

Consolidated Financial Statements of

MONROE MINERALS INC.

Nine months ended September 30, 2008
(Unaudited)

Notice - These interim consolidated financial statements have not been reviewed by an auditor.

MONROE MINERALS INC.

Consolidated Balance Sheets - Unaudited

	September 30 2008	December 31 2007
Assets		
Current assets:		
Cash	\$ 1,731,151	\$ 2,147,152
Accounts receivable	65,905	13,352
Inventory	-	2,862
Prepaid expenses and other	75,440	49,790
	1,872,496	2,213,156
Mineral interests (Note 2)	102,500	125,777
	\$ 1,974,996	\$ 2,338,933
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 349,953	\$ 121,392
Current portion of long term debt (Note 3)	-	221,785
	349,953	343,177
Long term debt (Note 3)	-	221,785
Amount due to related party (Note 3)	220,000	220,000
	569,953	784,962
Shareholders' equity:		
Share capital (Note 4)	9,465,791	9,816,363
Warrants (Note 4)	716,200	734,200
Contributed surplus (Note 4)	1,397,746	1,207,433
Deficit	(10,174,694)	(10,204,025)
	1,405,043	1,553,971
	\$ 1,974,996	\$ 2,338,933

See accompanying notes

On behalf of the Board

"Derek J. Moran"
Derek J. Moran
Director

"Peter T. Farkas"
Peter T. Farkas
Director

MONROE MINERALS INC.

Consolidated Statements of Loss and Deficit - Unaudited

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Expenses:				
Exploration	\$ 526,193	\$ -	\$ 657,216	\$ -
Project development	1,600	3,250	42,656	19,113
Amortization	-	5,621	1,880	18,914
General and administrative	136,181	216,323	682,265	664,857
Stock based compensation	56,883	45,887	172,313	116,937
Interest income	(11,620)	(398)	(32,268)	(2,858)
Interest on long term debt	-	11,154	15,857	34,309
Foreign exchange loss (gain)	(27,678)	27,358	1,528	37,274
Loss before the following:	681,559	309,195	1,541,447	888,546
Gain on disposal of subsidiary (Note 2)	-	-	1,160,778	-
Future income tax recovery (Note 7)	-	-	410,000	-
Income (loss) for the period	(681,559)	(309,195)	29,331	(888,546)
Deficit, beginning of period	(9,493,135)	(8,593,981)	(10,204,025)	(8,014,630)
Deficit, end of period	\$ (10,174,694)	\$ (8,903,176)	\$ (10,174,694)	\$ (8,903,176)
Income (loss) per share - basic and diluted	\$ (0.01)	\$ 0.00	\$ 0.00	\$ (0.01)

See accompanying notes

MONROE MINERALS INC.

Consolidated Statements of Cash Flow - Unaudited

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Cash flows from (used by) operating activities:				
Income (loss) for the period	\$ (681,559)	\$ (309,195)	\$ 29,331	\$ (888,546)
Add (deduct) non-cash items				
Amortization	-	5,621	1,880	18,914
Unrealized foreign exchange (gain) loss	-	(457)	13,302	(6,316)
Stock based compensation	56,883	45,887	172,313	116,937
Gain on disposal of subsidiary	-	-	(1,160,778)	-
Future income tax recovery	-	-	(410,000)	-
Change in non-cash working capital	(27,634)	43,540	60,310	59,939
	(652,310)	(214,604)	(1,293,642)	(699,072)
Cash flows from (used by) financing activities:				
Shares issued for property in a private placement	30,000	-	60,000	866,000
Warrants issued for cash	-	-	-	141,000
Repayment of long term debt	-	-	(456,278)	-
Repayment of amount due to related party	-	-	-	-
Share issue costs	-	(5,549)	(572)	(127,414)
Change in non-cash working capital	-	5,676	(20,557)	(148,696)
	30,000	127	(417,407)	730,890
Cash flows from (used by) investing activities:				
Mineral interests expenditures	(30,000)	(140,688)	(60,000)	(278,632)
Proceeds on disposal of subsidiary	-	-	1,357,655	-
Change in non-cash working capital	2,708	12,941	(2,607)	22,670
	(27,292)	(127,747)	1,295,048	(255,962)
Net decrease in cash	(649,602)	(342,224)	(416,001)	(224,144)
Cash at beginning of period	2,380,753	525,469	2,147,152	407,389
Cash at end of period	\$ 1,731,151	\$ 183,245	\$ 1,731,151	\$ 183,245
Supplemental cash flow information:				
Interest paid	\$ 0	\$ 11,199	\$ 16,451	\$ 23,005

See accompanying notes

MONROE MINERALS INC.

Notes to Consolidated Financial Statements

September 30, 2008 - Unaudited

Monroe Minerals Inc. (the 'Company') is incorporated under the laws of Alberta. The Company's principal business is the acquisition, exploration and development of uranium resource properties.

1. Basis of presentation and significant accounting policies:

The unaudited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada, and follow the same accounting principles and methods of application as those disclosed in Note 1 to the Company's audited consolidated financial statements for the year ended December 31, 2007. These financial statements do not include all disclosures required by Canadian generally accepted accounting principles ("GAAP") for annual financial statements and, accordingly, should be read in conjunction with the Company's consolidated financial statements included in the 2007 Annual Report.

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates.

The Company's ability to continue operations is dependent upon the Company's success in developing commercial mineral interests and obtaining funds to continue their development and attaining profitability. These financial statements have been prepared on the basis that the Company will continue to raise sufficient financing and to realize its assets and discharge its obligations in the ordinary course of business and do not reflect adjustments that would otherwise be necessary if the going concern assumption was not valid.

As disclosed in the December 31, 2007 annual audited consolidated financial statements, on January 1, 2008 the Company adopted the following accounting standards:

'Capital Disclosures' requires the Company to disclose its objectives, policies and processes for managing its capital structure (Note 5).

'Financial Instruments - Presentation' and 'Financial Instruments - Disclosures' increase the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed (Note 6). The new presentation standards carry forward the former presentation requirements.

'Inventories' replaces the previous inventories standard and requires inventory to be valued on a first-in, first-out or weighted average basis. The new standard allows the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. The adoption of this standard has had no material impact on the Company's consolidated financial statements.

The Company has not completed development of its International Financial Reporting Standards ('IFRS') changeover plan, which will include project structure and governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS exemptions. The Company expects to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities, such as financing and compensation arrangements, by the end of 2008.

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Notes to Consolidated Financial Statements

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2. Mineral interests:

September 30, 2008	Cost	Accumulated depletion, amortization and write downs	Net
Alexis River, Canada	\$ 72,500	\$ -	\$ 72,500
Boxey Point, Canada	24,000	-	24,000
Berry Hill, Canada	6,000	-	6,000
Cangandala, Angola	337,353	337,353	-
Skaapkop, South Africa	-	-	-
London, South Africa	-	-	-
Mining, processing and office equipment	4,891	4,891	-
Total	\$ 444,744	\$ 342,244	\$ 102,500
December 31, 2007			
Alexis River, Canada	\$ 42,500	\$ -	\$ 42,500
Cangandala, Angola	337,353	337,353	-
Skaapkop, South Africa	65,754	-	65,754
London, South Africa	2,150,450	2,150,450	-
Mining, processing and office equipment	185,459	167,936	17,523
Total	\$ 2,781,516	\$ 2,655,739	\$ 125,777

Mineral interests under development totalling \$102,500 (December 31, 2007 - \$108,254) are not subject to depletion and amortization.

The Company completed the sale of its South African subsidiary, Monroe Mining (Pty) Limited ('Monroe SA') effective June 30, 2008, for cash proceeds of US\$1,350,000. The terms of the agreement include a carried equity interest of 10% in any projects that develop from the intellectual database of Monroe SA. The completion of the transaction is subject to regulatory approval, which, in the case of South Africa, may take an uncertain length of time.

3. Long term debt and amount due to related party:

	September 30 2008	December 31 2007
Loan, denominated in sterling in the amount of £226,149, bearing interest at 7% per annum, with no repayment terms and secured by a charge on the income from the London, South Africa mineral interests, due to an entity controlled by the Company's largest shareholder.	\$ -	\$ 443,570
Less current portion	-	(221,785)
	\$ -	\$ 221,785

Long term debt was secured by a charge on the assets on Monroe SA. It was a requirement of the sale of Monroe SA that this be discharged and, accordingly, long term debt was repaid at the time of closing the sale.

The amount due to related party of \$220,000 (December 31, 2007 - \$220,000) is in respect of unpaid salary to the President of the Company, is unsecured, has no repayment terms and bears no interest. The President has agreed not to demand repayment of the balance before October 2009.

The Company is also indebted to its President in the amount of \$38,920 (December 31, 2007 - \$9,572), included in accounts payable and accrued liabilities, in respect of expenses incurred on its behalf.

The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to as approximating fair value by the transacting parties.

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4. Share capital and other (continued):

Authorized:

Unlimited number of common shares without nominal or par value.

Unlimited number of preferred shares in one or more series.

Common shares issued:	Number	Amount
Balance, December 31, 2006	70,162,194	\$ 7,089,078
Issued for cash in private placements	29,463,298	1,834,598
Issued for cash on a flow-through basis in a private placement	21,844,531	1,338,340
Issued for property in a private placement	500,000	42,500
Share issue costs	-	(488,153)
Balance, December 31, 2007	121,970,023	9,816,363
Issued for property in a private placement	1,000,000	60,000
Future income tax liability arising from tax benefits renounced on flow-through shares	-	(410,000)
Share issue costs	-	(572)
Balance, September 30, 2008	122,970,023	\$ 9,465,791

Warrants issued:	Number	Amount
Balance, December 31, 2006	18,556,038	\$ 762,000
Issued for cash in private placements	24,428,298	336,000
Issued for cash on a flow-through basis in a private placement	21,844,531	300,000
Finder's warrants and options issued	3,695,949	98,200
Expired	(18,556,038)	(762,000)
Balance, December 31, 2007	49,968,778	\$ 734,200
Expired	(601,600)	(18,000)
Balance, September 30, 2008	49,367,178	\$ 716,200

Contributed surplus:	Amount
Balance, December 31, 2006	\$ 269,008
Stock based compensation	176,425
Warrants expired	762,000
Balance, December 31, 2007	1,207,433
Stock based compensation	172,313
Warrants expired	18,000
Balance, September 30, 2008	\$ 1,397,746

Financing:

On January 8, 2008 the Company issued 500,000 common shares at a purchase price of \$0.06 per common share for total consideration of \$30,000 pursuant to option agreements with Altius Resources Inc. ('Altius'), allowing the Company to earn up to a 60% interest in the Boxey Point and Berry Hill uranium properties.

On July 10, 2008 the Company issued 500,000 common shares at a purchase price of \$0.06 per common share for total consideration of \$30,000 pursuant to the option agreement with Altius dated July 24, 2007, allowing the Company to earn up to a 60% interest in the Alexis River uranium property.

Stock options and warrants:

Incentive stock plan options	Number outstanding	Weighted average exercise price	Number exercisable	Weighted average exercise price	Grant date	Expiry date
Employees/directors	9,010,000	\$0.13	5,996,250	\$0.14	Feb 2004 - Nov 2007	Feb 2009 - Nov 2012
Consultants	1,350,000	0.20	908,333	0.20	Sep 2006 - Apr 2007	Sep 2010 - Apr 2012
Total	10,360,000	\$0.14	6,904,583	\$0.15		

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4. Share capital and other (continued):

Stock options and warrants (continued):

Other options

Finder's options	3,094,349	0.08	3,094,349	0.08	Nov 2007	Nov 2009
Total	3,094,349	\$0.08	3,094,349	\$0.08		

Warrants

Common share warrants	24,428,298	\$0.11	24,428,298	\$0.11	Apr 2007 - Nov 2007	Apr 2009 - Nov 2009
Flow-through share warrants	21,844,531	0.12	21,844,531	0.12	Nov 2007	Nov 2009
Total	46,272,829	\$0.11	46,272,829	\$0.11		

	September 30, 2008		December 31, 2007	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Incentive stock plan options				
Outstanding at beginning of period	10,360,000	\$0.14	7,655,000	\$0.16
Granted	-	-	3,885,000	0.13
Expired	-	-	(1,180,000)	0.25
Outstanding at end of period	10,360,000	\$0.14	10,360,000	\$0.14
Exercisable at end of period	6,904,583	\$0.15	5,425,416	\$0.15
Other options and finder's warrants				
Outstanding at beginning of period	4,195,949	\$0.11	500,000	\$0.30
Finder's warrants issued	-	-	601,600	0.10
Finder's options issued	-	-	3,094,349	0.08
Expired	(1,101,600)	0.19	-	-
Outstanding and exercisable at end of period	3,094,349	\$0.08	4,195,949	\$0.11
Warrants				
Outstanding at beginning of period	46,272,829	\$0.11	19,501,188	\$0.20
Common share warrants issued pursuant to private placements	-	-	24,428,298	0.11
placement	-	-	21,844,531	0.12
Warrants expired	-	-	(19,501,188)	0.20
Outstanding and exercisable at end of period	46,272,829	\$0.11	46,272,829	\$0.11

5. Capital management:

The Company's capital structure reflects its strategy and the financial environment in which it operates. The objectives when managing capital are to maintain adequate levels of funding to support the acquisition, exploration and development of uranium resource properties, to maintain the necessary corporate and administrative functions to facilitate these activities, and to safeguard the Company's ability to continue as a going concern.

The Company's current portfolio of properties is in the exploration stage and the Company is dependent primarily on external equity financing to fund its activities. There can be no assurance that the Company will be able to raise capital in this manner in the future. The Company will utilize its existing working capital, and raise additional amounts as required, to carry out planned exploration and to fund administrative costs. The Company will continue to assess new properties and to seek to acquire interests in additional properties if it believes sufficient economic potential exists and it has adequate financial resources to do so.

There was no change in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

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6. Financial risk factors:

The types of risk exposure, their potential impact on financial instruments, and the manner in which risk is managed, are summarized hereunder.

Credit risk

The Company does not engage in any sales activities and has no significant credit risk arising from operations. The Company's receivables largely comprise refunds of sales taxes due from the national government of Canada and management believes that there is no significant concentration of credit risk.

Liquidity risk

Financial liquidity represents the Company's ability to fund future activities and obligations as and when required. The Company endeavours to ensure that it has sufficient capital to meet short term business requirements. As at September 30, 2008, the Company had a cash balance of \$1,734,888 to meet current obligations of \$349,953.

Market risk

a) Interest rate risk

The Company invests its cash balances in short term treasury accounts with the Bank of Nova Scotia, which yielded an average interest rate of 2.65% in the nine months ended September 30, 2008.

b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management considers that the foreign exchange risk derived from operational currency conversions is not significant and it is unnecessary to hedge this risk.

c) Price risk

The Company is a development stage company and has no production or sales revenues. Accordingly, it is not exposed to price risk with respect to commodity prices.

7. Income taxes:

The income tax provision differs from the amount which would be obtained by applying the Canadian expected tax rates as follows:

	September 30 2008	December 31 2007
Income tax rate	29.5%	32.1%
Computed expected income tax expense (recovery)	\$ 9,755	\$ (702,796)
Adjustments:		
Stock based compensation	50,832	56,666
Non-capital losses carried forward	(51,345)	-
Effect of change in tax rate and other	(9,242)	142,887
Valuation allowance	-	(503,243)
	\$ -	\$ -

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7. Income taxes (continued):

The components of the net future income tax asset at September 30, 2008, no portion of which has been recorded in these financial statements, are as follows:

	September 30 2008	December 31 2007
Non-capital/net operating losses	\$ 1,341,000	\$ 1,846,000
Share issue costs	95,000	137,000
Capital losses	13,000	23,000
Mineral interests	-	1,433,000
	1,449,000	3,439,000
Valuation allowance	(1,449,000)	(3,439,000)
	\$ -	\$ -

In February 2008, the Company renounced the tax credits associated with the \$1,638,340 flow-through share financing completed in 2007. In accordance with Canadian GAAP, in order to recognize the tax benefits conferred upon the subscribers of the flow-through shares, a future income tax liability of \$410,000 and a corresponding reduction of share capital were recorded in the first quarter of 2008. As the Company has future income tax assets that have not previously been recognized, and the taxable temporary differences relating to the flow-through shares are expected to reverse during the loss carry forward period, the future income tax liability has been reduced, and a future income tax recovery of \$410,000 has been recorded.

8. Commitments:

In relation to its flow-through common shares issued in 2007, the Company has commitments for expenditures of \$1,638,340 on exploration and development activities to be incurred prior to December 31, 2008. As of September 30, 2008, the Company has incurred \$666,773 of eligible flow-through expenditures, leaving a balance of \$971,567 to be incurred. The Company anticipates incurring the balance of expenditures prior to December 31, 2008.

9. Subsequent event:

On November 4, 2008 the Company issued 500,000 shares at \$0.05 per share for total consideration of \$25,000 to Ucore Uranium Inc. ('Ucore') in relation to the Company's obligations in respect of the Lost Pond uranium and rare earth elements property.

Management's Discussion and Analysis

September 30, 2008

Management's Discussion and Analysis ('MD&A') has been prepared as of November 21, 2008. It should be read in conjunction with Monroe Minerals Inc.'s ('Monroe' or 'the Company') consolidated financial statements and accompanying notes for the year ended December 31, 2007. Information provided herein relating to 2008 and later years is based on assumptions regarding future events and results may vary. All prices are in Canadian dollars unless otherwise stated.

Third Quarter Highlights

Highlights during the third quarter of 2008 include:

- The TSX Venture Exchange consented to the extension in the expiry date of 5,035,000 warrants with an exercise price of \$0.15 from October 2, 2008 to April 2, 2009. These warrants were issued pursuant to a private placement which was accepted for filing by the Exchange effective April 4, 2007.
- On July 10, 2008 the Company issued 500,000 common shares at a purchase price of \$0.06 per common share for total consideration of \$30,000 pursuant to the option agreement with Altius Resources Inc. ('Altius') dated July 24, 2007, allowing the Company to earn up to a 60% interest in the Alexis River uranium property.
- On September 15, 2008 the Company entered into an option agreement with Ucore Uranium Inc. ('Ucore') to earn a 50% interest in the Lost Pond uranium and rare earth elements property located in western Newfoundland, Canada. The Company may earn a 50% interest in the property over four years by spending \$2,600,000 on exploration, including a minimum first year commitment of \$700,000, and making share payments to Ucore of 3,000,000 shares, including 500,000 shares issued after the end of the third quarter. Upon the Company fulfilling its earn-in obligations, the parties will form a 50-50 joint venture with each partner contributing its pro-rata share of future expenditures, or Ucore may elect to convert its interest to a 35% interest, which will be carried through to completion of a pre-feasibility study. The existing letter agreement is to be supplemented by a detailed option and joint venture agreement under negotiation.

Properties

Monroe's technical expertise lies in project selection and exploration planning and implementation. Present goals for the uranium division include the identification of additional exploration properties in Canada, as well as the selection of larger scale uranium projects in Africa and elsewhere. Monroe presently has four uranium properties, all of which are located in Newfoundland & Labrador.

The Qualified Person who has reviewed the information on Properties contained in this MD&A is Dr. Reg Olson.

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ALEXIS RIVER

The Alexis River property is approximately 2,500 hectares in size and the area is underlain by rocks assigned to the Pinware Terrane of the Eastern Grenville Province, which are potential hosts for uranium mineralization. Monroe may earn a minimum 60% interest in the Alexis River property over four years by spending \$1,250,000 on exploration and making share payments to Altius Resources Inc. ('Altius') of 2,500,000 Monroe shares. Monroe is current on its earning obligations.

The Geological Survey of Canada ('GSC') and the Geological Survey of Newfoundland & Labrador ('GSNL') have undertaken substantial geological mapping and geochemical and geophysical surveys in the Eastern Grenville Province and their airborne magnetic survey (1974), lake sediment surveys (1984), and airborne radiometric surveys (1988) covered the Alexis River area. The lake sediment samples from the Alexis River property contained 926 ppm uranium (fluorimetric analysis) or 1,030 ppm uranium (INAA analysis) in lake sediment. In short, over 0.1% U_3O_8 in lake bottom sediment. This site, named 'Anomaly Lake', was the most anomalous of 18,640 lake sediment samples taken by the GSC in Labrador, in which the average uranium content is 3.8 ppm uranium.

A helicopter borne radiometric and magnetometer survey conducted by Altius in July 2007 provided encouraging results, revealing several radiometric anomalies within the Alexis River property and indicating that the Alexis River property is underlain by a diverse assemblage of lithologies. Limited follow-up prospecting by Altius over selected airborne radiometric anomalies and additional lake sediment sampling of Anomaly Lake was conducted during August and September 2007. Anomalous radioactivity is locally up to 12,000 counts per minute (Exploranium GR-135 differentiating spectrometer) in coarse grained pegmatite. Assays of four rock samples from the radioactive occurrences west of Anomaly Lake range up to 204 ppm U (INAA analysis). The Altius lake sediment sampling provided initial verification of the existence of exceptionally high uranium and some other metals at Anomaly Lake, including 323 to 2,370 ppm uranium (average is 721 ppm U or 0.085 wt.% U_3O_8) and 175 to 1,070 ppm molybdenum.

These results were confirmed by further systematic lake sediment sampling conducted by Altius and Monroe in February 2008 and by Monroe in June 2008. The results from the three programs in tabular form are:

Sampling date	Total samples	High ppm U	Low ppm U	Average ppm U
Fall 2007	15	2,370	323	721
Winter 2008	21	2,290	261	578
Summer 2008	70	1,630	11 (very near shore, most being ≥ 100)	460
Total	106	2,370	~100	~520

These lake sediment sample results for uranium are unusually high, being well over two orders of magnitude higher than the average uranium content of lake sediment samples within Labrador.

On June 20, 2008, Discovery Consultants commenced summer fieldwork at Alexis River property on behalf of Monroe and demobilized from the field on July 15. The fieldwork was done by a four person crew camped on the south side of the large lake (hereafter called North Lake) due east of Anomaly Lake within mineral claim 10493M. Fieldwork was done on foot with minimal helicopter support other than for mob, demob and periodic camp supply.

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During this period Discovery: (a) conducted geological mapping of the northern part of the claim block at 1:5,000 scale; (b) conducted reconnaissance prospecting of those portions of the claims that were reasonably accessible by foot from the field camp; (c) systematically collected by rubber boat along lines spaced from about 50 m to 100 m apart, a total of 173 lake sediment samples from Anomaly Lake (70 samples) and from the two large lakes east of Anomaly Lake, named North Lake (50 samples) and South Lake (53 samples) for ease of reference; (d) collected a total of three water samples from small rivulets that drain into Anomaly Lake from the northeast, north and west side; and (e) collected a total of 14 rock grab samples from selected radioactive occurrences that were discovered. All lake sediment, rivulet water and rock grab samples were sent to the Activation Laboratories prep lab in Goose Bay and the pulps were subsequently analyzed in Ancaster, Ontario for uranium and selected other elements.

Synoptic exploration results from the 2008 fieldwork comprise:

- (a) Geological mapping shows Anomaly Lake has differing geology along the eastern and western margins of the lake, and this indicates the lake is underlain by a northwesterly trending fault or faults. However, the expression of this fault is poorly seen in outcrops at the northwestern end of the lake.
- (b) Prospecting discovered a number of individual radioactive occurrences within the property. Perhaps the most interesting are: (i) a zone of radioactive pegmatites near the southeastern margin of claim 10493M (previously found by Altius and identified by them as "Anomaly 2") that produces spot radioactivity locally up to 3,800 cps (Exploranium scintillometer), and (ii) at the northeast end of Anomaly Lake there is a small radioactive bog that produces 600 cps on both the Exploranium and SRAT SPP2N scintillometers.
- (c) Lake sediment samples from Anomaly Lake typically contain from >100 up to 1,630 ppm U, whereas North and South Lake contain from <5 up to about 79 ppm, but with most samples containing less than 40 ppm U. These results re-confirm the prior sampling done by Altius and demonstrate the anomalous uranium in lake sediments in Anomaly Lake. As well, whereas North and South Lake generally have flat bottoms and water depths of less than 5 m, Anomaly Lake is over-deepened for its size and has water depths up to 20.5 m, indicating a fault exists beneath Anomaly Lake.
- (d) The three water sample results are 0.045, 0.385 and 1.09 µg/L (micrograms per litre or parts per billion). The highest result is comparable to the anomalous GSC lake water result from Anomaly Lake and is from a small rivulet northeast of Anomaly Lake. This rivulet drains from the area where the small radioactive bog exists (as referred to above) and into Anomaly Lake.
- (e) Rock grab sample results range from 91 to 2,370 ppm uranium, with two samples containing 1,080 and 2,030 ppm U (0.127% and 0.24% U₃O₈). These two samples are from the zone of radioactive pegmatites discovered near the southeastern edge of claim 10493M.
- (f) Finally, it should be noted that Anomaly Lake sits in a small topographic bowl with low highlands to the east, north and west separating Anomaly Lake's catchment basin from all nearby larger drainages, and with water from the lake draining out via a small creek at the southeast end. Hence the only waters coming into the lake are from one or more of the following sources: (a) surface run-off water flowing in from the sides of the lake during

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rainfalls, (b) water from the few small rivulets that exist on the north and west side of Anomaly Lake, and (c) perhaps groundwater from subterranean sources.

Discovery Consultants commenced fall fieldwork at Alexis River property on September 20 and demobilized from the field on October 12. The drilling and fieldwork comprised a four-person geological crew, a four-person drill crew and was supported by a Bell 206L helicopter. The field crew was accommodated at Port Hope Simpson (PHS). The drill was first mobilized by truck to a point north of PHS, and then flown into the Alexis property by helicopter. The helicopter was used on a daily basis for: (a) daily deployment of two drill crews at shift changes, (b) moving the drill between pad sites, (c) providing supplies to the drill and demobilizing drill core, and (d) setting-out two prospectors and, as time permitted, a geologist for further supplemental prospecting and geological mapping.

During this period a total of 1,294.5 metres was drilled in five holes intended to test beneath Anomaly Lake. In brief, with respect to drilling highlights:

- (a) Anomalous radioactivity ranges from 200 counts per second (cps, SRAT SPP2N scintillometer) up to locally 2,500 cps across narrow core lengths. In most cases anomalous radioactivity is associated with pegmatitic zones in core.
- (b) There is a northwesterly trending structure or faulted zone extending along or near the axis of Anomaly Lake, with the northwestern portion being more 'altered'.
- (c) Assay results from core include the following:

Hole AL0802:

0.754% U_3O_8 across 0.20 m from 58.90 to 59.10 m core length;
0.044 % U_3O_8 across 5.00 m from 80.00 to 85.00 m core length; including
0.069% U_3O_8 across 2.00 m from 83.00 to 85.00 m core length.

Hole AL0805:

0.034% U_3O_8 across 0.40 m from 16.70 to 17.10 m core length;
0.073% U_3O_8 across 0.25 m from 20.45 to 20.70 m core length;
0.041% U_3O_8 across 0.20 m from 21.00 to 21.20 m core length;
0.064% U_3O_8 across 0.30 m from 27.30 to 27.60 m core length;
0.065% U_3O_8 across 1.00 m from 76.00 to 77.00 m core length; and
0.188% U_3O_8 across 0.85 m from 197.70 to 198.55 m core length.

- (d) As a result, these locally high grade, albeit narrow, drill intercepts may or may not explain the anomalous lake sediment results from Anomaly Lake.

Monroe concludes that the anomalous uranium in lake sediment at Anomaly Lake may be due to one or more causes, including (a) the narrow high grade drill intercepts that exist locally in bedrock beneath Anomaly Lake, (b) the highly elevated uranium in rivulet waters at the northeast end of the lake, or (c) from uranium-bearing subterranean ground waters which may discharge into the bottom of the lake. The Company is preparing a summary report documenting the 2008 fieldwork and drilling to facilitate discussion and deliberation by Altius and Monroe on the future program at Alexis River.

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BOXEY POINT

In January 2008, the Company entered into an option agreement with Altius allowing the Company to earn a 60% interest in the Boxey Point uranium exploration property, located in Newfoundland, Canada.

Monroe may earn a 60% interest in the Boxey Point property over four years by spending \$1,000,000 on exploration, including a minimum first year commitment of \$100,000, and making share payments to Altius of 2,000,000 Monroe shares, including 400,000 shares issued on signing and 1,600,000 shares divided equally over four years to be paid on each anniversary of the agreement. Upon Monroe fulfilling its earn-in obligations, the parties will form a 60:40 joint venture, with each partner contributing its pro-rata share of future expenditures. If either party dilutes its interest to less than 10% in the joint venture, its interest shall be converted to a royalty of 1% of gross uranium sales. Monroe is current on its earning obligations.

The Boxey Point property totals thirty-six claims and is approximately 900 hectares in size. It is located in the Fortune Bay area along the southern coast of Newfoundland, between and a little south of the Coomb's Cove and English Harbour West settlements. The property is about 600 km by road from St. John's. A 2007 prospecting and rock grab sampling program yielded elevated uranium results including two rock samples that assayed 738 ppm and 1,498 ppm uranium (0.09 to 0.18% U_3O_8) respectively. There is also remarkable alteration of some of the sedimentary strata on the property. The expected deposit type could be similar to the conglomerate-hosted uranium prospects that exist at the Beaverdell deposits in southern B.C. or the former Midnite/Blackhawk Mine near Spokane, Washington.

Phase 1 of the 2008 exploration program commenced at the Boxey Point property on May 15 and was completed June 30, 2008, with the fieldwork being done by a four to six person geological crew provided by Altius. The fieldwork included reconnaissance prospecting using scintillometers and the collection of 24 rock grab samples, 14 till and till concentrate samples, as well as 572 soil samples, with the bulk of the work completed at the west-central part of the Boxey Point promontory. All samples were forwarded to Eastern Analytical Limited in Springdale, NL, with additional analysis performed at Actlabs for INAA/ICP analyses for uranium and additional elements. The results reveal elevated uranium, ranging from a high of 45 ppm to less than 0.5 ppm, with an average of 4.2 ppm. The preliminary geochemical results indicate there are anomalous uranium trends in soils extending east-southeasterly and northeasterly away from the radioactive zone along the west shore of Boxey Point.

Phase 2 of the 2008 exploration program commenced at the Boxey Point property on October 1 and was completed October 20, with the fieldwork being done by a two to three person crew provided by Monroe. The fieldwork included geological mapping at 1:5,000 scale, semi-detailed radiometric prospecting, collection of 34 rock chip and grab samples, a detailed radiometric survey along the base of the limonite-altered and radioactive cliff section and collection of 29 geochemical soil samples. All samples were forward to Actlabs for INAA/ICP analyses for uranium and additional elements. Analytical results have not yet been received, but are expected in the next few weeks.

The 2008 geological mapping indicates that the Boxey Point promontory is geologically favourable for uranium because: (a) there are numerous intrusives present into the Great Bay de L'Eau Formation and these intrusive may have acted as either sources of uraniferous fluids or heat-pumps to drive circulating hydrothermal fluids, or both; (b) there are numerous faults present, and these may have acted as conduits for any circulating hydrothermal fluids enriched in uranium or

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other metals; and finally, (c) the clastic sediments of Great Bay de L'Eau Formation locally contain plant and other organic debris, which may have acted as favourable reductant zones for percolating uranium bearing solutions.

Monroe considers that further exploration is warranted at Boxey Point, including:

- (a) A magnetic geophysical survey, possibly combined with electromagnetic or radiometric surveys or both, should be conducted over the at least the central part of the Boxey Point promontory. The recommended geophysical survey could be conducted either by a fixed-wing or helicopter or, due to the relatively small size of the area to be surveyed, simply could be done by a ground geophysical survey.
- (b) Follow-up geochemical soil sampling should be done along the northern, eastern and southern margins of the soil sampling completed in 2008; and
- (c) Selected targets should be drill tested by a series of short inclined holes; it is probable that a minimum program of about 1,500 m of drilling in 10 holes will be required. A preliminary estimate of the cost to perform the above exploration is \$750,000.

LOST POND

In September 2008 the Company agreed to enter into an option agreement with Ucore Uranium Inc. ("Ucore") allowing Monroe to earn a 50% interest in the Lost Pond uranium and rare earth elements ("REE") property, located in western Newfoundland, Canada. The existing letter agreement is to be supplemented by a detailed option and joint venture agreement under negotiation.

Ucore expended \$1.8 million on the Lost Pond property and its exploration work defined uranium mineralization as a 200 metre wide 'structural/alteration corridor' hosting the Cataclastic Zone (up to 0.045% U_3O_8 over 12.3 m) and parallel higher grade fracture controlled mineralization (up to 0.752% U_3O_8 over 0.5 metres). At the U3 area of the project, REE mineralization is closely coincident with a distinctive magnetic high. Three drill holes, spaced at 50 metres apart, intersected similar mineralization with a best intersection of 4.47% (REE oxides + Y_2O_3) over 5.64 metres. The REE include a total of 15 lanthanoid elements plus yttrium. Grades are usually reported as calculated rare earth oxides (REO). Rare earths are used predominantly in the manufacture of permanent magnets, metal alloys, batteries catalysts, and glass. Growth in demand over the past four years has exceeded 10% per year and growth is expected to remain strong at around 10% over the next few years.

The Lost Pond property comprises 1,083 contiguous claims, spanning a territory in excess of 270 square kilometres near Newfoundland's west coast. Lost Pond covers the northern portion of the St. Georges Basin, an area that features a documented unconformable contact between the terrestrial sedimentary rocks of the Basin and the localized granites, an established characteristic of potential uranium genesis and placement. Moreover, an extensive radioactive boulder field has been traced to a bedrock source within the project's claim boundary. Situated just 30 kilometres east of Stephenville, Lost Pond is within proximity to the province's west coast economic centre at Corner Brook and is highly accessible. The Trans Canada Highway and existing power lines run through the property, as well as an extensive network of logging roads and pre existing access routes.

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Monroe may earn a 50% interest in the Lost Pond property over four years by spending \$2,600,000 on exploration, including a minimum first year commitment of \$700,000, and making share payments to Ucore of 3,000,000 Monroe shares, including 500,000 shares on signing.

Upon Monroe fulfilling its earn-in obligations, the parties will form a 50:50 joint venture, with each partner contributing its pro-rata share of future expenditures, or Ucore may elect to convert to a 35% interest, which will be carried through to completion of a pre-feasibility study. If either party dilutes its interest to less than 10% in the joint venture, its interest shall be converted to a royalty of 1% or 1.5% of gross sales, depending on underlying royalties, of which 0.5% may be bought-out for \$500,000.

Monroe commenced an exploration program at Lost Pond in October 2008 that includes about 3,000 metres of drilling. The program will test both the uranium and the REE targets. The budget for the ten week program is \$0.75 million.

BERRY HILL

In January 2008, the Company entered into an option agreement with Altius allowing the Company to earn a 60% interest in the Berry Hill uranium exploration property, located in Newfoundland, Canada.

Monroe may earn a 60% interest in the Berry Hill property over four years by spending \$475,000 on exploration, including a minimum first year commitment of \$50,000, and making share payments to Altius of 500,000 Monroe shares, including 100,000 shares issued on signing and 400,000 shares divided equally over four years to be paid on each anniversary of the agreement.

Reconnaissance prospecting and till sampling was conducted on the property by a four person geological team provided by Altius over a period of five days commencing April 30, 2008. A total of 14 till samples, 3 rock samples and 1 soil sample was collected. Scintillometer readings were taken at many outcrops. The till samples yielded a maximum uranium value of 35.5 ppm and there were no significant differences between whole till and till concentrate uranium values. During the program no important zones of anomalous radioactivity was noted and no uranium minerals were observed. A series of granite-hosted tension-gash type quartz veins up to 5 cms wide was noted. In a recent review of the results, Monroe and Altius concluded that Altius' initial work does not support further exploration on the Berry Hill property. Expenditures on Berry Hill amount to approximately \$20,000 presently and Altius has agreed that any deficiency of minimum expenditure commitment on Berry Hill may be transferred to the Boxey Point project.

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Properties Analysis

The following table presents the carrying amounts and expenditures on the Company's mineral properties.

Property	December 31, 2007	Incurred during the period ended September 30, 2008	Expensed, amortized, disposed or written down in 2008	September 30, 2008
Alexis River, Canada	\$ 42,500	\$ 552,400	\$ 522,400	\$ 72,500
Boxey Point, Canada	-	126,100	102,100	24,000
Berry Hill, Canada	-	17,700	11,700	6,000
Other, Canada	-	55,100	55,100	-
London, South Africa	-	8,500	8,500	-
Skaapkop, South Africa	65,800	-	65,800	-
Plant and equipment	<u>17,500</u>	<u>-</u>	<u>17,500</u>	<u>-</u>
Total	\$ <u>125,800</u>	\$ <u>759,800</u>	\$ <u>783,100</u>	\$ <u>102,500</u>

Results of Operations

Operations

The Company is in the exploration and development stage of its operations. Therefore, other than minimal interest earned on its cash deposits, the Company continues to create operating losses as a result of general and administration expenses required to review, acquire and evaluate assets and to maintain a public listing.

All of Monroe's projects are at the exploration stage:

- Extensive fieldwork at Alexis River, Boxey Point and Berry Hill was completed during the third quarter. Details, as well as results received to date, are included under 'Properties' above.
- One of the Company's objectives during 2008 is the identification of suitable uranium companies and assets for acquisition, merger, strategic partnership or joint venture. The Company is performing an ongoing survey of such companies and assets in Canada and Africa. The Company has added three projects to its portfolio through option agreements during the year. However, whilst the Company has entered informal discussions with several companies with a view to acquisition, merger or strategic partnership, to date none of these discussions have progressed to formal proposals.

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General and Administration Expenses ('G&A')

G&A for the nine months ended September 30, 2008 was \$854,578 (2007 - \$781,794). The costs (with comparative figures for 2007) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Salaries and benefits	\$ 49,654	\$ 135,497	\$ 232,737	\$ 421,348
Financial administration	38,993	31,650	130,267	90,480
Audit and legal	2,359	12,772	66,370	60,719
Investor relations	35,715	20,367	110,325	89,753
Stock based compensation expense	56,883	45,887	172,313	116,937
General office and miscellaneous	(17,626)	33,654	68,062	92,393
Travel and marketing	<u>27,086</u>	<u>16,869</u>	<u>74,504</u>	<u>80,431</u>
Total	\$ <u>193,064</u>	\$ <u>296,696</u>	\$ <u>854,578</u>	\$ <u>952,061</u>

Salary costs were lower in 2008 due to the closure of the Angola office in February 2008 and the disposal of the Company's diamond interests in June 2008. Salary costs capitalized to mineral interests amounted to \$nil (2007 - \$170,267). Financial administration increased due to a higher volume of work in the uranium division, including the investigation of new opportunities and the administration of flow-through obligations. The increase in audit and legal fees is due to differences in the rates of accrual of audit fees in the first quarter of 2008 and 2007. Investor relations increased due to higher IR counsel contract fees. The increase in stock based compensation expense is a consequence of the issuance of stock options in the fourth quarter of 2007. General office and miscellaneous costs decreased due to provisions for closing the Angola office. Some of these provisions were reversed in the third quarter, resulting in a lower than usual overall charge in that quarter. The decrease in travel and marketing costs is a further consequence of discontinuing activities in Angola.

Interest on Long Term Debt

Interest expense on long term debt decreased from \$34,309 to \$15,857 for the nine months ended September 30, 2008 (\$nil for the third quarter of 2008 compared to \$11,154 for the same period in the prior fiscal year) as a consequence of the repayment of principal and of accumulated interest in the second quarter of 2008. Interest bearing debt was denominated in sterling and was repaid effective June 30, 2008 as a consequence of the sale of Monroe SA.

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Summary of Quarterly Results

Quarterly results are unaudited.

(All figures are in \$ except share numbers)

	Three months ended							
	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006
Exploration and Project development	527,793	136,924	35,155	121,250	3,250	11,019	4,844	5,952
Amortization	-	878	1,002	3,313	5,621	6,302	6,991	1,766
(Income) loss for the period	681,559	(737,139)	26,249	1,300,849	309,195	310,091	269,260	2,690,011
Working capital	1,522,543	2,147,219	1,506,607	1,869,979	(221,117)	159,778	(395,992)	53,430
Mineral interests	102,500	72,500	154,775	125,777	608,353	430,786	369,368	306,135
Total assets	1,974,996	2,502,106	2,019,360	2,338,933	1,273,349	1,490,950	987,262	1,251,257
Shareholders' equity	1,405,043	1,999,719	1,210,563	1,553,971	255,933	482,290	(128,279)	105,456
Shares outstanding	122,970,023	122,470,023	122,470,023	121,970,023	80,732,194	80,232,194	70,162,194	70,162,194
Net (income) loss per share	(0.01)	(0.01)	0.00	0.03	0.00	0.00	0.00	0.04

1. No dividends have been paid since incorporation. Fully diluted per share amounts are not presented because the results are antidilutive.
2. The above information has been summarized from the consolidated financial statements of the Company prepared in accordance with accounting principles generally accepted in Canada.
3. Refer to 'Results of Operations' for a discussion of factors that have caused period to period variations, significant acquisitions, changes in direction of Monroe's business and other information relevant to an understanding of the Company's financial condition and results of operations.

Liquidity

Working Capital

At September 30, 2008, the Company had working capital of \$1,522,543 (December 31, 2007 - \$1,869,979). The Company does not generate positive cash flow from operations and is dependent on its current working capital, on loans from related parties, private placements and the exercise of stock options to supplement its limited financial resources.

Long Term Debt

Debt owing to an entity controlled by Monroe's largest shareholder bore interest at 7% per annum and was denominated in sterling. At September 30, 2008, the principal outstanding amounted to £nil (\$nil) (December 31, 2007 - £226,149 (\$443,570)) and accrued interest to £nil (\$nil) (December 31, 2007 - £nil (\$nil)). The debt was secured by a charge on income from the London Mine and was repaid from the proceeds from the sale of Monroe SA during the second quarter, as required by the terms of the sale agreement.

Unpaid salary of \$220,000 (December 31, 2007 - \$220,000) is due to the President of the Company, who has agreed not to demand repayment before October 2009.

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Stock Options

No new stock options were granted or exercised during the period.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet financial arrangements.

Non-controlling Interest

The non-controlling interest up to February 2008 in the Company's South African subsidiary, Monroe SA, resulted from the investment of Vuya! in that company consequent upon the requirements of the SA Government in relation to Black Economic Empowerment ('BEE'). The interest was recorded based on book values and did not reflect underlying fair value.

On February 28, 2008, the Company exercised its right to acquire all of the shares of Monroe SA held by Vuya! for a nominal amount and, accordingly, the non-controlling interest no longer exists.

Environmental Liabilities

Monroe maintains its environmental rehabilitation liabilities on a current basis, thus obviating the need to accumulate a provision for this purpose.

Capital Resources

On January 8, 2008 the Company completed a private placement, issuing 500,000 common shares at a purchase price of \$0.06 per common share for total consideration of \$30,000 as part of the acquisition of an interest in the Boxey Point and Berry Hill uranium properties.

Outlook

The Company's priorities in 2008 are the expansion of its portfolio of uranium properties in Canada, the reorganization of its diamond division, and the growth of the Company's market capitalization through corporate activity. Good progress has been made in the uranium division with the addition of the Boxey Point, Berry Hill and Lost Pond properties in Newfoundland. A survey of suitable uranium companies and assets for acquisition, merger or strategic partnership is ongoing. The diamond division was sold effective June 30, 2008.

Transactions with Related Parties

Except for the debt arrangements referred to in '*Liquidity*' there were no significant transactions with related parties.

Critical Accounting Estimates

The Company's accounting policies are discussed in Note 1 to the consolidated financial statements for the year ended December 31, 2007.

Changes in Accounting Policies Including Initial Adoption

Changes in accounting policies and recent accounting pronouncements are discussed in Notes 1(b) and 1(l) to the consolidated financial statements for the year ended December 31, 2007. These include the adoption of standards with respect to 'Financial Instruments – Recognition and Measurement', 'Hedges', and 'Comprehensive Income', effective January 1, 2007, and the effects of the adoption of standards with respect to 'Financial Instruments – Disclosure', 'Financial Instruments – Presentation', 'Capital Disclosures', and 'Inventories' as of January 1, 2008.

Financial Instruments and Other Instruments

The Company is exposed to interest rate price risk to the extent that long term debt bears a fixed rate of interest. The Company is also exposed to currency exchange rate risks to the extent of its foreign operations conducted in South Africa, as well as the long term debt denominated in sterling. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates.

Controls and Procedures

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. In common with many of its peers, the Company faces challenges in achieving these objectives.

In the light of the Company's small size, DC&P are affected by the limited ability to obtain independent confirmation of data. To mitigate potential control weaknesses, (a) the Chief Executive Officer ('CEO') is actively involved in the day to day business of the Company including in its overseas jurisdictions, (b) the CEO and Chief Financial Officer ('CFO') have identified those individuals carrying responsibility for compiling the relevant data for each line of information in the financial statements and requested that they confirm the accuracy and completeness of same, and (c) the Company has implemented accounting data review procedures to assist the integrity of reports. During 2005, the Company adopted a written corporate policy documenting its disclosure practices which forms part of the support for these officers' statements in their certificates filed on SEDAR.

The issue regarding limitations on independent confirmation of data is equally applicable when considering ICFR. In addition, it is not economically feasible, at the Company's current size and with the limited number of staff available, to achieve optimum or complete segregation of duties. Also, Monroe does not have a sufficient number of finance personnel, with all of the technical accounting knowledge, to address all complex and non-routine accounting transactions that may arise. These weaknesses in internal controls raise the possibility that a material misstatement may not be prevented or detected.

Management and the Board of Directors work to mitigate the risk of material misstatements: the integral role of the CEO in day to day operations provides a direct connection to source data and accounting data review procedures provide a further level of assurance. Monroe currently has no

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plans to remediate the above mentioned weaknesses which are linked with its current size and nature of operations.

Commencing with the 2005 fiscal year end, the CEO and CFO are required to provide and file on SEDAR a certificate regarding the Company's financial statements and annual filings. Based on their respective knowledge of the relevant facts and information and having exercised reasonable diligence, in the required filings, the CEO and CFO have confirmed their continued belief that (a) the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings, and (b) the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented in the annual filings.

As Monroe is a TSX Venture listed company, its CEO and CFO are not required to provide representations in the 2007 annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in MI 52-109. In particular, the certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Other Matters

Investor Relations

The investor relations program is aimed primarily at investor communications and interaction with the financial community in Canada and Europe. CHF Investor Relations of Toronto and Calgary is the Company's investor relations counsel in Canada. The monthly fee is \$6,000, plus expenses which arise, *inter alia*, in relation to briefings, presentations and the provision of publicity materials. In addition, CHF has been granted an option to acquire 1,250,000 shares in the Company to April 2012 at prices varying between \$0.12 and \$0.30 per share. Investment Connections of Versoix, Switzerland, is the Company's investor relations counsel in Europe. Remuneration arrangements are on a *per diem* basis as well as a finder's fee for private placements of the Company's securities.

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Business Risks

The exploration and development of natural resource properties involves a wide range of risks which includes, but is not limited to, the uncertainty of discovery, lack of commercial deposits following discovery, title to properties, changes in government regulations, uninsured risks, product price fluctuations, environmental factors, political and economic risks, exchange rate fluctuations and exchange controls.

Monroe is at an early stage of its development. Its success will depend on the expertise of its management in pursuing business opportunities. The Company is in competition with companies possessing greater financial resources for both properties and personnel. The Company does not generate positive cash flow, has limited financial resources and must raise additional capital to implement its programs.

Readers are directed to the Company's web site for a fuller disclosure of business risks.

Additional Information

Additional information regarding the Company is available on the Company's web site at www.monroeminerals.com and on SEDAR at www.sedar.com.