256)	(4,166,9
NET CASH (USED IN) OPERATIONS	(922,143)	(4,396,379)	(1,743,0
INVESTING ACTIVITIES			
Purchase plant and equipment	(441,824)	(74,616)	(215,5
Cash received on acquisition of Fortress	977,094	-	
Mineral properties	(4,186,908)	(1,356,166)	(538,8
Purchase of intangible asset	-	(750,000)	
Proceeds from sale of surplus land and equipment	64,139	230,100	40,9
Purchase of marketable securities	(892,221)	(996,675)	(752,6
Proceeds from sale of short-term investments	38,046	3,559,403	9,679,0
(Increase) decrease in restricted investments	(380,119)	536,392	(2,141,8
NET CASH (USED IN) PROVIDED BY INVESTMENT ACTIVITIES	(4,821,793)	1,148,438	6,071,1
FINANCING ACTIVITIES			
(Decrease) increase in notes payable	(14,472)	(12,686)	
Settlement of other asset	-	(280,000)	
Issuance of common shares	12,408,969	-	
Fortress private placement	1,209,204	-	
Exercise of stock options	546,111	468,924	17,3
NET CASH PROVIDED BY FINANCING ACTIVITIES	14,149,812	176,238	17,4
Increase (decrease) in cash and cash equivalents	8,405,876	(3,071,703)	4,345,4
Cash and cash equivalents, beginning of year	3,639,079	6,710,782	2,365,3
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 12,044,955	$ 3,639,079	$ 6,710,7

The accompanying notes are an integral part of these financial statements.

September 30, 2004, 2003 and 2002
(United States Dollars)

1. Organization and Nature of Operations

International Uranium Corporation ("IUC" or the "Company") is incorporated under the Business Corporations Act (Ontario). The Company is engaged primarily in uranium exploration and is also in the business of recycling uranium-bearing waste materials, referred to as "alternate feed materials," for the recovery of uranium, alone or in combination with other metals, as an environmentally preferable alternative to the direct disposal of these waste materials. Alternate feed materials are generally ores or residues from other processing facilities that contain uranium in quantities or forms that can be recovered at the Company's White Mesa uranium mill (the "Mill"). In addition, the Company sells uranium recovered from conventional mine production and from alternate feed processing, as well as vanadium and other metals that can be produced as a co-product with uranium. The Company owns several uranium and uranium/vanadium mines in the U.S. that have been shut down since 1999, due to low commodity prices at the time, but which are currently being evaluated for re-commencement of mining operations given recent increases in the price of uranium and vanadium. The Company is engaged in uranium exploration in the Athabasca Basin region of Saskatchewan, Canada and in Mongolia. In addition, the Company is engaged in precious and base metals exploration in Mongolia through its subsidiary, Fortress Minerals Corp.

In addition to the company's primary focus on uranium exploration and mining, the Company intends to continue to devote significant resources to the development of the alternate feed, uranium-bearing waste recycling business. The Company expects that the recycling of uranium-bearing materials can continue to help offset Mill and mine standby costs, and, potentially, result in sustained profitable operations for the Company. While the Company has had considerable success to date in this initiative, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company solely from this business. Developing this backlog will continue to be a major focus of the Company.

In the first quarter of fiscal 2003, the Company entered into a joint venture with Nuclear Fuel Services, Inc. ("NFS") for the pursuit of a long-term alternate feed program for the Company's Mill. The joint venture is carried out through Urizon Recovery Systems, LLC, a 50/50 joint venture company.

During the third quarter of fiscal 2004, the Company completed the sale of its precious and base metals exploration properties in Mongolia to Fortress Minerals Corp to concentrate on the Company's uranium activities.

2. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Differences from United States generally accepted accounting principles, which would have a significant impact on these financial statements, are disclosed in Note 17.

a. Basis of consolidation

The consolidated financial statements include the accounts of the Company's wholly owned subsidiaries, International Uranium (Sask) Corporation, International Uranium Holdings Corporation, International Uranium (Bermuda I) Ltd., International Uranium Company (Mongolia) Ltd.,

and International Uranium (USA) Corporation and it's majority owned subsidiary Fortress Minerals Corp., and on a proportionate consolidation

basis, Urizon Recovery Systems, LLC. The Company's interest in the Gurvan Saihan Joint Venture is accounted for on a consolidated basis, since the Company exercises control.

b. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in these financial statements and notes thereto. Significant estimates include the amount of the Company's reclamation obligations, the recoverability of capitalized mineral property costs, the useful life of intangibles and plant and equipment, and the variables used in determining stock based compensation. Actual results could differ from those estimated.

c. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short term money market instruments with maturities at the date of purchase of three months or less.

d. Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and the respective income tax basis of assets and liabilities (temporary differences). The resulting changes in the net future tax asset or liability are included in income. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the substantive enactment date. Future income tax assets are evaluated and if realization is not considered to be "more likely than not," a valuation allowance is provided.

e. Investments

The Company holds short term investments, marketable securities and restricted investments. The short term investments and marketable securities are carried at the lower of cost and market value. Restricted investments are held to maturity and are recorded at amortized cost.

Investments in joint ventures, in which the Company does not exercise control, are accounted for using the proportionate consolidation method. Under this method, the Company's proportionate share of joint venture revenues, expenses, assets and liabilities is included in the accounts.

f. Inventories

In-process inventories, which consist of partially processed uranium and vanadium bearing ores, and uranium and vanadium concentrates are valued at the lower of cost and net realizable value using the first-in, first-out

method. Consumable parts and supplies are valued at the lower of weighted average cost and replacement cost.

g. Plant and equipment

Plant and equipment are recorded at the lower of cost and net recoverable amount. Plant and equipment are depreciated on a straight-line basis over their estimated useful lives from three to fifteen years. Plant and equipment placed on stand-by are depreciated over their remaining lives. Plant and equipment held for resale

are recorded at the lower of cost and net realizable value. Gains or losses from normal sales or retirements of assets are included in other income or expense.

h. Exploration properties

Mineral exploration costs are capitalized as incurred, except for costs that are not directly associated with a project. When it is determined that a mineral property can be economically developed, the cost of the property and the related exploration expenditures are amortized using the unit-of-production method over the estimated life of the ore body. When a project is determined to be unsuccessful, the mining property and the related exploration expenditures are written down to their net recoverable amount.

i. Asset impairment

Effective October 1, 2003, the Company adopted the new standard of the Canadian Institute of Chartered Accountants ("CICA") relating to impairment of long lived assets. Prior to this adoption, impairment charges were determined using non-discounted estimated net recoverable amounts. There was no impact on the financial statements resulting from the implementation of this new standard.

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment loss is recognized when the asset-carrying value exceeds net recoverable amount. Net recoverable amount is generally determined using estimated undiscounted future cash flows. An impairment is considered to exist if total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset. An impairment loss is measured and recorded based on the estimated fair value of the assets. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between significant assumptions used and actual market conditions and/or the Company's performance could have a material effect on the Company's financial position and results of operations.

j. Environmental protection and reclamation costs

Effective October 1, 2002, the Company adopted the new standard of the CICA relating to asset retirement obligations. Under this new standard, asset retirement obligations are recognized when incurred and recorded as liabilities at fair value. Under the standard, the liability is accreted over time through periodic charges to earnings.

The implementation of this standard was not material to the Company.

k. Foreign currency translation

These consolidated financial statements are denominated in United States dollars, the Company's functional currency. A majority of the Company's assets and operations are located in the United States, with the exception of the mineral exploration properties in Canada and Mongolia. The majority of its costs are denominated in United States dollars.

Amounts denominated in foreign currencies are translated into United States dollars as follows:

i. monetary assets and liabilities at the rates of exchange in effect at balance sheet dates;

ii. non-monetary assets at historical rates;

iii. revenue and expense items at the average rates for the period, except for depreciation and amortization which are based on historical rates.

The net effect of the foreign currency translation is included in the statement of earnings.

l. Basic and diluted earnings per share

Earnings or loss per share are presented for basic and diluted net income (loss). Basic earnings per share are computed by dividing net income or loss by the weighted average number of outstanding common shares for the year. The Company follows the "treasury stock" method in the calculation of diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued should "in the money" options be exercised and the proceeds used to repurchase common shares at the weighted average market price in the period.

m. Revenue recognition

Vanadium sales are recorded in the period that title passes to the customer along with the risks and rewards of ownership.

Process milling fees are recognized as the applicable material is processed, in accordance with the specifics of the applicable processing agreement.

Engineering services are recognized as the services are provided in accordance with customer agreements.

Revenues are recognized only to the extent they are reasonably considered to be collectible.

Deferred revenues represent processing proceeds received or receivable on delivery of materials but in advance of the required processing activity.

n. Stock options

The Company has a stock option plan, which is described in Note 11(c).

Effective October 1, 2002, the Company adopted the new CICA accounting

standard for stock-based compensation. The new standard covers the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services provided by employees and non-employees. The standard sets out a fair value-based method of accounting that is required for certain, but not all, stock-based transactions. The fair value method must be applied to all stock-based payments to non-employees. However, the new standard permits the Company to continue its existing policy that no compensation cost is recorded on the granting of stock options to employees and directors as the exercise price is equal to or greater than the market price at the date of the grant. Consideration paid on exercise of the stock options is credited to capital stock. The standard also requires additional disclosures for options granted to employees and directors, including disclosure of pro forma earnings and pro forma earnings per share as if the fair value-based accounting method had been used to account for employee stock options (Note 11c).

o. Intangible Assets

Intangible assets consist of technological licenses held in the Urizon Joint Venture (Note 4) and are being amortized over the estimated useful life of the license of 12 years.

3. Inventories

	2004	2003
Vanadium concentrates	$ 144,854	$ 838,474
In process	202,414	70,242
Parts and supplies	842,123	852,652
	$1,189,391	$1,761,368

4. Urizon Joint Venture

On October 18, 2002, the Company entered into a joint venture with Nuclear Fuel Services, Inc ("NFS"). for the pursuit of an alternate feed program for the Company's Mill. The joint venture is carried out through Urizon Recovery Systems, LLC ("Urizon"), a 50/50 joint venture company. The Company contributed $1,500,000 in cash together with its technology license. NFS contributed its technology license.

Pursuant to the Urizon operating agreement, each member must provide services as specified therein and charge Urizon for such services. Depending upon the type of services provided by the members, Urizon reimburses such services to the members either currently when charged or in the future out of available distributable cash after certain profit and funding conditions have been satisfied. The intangible asset is intellectual property and represents the Company's 50% interest in Urizon's technology.

The results of Urizon have been included in the consolidated accounts of the Company on a proportionate basis from the date of formation.

Following are condensed balance sheet and income statements reflecting IUC's interest in the Urizon joint venture.

	2004	2003
Current assets	$ 20,588	$ 710,836
Intangible asset	$ 687,500	$ 750,000
Current liabilities	$ -	$ 237,982
Long term debt	$ 99,593	$ 98,582
Operating loss	($ 64,224)	($ 827,282)
Cash flows from operating activities	$ -	($ 39,242)

The joint venture has no cash flows arising from investing or financing activities.

Intangible asset

	Cost	Accumulated Amortization	2004 Net
Technology licenses	$ 750,000	$ 62,500	$687,500

5. Plant and Equipment

	Cost	Accumulated Amortization	2004 Net
Mill buildings and equipment	$7,303,851	$4,938,585	$2,365,266
Other machinery and equipment	1,102,124	680,820	421,304
	$8,405,975	$5,619,405	$2,786,570

	Cost	Accumulated Depreciation	2003 Net
Mill buildings and equipment	$6,965,816	$4,546,437	$2,419,379
Other machinery and equipment	1,072,879	667,020	405,859
	$8,038,695	$5,213,457	$2,825,238

==========	==========	==========

During fiscal 1999 the Company placed its mining operations on stand-by. At September 30, 2004 and September 30, 2003, capital assets include other machinery and equipment held for resale with an aggregate net book value (being the estimated net realizable value) of $349,969 and $376,285, respectively. These surplus assets are expected to be sold over time as opportunities for sale arise, and the actual proceeds to be realized on the sale of the surplus assets could vary from the carrying value.

6. Mineral Properties

a. Mongolia precious and base metal properties

The Company's Mongolian precious and base metals properties were transferred to Fortress Minerals Corp. in June 2004 in exchange for cash and a controlling interest in Fortress (Note 10). Amounts capitalized, by project, include costs related to acquisition of land interests, recording fees, geological field programs, geochemical surveys, ground geophysical programs, drilling and lab analysis are shown below:

	2003 Net	2004 Expenditures	2004 Net
Shiveen Gol	$ 991,438	$ 786,452	$1,777,890
Tsagaan Tologoi	213,232	384,549	597,781
Erdenet	222,207	498,276	720,483
Tsagaan Gozgor	-	29,688	29,688
Huvsgol	151,106	188,358	339,464
Satyr Khudag	56,559	61,766	118,325
Davaa	-	31,764	31,764
Burkheer Khar	88,742	21,703	110,445
Ulzit	53,698	29,471	83,169
	$1,776,982	$2,032,027	$3,809,009

b. Canada uranium properties

In the first quarter of fiscal 2004, the Company acquired interests in and staked uranium exploration properties in the Athabasca Basin region of Saskatchewan, Canada and commenced exploration on certain properties. Amounts capitalized, by project, include costs related to acquisition of land interests, staking costs, recording fees, geological field programs, airborne and ground geophysical programs, drilling and lab analysis are shown below:

	2003 Net	2004 Expenditures	2004 Net

Moore Lake	$ -	$1,766,485	$1,766,485
Lazy Edwards	-	27,884	27,884
Pendleton Lake	-	101,087	101,087
South Cigar Lake	-	69,391	69,391
Crawford Lake	-	54	54
Ford Lake	-	3,157	3,157
Perpete Lake	-	1,409	1,409
Key Lake South	-	78,350	78,350
Johnstone Lake	-	9,826	9,826
Other Exploration Costs	-	251,535	251,535
	$ -	$2,309,178	$2,309,178

c. Mongolia uranium properties

Mongolian mineral properties are currently made up of the Company's interest in the Gurvan-Saihan Joint Venture ("GSJV") as well as properties held, solely for the account of the Company, through its subsidiary International Uranium Mongolia, XXK. Amounts capitalized, by project, include costs related to licensing of land interests, review of geological data and satellite imagery, and geological field programs are shown below:

	2003 Net	2004 Expenditures	2004 Net
Huh Tologoi	$ -	$ 8,583	$ 8,583
Deren	-	385	385
Ikh Hongor Uul	-	1,588	1,588
Navtgar	-	6,000	6,000
Oshinuur	-	13,972	13,972
Ulaan Toiron	-	162	162
Other Exploration Costs	-	22,386	22,386
	$ -	$ 53,076	$ 53,076

7. Marketable securities

The Company has invested $723,226 in shares of JNR Resources Inc. and $168,995 in shares of Goodfellow Resources Ltd., for a total investment of $892,221. As of September 30, 2004, the market value of these securities exceeded the cost by $3,204,347.

8. Restricted Investments

The Company has placed cash and fixed income securities on deposit to secure its reclamation bonds and certain other obligations (Note 9).

	2004	2003
Cash and cash equivalents	$ 1,883,073	$ 2,177,688
Fixed income securities	10,603,993	9,929,259

$12,487,066	$12,106,947

9. Provisions for Reclamation

Estimated future decommissioning and reclamation costs of the Mill and mining properties have been determined based on engineering estimates of the costs of reclamation, in accordance with legal and regulatory requirements. These cost estimates are reviewed periodically by applicable regulatory authorities, and, in the case of the Mill, are reviewed and adjusted annually by the State of Utah Department of Environmental Quality as appropriate, to accurately reflect the estimated costs of reclamation.

The Company has posted bonds (collateralized by cash and fixed income securities) in favor of the State of Utah and the applicable state regulatory agencies in Colorado and Arizona as partial collateral for these liabilities and has deposited fixed income securities on account of these obligations (Note 8).

Since September 30, 2003, the Mill's reclamation estimate and bonding requirement increased from $10,336,283 to $10,618,895. There have been no changes to the reclamation cost estimate of $1,984,700 for the Company's mining properties, or mine bonding requirement during the fiscal year.

Applicable regulations require the Company to estimate reclamation costs on the assumption that the reclamation would be performed at any time by a third party contractor and the reclamation cost estimate required by regulatory authorities is calculated on an undiscounted basis. Management estimates that, once a decision is made to commence reclamation activities, substantially all the reclamation activities could be completed in approximately 24 - 30 months.

Elements of uncertainty in estimating reclamation and decommissioning costs include potential changes in regulatory requirements, decommissioning and reclamation alternatives. Actual costs may differ from those estimated and such differences may be material.

10. Acquisition of Fortress Minerals Corp.

On June 23, 2004, the Company sold its Mongolian precious and base metals exploration properties to Fortress Minerals Corp. in exchange for 28,000,000 common shares or 63.14% of Fortress and $656,580 in cash for reimbursement of costs incurred on the properties from the time of the agreement to the transfer date. The net book value of the assets and liabilities transferred was $3,088,201.

The transfer was accounted for as a non-monetary transaction that does not represent the culmination of the earnings process. Accordingly, no gain or loss has been recognized on the transaction. The assets and liabilities assumed on June 23, 2004 consist of the following:

Cash received from Fortress	$ 656,580
Cash and cash equivalents	320,514
Other current assets	55,363
Plant and equipment, net	5,271

Mineral Properties	3,295,574
	$4,333,302
Accounts payable and accrued liabilities	107,290
Minority interest	1,137,811
	1,245,101
Net assets assumed	$3,088,201

On September 1, 2004, Fortress completed a private placement of 4,987,500 common shares of which the Company acquired 732,500 common shares. As a result of this private placement, the Company's interest was diluted from 63.14% to 58.24%, while it's proportionate share of Fortress' net assets increased by $548,549. This gain on dilution has been recognized in the consolidated statements of operations and deficit in accordance with Canadian GAAP.

11. Share Capital

a. Authorized - unlimited number of common shares.

b. Issued and outstanding

Shares

	2004	2003	2002
Beginning of year	68,970,066	65,735,066	65,600,066
Employee stock options exercised	715,000	3,235,000	135,000
Private placements	9,950,000	-	-
End of year	79,635,066	68,970,066	65,735,066

Amount

	2004	2003	2002
Beginning of year	$37,935,533	$37,466,609	$37,449,213
Employee stock options exercised	546,111	468,924	17,396
Private placements	12,408,969	-	-
Renounced flow through share expenditures	(585,133)	-	-
End of year	$50,305,480	$37,935,533	$37,466,609

c. Stock options

The Company has adopted a stock option plan under which the Board of Directors may from time to time grant to directors, officers, key employees and consultants of the Company, options to purchase shares of the Company's common stock. These options are intended to advance the interests of the Company by providing eligible persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company. Options granted under the share option plan have an exercise price equal to the fair market value of such shares on the date of grant. All outstanding options granted to date vest immediately and expire three years from the date of the grant of the option.

Stock option transactions were as follows:

	2004	2003	2002
Beginning of year	670,000	4,055,000	4,370,000
Granted	1,985,000	250,000	495,000
Exercised	(715,000)	(3,235,000)	(135,000)
Expired	-	(400,000)	(675,000)
End of year	1,940,000	670,000	4,055,000

Weighted average exercise prices per share were as follows:

	2004	2003	2002
Beginning of year	Cdn $0.32	Cdn $0.25	Cdn $0.32
Granted	Cdn $1.08	Cdn $0.31	Cdn $0.32
Exercised	Cdn $1.01	Cdn $0.20	Cdn $0.20
Expired	-	Cdn $0.57	Cdn $0.75
End of year	Cdn $0.85	Cdn $0.32	Cdn $0.25

Stock options outstanding and exercisable as of September 30, 2004 were as follows:

Options Outstanding and Exercisable		
Number Outstanding	Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share
200,000	0.29	Cdn $0.30

250,000	1.03	Cdn $0.31
1,490,000	2.16	Cdn $1.01
1,940,000	1.82	Cdn $0.85

Outstanding options expire between January 2005 and November 2006.

Effective October 1, 2002, the Company adopted the new CICA accounting standard for stock based compensation. For income statement purposes, the Company has elected not to follow the fair value method of accounting for stock options granted to employees and directors. Accordingly, no compensation expense is recorded on the grant of stock options to employees and directors, as the exercise price is equal to the market price at the date of grant. Had the Company followed the fair value method of accounting, the Company would have recorded a compensation expense of $737,904 in fiscal 2004 and $35,751 in fiscal 2003, with respect to its employee and director stock options. Pro forma earnings information determined under the fair value method of accounting for stock options is as follows:

	Year Ended September 30, 2004	Year Ended September 30, 2003
Net loss as reported	($2,186,679)	$5,533,152
Compensation expense	($ 737,904)	($ 35,751)
Pro forma	($2,924,583)	$5,497,401
Basic and diluted earnings per share:		
As reported	($ 0.04)	$ 0.08
Pro forma	($ 0.04)	$ 0.08

The fair values of options included in the pro forma amounts presented above, have been estimated using an option-pricing model. Assumptions used in the pricing model are as follows:

	2004	2003
Dividend yield	0%	0%
Average risk free interest rate	2.81%	4.04%
Expected volatility	93%	65%
Expected life of options	3 years	3 years

Net income or loss per share was calculated on the basis of the weighted average number of shares outstanding for the year. The weighted average number of shares outstanding at September 30 for 2004, 2003 and 2002 was 76,305,520, 67,011,765 and 65,652,998, respectively.

Diluted net income per share reflects only the dilutive effect of the exercise of stock options outstanding as of year-end. The number of shares

for the diluted net income or loss per share calculation at September 30, 2004, 2003 and 2002 was 76,305,520, 67,634,897 and 66,926,114, respectively.

12. Income Taxes

	2004	2003	2002
Reconciliation			
Combined basic rate	40%	40%	40%
Income (loss) from operations	(2,186,679)	5,533,152	184,990
Income tax recovery at basic rate	(874,672)	2,213,261	73,996
Change in valuation allowance	28,793	(2,448,966)	6,228
Other	260,746	235,705	(80,224)
Tax recovery per consolidated financial statements	(585,133)	-	-
Future income tax assets			
Tax losses carried forward	5,412,595	5,283,133	4,667,921
Inventory	382,169	382,169	413,769
Mineral properties	1,224,421	1,124,872	1,472,807
Deferred revenue	1,442,637	863,575	3,149,145
	8,461,822	7,653,749	9,703,642
Future income tax liability			
Capital assets	(1,994,567)	(1,215,287)	(881,176)
Valuation allowance	(6,467,255)	(6,438,462)	(8,822,466)
Net future income taxes	-	-	-

Non-capital loss carry forwards for Canadian tax purposes of approximately $2,665,000 began to expire in 2004. For U.S. income tax purposes, loss carry forwards of approximately $11,212,000 expire between 2015 and 2024 unless utilized.

13. Segmented Information

a. Geographic information

	2004	2003	2002
Revenue			
United States	$ 2,424,456	$12,550,018	$ 6,830,137
	$ 2,424,456	$12,550,018	$ 6,830,137

Net loss			
Canada	($ 105,756)	($ 174,372)	($ 192,922)
United States	(2,446,602)	6,065,195	446,697
Mongolia	365,679	(357,671)	(68,785)
	($ 2,186,679)	$ 5,533,152	$ 184,990
Total assets			
Canada	$13,288,701	$ 465,510	$ 71,657
United States	20,769,794	23,047,594	31,656,351
Mongolia	5,329,060	2,103,148	651,262
	$39,387,555	$25,616,252	$32,379,270

b. Major Customers

The Company's business is such that, at any given time, it sells its uranium and vanadium concentrates to and enters into process milling arrangements with a relatively small number of customers. During fiscal 2004, a vanadium customer accounted for approximately 65% of total revenues. During fiscal 2003 and 2002, a process milling customer accounted for approximately 89% and 100% of total revenues, respectively. Accounts receivable from any individual customer will exceed 10% of total accounts receivable on a regular basis.

14. Related Party Transactions

a. During the year ended September 30, 2004, the Company incurred legal fees of $169,026 with a law firm of which a partner is a director of the Company. Legal fees incurred with this law firm were $45,847 for the year ended September 30, 2003 and $10,960 for the year ended September 30, 2002.

b. During the year ended September 30, 2004, the Company incurred management and administrative service fees of $136,335 with a company owned by the Chairman of the Company, which provides investor relations, office premises, secretarial and other services in Vancouver. Management and administrative service fees incurred with this company were $90,000 for each of the years ended September 30, 2003 and 2002. Amounts due to this company were nil as of September 30, 2004 and 2003.

c. During the year ended September 30, 2004, the Company provided mine reclamation management and engineering support services of $421,182 on a cost plus basis to a company with common directors. Amounts due from this company were $64,801 as of September 30, 2004.

15. Contingency and Commitments

The Company has detected some chloroform contamination at the Mill site that appeared to have resulted from the operation of a temporary laboratory facility that was located at the site prior to and during the construction of the Mill facility, and septic drain fields that were used for laboratory and sanitary wastes prior to construction of the Mill's

tailings cells. In April 2003, the Company commenced an interim remedial program of pumping the chloroform-contaminated water from the groundwater to the Mill's tailings cells. This will enable the Company to begin clean up of the contaminated areas and to take a further step towards resolution of this

outstanding issue. Although the investigations to date indicate that this contamination appears to be contained in a manageable area, the scope and costs of final remediation have not yet been determined and could be significant.

The Company is required to comply with environmental protection laws and regulations and permitting requirements, and the Company anticipates that it will be required to continue to do so in the future. Although the Company believes that its operations are in compliance, in all material respects, with all relevant permits, licenses and regulations involving worker health and safety as well as the environment, the historical trend toward stricter environmental regulation may continue. The uranium industry is subject to not only the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The possibility of more stringent regulations exists in the area of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining and milling sites, and other environmental matters, each of which could have a material adverse effect on the costs of reclamation or the viability of the operations.

In the first quarter of fiscal 2004, the Company received a demand and threat of pursuit of litigation in respect of alleged preferential payments by a former customer, in the amount of approximately $1.2 million, that were paid pursuant to certain contracts with the Company. The former customer filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in January 2002. That company subsequently sold substantially all of its assets to The Shaw Group, Inc. ("Shaw"), who was believed to have assumed the contracts in question and has subsequently performed the contracts with the Company. In May 2004 the Company received a formal Complaint in the bankruptcy proceeding seeking the recovery of approximately $1.7 million as an alleged preferential payment. The Company has answered the complaint, disputing the claim, asserting, among other defenses that there is no liability on account that the Company's contract was assumed and assigned to Shaw and as a result there is no preference liability. The Company has sought summary judgment in its favor. The Court has not yet ruled on the Company's request.

The Company has committed to payments under operating leases for the rental of office space and office equipment. The current lease at the Denver office expires on May 31, 2008. The future minimum lease payments are as follows:

Fiscal Year Ending	
2005	$104,937
2006	$ 92,561
2007	$ 97,025
2008	$ 50,733

16. Financial Instruments

a. Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, accounts receivable, amounts due from the Urizon Joint Venture, and restricted fixed income securities. The Company deposits cash and cash equivalents with financial institutions it believes to be creditworthy, principally in money market funds, which may at certain times, exceed federally insured levels. The Company's restricted investments consist of investments in U.S. government bonds, commercial paper and high-grade corporate bonds with maturities extending beyond 90 days. The Company's accounts receivable are derived from customers primarily located in the United States. The Company performs ongoing credit evaluation of its customers' financial condition and, in most cases, requires no collateral from its customers. The Company will maintain an allowance for doubtful accounts receivable in those cases where the expected collectability of accounts receivable is in question.

At September 30, 2004, one processing milling customer accounted for 86% of accounts receivable. At September 30, 2003, a different processing milling customer accounted for 44% of accounts receivable.

b. Fair values

At September 30, 2004, the fair values of cash and cash equivalents and trade and other receivables approximate their carrying values because of the short-term nature of these instruments.

The fair value of the Company's short-term investments will fluctuate with market prices. At September 30, 2004, market value of these securities exceeded cost by $1,699,059.

The fair value of the Company's marketable securities will fluctuate with market prices. At September 30, 2004, the market value of these securities exceeded the cost by $3,204,347.

The fair values of the Company's restricted investments in cash and cash equivalents, U.S. government bonds, commercial paper and corporate bonds, approximate carrying values.

17. Differences Between Canadian and United States Accounting Principles

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") which differ in certain respects from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The tables below only address measurement differences between Canadian and U.S. GAAP.

Consolidated Balance Sheets

	2004	2003
Short-term investments and marketable securities		
Canadian basis	$ 1,982,181	$ 1,089,960
Unrealized gain on available for sale securities (d)	4,903,406	929,275
U.S. basis	$ 6,885,587	$ 2,019,235
Plant and equipment, net		
Canadian basis	$ 2,786,570	$ 2,825,238
Accumulated depreciation of assets held for resale (a)	332,482	432,775
U.S. basis	$ 3,119,052	$ 3,258,013
Mineral properties		
Canadian basis	$ 6,171,263	$ 1,776,982
Exploration expenditures (b)	(6,171,263)	(1,776,982)
U.S. basis	-	-
Share capital		
Canadian basis	$50,305,480	$37,935,533
Flow through shares (g)	271,349	-
Amalgamation (c)	(615,970)	(615,970)
U.S. basis	$49,960,859	$37,319,563

Deficit		
Canadian basis	($29,997,716)	($27,811,037)
Amalgamation (c)	615,970	615,970
Exploration expenditures (b)	(6,171,263)	(1,776,982)
Dilution gain (f)	(548,549)	-
Flow through shares (g)	(271,349)	-
Accumulated depreciation of assets held for resale (a)	332,482	432,775
U.S. basis	($36,040,425)	($28,539,274)
Additional Paid-in Capital - U.S. basis		
Dilution gain (f)	548,549	-
Other Comprehensive Income - U.S. basis		
Unrealized gain on available for sale securities (d)	$ 4,903,406	$ 929,275

Consolidated Statements of Earnings

	2004	2003	2002

Net income (loss) under Canadian GAAP	($2,186,679)	$5,533,152	$ 184,990
Exploration expenditures (b)	(4,394,281)	(1,238,085)	(538,897)
Dilution gain (f)	(548,549)	-	-
Flow through shares (g)	(271,349)	-	-
Net income (loss) under U.S. GAAP	(7,400,858)	4,295,067	(353,907)
Unrealized gain on available for sale securities (d)	3,974,131	929,275	-
Comprehensive income (loss) under U.S. GAAP	($3,426,727)	$5,224,342	($ 353,907)
Basic and diluted net income (loss) per share, U.S. GAAP	($ 0.10)	$ 0.06	($ 0.01)

Consolidated Statements of Cash Flows

	2004	2003	2002
Cash (used in) provided by operations under Canadian GAAP	($ 922,143)	($4,396,379)	($1,743,091)
Exploration expenditures (b)	(4,186,908)	(1,238,085)	(538,897)
Cash (used in) provided by operations under U.S. GAAP	($5,109,051)	($5,634,464)	($2,281,988)
Cash (used in) provided by investing activities under Canadian GAAP	($4,821,793)	$1,148,438	$6,071,102
Exploration expenditures (b)	4,186,908	1,238,085	538,897
Cash (used in) provided by investing activities under U.S. GAAP	($ 634,885)	$2,386,523	$6,609,999

a. Under Canadian GAAP, the Company's surplus assets were depreciated to an amount less than net realizable value. Under U.S. GAAP, assets held for resale are recorded at the lower of cost or net realizable value and are not depreciated.

b. Mineral property exploration expenditures are accounted for in accordance with Canadian GAAP as disclosed in Note 2h. For U.S. GAAP purposes the Company expenses, as incurred, exploration expenditures relating to mineral properties that do not have proven and probable reserves associated with the property. When proven and probable reserves are determined for a property, subsequent development costs of the property are capitalized. The capitalized costs of such properties would then be assessed periodically to ensure that the carrying value can be recovered on an undiscounted cash flow basis. If the carrying value cannot be recovered on this basis, the mineral properties would be written down to fair value.

c. Under Canadian GAAP, the amalgamation of the Company with Thornbury Capital Corporation in 1997 has been accounted for as an acquisition of Thornbury resulting in the recording of goodwill. Under U.S. GAAP, the transaction has been accounted for as a recapitalization whereby the net monetary assets of Thornbury would be recorded at fair value, except that no goodwill or other intangibles would be recorded. The goodwill recorded under Canadian GAAP has subsequently been written off. As a result, the deficit and share capital of the Company are both reduced under U.S. GAAP.

d. Under U.S. GAAP, securities that are available for sale are recorded at fair value and unrealized gains or losses are excluded from earnings and recorded as a separate component of shareholders' equity. Under Canadian GAAP, investments in available for sale securities are carried at the lower of cost and estimated fair market value.

e. Canadian GAAP provides for investments in jointly controlled entities to be accounted for using proportionate consolidation. Under U.S. GAAP, investments in incorporated joint ventures are to be accounted for using the equity method. Under an accommodation of the United States Securities and Exchange Commission, the accounting for joint ventures need not be reconciled from Canadian to U.S. GAAP. The different accounting treatment affects only the display and classification of financial statement items and not net income or shareholders' equity.

f. Under Canadian GAAP gains on dilution of interests in a subsidiary are recognized in income in the period in which they occur. Under U.S. GAAP the gain on dilution is not recognized if it results from the sale of securities by a subsidiary in the exploration stage and instead is accounted for as a capital transaction.

g. Under U.S. GAAP, the sale of flow-through shares results in a liability being recognized for the excess of the purchase price paid by the investors over the fair value of common shares without the flow-through feature. The fair value of the shares is recorded as equity. When the tax deductibility of the expenditures is renounced, the liability is reversed and a future income tax liability is recorded for the amount of the benefits renounced to third parties, resulting in an income tax expense.

INDEX TO EXHIBITS

Exhibit Number	Description
1.1	Company's Corporate Structure Chart
1.2	International Uranium Corporation Audit Committee Charter
4.1	Agreement dated March 1, 2004 between the Company, International Uranium (Bermuda) I Ltd. and Fortress IT Corp.
4.2	Underwriting Agreement dated December 16, 2003 between GMP Securi Ltd., Dundee Securities Corporation, TOLL Cross Securities Inc.,

	and the Company
14	Code of Ethics For the Chief Executive Officer, Chief Financial Officer and Other Officers
31	302 Certification
32	906 Certification