Update Report — **March 30, 2009**

Recommendation
Speculative Buy

Risk
High

Last Trade (Mar. 25/2009)
$0.065

52-Week Range (Hi-Lo)
$0.26 - $0.025

Target Price
$0.25 (Unchanged)

Potential Return
1-Year: 3.8x

Shares O/S
40.12 million

Market Cap
$2.61 million

Average Daily Volume
20-day: 35,700
150-day: 51,500

Year-End
July 31

C$	BVPS	EPS
2006A	$0.08	($0.02)
2007A	$0.21	($0.03)
2008A	$0.17	($0.05)
2009E	$0.15	($0.02)

BVPS: Book Value Per Share
EPS: Earnings Per Share

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ANGLO-CANADIAN URANIUM CORP.

($0.065, TSX-V: URA)

Data Source: www.BigCharts.com

UPFRONT

Anglo-Canadian Uranium Corp. is focused primarily on developing its Quebec properties, either with or without joint venture partners. The Company has some interesting projects which, as they progress, should continue to attract investors to the stock. We view the long-term outlook for uranium and uranium exploration as being decidedly positive. If the Company can capitalize on investor sentiment for uranium stocks, we believe the share price potential is significant from current levels.

RECOMMENDATION

We are maintaining our Speculative Buy rating and the one-year Target Price of $0.25, unchanged from our February 18, 2009 Analyst Commentary. The shares are suitable for risk-tolerant investors only.

PROFILE

Anglo-Canadian Uranium Corp. ("Anglo-Canadian" or the "Company") is an early-stage exploration company, focused on gold and uranium resources. Its uranium properties are located in Quebec and the Four Corners region of the U.S.A.; its gold properties are in British Columbia.

HIGHLIGHTS

- The Company is focused on developing its uranium properties, either by itself or through joint ventures;
- Results from a radiometric survey on the Big Mac and Charles properties in Quebec in March 2009 showed areas of radioactivity which could host mineralization;
- Three new claims were added to its Princeton property in October 2008, giving a total of 32. This property is located close to the Copper Mountain Mining Corporation property in British Columbia, on which a feasibility study confirmed the viability of restarting the former open pit copper and gold producing mine;
- The Company wrote off in July 2008 $531,619 in costs relating to the Skoonka property;
- The Company raised over $1.85 million in new equity in F2006 and over $5.82 million in F2007. In August 2008, the Company amended the terms of the proposed private placement of flow-though units, reducing the price to $0.15 from $0.20 per share;
- The Company has reduced operating cash costs and managed its cash in a reasonable manner in order to cope with current adverse market conditions; and
- Although commodity prices remain volatile, with uranium spot prices having declined to US$42.50 per pound in March 2009 from its peak of US$138 per pound in mid-2007, long-term contract prices remain steady in the US$70-$80 range.

THE COMPANY

Anglo-Canadian is an early-stage exploration company, formerly known as Interactive Exploration Inc. The Company changed its name to Anglo-Canadian Uranium Corp. in August 2005. It is headquartered in Vancouver, British Columbia and its shares are listed on the TSX Venture Exchange under the symbol URA. Insider ownership stands at approximately 5%.

PROPERTIES SUMMARY

Anglo-Canadian's activities are focused on exploration for uranium and gold on the Company's 18 properties.

A. Key Properties

Anglo-Canadian's flagship properties are Eula Belle and Joseph in Colorado, and Big Mac and Charles in Quebec.

Table 1: Key Company Properties

Property	Type	Location	Comments
Eula Belle	Uranium	Colorado	Completion of 20,000-foot, 26-hole drill program in May 2008. Announced results in August 2008 with mineralization of 0.258% over 3.5 feet.
Joseph	Uranium	Colorado	Successfully completed agreement with Denison Mines to open portal and plugged air vent for access to two mines. One mine is operated by Anglo-Canadian.
Big Mac	Uranium	Quebec	Covers 2,100 hectares. In March 2009, the Company announced the results of the radioactivity survey, which shows a higher level of radioactivity in the revealed areas than in the background. However, the level is lower than in the Charles property.
Charles	Uranium	Quebec	Covers 2,119 hectares. In March 2009, the Company announced the results of the radioactivity survey, which shows a higher level of radioactivity than in the revealed areas than in the background.

Source: Company

Several of its properties in the "Four Corners" region of the USA include past-producing mines, including Eula Belle and Joseph. Operations ceased at these mines due to unfavourable economics in the mid-1980s, when uranium spot dropped below US$10/lb.

- **Eula Belle:** This property consists of 302 uranium and vanadium claims, which cover a 52-claim block and a 250-claim block in Colorado. In November 2007, the Company started a 20,000 foot drill program on this project. The objective of the program was to test for mineralization in the existing two 26-hole cluster drill-outs. In August 2008, the Company announced results of the program, with the highest showing being 0.258% over 3.5 feet at a depth of approximately 750 feet (see our August 19, 2008 Bulletin, available at www.eresearch.ca). The recent work confirms the presence of uranium mineralization in multiple sandstone beds ranging from 529 feet to 787 feet.

- **Joseph:** This project consists of 106 claims. In March 2008, the Company opened a plugged air vent to assess the underground workings of its past-producing mine as well as Denison's Van 4 mine. A potential joint venture with Denison Mines could be agreed shortly.

Anglo-Canadian has two promising properties in the Otish basin in Quebec.

Otish is similar to the Athabasca basin of Saskatchewan with respect to its age, its lithology, and its tectonic settings. The Company intends for its 2009 drill program to look for deposits similar to the L-Zone deposit (3 km to the west) and the Matoush deposit (60 km to the north).

- **Big Mac:** This uranium property covers a 2,100-hectare in the Otish basin in Quebec. In July – August 2008, 115 line kilometres of line cutting was completed on Big Mac. The Company has contracted with Precision GeoSurveys Inc. to conduct an airborne radiometric and magnetic survey, which was carried out in 2008. The general level of radioactivity and the levels determined on the ground shown by the survey were lower than on the Charles property.

- **Charles Property:** The Company owns a 2,119 hectare uranium property in the Otish basin in Quebec. Results announced in March 2009 show a high level of radioactivity and prospectors did find numerous glacially transported sub-angular boulders showing radioactivity above the ground. The magnetic data on the Charles and Big Mac properties show the presence of gabbro dykes or masses, which could host mineralization.

COMMENT: *Positive drill results in 2008 confirm the Company's expectation that resource estimates could be completed for the key properties by the end of 2009, subject to sufficient capital expenditures to be spent on these projects.*

B. Other Properties: The list below shows all other properties owned by the Company.

Table 2: Other Company Properties

Canadian Properties	Location	Size	Year Acquired	Ownership	Comment
Princeton (copper-gold)	British Columbia	1,266 hectares	2006	100%	29 claims were acquired in 2006. In October 2008, 3 more new claims were acquired for $20,000 cash and 300,000 common shares issued at $0.09 per share.
Lucky Boy (primarily silver)	British Columbia	1,000 acres	2005	95%	No immediate plan for exploration activities
Stirrup (gold)	British Columbia	495 hectares	2005	85%	13 claims.
Zeus and Zeus #1 (gold)	British Columbia	1,000 hectares	2005	100	No immediate plan for exploration activities
Skoonka	British Columbia	1942 hectares	2005	100	Written-off
U.S. Properties	**Location**	**Size**	**Year Acquired**	**Ownership**	**Comment**
Locuist	Utah	NA	2005	100%	39 mineral claims (including option to acquire 12 uranium claims)
Dragon	Utah	NA	2006	100%	30 mineral claims
Tomcat	Colorado	NA	2006	100%	81 uranium claims
Wild Steer	Colorado	NA	2006	100%	31 uranium claims
Gunfighter & Lonestar	Colorado	820 acres	2007	100%	110 uranium claims
Spider Rock	Colorado	NA	2006	100%	4 mineral claims
King	Colorado	NA	2006	100%	250 claims
Gunslinger	Colorado	NA	2006	100%	43 claims
Holly Claims	New Mexico	3,200 acres	2006	100%	101 mineral claims
O8	New Mexico	1,920 acres	2006	100%	95 mineral claims

Source: Company

For a detailed description and photos of the properties, see our January 15, 2008 Initiating Report and our September 19, 2008 Update Report (available at www.eresearch.ca). Additional information on Anglo-Canadian's properties can be obtained from the Company's website: www.anglocanex.com.

INVESTMENT CONSIDERATIONS

Strengths:

- The Company is near completion of agreements for proposed joint ventures with respect to its gold properties in B.C. and selected uranium properties in Colorado;

- NI 43-101 resource estimates on properties in Quebec and selected properties in Colorado could be achieved by the end of 2009 (although they are not yet commissioned);

- Anglo-Canadian's activities are focused on exploration for uranium and gold on the Company's 18 properties. Several of its properties are past-producing mines, namely Eula Belle, Joseph, Tomcat, and Lonestar;

- Corporate management, led by Mr. Len Harris, has extensive experience in the mining industry. Mr. Harris, with over 40 years of experience, has founded and developed a number of successful businesses in the natural resource sector; and

- Management’s capital expenditure strategy remains disciplined in coping with the current turmoil in financial markets and the downturn in the global economy. Operating expenses are managed in a manner that could carry the Company through 2010 without new financing (exclusive of property capital expenditures or acquisitions).

Challenges:

- The Company has a number of uranium and gold properties. However, none of the properties, as yet, has a NI 43-101 resource estimate;

- Substantial capital expenditures are required to achieve a resource estimate on the Company’s key properties.

- Current capital market conditions make raising new financing difficult. Investors have turned away from the high-risk, volatile mining sector, particularly with companies that are still far from their production stage; and

- Uranium spot prices have declined sharply to US$42.50 per pound from its peak in 2007 at US$138 per pound. Although the long-term contracted price remains relatively favourable at the US$70-US$80/lb range, the decline in the spot market negatively impacts the stock price of uranium-focused junior mining companies such as Anglo-Canadian.

FINANCIAL REVIEW AND OUTLOOK

Fiscal Year End: July 31

Revenues: Anglo-Canadian is an early-stage exploration company, which has not recognized any revenues to date and may not do so for the next few years. Net loss for F2008 increased to $1.78 million from $1.02 million in F2007, primarily due to a mineral property write-off of $0.53 million.

Burn Rate: The average monthly burn rate, which includes non-discretionary expenses, was approximately $59,000 in F2008, compared to $65,000 in F2007. Unless gold properties are disposed of and/or new financing is obtained, we expect the Company will significantly reduce its G&A expenses in F2009. We estimate the average monthly burn will be $40,000 - $45,000, or about $500,000 for the fiscal year.

Capital Expenditures (Capex) on Exploration Activities: Capex was substantially reduced to $260,000 in the first quarter ended October 31, 2008, compared to approximately $888,000 for the same period in 2007. The capex reduction reflects the Company's decision to write off Skoonka and to stop activities at Lucky Boy (BC), Zeus, and Zeus #1 (BC), and only spend sufficient funds to keep all other properties in good standing. In the event that the proposed flow-through financing is completed, we expect the Company to continue drilling in Quebec. In this case, we estimate capex on all properties to be $500,000 for F2009.

COMMENT: *Management has reduced cash expenses, stock-based compensation, and exploration activities since fiscal year-end (July 31, 2008). Given the current market situation, we believe the Company will spend only sufficient funds to keep all properties in good standing.*

Financing: Anglo-Canadian has had a good record of obtaining funds for its property projects, raising over $1.85 million (net proceeds) in F2006 and over $5.82 million (net proceeds) in F2007 in new equity issuances. However, the capital market conditions in F2008 were not favourable for junior mining companies such as Anglo-Canadian. As a result, no new funds were raised in the latest fiscal year.

COMMENT: *Looking ahead through fiscal 2010, we expect the Company's financing strategy to be: (1) raise funds through dispositions of its gold properties; (2) continue to issue shares (including flow-through units) through private placements; and (3) seek partners for joint ventures to reduce capital costs.*

COMMENT: *In the event that no new financing is obtained or no property can be sold, we would still expect the Company to have sufficient cash to maintain its operations through 2010. Our expectation is based on the current cash position and the ability of the Company to contain costs.*

Although the Company currently is trying to raise new funds through a private placement at $0.15 per share, the present investor appetite for financing junior mining companies is poor.

Future debt financing is not likely, given the business risk level of the Company and the credit market conditions. As a result, we would expect the Company to continue to seek funds through private placements and property dispositions.

Warrants and Options: Based upon exercise prices, as shown in the table below, we do not expect the Company to generate any additional new equity from its list of warrants and options outstanding.

Table 3: Warrants and Options as at October 31, 2008

1. Warrants

Number	Exercise Price	Revised Exercise Price	Expiry Date	Comment	Potential Equity
1,107,000	$0.75		April 5, 2009	Out-of-the Money	$830,250
150,200	$0.75		April 5, 2009	Out-of-the Money	$112,650
1,755,000	$0.75		April 25, 2009	Out-of-the Money	$1,316,250
163,000	$0.75		April 25, 2009	Out-of-the Money	$122,250
3,175,200					$2,381,400

2. Options

Number	Exercise Price	Revised Exercise Price	Expiry Date	Comment	Potential Equity
25,000	$0.16		March 15, 2010	Out-of-the-Money	$4,000
250,000	$0.37	$0.20	November 1, 2010	Out-of-the-Money	$50,000
387,500	$0.40	$0.20	February 23, 2011	Out-of-the-Money	$77,500
100,000	$0.58	$0.20	March 23, 2011	Out-of-the-Money	$20,000
60,000	$0.61	$0.20	April 12, 2011	Out-of-the-Money	$12,000
270,000	$0.38		August 2, 2011	Out-of-the-Money	$102,600
325,000	$0.24		August 22, 2011	Out-of-the-Money	$78,000
600,000	$0.24		December 20, 2011	Out-of-the-Money	$144,000
245,000	$0.51	$0.20	February 12, 2012	Out-of-the-Money	$49,000
555,000	$0.54	$0.20	June 20, 2012	Out-of-the-Money	$111,000
140,000	$0.28		June 19, 2012	Out-of-the-Money	$39,200
190,000	$0.20		September 24, 2012	Out-of-the-Money	$38,000
245,000	$0.20		September 17, 2013	Out-of-the-Money	$49,000
3,392,500					$774,300

COMMENT: *None of the warrants, expiring in April 2009, are expected to be exercised since they are deeply out of the money. The number of 2010 options, even if exercised, would provide the Company with only $54,000. Beyond 2010, it is too uncertain to predict whether these options can be exercised.*

Financial Statements: Set out on the following page are abridged financial statements, including Statement of Income/(Loss); Statement of Cash Flow; and the Balance Sheet.

Table 4: Selected Financial Information

	Three Months Ending Oct. 31		Year Ending July 31			
	2007	**2008**	**F2006**	**F2007**	**F2008**	**F2009E**
Statement of Income/(Loss):						
Revenue	$ -	$ -	$ -	$ -	$ -	
General & Administrative Expense	$ (166,593)	$ (231,881)	$ (444,566)	$ (783,844)	$ (715,094)	$ (500,000)
Interest and Other Income	$ 24,349	$ 4,831	$ 10,185	$ 83,557	$ 62,188	$ 16,000
Property Expenditures	$ (8,344)	$ (10,101)	$ (3,327)	$ (5,030)	$ (23,368)	$ (20,000)
Amortization	$ (916)	$ (666)	$ (1,834)	$ (3,031)	$ (3,664)	$ (2,600)
Income Before Non Cash/Non-operating It	$ (151,504)	$ (237,817)	$ (439,542)	$ (708,348)	$ (679,938)	$ (506,600)
Stock-based Compensation	$ (151,583)	$ (59,279)	$ (230,392)	$ (780,672)	$ (644,286)	$ (200,000)
Write off Deferred Costs	$ -	$ -	$ (44,436)	$ (3,172)	$ (531,619)	$ -
Foreign Exchange Income (Loss)	$ (8,896)	$ 10,501	$ (4,654)	$ (31,363)	$ 12,556	$ 11,000
Future Income Tax Recovery	$ -	$ -	$ 290,000	$ 505,000	$ 64,000	$ 60,000
Net Income/(Loss)	$ (311,983)	$ (286,595)	$ (429,024)	$ (1,018,555)	$ (1,779,287)	$ (1,018,555)
Total Shares Outstanding	39,984,874	40,124,874	23,245,347	38,984,864	41,834,874	41,834,874
Weighted Average Shares Outstanding	39,226,178	39,429,401	18,761,426	34,466,629	39,427,222	40,800,000
Earnings (Loss) Per Share	($0.01)	($0.01)	($0.02)	($0.03)	($0.05)	($0.02)
Statement of Cash Flow:						
Net Income (Loss)	$ (311,983)	$ (286,595)	$ (429,024)	$ (1,018,555)	$ (1,779,287)	$ (1,018,555)
All Non-Cash Items	$ 152,499	$ 59,945	$ (13,338)	$ 281,875	$ 1,115,569	$ 142,600
Cash Flow from Operations	$ (159,484)	$ (226,650)	$ (442,362)	$ (736,680)	$ (663,718)	$ (875,955)
Capital Expenditures (Properties)	$ (888,198)	$ (260,185)	$ (428,970)	$ (1,707,433)	$ (1,581,357)	$ (500,000)
Other Investing Items	$ (120)	$ (15,448)	$ (1,300)	$ (72,023)	$ (12,042)	$ (15,500)
Free Cash Flow	$ (1,047,802)	$ (502,283)	$ (872,632)	$ (2,516,136)	$ (2,257,117)	$ (1,391,455)
Working Capital Changes	$ (55,781)	$ 10,391	$ (60,486)	$ (60,761)	$ 80,279	$ (126,431)
Cash Flow Before Financing	$ (1,103,583)	$ (491,892)	$ (933,118)	$ (2,576,897)	$ (2,176,838)	$ (1,517,886)
Repayment to Related Parties		$ 198	$ (39,219)	$ (98,000)	$ (19,028)	$ 198
Equity Financing	$ -	$ -	$ 1,855,285	$ 5,825,325	$ -	$ -
Debt Financing	$ -	$ -	$ -	$ -	$ -	$ -
Change in Cash	$ (1,103,583)	$ (491,694)	$ 882,948	$ 3,150,428	$ (2,195,866)	$ (1,517,688)
Cash, Beginning of the Period	$ 4,070,063	$ 1,874,197	$ 36,687	$ 919,635	$ 4,070,063	$ 1,874,197
Cash, End of the Period	$ 2,966,480	$ 1,382,503	$ 919,635	$ 4,070,063	$ 1,874,197	$ 356,509
	As at October 31:		**As at July 31**			
	2007	**2008**	**F2006**	**F2007**	**F2008**	**F2009E**
Balance Sheet:						
Cash	$ 2,966,480	$ 1,382,503	$ 919,635	$ 4,070,063	$ 1,874,197	$ 356,509
Other Current Assets	$ 139,497	$ 40,437	$ 32,651	$ 116,816	$ 37,761	$ 40,500
Mineral Properties	$ 5,038,416	$ 5,596,528	$ 1,142,631	$ 4,207,181	$ 5,273,058	$ 5,770,458
Other Assets	$ 12,646	$ 99,102	$ 6,949	$ 13,442	$ 9,777	$ 99,000
Total Assets	$ 8,157,039	$ 7,118,570	$ 2,101,866	$ 8,407,503	$ 7,194,793	$ 6,266,467
Current Liabilities	$ 53,416	$ 182,864	$ 135,880	$ 295,980	$ 109,771	$ 200,000
Other Liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Debt Obligations	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ 53,416	$ 182,864	$ 135,880	$ 295,980	$ 109,771	$ 200,000
Shareholders' Equity	$ 8,103,623	$ 6,935,706	$ 1,965,986	$ 8,111,523	$ 7,085,022	$ 6,066,467
Total Liabilities & Equity	$ 8,157,039	$ 7,118,570	$ 2,101,866	$ 8,407,503	$ 7,194,793	$ 6,266,467
Book Value (S.E.) Per Share	$0.20	$0.17	$0.08	$0.21	$0.17	$0.15

Source: Company and *e*Research

COMMENT: *Loss per share increased in F2008 to $0.05 from $0.03 in F2007 due to a $531,619 non-cash write-off on the Skoonka Creek property. Cash expenses were lower in F2008 and are expected to decline significantly in F2009, as management reduces exploration activities and contains operating costs. Accumulated losses to date have a negative impact on the equity base. Book value of equity per share (BVPS) increased to $0.21 in F2007, reflecting approximately $5.82 million in new equity issuances. However, there were no financings in F2008. With a loss of $1.78 million, BVPS declined to $0.17. We expect BVPS to decline slightly to $0.15 in F2009, assuming the Company raises no new equity financing and generates a lower loss of $1.0 million for the year.*

VALUATION

In evaluating Anglo-Canadian, we acknowledge that the Company will not generate positive cash flow in the next few years, nor does it have any NI 43-101 resource estimates for its properties. As result, we are using the following two methodologies in evaluating Anglo-Canadian:

1. Price-to-Book Ratio.
2. Mineral Property Ratio.

Our selection of Anglo-Canadian's comparables includes the same companies as in our Update Report of September 19, 2008. Table 5 below shows the changes from our January 2008 Initiating Report, to our September 2008 Update Report, and to this current Update Report.

Table 5: Three Report Comparison - Value and Ratios

	Initiating Report January-08	Update Report September-08	Update Report March-09
Stock Price: Anglo-Canadian	$0.22	$0.11	$0.07
Average Price of the Group	$0.80	$0.58	$0.25
Market Capitalization: Anglo-Canadian	$8.7	$4.3	$2.8
Market Capitalization: Group Total	$217.8	$95.8	$64.9
Book Equity Value: Anglo-Canadian	$8.1	$7.3	$6.9
Book Equity Value: Group Total	$119.9	$142.2	$136.5
Property Value: Anglo-Canadian	$5.0	$5.0	$6.7
Property Value: Group Total	$42.8	$68.9	$118.3
P/B Ratio: Anglo-Canadian	1.10x	0.50x	0.40x
P/B Ratio: Group Average	1.90x	0.60x	0.52x
Property Ratio: Anglo-Canadian	1.10x	0.39x	0.39x
Property Ratio: Group Average	3.35x	0.28x	0.44x

Source: *e*Research

Two major factors are at work and have a negative impact on the market value of junior mining companies and impose restrictions to the capital market: the credit crisis and the fall in commodity prices.

Since our January 2008 Initiating Report, the group total market capitalization has declined by 70% or a loss of approximately $153 million while equity book value and property value increased significantly as the group raised a total of $50 million through equity issuances over this period.

Since our September 2008 Update Report, the total market capitalization of the peer group has declined from $96 million to approximately $65 million in March 2009. This represents a 32% decline in the market value of these companies within 6 months. Over the same period, we observe that: (1) the total book value of the peer group declined by $6 million to $136 million from $$142 million; and (2) total property value increased by 70% to $118 million as companies continued to carry out their capital expenditure programs.

Table 5 shows the P/E ratio for the Group declined from 1.90x (January 2008) to 0.60x (September 2008) to 0.52x currently. Over the same period, the P/E ratio for Anglo-Canadian fell from 1.10x to 0.50x, to 0.40x currently.

1. Price-to-Book

Table 6: Book Value Peer Comparison									
			52-Week Price		% Change	Shares O/S	Market	Book Value	P/B
Company	Symbol	Price	High	Low	from High	(million)	Cap (million)	per Share	Ratio
Ditem Explorations	DIT-V	$0.17	$0.72	$0.04	-76%	46.8	$8.0	$0.26	0.66x
Energy Fuels	EFR-T	$0.18	$1.72	$0.11	-90%	52.6	$9.5	$0.63	0.28x
Nova Uranium	NUC-V	$0.07	$0.20	$0.03	-65%	26.7	$1.9	$0.06	1.25x
Universal Uranium	UUL-V	$0.04	$0.47	$0.02	-91%	47.1	$1.9	$0.16	0.24x
Western Uranium	WUC-V	$0.69	$2.50	$0.45	-72%	59.4	$41.0	$1.26	0.55x
Anglo-Canadian Uranium	URA-V	$0.07	$0.26	$0.03	-73%	40.1	$2.8	$0.17	0.40x
Anglo-Canadian Uranium	URA-V	$0.17						$0.17	1.00x

Source: Company and *e*Research

Table 6 above shows the book values per share and accompanying P/B ratios for the peer companies as well as Anglo-Canadian. Total market capitalization of the group and Anglo-Canadian have fallen significantly since our Initiating Report and our last Update Report.

In September 2008, we revised downwards our target P/B ratio from 1.7x to 1.0x. Anglo-Canadian's current P/B ratio is 0.40x. Although current market conditions still remain weak, we foresee little downside in commodity prices, including uranium, from current depressed levels (although we also are not anticipating a sharp recovery either). As a result, we are maintaining our target P/B ratio of 1.0x for Anglo-Canadian, and arrive at an intrinsic value of $0.17 per share, as shown in the table above.

2. Mineral Property Ratio

Given the lack of NI 43-101 compliant and in-situ estimates, we used the Mineral Property Ratio to value Anglo-Canadian's shares (see Table 7 below). This methodology determines the ratio that investors are placing on Anglo-Canadian's mineral properties and compares that ratio with the peer-group average.

The peer group's average Property Ratio dropped significantly from the time of our Initiating Report (3.35x) to our September 2008 Update Report (0.28x). The average ratio increased slightly to 0.44x currently.

Table 7: PropertyRatio Peer Comparison

		Anglo-Canadian URA: TSX-V Oct-31-2008	Ditem DIT: TSX-V Oct-31-2008	Energy Fuels EFR: TSX Dec-31-2008	Nova NUC TSX-V Dec-31-2008	Universal UUL: TSX-V Dec-31-2008	Western WUC: TSX-V Dec-31-2008
Corporate:							
Share Price (50 day average)		$0.08	$0.17	$0.27	$0.06	$0.04	$0.71
Shares O/S		40,124,874	46,773,085	52,604,402	26,662,630	47,084,068	59,371,834
Market Cap		$3,061,528	$7,717,559	$14,024,334	$1,599,758	$1,695,026	$42,373,678
Mineral Properties:							
Book Value (Cost)		$6,702,530	$10,341,952	$30,837,372	$1,431,354	$5,031,427	$63,927,218
Market Value		$2,645,488	$6,073,588	$9,333,316	$1,504,162	($1,172,910)	$30,661,018
Property Ratio		0.39	0.59	0.30	1.05	(0.23)	0.48
Average Ratio (Peers)		0.44					
Adjusted Book Value (Cost)	1	$7,202,530					
Adjusted Property Ratio		0.37					
Selected Ratio		1.00					
Common Equity (Per Statements)		$6,935,706					
Adjusted Common Equity (Selected Rati	1	$7,435,706					
Equity Per Share (Per Statements)		$0.17					
Adjusted Equity Per Share (Selected Rat	1	$0.19					

Note 1: Mineral Properties, Shareholders' Equity, and Shares Outstanding are adjusted for estimated capex of $500,000 over the next 12 months.

Source: eResearch

The Property Ratio for Anglo-Canadian dropped to 0.39x in September 2008 from 1.10x in January 2008. However, this ratio has remained stable since. We then apply an adjustment to Anglo-Canadian's Mineral Properties to reflect the expected $500,000 million Capex to be spent on these properties over the next 12 months. This derives an adjusted current Mineral Property Ratio of 0.37x.

As a result, we arrive at an intrinsic value of $0.19 per share, the same as it was in September 2008.

3. Conclusion

We calculate the intrinsic value of Anglo-Canadian shares to be $0.17 under our P/B method and $0.19 under the Mineral Property Ratio method. Given our view that commodity prices are at or near bottom, and although recovery is uncertain, we believe the fundamentals for the uranium sector are more bullish than bearish and, accordingly, we are maintaining our one-year Target Price for Anglo-Canadian shares at $0.25 per share, which was raised in our February 18, 2009 Analyst Commentary from $0.20 per share.

Our decision is supported by:

- Long-term prospects for uranium prices remain strong (see our Uranium Market section, page 14);
- The Company's sound fundamentals have not changed since our last report;
- Management's efforts to contain cash burn are resulting in significant cost savings;
- The current cash position, in the absence of acquisitions or unforeseen capex, is sufficient to carry the Company through 2010 without new financing;
- However, the proposed private placement of 1,000,000 flow-through units, if successful, would increase the Company's ability to carry out exploration operations;
- The Company is close to reaching agreement for some joint ventures on gold properties in B.C. and on selected uranium properties in Colorado; and

MANAGEMENT AND DIRECTORS

Len Harris - President and CEO
As an entrepreneur, Len Harris has founded and developed a number of successful businesses in the natural resource sector. He began his career in the late 1960s in the brokerage industry with Hemsworth Turton & Co. To enhance his mining and geological knowledge, Mr. Harris completed the University of British Columbia's Prospectors Course.

David Hudson, CA - Director
David Hudson qualified as a chartered accountant with Peat Marwick Mitchell in Leeds, England in 1973 and as a Canadian chartered accountant with Touche Ross in 1979.

John Nebocat, P.Eng - Director
John Nebocat was appointed a Director of the Company on June 20, 2008. He has 25 years' experience in earth science surveys and mineral exploration.

GEOLOGICAL ADVISORY TEAM

Richard Garnett, Ph.D.
Richard Garnett has 45 years of mining experience. He previously worked as Chief Geologist for Geevor Tin Mines and Associated Mines, as Senior Mining Engineer for Patino Mining, and as Regional Manager for Rio Tinto Zinc.

N. Ralph Newson, P.Eng, P.Geo
Ralph Newson has 40 years of exploration experience. He was previously involved in uranium exploration for Brinex, a subsidiary of Rio Tinto.

Jim Turner, P.Geo - Director
Jim Turner has extensive experience in the exploration of base metals. He has held management and geologist positions with Newmont, Noranda, and Terrasat Geometics Inc. His work has taken him to Panama, Ghana, Mali, and Brazil. Mr. Turner graduated in 1971 from the University of British Columbia.

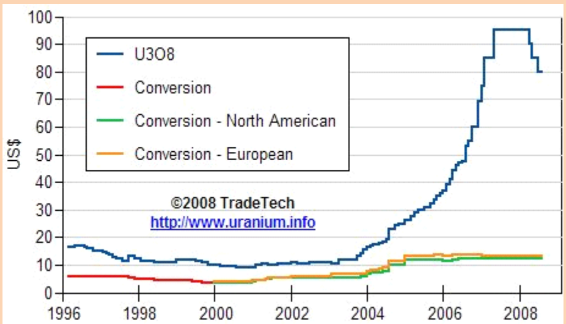
Norbert Jerome
Norbert Jerome has 44 years' experience, particularly in mining and developing uranium deposits in the Rocky Mountain uranium district of the U.S.A.

Roger Laine, Ph.D., P.Geo - Director
Roger Laine has 14 years of uranium experience with Cogema, most notably as Vice President of Exploration with Amtok Inc., a Cogema subsidiary.

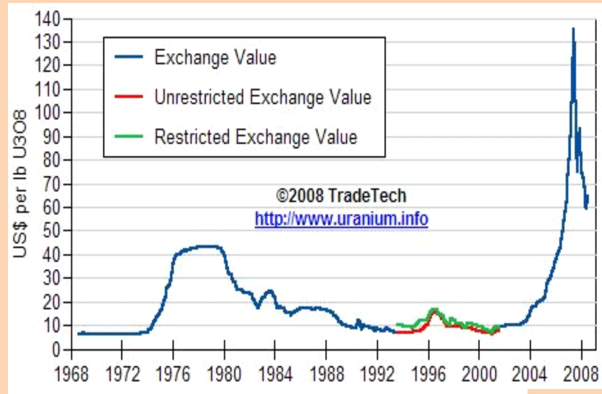
NOTE: *For more detailed descriptions of the Directors and Management, see our Imitating Report and Update Report.*

APPENDIX 1: THE URANIUM MARKET

Long-Term Contract Price Indicator (1996-2008)



Monthly Spot Market Price (1968-2008)



Source: TradeTech

The uranium market, like other commodity markets, is volatile in nature, moving with changes in demand and supply conditions. However, the spot uranium market has more exposure to the role-play of speculators, such as hedge funds, and to political influence than other commodities such as copper or nickel. According to the Conservation Council of South Australia, about half of the total uranium production is for military use; only 430 out of a total of 1,100 operating nuclear reactors are for commercial use.

Most demand for uranium comes from five major countries (the U.S.A., Russia, the U.K., France, and China). After the end of the Cold War, the demand for uranium declined significantly. In addition, the Chernobyl and Three Mile Island incidents caused the demand for nuclear power generation to plummet further, as public interest for nuclear power generation waned. This explains the low uranium prices in the 1990s and the first half of 2000s.

In the advent of China and India emerging as new economic powers, the world's increasing attention for global warming, and the U.S.A. focusing on shifting away from reliance on uneconomic oil and gas-fired fuels for new power plants, the demand for cleaner energy, and henceforth nuclear power generation, is increasing. With a few uranium mines still in production and very limited exploration activities in the early 2000s, the world experienced excess demand and the price started trending upwards sharply. The upward trend started in mid 2004, reaching its peak in June 2007 at US$138/lb.

Another factor causing supply shortage was that two major mines were flooded during this period. The first one was Cameco's Cigar Lake (the world's largest undeveloped high-grade uranium deposit) in October 2006 that pushed its expected production date back to 2013 from 2008. The other flooding was Energy Resources (Australia), which significantly reduced the mine production to 7.5 million pounds from a planned production of 11.5 million pounds or 4% of the world's total uranium output.

However, the steep upward slope of the spot price between 2005 and June 2007 did not reflect the shift in demand/supply conditions since the changes in these conditions are more gradual rather than what was indicated by the chart above.

The spot uranium price started trending down after June 2007. This can be explained by: (1) lack of buying interest on the spot market since 85% of commercial uranium transactions are long-term contracts. The spot price tends to be more volatile and does not necessarily reflect long-term contract prices since spot prices are recorded on the latest contract being delivered while the long-term contracts are negotiated between the producers and utility companies; and (2) lack of market liquidity on uranium transactions resulting in speculators and hedge fund selling off their positions. According to StockReview.com, a few million pounds being offered to sell in the spot market would put a lot of downward pressure on prices.

The current spot market price (as of March 23, 2009) is US$42.50/lb. We believe the current spot price, again, does not reflect long-term contract prices. TradeTech's long-term uranium price forecast is US$95/lb. Currently, the average long-term contract price is about $80/lb.

Fundamentally, future uranium prices will revolve around demand-supply forces. However, we acknowledge that there are some issues that could cause a significant shift in long-term contract prices, as well as spot market behaviour.

The major demand issues include financing the many proposed mega projects, overcoming potential labour shortages, and dealing with government policies and regulations.

The supply issues include the uncertainty as to whether Kazakhstan can achieve its goal of producing 39 million lbs U_3O_8 by 2010, whether Cameco can realize on its targeted re-opening of Cigar Lake by 2012 (possibly 2013), whether Australia's Olympic Dam can be expanded to its objective of 30 million lbs by 2014, and whether AREVA's Niger mine can open in 2010 and reach optimum output of 10 million lbs by 2014.

COMMENT: Low spot prices could significantly impact junior exploration companies such as Anglo-Canadian Uranium, since low prices, coupled with tight credit markets, discourage investors, making it difficult for these companies to obtain financing.

ANALYST CERTIFICATION

Each Research Analyst who was involved in the preparation of this Research Report hereby certifies that:

(1) the views, opinions, and recommendations expressed in this Research Report reflect accurately the Research Analyst's personal views concerning any and all securities and issuers that are discussed herein and are the subject matter of this Research Report; and

(2) the fees, earnings, or compensation, in any form, payable to the Research Analyst, is not and will not, directly or indirectly, be related to the specific views, opinions, and recommendations expressed by the Research Analyst in this Research Report.

*e*Research analysts on this report:

Eric Eng, BA (Acct., Econ.), MBA - Eric Eng worked at DBRS as a Analyst/Vice President for 10 years. He obtained a BA in Accounting and Economics and a MBA in Finance at the University of Toronto. He joined *e*Research in January 2008.

Bob Weir, B. Comm, B.Sc., CFA. Bob Weir has 42 years of investment research and analytical experience in both the equity and fixed-income sectors, and in the commercial real estate industry. He was at Dominion Bond Rating Service (DBRS) from 1994 to 2001, latterly as Executive Vice-President responsible for conducting the day-to-day management affairs of the company. He joined *e*Research in 2004.

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Graham Wilson
Michael Wood

Special Situations
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Bill Campbell
Ross Deep
Bob Leshchyshen
Amy Stephenson

*e*Research Recommendation System

Strong Buy:	Expected total return within the next 12 months is at least 40%.
Buy:	Expected total return within the next 12 months is between 10% and 40%.
Speculative Buy:	Expected total return within the next 12 months is substantial, but Risk is High (see below).
Hold:	Expected total return within the next 12 months is between 0% and 10%.
Sell:	Expected total return within the next 12 months is negative.

*e*Research Risk Rating System

A company may have some, but not necessarily all, of the following characteristics of a specific risk rating to qualify for that rating:

High Risk: *Financial* - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, poor working capital solvency, no dividends.
Operational - Weak competitive market position, early stage of development, unproven operating plan, high cost structure, industry consolidating, business model/technology unproven or out-of-date.

Medium Risk: *Financial* - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.
Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry.

Low Risk: *Financial* - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.
Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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