



Interim Report January 31, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT March 21, 2008

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition of Quest Uranium Corporation ("Quest" or the "Corporation") for the three-month period ended January 31, 2008 should be read in conjunction with the Corporation's audited financial statements and the related notes. The financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada.

Forward Looking Statements

Except for historical information, this contains forward-looking statements relating to, among other things, regulatory compliance, and the sufficiency of current working capital, the estimated cost and availability of funding for the acquisition of properties and the continued exploration and development thereof. Such statements reflect current views of Quest with respect to future events and are subject to certain risks, uncertainties and assumptions. Estimates provided for fiscal 2008 and beyond are based on assumptions of future events and actual results could vary significantly from these estimates. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Corporation.

Overview

Quest Uranium Corporation is a Canadian-based, pure-Uranium exploration corporation focused on the identification and discovery of new World-class Uranium deposit opportunities. The Corporation is publicly-listed on the TSX Venture Exchange as "QUC" and is led by a highly-respected management and technical team with a proven mine-finding track record. Quest is currently advancing several high-potential projects in Québec, Ontario and New Brunswick. The corporation continues to identify new, high-potential project opportunities throughout North America.

The Corporation's shares are listed for trading on the TSX Venture Exchange under the trading symbol QUC. Additional information Quest can be found on SEDAR (www.sedar.com) and on Quest's web site (www.QuestUranium.com).

Mining Properties

QUEBEC AND LABRADOR PROJECTS

George River Project

Quest's 100%-owned George River uranium property is situated within the George River belt of northeastern Quebec and northwestern Labrador. It is located 175 kilometres northeast of Schefferville, Quebec and 125 kilometres east of the Voiseys Bay nickel-copper-cobalt deposit being mined by CRVD-Inco Limited in Labrador. The property consists of 5300 mineral claims, comprising 24 claim blocks totaling 550,000 acres.

In September of 2006, Freewest announced the discovery of 4 new uranium occurrences made during the course of a first-phase exploration program completed on the property. This initial program was focused on the exploration of Proterozoic-age uranium deposits of various styles within the Churchill Domain in Quebec and Labrador and consisted of an airborne geophysical survey and follow-up prospecting program. The targets for prospecting consisted of a combination of airborne radiometric

anomalies, uranium-in lake sediment anomalies, known radioactive occurrences and sulphides showings.

Previous Exploration

In 2006, Freewest identified anomalous uranium values in subcrop, outcrop and boulder trains over a three-kilometre strike length in the Stewart Lake/Centurion Ridge Trend (Blocks 1 and 8) and over the Murphy-Stewart 2 Showing (Block 2). Follow-up prospecting in the 2007 exploration continued to identify new, more extensive areas of uranium mineralization on Blocks 1, 2 and 8.

2007 Exploration

Block 1 Showings

The west end of Block 1 is underlain by a mixed Proterozoic metavolcanic-metasedimentary assemblage of greenschist to lower amphibolite metamorphic grade. The metavolcanics are mafic in composition and the metasediments consist mainly of well-sorted sandstones and lesser siltstone, conglomerate and carbonate rocks. The mineralization is hosted by granitic rocks which intrude this assemblage. The highest grade samples from this area were from granitic pegmatite float containing biotite. Samples yielding 2,714 ppm U_3O_8 and 1,428 ppm U_3O_8 were returned by prospectors.

Block 2 Showings

Prospecting in the north central portion of Block 2 yielded anomalous samples over a widespread area underlain predominantly by white pegmatite. Significant results have been achieved from areas now referred to as the Nanuk Showings.

A total of 60 outcrop samples were taken from the Nanuk Zone #1, located about 6 kilometres southwest of the Murphy-Stewart 2 Showing area, of which 13 samples returned results greater than 1,000 ppm U. The highest value sample was taken from an outcrop of very coarse-grained, biotite-rich granite and yielded 5,924 ppm U_3O_8 .

Two angular boulders of pegmatite taken from the north end of an area referred to as the Nanuk Zone #2, about 7.5 kilometres southwest of the Murphy-Stewart 2 Showing area yielded very high results. Sampling from this area returned assays yielding greater than 11,800 ppm U_3O_8 .

Further southwest along Nanuk Zone #2, a total of 20 samples were taken, four of which returned anomalous values. The area is underlain by gneisses cut by a dense network of pegmatites and locally quartz veined. A sample of smoky quartz cutting gneissic outcrop returned 2,220 ppm U_3O_8 . A duplicate of this sample returned 6,702 ppm U_3O_8 . Sampling of a uranophane-bearing pegmatite dyke in the area yielded 2,891 ppm U_3O_8 .

Block 8 Showings

A cluster of four samples of pegmatite float and one sample of medium-grained granite outcrop cut by biotitic veining taken immediately east of Centurion Ridge yielded anomalous values. The highest value of 8,036 ppm U_3O_8 was returned from one of the float samples and the outcrop sample yielded 1,250 ppm U_3O_8 . Uranophane staining was noted in outcrop. This is interpreted to be the eastward extension of the Stewart Lake Trend.

Three mineralized angular boulders of pegmatite were located approximately 3.8 kilometres east-northeast of the Stewart Lake Trend at the south end of what is referred to as the Kogaluk Zone. The highest grade of these returned a value of 4,614 ppm U_3O_8 . At the north end of the Kogaluk Zone a piece of locally-derived angular pegmatitic float returned a value of 3,056 ppm U_3O_8 .

Future Work

The first-phase exploration program yielded very encouraging results and has identified two, broad areas (Stewart Lake/Centurion Ridge and Nanuk) of in-situ uranium mineralization and extensive uraniferous boulder trains. Detailed gridding, geological mapping, ground geophysics and geochemical sampling is recommended to be carried out over these high-priority areas. Priority targets will be diamond drilled in the Fall. In addition, follow-up prospecting of the numerous additional radioactive anomalies identified in the George River area will be completed in 2008. The Corporation is currently looking for a funding partner to carry forward exploration over the Nanuk and Stewart Lake/Centurion Ridge targets. Planning is currently underway on the project for Quest to continue reconnaissance evaluation of additional uranium targets present within the George River area.

ONTARIO PROJECTS

Kenora North Project – Northwestern Ontario

The Kenora North project is an amalgamation of four properties (Can Fer, Snook, Pancer and Scottie Lake) that were staked in early 2007 to cover historical uranium occurrences. Regional lake-bottom geochemical surveys and Federal Government airborne geophysical surveys were also utilized in the selection of favourable target areas. The area is readily accessible by new forestry roads. Prospecting in late 2007 led to the re-location of several historic uranium occurrences and to the discovery of numerous new showings, along a 50-km long radiometric trend. Encouraging results obtained from prospecting over the Can Fer, Snook Lake and new Thor showings, led to the staking of a total of 36,000 hectares of claims to cover the full extent of the radiometric trend and to consolidate previous Quest staking.

Can-Fer

The wholly-owned Can-Fer property covers a number of historic uranium occurrences and is located 70 kilometres north-northwest of the Kenora in northwestern Ontario. The property was explored intermittently between 1968 and 1975 in programs involving scintillometer surveys and trenching. Uranium mineralization occurs as uranophane and is associated with pink granitic pegmatites which trend from east to west. The highest radioactivity occurs in shear zones within the pegmatite and in the country rocks. Sampling of two occurrences by the Ontario Geological Survey in 1968 yielded assays of 0.065% U_3O_8 (1.3 lbs/ton) over 15 feet and 0.380% U_3O_8 (7.6lbs/ton) over five feet, respectively.

Fall prospecting defined uranium mineralization over a 500-m strike length and over 200-m in width. Sampling returned up to 0.362% associated with felsic pegmatite containing sedimentary rock inclusions.

Pancer

The 100%-owned Pancer property is located 60 kilometres north of Kenora. The Pancer property consists of two claims comprising 516 hectares.

The property was explored in a limited way in 1955, 1970 and 1979 in programs involving geological mapping, scintillometer and magnetic surveys as well as diamond drilling (10 holes totalling 3,010 feet). Currently, there are three known showings with the largest having dimensions of 120 metres by 50 metres. Uranium mineralization occurs in pegmatitic dikes where the average of a number of grab samples yielded 0.13% U_3O_8 (2.6 lbs/ton).

Fall prospecting identified a series of east-southeast-trending white pegmatitic dikes within a 800-m wide structural zone. Sampling returned up to 0.287% U_3O_8 within pegmatite dykes.

Thor Lake

The wholly-owned Thor Lake area was newly identified by Quest prospectors during the Fall exploration program. Mineralization is hosted within an east-west-trending white pegmatitic sill complex intruding metasedimentary rocks containing pyrite, pyrrhotite and graphite. The sill complex has been traced over a 4-km strike length and over widths of up to 400 metres.

Values of up to 0.302% U_3O_8 were obtained from sampling of mineralization with 22% of all samples collected (140) returning values in excess of 0.10% U_3O_8 .

Future Work

The first-phase exploration program yielded very encouraging results and has identified a broad, 50-km long area of in-situ uranium mineralization and extensive radioactivity requiring further detailed exploration. A program of airborne radiometric geophysical surveys with follow-up prospecting, geological mapping, ground geophysics and geochemical sampling is currently in planning for 2008. Priority targets will be diamond drilled in the Fall. In addition, follow-up prospecting of the numerous additional radioactive anomalies identified from the airborne geophysics will also be completed.

A comprehensive Report on Exploration for the Kenora North Uranium Project is currently being prepared by Quest's geological consultant and will be submitted during the 2nd Quarter of 2008 to the Ontario Government for assessment purposes. The Corporation is also currently preparing a request for tender for airborne geophysics to be completed over the property.

Croon Lake Project – Northwestern Ontario

The 100%-owned Croon Lake uranium property consists of 23 claims (5,957 hectares) and is located in the Arrel Lake map area, 48 kilometres northeast of the town of Nipigon, in Northwestern Ontario. It was acquired from Thunder Bay prospectors under the terms of an option agreement. The property is road accessible from Nipigon, Ontario.

The Croon Lake property is underlain by Archean-age basement rocks comprising granitic gneiss intruded by pegmatitic and diabasic dikes. It lies immediately to the east of the Proterozoic-age Sibley basin, a sedimentary basin that is currently being extensively explored for unconformity-related uranium deposits.

In 1978, Essex Minerals Company explored the property locale in programs involving geological mapping, prospecting, VLF electromagnetic surveys, radiometric surveys and diamond drilling (four short holes). Access to the property at that time was by float plane. Prospecting by Essex resulted in the discovery of three boulders returning assays of 0.21% U_3O_8 (4.2 lbs/ton) and 0.30% U_3O_8 (6.0 lbs/ton). Subsequent work completed by Essex failed to locate the source of the mineralized boulders described as intensely altered, mylonitized diorite. In addition to the mineralized boulders, several highly-radioactive occurrences were discovered on the property, largely within pegmatitic dikes and sills. None of the additional radioactive occurrences were reportedly sampled. Essex Mineral Company recommended additional work to trace the mineralized boulders to a bedrock source that was never completed.

Recently prospecting activities by Quest located and sampled two of the three previously-known uraniumiferous boulders on the property. Four grab samples from the two boulders returned assays of 0.218% U_3O_8 (4.36 lbs/ton), 0.271% U_3O_8 (5.43 lbs/ton), 0.471% U_3O_8 (9.42 lbs/ton) and 0.577% U_3O_8 (11.54 lbs/ton). The presence of numerous eU and eU/eTh airborne radiometric anomalies located up-ice from the boulders, provide immediate targets for exploration follow-up. These anomalies coincide with a major north-northeast trending magnetic high that is suggestive of a major structural break. The in-situ bedrock source of the mineralization in boulders has yet to be located.

Future Work

The first-phase exploration program was unable to locate the in-situ source of the uranium mineralized boulders. A program of airborne radiometric geophysical surveys with follow-up prospecting, geological mapping, ground geophysics and geochemical sampling is currently in planning for 2008. Priority targets will be diamond drilled in the Fall. In addition, follow-up prospecting of any new radioactive anomalies identified from the airborne geophysics will also be completed.

The Corporation is currently preparing a request for tender for airborne geophysics to be completed over the property.

Claw Lake Project – Northwestern Ontario

The 100%-owned Claw Lake property was acquired by staking and consists of 16 claims comprising 4,140 hectares. The prime target acquired comprises an extensive (15 kilometres by 10 kilometres) uranium in-lake sediment anomaly containing several sites with values including 131, 66, 65, 59 and 50 parts per million, which are relatively high for in-lake sediment anomalies. The high uranium values also correlate with anomalous levels of molybdenum and rare earth elements, suggestive of an intrusion-related style of mineralization.

Data compilation completed in the vicinity of the uranium lake sediment anomaly revealed a coincident airborne radiometric anomaly (equivalent uranium and equivalent uranium/thorium defined by a regional survey flown by the Geological Survey of Canada and Atomic Energy of Canada Ltd. in 1975). The combined extent of the uranium in-lake sediment and airborne radiometric anomalies are suggestive of a very large area of potential uranium mineralization. The property is located at the northeastern end of the Savant Lake greenstone belt in the Wabigoon Sub Province and is underlain by granitic rocks of Archean age. Historically, the area has seen very limited exploration efforts for uranium.

Future Work

The Corporation is currently developing plans to undertake airborne geophysical (radiometric) surveys in the Spring of 2008. All radiometric anomalies identified by the survey will be prospected during the Summer field program.

NEW BRUNSWICK PROJECTS

Plaster Rock Project

Uranium mineralization in New Brunswick is closely related to Devonian-aged intrusions and related volcanic rocks and younger Carboniferous-age sedimentary rocks, in overlying successor basins. Uranium mineralization is hosted in alluvial, fluvial and lacustrine sediments, commonly occurring in close proximity to faults.

The wholly-owned Plaster Rock property is located in one such Carboniferous-age basin, known as the Plaster Rock basin. The 230 claim property, acquired by staking, comprises 3,723 hectares and straddles a ten kilometre long section of the western margin of the Plaster Rock basin, in fault contact with Devonian-age felsic volcanic rocks. The Blue Bell Fault separates pink to red massive rhyolitic basement rocks of the Cameron Mountain Formation from overlying red sandstone, conglomerate and mudstone of the Arthurette Redbeds Formation (Wilson 1987). Previous exploration efforts completed in the 1970s by Urangesellschaft Ltd. and Lacana Mining Corporation in this locale, were successful in locating a number of new uranium showings and soil geochemical anomalies, intimately associated with the Blue Bell Fault.

Assessment reports filed by Lacana Mining with the New Brunswick Department of Natural Resources report the best results from Trench B, where two out of seven samples returned greater than 2,000 ppm uranium or 0.236% U₃O₈ (4.72 pounds) and a third sample assayed 1000 ppm uranium or

0.118% U₃O₈ (2.36 pounds). Selective grab sampling of the mineralized zone returned an assay of 24,300 ppm uranium or 2.867% U₃O₈ (57.34 pounds). Mineralization is associated with radioactive chalcopryrite nodules in red sandstone.

Urangesellschaft also explored a segment of the Blue Bell Fault approximately 2.5 kilometres west of the Lacana showings in 1979. A soil geochemical survey completed on a survey grid straddling the fault, delineated anomalous uranium in-soil values over a one kilometre strike length. Soil values within the well-defined anomaly include 71, 50, 49 and 45 ppm uranium. There is no recorded work performed to follow-up on any of these most encouraging exploration results.

Future Work

The Plaster Rock property can be explored year-round and be advanced to the drilling stage in a very short period of time. An airborne radiometric survey has been completed and follow-up work will be carried out during the Spring and Summer 2008.

A program of prospecting, followed up by mechanical trenching is currently in planning.

Results of Operations

Three-month period of January 31, 2008

For the three-month period ended January 31, 2008, the Corporation reported net income of \$339,081 or \$0.034 basic and fully-diluted net income per share. Revenue totaled \$3,269 and consisted of interest income on bank balances from equity financings.

Net income included for the three-month period ended January 31, 2008 included a write-off, write-down of properties of \$14,194 and recovery of income taxes renounced to investors on flow-through shares issued during the period of \$432,086. Expenses excluding the write-off, write-down of properties and recovery of income taxes renounced to investors on flow-through share issued during the period totaled \$82,080. Professional fees totaled \$18,490 and consisted of legal, accounting and financial administration services provided during the period. Filing costs and shareholders' information totaled \$60,064 of which \$41,668 related to initial listing and regulatory filing fees, \$2,853 for the Quest Uranium distribution and \$15,543 related to advertising and promotion related activities. Administrative expenses and others of \$3,526 consisted primarily of office expenses.

Summary of Quarterly Results

The following table presents unaudited financial information for the two of the most recently completed financial quarters:

	2008	2007
	Q1	Q4
	\$	\$
Revenue	3,269	-
Net income (loss)	339,081	(23,863)
Net income (loss) per share - basic and fully diluted	0.034	(0.012)

The Corporation has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Corporation has paid no dividends and has no retained earnings from which it might pay dividends.

Liquidity

Three-month period of January 31, 2008

As at January 31, 2008, the Corporation maintained a cash or equivalent position of \$2,259,241 and working capital of \$2,132,683. The Corporation has no long-term debt. Management is of the opinion that the current cash position is sufficient to meet current commitments. Full development of some mineral properties would require substantially more financial resources. Traditionally, the Corporation has been able to rely on its ability to raise financing in public and private negotiated equity offerings. The Corporation may also advance the development of mineral properties through joint-venture participation.

Quest raised a total \$2,438,700 consisting of \$1,500,300 through one (1) private placement \$(1,350,270 flow-through amount and \$150,030 in common shares amount) and \$938,400 in common shares through a rights offering. Issue costs related to the financings totaled \$168,221.

Mining Properties and Deferred Costs

	October 31, 2007	Expenditures	Proceeds from option agreements	(Write-off Disposal or Grant)	January 31, 2008
	\$	\$	\$	\$	\$
Quebec					
George River					
Acquisition	-	1,967,596	-	-	1,967,596
Exploration	-	24,519	-	-	24,519
Others					
Acquisition	-	-	-	-	-
Exploration	-	8,753	-	(8,753)	-
	-	2,000,868		(8,753)	1,992,115
NFLD/Labrador					
George River					
Acquisition	-	160,224	-	-	160,224
Exploration	-	2,679	-	-	2,679
Others					
Acquisition	-	-	-	-	-
Exploration	-	1,418	-	(1,418)	-
	-	164,321		(1,418)	162,903
Ontario					
Claw Lake					
Acquisition	-	24,713	-	-	24,713
Exploration	-	-	-	-	-
Kenora North					
Acquisition	-	85,924	-	-	85,924
Exploration	-	24,059	-	-	24,059
Snook Lake					
Acquisition	-	16,258	-	-	16,258
Exploration	-	118	-	-	118

Mining Properties and Deferred Costs (Cont'd)

	October 31, 2007	Expenditures	Proceeds from option agreements	(Write-off Disposal or Grant)	January 31, 2008
	\$	\$	\$	\$	\$
Ontario (cont'd)					
Croon Lake					
Acquisition	-	14,046	-	-	14,046
Exploration	-	-	-	-	-
Aerobus					
Acquisition	-	43,941	-	-	43,941
Exploration	-	-	-	-	-
Others					
Acquisition	-	-	-	-	-
Exploration	-	3,668	-	(3,668)	-
	-	212,727	-	(3,668)	209,059
New Brunswick					
Plaster Rock					
Acquisition	-	87,298	-	-	87,298
Exploration	-	1,631	-	-	1,631
Others					
Acquisition	-	-	-	-	-
Exploration	-	355	-	(355)	-
	-	89,284		(355)	88,929
Canadian Properties	-	2,467,200		(14,194)	2,453,006

For the three-month period ended January 31, 2008, the Corporation incurred exploration expenditures totaling \$67,200 of which \$33,272 was incurred in Quebec; \$27,845 in Ontario; \$1,986 in New Brunswick and \$4,097 in Newfoundland and Labrador. The exploration expenditures incurred in Canada were partially funded through the amount raised from Freewest's private placement equity financings.

Related Party Transactions

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

- (i) During the period the Corporation retained the services of certain members of the board of directors of the Corporation to carry out work on its exploration projects and administrative duties. For the period ended January 31, 2008, the total amount of such services was \$12,925.
- (ii) The related corporation charged an aggregate amount of \$30,008 for mining properties and exploration expenditures and \$50,002 for administrative expenditures paid on behalf of Quest.
- (iii) Due to related parties represent the net amount of charges for exploration and administrative expenses between Quest Uranium Corporation and Freewest Resources Canada Inc. and an advance to the President of \$25,000 for upcoming exploration expenditures.
- (iv) Amounts due to (from) related parties are non-interest bearing with no specific terms of repayment.

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

ADMINISTRATIVE EXPENSES AND OTHERS

The table below details the amounts included in Administrative expenses and others of \$3,526 for the three-month period ended January 31, 2008:

	January 31, 2008
	\$
Office Expenses	
Office Supplies and Other	2,976
Bank Charges	449
Foreign Exchange	101
	3,526

CAPITAL STOCK

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

Authorized:

An unlimited number of no par value common shares.

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

b) Stock option plan

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
	#	\$
Balance at beginning October 31, 2007 (audited)	-	-
Granted	<u>1,835,000</u>	<u>0.30</u>
Balance at end, March 21, 2008 (unaudited)	<u><u>1,835,000</u></u>	<u><u>0.30</u></u>

b) Stock option plan (cont'd)
Accounting for the stock-based compensation plan

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

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

The fair value of the 1,800,000 options granted during the three-month period ended January 31, 2008 amounted to \$533,982 and is being recorded as an expense over an eighteen month vesting period. For the three-month period ended January 31, 2008 a total of \$Nil was recorded as an administration expense and \$Nil as an exploration expenditure.

c) Warrants

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>
	#	\$
Balance at beginning October 31, 2007 (audited)	-	-
Granted	<u>250,050</u>	<u>0.30</u>
Balance at end, March 21, 2008 (unaudited)	<u>250,050</u>	<u>0.30</u>

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

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

The fair value of the 250,050 warrants granted during the three-month period ended January 31, 2008 amounted to \$31,078 and is being recorded as an expense upon issue. For the three-month period ended January 31, 2008 a total of \$31,078 was recorded as an issue cost expense.

FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, cash held for exploration work, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, and due to related parties. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Due to their short-term nature, the fair value of these financial instruments approximates their carrying value.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

Critical Accounting Policies

The Corporation prepares its financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) in Canada. The Corporation details its significant accounting policies in Note 2 to its audited financial statements, of which the Quest has identified the following accounting policies, which are believed to be the most critical in fully understanding and evaluating the reported financial results:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to impairment of assets, mineral property carrying values, useful lives for depreciation and amortization, determination of liability for taxes as a result of flow-through renunciation reversals and determination of fair value for stock based transactions. Financial results as determined by actual events could differ from those estimates.

The Corporation is engaged primarily in mineral exploration and manages related industry risk issues directly. The Corporation may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Mineral exploration and development costs are capitalized on an individual basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect will be amortized over a period of years, pro-rata to anticipated income, while those costs for the prospects abandoned are written off. The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Corporation’s interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof. The Corporation assesses its capitalized resource property costs on a regular basis. A property is written down or written off when the Corporation determines that a permanent impairment has occurred or when exploration results indicate that no further work is warranted. A sale of an interest in claims is credited directly to expenditures until such time as all related expenditures are recovered and direct costs incurred to maintain claims are capitalized.

The Corporation finances a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Corporation, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers, provided there is reasonable assurance that the expenditures will be incurred.

The Corporation uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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 those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of substantive enactment. When the future realization of income tax assets does not meet the test of

being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

Earnings per share computations are based upon the weighted average number of common shares outstanding during the years. The Corporation uses the treasury stock method, to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. In the year of a loss, no diluted loss per share is provided as the inclusion of outstanding share purchase options and warrants would be anti-dilutive.

The Corporation has a stock option plan as described in note 3(b) to its audited financial statements. The Corporation sets aside and reserves for issuance under the Plan an aggregate number of additional common shares in the capital stock of the Corporation equal to 10% of the number of issued and outstanding common shares of the Corporation from time to time. The Corporation follows the recommendations of the Canadian Institute of Chartered Accountants Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments for its stock based compensation. Under these standards, all stock-based payments made to non-employees must be systematically accounted for in the Corporation's financial statements. These standards define a fair value-based method of accounting. Under this method, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the related service period. The cost of the stock option Compensation Plan is recognized in Deferred Exploration Expenses and Administration Expenses with a corresponding credit to Shareholders' Equity as Stock Options or Warrants using the fair value based method of Accounting of Awards.

Changes in Accounting Policies

The Corporation did not make any changes in its accounting policies for the three-month period ended January 31, 2008.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made regarding public disclosure.

As of the end of the period covered by this report, Quest's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures under the supervision of, and with the participation of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the Corporation's disclosure controls and procedures, as defined in Multilateral Instrument 52-109, Certification of Disclosure in Issuers Annual and Interim Filings are effective to ensure that material information relating to Quest Uranium Corporation is made known to management on a timely basis and is included in this report.

Internal Control over Financial Reporting

As of the end of the period covered by this report, Quest's management provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with GAAP.

During the period covered by this report, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

Management's Responsibility for Financial Reporting

Management is responsible for the preparation of the financial statements and other financial information relating to the Corporation included in this interim report. The financial statements have been prepared in accordance with generally accepted accounting principles in Canada and necessarily include amounts based on estimates and judgements of management. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects. The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as at January 31, 2008 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in this interim report.

(Signed: Peter J. Cashin)
President & Chief Executive Officer

(Signed: Ronald Kay)
Chief Financial Officer

Montreal, Quebec
March 21, 2008

QUEST URANIUM CORPORATION
INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2008

STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS

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

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

	January 31 2008 (Unaudited)	October 31 2007 (Audited)
	\$	\$
ASSETS		
CURRENT		
Cash	932,609	1,000
Cash held for exploration work	1,326,632	-
Accounts receivable	10,099	-
Prepaid expenses	<u>12,882</u>	<u>17,909</u>
	2,282,222	18,909
MINING PROPERTIES AND DEFERRED COSTS	<u>2,453,006</u>	<u>-</u>
	<u><u>4,735,228</u></u>	<u><u>18,909</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	75,264	22,507
Due to related parties (note 6)	<u>74,275</u>	<u>19,265</u>
	<u>149,539</u>	<u>41,772</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 4)	4,407,614	1,000
WARRANTS (note 4c)	31,078	-
RETAINED EARNINGS (DEFICIT)	<u>146,997</u>	<u>(23,863)</u>
	<u>4,585,689</u>	<u>(22,863)</u>
	<u><u>4,735,228</u></u>	<u><u>18,909</u></u>

See accompanying notes
to financial statements.

Approved on Behalf of the Board:

(Signed: Peter J. Cashin) Director

(Signed: Ronald Kay) Director

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

	Three-month period ended January 31 2008 <hr style="border: 0.5px solid black;"/> \$
REVENUE	
Interest	<hr style="border: 0.5px solid black;"/> 3,269 3,269
EXPENSES	
Professional fees	18,490
Filing costs and shareholders' information	60,064
Administrative expenses and others	3,526
Write-off, write-down of properties	<hr style="border: 0.5px solid black;"/> 14,194 96,274
INCOME (LOSS) BEFORE RECOVERY OF INCOME TAXES	(93,005)
INCOME TAXES - FUTURE	<hr style="border: 0.5px solid black;"/> 432,086
NET INCOME	339,081
RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD	(23,863)
ISSUE COSTS	<hr style="border: 0.5px solid black;"/> (168,221)
RETAINED EARNINGS - END OF PERIOD	<hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> 146,997
BASIC AND FULLY DILUTED NET INCOME PER SHARE	<hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> 0.034
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	<hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> 9,914,979

See accompanying notes
to financial statements.

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

	Three-month period ended January 31 2008
	<u>\$</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Net income	339,081
Adjustments for:	
Write-off, write-down of properties	14,194
Income taxes - future	<u>(432,086)</u>
	<u>(78,811)</u>
Changes in non-cash working capital components	
Accounts receivable	(10,099)
Prepaid expenses	5,027
Accounts payable and accrued liabilities	52,757
Due to related parties	55,010
	<u>102,695</u>
Cash Flows From Operating Activities	<u>23,884</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Issuance of common shares	1,088,430
Issuance of flow-through shares	1,350,270
Issue costs	<u>(137,143)</u>
Cash Flows From Financing Activities	<u>2,301,557</u>
CASH FLOWS (USED IN) INVESTING ACTIVITIES	
Mining Properties Exploration Expenditures	<u>(67,200)</u>
Cash Flows (Used In) Investing Activities	<u>(67,200)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,258,241
Cash and cash equivalents - beginning of period	<u>1,000</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>2,259,241</u></u>
CASH AND CASH EQUIVALENTS CONSISTS OF:	
Cash	932,609
Cash held for exploration work	<u>1,326,632</u>
	<u><u>2,259,241</u></u>
ADDITIONAL INFORMATION	
Interest received	3,269
Interest paid	Nil
Income taxes paid	Nil

See accompanying notes
to financial statements.

QUEST URANIUM CORPORATION
(AN EXPLORATION STAGE CORPORATION)
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008
(UNAUDITED)

1. NATURE OF OPERATIONS

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

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

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

2. BASIS OF PRESENTATION

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

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

In the opinion of management, the unaudited interim financial statements reflect all adjustments, which consist of normal and recurring adjustments, necessary to present fairly the financial position at January 31, 2008 and the results of operations and cash flows for the three-months ended January 31, 2008.

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

3. USE OF ESTIMATES

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

QUEST URANIUM CORPORATION
(AN EXPLORATION STAGE CORPORATION)
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008
(UNAUDITED)

4. CAPITAL STOCK

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

Authorized:

An unlimited number of no par value common shares.

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

b) Stock option plan

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
	#	\$
Balance at beginning October 31, 2007 (audited)	-	-
Granted	<u>1,800,000</u>	<u>0.30</u>
Balance at end, January 31, 2008 (unaudited)	<u><u>1,800,000</u></u>	<u><u>0.30</u></u>

Accounting for the stock-based compensation plan

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

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

The fair value of the 1,800,000 options granted during the three-month period ended January 31, 2008 amounted to \$533,982 by using the Black-Scholes options pricing model and is being recorded as an expense over the eighteen month vesting period. For the three-month period ended January 31, 2008 a total of \$Nil was recorded as an administration expense and \$Nil as an exploration expenditure.

c) Warrants

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

QUEST URANIUM CORPORATION
(AN EXPLORATION STAGE CORPORATION)
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008
(UNAUDITED)

4. CAPITAL STOCK (Cont'd)

c) Warrants (Cont'd)

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

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

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

5. RELATED PARTY TRANSACTIONS

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

(i) During the period the Corporation retained the services of certain members of the board of directors of the Corporation to carry out work on its exploration projects and for administrative duties. For the period ended January 31, 2008, the total amount of such services was \$12,925.

(ii) The related corporation charged an aggregate amount of \$30,008 for mining properties and exploration expenditures and \$50,002 for administrative expenditures paid on behalf of Quest.

(iii) Due to related parties represent the net amount of charges for exploration and administrative expenses between Quest Uranium Corporation and Freewest Resources Canada Inc. and an advance to the President of \$25,000 for upcoming exploration expenditures.

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

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