



**POWERTECH URANIUM CORP.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**(June 29, 2009)**

**GENERAL**

The following discussion of performance, financial condition and future prospects should be read in conjunction with the consolidated financial statements of Powertech Uranium Corp. (the "Company" or "Powertech") and notes thereto for the year ended March 31, 2009. Additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com). All dollar amounts are stated in United States' dollars unless noted. References to "CAD\$" refer to Canadian currency and "\$" to United States currency.

**DISCLAIMER FOR FORWARD LOOKING INFORMATION**

Certain statements in this Management's Discussion and Analysis ("MD&A") are forward-looking statements. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative and grammatical variations) of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views, and are based on certain assumptions, and speak only as of June 29, 2009. These assumptions, which include, management's current expectations, estimates and assumptions about certain projects and the markets the Company operates in, the global economic environment, interest rates, exchange rates and its ability to manage its assets and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause its actual results to differ materially from those expressed or implied by the forward looking statements, including, but not limited to: (1) the risk that nuclear energy will not be accepted by the public as a safe and viable means of generating electricity; (2) a continued downturn in general economic conditions in the United States, Europe and internationally; (3) a decrease in the demand for uranium and uranium related products; (4) a decrease in the actual price of uranium; (5) discrepancies between actual and estimated mineral resources and mineral reserves; (6) changes to the cost of commencing production and the time when production commences, and actual ongoing costs; (7) the occurrence of risks associated with the development and commencement of mining operations; (8) unforeseen or changed regulatory restrictions, requirements and limitations, including environmental regulatory restrictions and liability and permitting restrictions; (9) the failure to obtain governmental approvals and fulfill contractual commitments, and the need to obtain new or amended licenses and permits; (10) unforeseen changes in the costs of material inputs, including fuel, steel and other construction materials; (11) the loss of key employees; (12) the loss of, or defective title to, exploration and mining claims, rights, leases or licenses; (13) the number of competitors; (14) political and economic conditions in uranium producing and consuming countries; (15) failure to obtain additional capital at all or on commercially reasonable terms; (16) other factors beyond the Company's control; and (17) those factors described in the section entitled "Risk Factors and Uncertainties" in this MD&A.

Undue reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates, may differ materially from statements made in or incorporated by reference in this MD&A.

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Although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are based upon the beliefs, estimates and opinions of the Company's management at the time they are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**NATURE OF BUSINESS**

The Company is a Toronto Stock Exchange ("TSX") (symbol "PWE") and a Frankfurt Stock Exchange (symbol "P8A") listed mineral exploration/development company which, through its wholly-owned subsidiary Powertech (USA), Inc. ("Powertech USA"), is focused on the exploration and development of uranium properties in the United States. Powertech's principal assets are comprised of mineral properties in Colorado, South Dakota, and Wyoming. The properties have been acquired through purchase agreements, lease agreements or staking claims.

**Directors and Officers**

The Company's Board of Directors that were elected or re-elected, as applicable, at the Annual and Special General Meeting of the Shareholders held on July 15, 2008 are Wallace M. Mays, Richard F. Clement, Jr., Thomas A. Doyle, Greg Burnett, Douglas E. Eacrett, Malcolm Clay, Robert Leclère, and Gérard Pauluis.

The Company's current officers are as follows:

Wallace M. Mays	Chairman of the Board, Chief Operating Officer
Richard F. Clement, Jr	President, Chief Executive Officer
Thomas A. Doyle	Chief Financial Officer, Vice President – Finance and Treasurer
Greg Burnett	Vice President – Administration and Secretary
James Bonner	Vice President – Exploration
Richard Blubaugh	Vice President – Health, Safety and Environmental Resources
John Mays	Vice President – Engineering

*Wallace Mays – Chairman, Chief Operating Officer*

Wallace Mays is a chemical engineer who spent the early part of his career with Atlantic Richfield Co. where he was responsible for the design, construction, and operation of the first in-situ recovery ("ISR") uranium mine in the United States. Mr. Mays brings over 34 years of uranium mining experience at senior management positions, beginning in the United States with the development of the first commercial scale ISR uranium mine, the Clay West Uranium Mine in Texas. His career continued with the development and operation of the Hobson, Las Palmas, Mount Lucas and TX-1 ISR mines in Texas, and the Highlands ISR mine in Wyoming. Mr. Mays has successfully restored the Hobson and Las Palmas well fields, the Highlands Exxon In-Situ Pilot well fields, and the Pawnee, Lamprecht, and Zamzow ISR mines in Texas. Internationally, Mr. Mays has been involved with the development and operation of the Harat ISR Pilot Mine and the Dornod open pit uranium mine in Mongolia and more recently the Akdala, South Inkai and Kharasan ISR mines in Kazakhstan. Mr. Mays is a Registered Professional Engineer with Bachelor's and Master's degrees in Chemical Engineering from the University of Texas. In 1996, he was awarded membership in the Uranium Hall of Fame.

*Richard F. Clement, Jr. – President, Chief Executive Officer and Director*

Richard Clement is a professional geologist who spent the early part of his career, from 1967 through 1983, with Mobil Oil Corp. in the United States and Australia where he was responsible for the operations management of

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Mobil Oil's uranium exploration programs throughout the United States, development of worldwide strategy for mineral exploration, and managing country operations as Vice President / Exploration Manager of Mobil Energy Minerals Australia Inc. From 1983 through 1999, Mr. Clement was employed by Uranium Resources, Inc., formed in 1977, which became a Canadian public company in 1988 specializing in the ISR development of uranium deposits. Mr. Clement served as a director and Senior Vice President - Exploration of Uranium Resources from 1983 to 1996 and subsequently as President of Uranium Resource's New Mexico subsidiary, Hydro Resources Inc. until 1999 where he oversaw the securing of all necessary mining permits for ISR development of Hydro Resource's uranium deposits.

*Thomas Doyle – Chief Financial Officer, Vice President – Finance, Treasurer and Director*

Thomas Doyle has held a variety of senior positions across numerous aspects of the financial industry in Canada, the United States and internationally. From 2003 to June 2006, Mr. Doyle served as President and Chief Executive Officer of Arctos Petroleum Corp., a public junior oil and gas company, which resulted from the acquisition of Spearhead Resources by Camflo International Inc. Currently, Mr. Doyle also serves as President, Chief Executive Officer and a director of Ridgemont Capital Corp., a capital pool company, and as President and Director of Wolverine Minerals Corp, a junior resource metal exploration company focused in British Columbia. Through these enterprises, Mr. Doyle developed extensive expertise in domestic and foreign financial markets, management, business plan development, and capital formation for a variety of industries, but primarily within the mineral resource and oil and gas industry.

*Greg Burnett – Vice President – Administration, Secretary and Director*

Greg Burnett has 20 years of diversified business experience in corporate finance and administration. Since 1989, he has been President and principal shareholder of Carob Management Ltd., a private management consulting company based in Vancouver, British Columbia specializing in the provision of due diligence services, development of business plans, and structuring / financing / management of venture capital projects, primarily in the public market arena. Mr. Burnett presently serves on the board of directors and is a consultant to the following public companies: Ridgemont Capital Corp., a capital pool company, Garibaldi Resources Corp., a junior gold exploration company focusing on projects in Mexico, Wolverine Minerals Corp., a junior mineral exploration company; and Marifil Mines Limited, a junior metals exploration company focused in. Mr. Burnett holds a Master of Business Administration degree (1986) and a Bachelor of Applied Sciences degree in Civil Engineering (1984) from the University of British Columbia.

*Douglas Eacrett – Director*

Douglas Eacrett is currently a practicing corporate finance and securities lawyer and a Chartered Accountant registered with the Institute of Chartered Accountants in British Columbia. Mr. Eacrett obtained a Bachelor of Commerce degree from the University of British Columbia in 1972 and a Bachelor of Laws from the University of British Columbia in 1974. Mr. Eacrett has been a director and/or officer of a number of Canadian public companies. He is currently a director of Regent Ventures Ltd., which position he has held since May 2002, a director of Everett Resources Ltd., a position which he has held since January 2007 and the Secretary of Clear Frame Solutions Corp., which position he has held since April 6, 2005.

*Malcolm Clay – Director*

Malcolm Clay was a partner of KPMG Chartered Accountants for 27 years. As a public accountant, he served as lead audit or concurring partner for public companies listed on the American Stock Exchange, the New York Stock Exchange, and the Canadian Stock Exchanges. Mr. Clay was Partner in Charge of the Vancouver Audit Practice of KPMG for ten years. In 1997, he was elected non-executive Chairman of KPMG Canada. Mr. Clay retired from his career at KPMG in 2002 and since this time, he has served as a consultant and advisor to numerous private and public companies. Mr. Clay currently serves on the board of directors and as Chairman of the Audit Committee of five Canadian public companies.

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*Robert Leclère – Director*

Since April 1, 2006, Mr. Robert Leclère has been CEO of Synatom, a subsidiary of the GDF SUEZ-Electrabel group. He is also chairman of the Belgian Nuclear Forum, the association of Belgian nuclear industry. From July 2004 to March 2006, he was Manager of Environment and Sustainable Development for GDF SUEZ Energy Europe. Before 2004, he held various positions in the SUEZ-Electrabel group.

*Gérard Pauluis – Director*

Dr. Gérard Pauluis is the Manager of the Fuel Supply Department of Synatom. In this position, he is responsible for the supply of uranium, conversion and enrichment services for seven Belgian nuclear plants. He is also a member of the Directorate of Eurodif and Chairman of the Advisory Committee of the Euratom Supply Agency. His first professional assignment, in 1972, was with Atomic Energy of Canada Ltd., modeling heavy water isotopic separation plants. On his return to Europe, in 1974, he first worked with Belgonucléaire, participating in the design of the Belgoprocess reprocessing plant and in various technico-economic studies of the nuclear fuel cycle. He joined Société Belge de Combustibles Nucléaires Synatom SA in 1978, first in the reprocessing and waste department, and, since 1985, in his present position. He graduated in 1968 as a chemical engineer from Brussels University and subsequently obtained a PhD in chemical engineering at McGill University.

*James Bonner – Vice President – Exploration*

James Bonner comes to the Company from Gordon Environmental, Inc. where he served as Senior Scientist on their consulting engineering staff. His background includes many years in the uranium industry most recently as Exploration Manager for Union Pacific Railroad (UP) where he managed a large number of uranium projects during the height of uranium exploration and development. During the 1970's and 1980's, his achievements include a number of highly economic uranium discoveries and include his management of geotechnology for Union Pacific's Nine Mile uranium leach project. He has unique experience in the uranium business and has overseen projects in all the uranium target basins within the United States. Mr. Bonner brings to the Company his extensive knowledge of uranium deposits and leads the company's exploration program to develop profitable ISR deposits in the United States. Mr. Bonner is a Professional Geologist in Wyoming and received his Bachelor's degree from the University of Wyoming.

*Richard Blubaugh – Vice President – Health Safety and Environmental Resources*

Richard Blubaugh brings to the Company more than 25 years of experience in project and program management, primarily concerning environmental, health and safety. This includes in-depth experience in permitting and environmental management, cooperating with state and federal agencies. Prior to joining the Company, Mr. Blubaugh led his consulting company where he assisted industry participants by taking a leading role in permitting and interfacing with government agencies. Prior to the development of his consulting business, Mr. Blubaugh was Director of Business Development and Government affairs for Atlas Minerals, Inc. (formerly Atlas Corporation). Atlas Corporation was a publicly traded precious metals and uranium producer listed on the NYSE. Over his long tenure with Atlas Corporation, Mr. Blubaugh held various positions and most recently was Executive Vice President and a director of the Board. Previously, Mr. Blubaugh was Vice President of Environment and Governmental Affairs. In this capacity, he oversaw all of the permitting and management activities in the environmental arena. This included oversight on the closure and remediation of the Atlas uranium mill site, as well as their asbestos mine and mill superfund site in California. As the Company's Vice President of Health, Safety and Environmental Resources, Mr. Blubaugh is in charge of all permitting activities for the Company's Dewey-Burdock and Centennial uranium properties and will have permitting responsibility over all other areas of the Company's operations. Mr. Blubaugh holds a Masters of Arts in Public Administration, with an emphasis on environmental and public health, and a Bachelors of Science degree in Biology from the University of New Mexico.

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*John Mays – Vice President – Engineering*

John Mays brings more than 20 years of engineering experience to Powertech in the uranium industry, focusing on in-situ mining in both the United States and internationally. He has experience in all facets of in-situ mining spanning the design, construction, and operation of ISR uranium mines. Most recently, from 2006 until joining Powertech, Mr. Mays served as the Chief In-situ Mining Engineer for UrAsia Energy Ltd. ("UrAsia") (a wholly-owned subsidiary of Uranium One Inc.) at UrAsia's three ISR projects in Kazakhstan. Prior to joining UrAsia in Kazakhstan, from 2003 to 2006, he held the position of Senior Mining Engineer with Searles Valley Minerals of Trona, California. Mr. Mays also held the position of Superintendent of Well Field Construction for Power Resources Inc. on both their Smith Ranch and Highland Uranium Project in Douglas, Wyoming. Mr. Mays worked for Rio Algom Mining Corp. from 1996 through 2002 starting off as Production Engineer, (Quivira Mining Co.) in Grants, New Mexico, then as Restoration Engineer and Well Field Engineer at their Smith Ranch Facility, prior to the sale to Power Resources where he continued on with the project. Mr. Mays holds a Bachelor of Science Degree in Chemical Engineering and Petroleum Refinement from the Colorado School of Mines.

*Advisory Board*

On August 2, 2006, the Company announced the establishment of an advisory board to provide strategic support to management in regards to the exploration and development of its uranium properties and the identification of new business opportunities. The Company has appointed Dr. Charles G. Groat and Anthony J. Thompson as the first two members of this board.

Dr. Groat currently is the director of the Center for International Energy and Environmental Policy at the University of Texas at Austin. The center supports research and informs governments and corporations on the formulation of policies and strategies on energy and environment. In addition, Dr. Groat leads the graduate program in energy and mineral resources within the Jackson School of Geosciences. Prior to adding this honor to his accomplishments, Dr. Groat was director of the United States Geological Survey from 1998 through 2005 and before that; he was executive director of the American Geological Institute. Throughout his career, Dr. Groat has combined geotechnical pursuits and public interests. He held top positions at the University of Texas as an associate professor and associate director and acting director of the Bureau of Economic Geology. He was director of the Louisiana Geologic survey and assistant to the Secretary of the Louisiana Department of Natural Resources. Dr. Groat received his Bachelor of Arts degree in Geology from the University of Rochester, a Master of Science in Geology from the University of Massachusetts, and a Ph.D. in Geology from the University of Texas at Austin.

Anthony J. Thompson has been practicing environmental and occupational health and safety law since the mid-1970s. His practice includes legislation, regulatory counseling and litigation involving development of and compliance with environmental and natural resources law and regulations, risk assessment and management, and occupational health and safety regulatory matters. As primary outside counsel to the American Mining Congress (AMC), now the National Mining Association (NMA), for radioactive waste issues, he has represented virtually the entire domestic uranium mining and milling industry either as counsel to AMC/NMA or as a counsel to individual licensees since the late 1970's. Thus, for over two decades, his practice has encompassed uranium recovery legislative, regulatory, licensing and litigation issues for both conventional and ISR facilities, radiation health and safety issues, including radioactive waste disposal issues, Clean Air Act (CAA) and title (CERCLA) issues, issues related to releases of radionuclides, and constitutional issues related to federal preemption of Atomic Energy Act (AEA) materials. Mr. Thompson is the prime author of NMA's White Paper entitled "Recommendations for a Coordinated Approach to Regulating the Uranium Recovery Industry" and NMA's Fuel Cycle Facilities Forum's (FCFF) joint White Paper entitled "Direct Disposal of Non-11e.(2) Byproduct materials in uranium Mill Tailings Impoundments". Mr. Thompson received his B.A. degree in History from Princeton University and his law degree from the University Of Virginia School Of Law. He was a member of the National Risk Assessment and Management Commission, appointed by President Bush in 1992. He is currently a member of the American Nuclear Society, the American Bar Association, Society for Mining, Metallurgy, Exploration, Inc., and numerous other associations.

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**Change of Business**

On February 21, 2006, the Company entered into a binding Agreement of Purchase and Sale (the “DU Agreement”) with Denver Uranium Company, LLC (“DU”). DU was a private Colorado corporation that was formed in 2005 to lease the key surface and mineral rights necessary to develop an advanced uranium deposit in South Dakota known as Dewey-Burdock. The Dewey-Burdock deposit was originally discovered in the 1960s by Homestake and was explored by Silver King Mines, the exploration arm of Tennessee Valley Authority (“TVA”) through to 1990 when TVA left the uranium business. Key surface and mineral rights have resided with the landowners since that time. Pursuant to the terms of the DU Agreement, the Company agreed to purchase all of the assets of DU in exchange for the issuance of 8 million common shares and the assumption of the liabilities of DU, including a bridge loan, but excluding liabilities related to tax and to DU’s officers and members. The assets purchased from DU included leases of federal claims, private mineral rights covering 11,180 acres and private surface rights covering 11,520 acres located on the Dewey-Burdock property. Coincidentally with the closing of the DU Agreement of Purchase and Sale with DU, the Company settled a bridge loan pursuant to a Loan Conversion Agreement dated February 21, 2006 (the “Loan Conversion Agreement”) between the Company and the bridge lenders (Greg Burnett and Tom Doyle), and issued approximately 2.2 million common shares in full settlement of this loan.

The transactions contemplated by the DU Agreement closed on May 11, 2006. At closing, DU instructed the Company to issue the 8 million common shares (the “Asset Acquisition Shares”) directly to its two members, Wallace Mays and Richard Clement. Two million of the Asset Acquisition Shares were subject to a Performance Escrow Agreement dated February 22, 2006 (the “Performance Escrow Agreement”) whereby they would be released from escrow upon either the successful permitting of the Dewey-Burdock property or the acquisition of a second uranium property of merit by the Company through the efforts of Mr. Mays or Mr. Clement. Due to the successful acquisition of a second uranium property of merit by the Company through the efforts of Mr. Mays and Mr. Clement, the common shares subject to the Performance Escrow Agreement were released. The TSX Venture Exchange also imposed a three year time release escrow agreement over the Asset Acquisition Shares in accordance with their policies. On October 31, 2007, the Company announced that the common shares were approved for listing on the TSX. In connection with the listing on the TSX, the Asset Acquisition Shares outstanding subject to time-release agreements were converted from a time release period over three years to a time release period over 18 months. As a result, all of the Asset Acquisition Shares were eligible for immediate release as of November 12, 2007 and were subsequently released from escrow.

The Company also issued 2.2 million common shares to Thomas Doyle and Greg Burnett in full settlement of the bridge loan pursuant to the above-described Loan Conversion Agreement (“Loan Shares”). Since Thomas Doyle and Greg Burnett were also incoming officers and directors of the Company, the Loan Shares were also subject to the TSX Venture Exchange’s three-year time-release escrow agreement. In connection with TSX listing, mentioned above, the Loan Shares were converted from a time release period over three years to a time release period over 18 months. As a result, all Loan Shares were eligible for immediate release as of November 12, 2007 and were subsequently released from escrow.

Further to its initiative to consolidate the Dewey-Burdock uranium resource, the Company also entered into a binding property purchase agreement with Energy Metals Corp. (“EMC”) on November 16, 2005 whereby the Company acquired from EMC a 100% interest in 119 mineral claims covering approximately 2,300 acres in the Dewey-Burdock area, subject to a production royalty based upon the price of uranium. The Company issued 1 million common shares and 1.25 million share purchase warrants as consideration for the mineral claims. The warrants entitled the holder to acquire one additional common share of the Company at CAD\$1.00 per share. The transactions contemplated by the EMC Agreement closed on May 11, 2006. All share purchase warrants were exercised prior to expiration.

Concurrent with the closing of the DU Agreement and the EMC Agreement, the Company completed a brokered private placement financing through Pacific International Securities Inc. of CAD\$12 million to fund its new business initiatives, including the permitting and development of the Dewey-Burdock property. The financing consisted of 12 million units at CAD\$1.00 per unit, each unit consisting of one common share and one share

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purchase warrant, with each two share purchase warrants entitling the holder to purchase an additional common share for one year at the price of CAD\$1.30 per share. The Company paid a 7% commission by way of CAD\$190,248 cash and the issuance of 649,752 units of the Company. The Company also issued 1,080,000 broker warrants to Pacific International Securities entitling the holder to purchase 1,080,000 common shares of the Company at CAD\$1.20 per share for one year. All share purchase warrants were exercised prior to expiration.

On August 23, 2007, the Company's shareholders approved the issuance of 1,700,000 common shares to Greg Burnett and Tom Doyle for services rendered in connection with performance achievements. The common shares were issued subject to an escrow agreement. In conjunction, these officers agreed to return to treasury 1,700,000 common shares held in escrow subject to a performance agreement which were cancelled by the Company. These transactions did not result in any change in the number of common shares outstanding or in the number of common shares held by the officers and accordingly no value was recorded for the transaction. These common shares are released over an 18-month period with the total amount to be eligible for release in July, 2009.

Also in conjunction with closing of the above transactions, Wallace Mays, Richard Clement Jr., Thomas Doyle, and Greg Burnett entered into Employment and Management Services Agreements with the Company. The Company's operations offices for its uranium projects are located in Wellington, Colorado and Edgemont, South Dakota. The Company also maintains exploration offices in Albuquerque, New Mexico and Hot Springs, South Dakota, with an administration office in Vancouver, British Columbia and its headquarters in Greenwood Village, Colorado.

Effective on May 15, 2006, the Company's shares were moved from the NEX board to Tier 2 of the TSX Venture Exchange, the Company having completed its change of business and having met all Tier 2 listing requirements. The trading symbol was changed from "PWE.H" to "PWE". On October 31, 2007, the Company announced that its common shares were approved for listing on the TSX.

### **RESOURCE PROPERTY INTERESTS**

#### **South Dakota, USA**

##### **Dewey-Burdock Project – Custer and Fall River Counties**

The Company's Dewey-Burdock Project is located in the well-known Edgemont Uranium District. The Project is comprised of approximately 50 mining leases and approximately 360 mining claims covering approximately 14,770 surface acres and 18,820 net mineral acres.

In December 2008, the Company purchased 59 mining claims, which are included in the amounts above, in the Dewey-Burdock area from Bayswater Uranium Corporation ("Bayswater"). This purchase included other mining claims and state mining leases located in two of the Company's Wyoming exploration prospects, see discussion below.

During January 2009, the Company acquired 125 claims and approximately 30 leases covering approximately 10,000 acres, which are included above, from Neutron Energy, Inc. ("Neutron"), in exchange for some of the Company's noncore properties in New Mexico, Wyoming and South Dakota. In South Dakota, the Company transferred to Neutron approximately 360 mineral acres and 960 surface acres of claims and leases, along with associated historical drilling data. The acreage is located several miles away from the Dewey-Burdock project. See discussion below regarding the New Mexico and Wyoming exchanges.

The Dewey-Burdock Project contains National Instrument 43-101 ("NI 43-101") compliant inferred uranium resources of 10.8 million pounds, contained in 2,992,836 tons, with an average grade of 0.182% U<sub>3</sub>O<sub>8</sub>. On June 22, 2009, the Company published an updated NI 43-101 Technical Report with respect to the Dewey-Burdock Project, entitled "Updated Technical Report on the Dewey-Burdock Uranium Project, Custer and Fall River

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Counties, South Dakota”, on SEDAR at [www.sedar.com](http://www.sedar.com), that fully describes the drilling programs and exploration work, including permitting activities that have been undertaken on the Project (the “Dewey-Burdock Report”).

In the year ended March 31, 2009, the Company finished data collection with respect to the Dewey-Burdock project to allow it to proceed with permitting applications. The following major milestones have been completed at the Dewey-Burdock Project through June 29, 2009:

- The Company requested and received a reduction in its surety bond with the South Dakota Department of Environment and Natural Resources (“SD DENR”). The surety bond was reduced to \$10,000 from \$213,500 as approved by the Board of Minerals and Environment (“BME”).
- The in situ leach recovery license application, the Technical Evaluation Report (“TER”) and the Environmental Report (“ER”) were submitted to the U.S. Nuclear Regulatory Commission (“NRC”) during February 2009.
- The Special, Exceptional, Critical or Unique Lands Designation Permit application was approved by the SD DENR at a hearing before the BME during February 2009. At a follow up hearing held April 20, 2009, the BME denied appeals from two interveners and reaffirmed the company’s petition stating that the project area is not special, exceptional, critical or unique.
- The Underground Injection Control (“UIC”) Class III permit application was submitted to the U.S. Environmental Protection Agency (“EPA”) Region 8 in December 2008, while a similar permit application was submitted to SD DENR during April 2009.
- The In Situ Leach Mine Permit application is expected to be submitted to SD DENR during the summer of 2009.
- The Company requested the Approved Jurisdictional Decision from the US Corp of Army Engineers (“USCAE”) for the Project in order to eliminate or minimize issues with typically dry drainages. Final determination from the USCAE was accepted by the Company in January 2009.
- On November 19, 2008, the Company received a new uranium exploration permit for 30 additional drill holes from the SD DENR. The goal of this new drill program is to confirm that the area for the proposed plant site will not be built over potential ore. Drilling pursuant to this permit has not yet begun.

During June 2009, the Company met with the NRC staff in Washington D.C. to review its uranium in situ leach application. While the Company believes the application was prepared in accordance with the regulatory guidelines, after meeting with NRC staff, the Company agreed to provide the NRC some additional information in order to assist the NRC Staff in completing its acceptance review. The NRC staff identified five areas out of literally 100s of issues addressed in the approximate 7,800 page application that Powertech needs to clarify. After a very positive meeting, Powertech has an improved understanding of the additional information NRC staff needs in order to clarify the Company’s plans and for NRC Staff to more fully understand the site conditions. For this reason, the Company is voluntarily withdrawing its application from the NRC in order to provide additional information in the five specified areas.

The Company expects that it will be able to resubmit the amended license application within the next 30 days as no additional field data collection is required. A significant portion of the information requested has been prepared and is contained in the Company’s UIC Permit application that has been “ruled complete” by the EPA and is under review by the SD DENR. The minor delay associated with providing supplemental information to NRC during the review process is not unusual for a project of this magnitude.

The Company has not yet undertaken a preliminary feasibility study or a material preliminary assessment of the Dewey-Burdock Project. . Over the next year, the Company intends to continue with the steps required to move forward with applicable permitting processes and, in accordance with the recommendations of the Dewey-Burdock Report, to have an analysis of the property be performed by a qualified person to reclassify appropriate portions of Dewey-Burdock’s inferred resources to measured and indicated resources. Following the reclassification of the resources, the Company may proceed with an independent preliminary feasibility study, to

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be conducted by an independent qualified person (as such term is defined in NI 43-101). The reclassified resource base will provide the basis for such evaluation.

**Colorado, USA**

Since inception of the Centennial Project, the Company has purchased approximately 670 gross surface acres and 5,800 net mineral acres. In addition, the Company has entered into 14 mining leases covering approximately 1,700 net surface acres and 1,200 net mineral acres. As of June 2009, the Company's mineral rights within the project area total 7,320 acres. Surface use agreements with private surface owners are continually being negotiated. To date, the Company has obtained 3,677 acres of surface use agreements over its mineral rights.

The Centennial project contains NI 43-101 compliant inferred uranium resources of 11.5 million pounds, contained in 6,115,193 tons and with an average grade of 0.094% U<sub>3</sub>O<sub>8</sub>. On June 23, 2009, the Company published an updated NI 43-101 Technical Report with respect to the Dewey-Burdock Project, entitled "Updated Technical Report on the Centennial Uranium Project, Weld County, Colorado", on SEDAR at [www.sedar.com](http://www.sedar.com), that fully describes the drilling programs and exploration work, including permitting activities that have been undertaken on the Project (the "Centennial Report").

The 2008 Notice of Intent ("NOI") for ten additional drill holes was approved by the Colorado Division of Reclamation, Mining and Safety ("CDRMS") in August 2008. Three rotary drill holes were completed in Section 9, T9N, R67W in the area of the proposed Central Processing Plant ("CPP"). These holes were drilled to ensure that no uranium resources existed beneath the proposed plant site. One drill hole encountered mineralization with a grade thickness ("GT") value of 0.50. Two core holes were drilled within resource areas in Section 9 and 35, T9N, R67W. 430 feet of core were recovered. Analytical results of core samples collected from the August coring program have been received. Mineralized core was composited for leach testing studies. The first phase of these studies showed a high percentage of uranium recovery. The second phase will examine the final water quality of the leaching solutions. Uranium has been leached from the composite core and analysis of the water quality of the resulting lixiviant is ongoing. These results are expected to be received in the first half of the 2010 fiscal year and will help in well field restoration planning. Porosity, permeability and density values were determined on core from both aquifers and confining units within the project area. These values will be incorporated into a hydrological evaluation associated with the final pump test.

Additionally, a Modification to the 2008 NOI was prepared and submitted to the CDRMS for 15 wells, including 13 pump test wells, and 1 core hole, which was approved by the CDRMS. Drilling began in April 2009, but due to an unusual amount of rain in northeastern Colorado this year, well completion work is still continuing. A pump test plan is being finalized for submittal to the CDRMS. This new technical information will be incorporated, along with previously collected data, in the permit applications.

Through June 29, 2009, approximately 80% of the tasks required to develop the ER are complete. Draft reports and numerous maps and figures have been provided by independent contractors and are under internal review. Several sections of the ER are in draft form:

1. Aquifer pumping tests
2. Baseline Radiation
3. Regional Surface Water Hydrology
4. Air Quality Assurance Report
5. Alternative Mining Methods
6. Geology and Seismology

At the request of the CDRMS, the Company prepared and submitted to CDRMS an updated Site Characterization Plan during April 2009. In addition, the CDRMS and Attorney General's office are in the process of drafting rules for in situ leach mining under the legislation passed in 2008. The Company is working closely with the Colorado Mining Association in preparation for participation in the rulemaking process.

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The decision to incorporate additional technical information from a final pump test, discussed above, has resulted in a revision in the schedule for filing all permit applications for the Centennial Project. The Company is now scheduled to submit the necessary permit applications for ISR operations to the United States Environmental Protection Agency, the Colorado Department of Public Health and Environment, Colorado Department of Natural Resources and Weld County by the end of calendar 2009 upon completion of the rulemaking process discussed in the paragraph above.

The Company has not yet undertaken a preliminary feasibility study or a material preliminary assessment of the Centennial Project. Over the next year, the Company intends to continue with the steps required to move forward with applicable permitting processes and, in accordance with the recommendations of the Centennial Report, to have an analysis of the property be performed by a qualified person to reclassify appropriate portions of Centennial's inferred resources at GT cut-offs of 0.20 and 0.5 to measured and indicated resources. Following the reclassification of the resources, the Company may proceed with an independent preliminary feasibility study, to be conducted by an independent qualified person (as such term is defined in NI 43-101). The reclassified resource base will provide the basis for such evaluation.

**Wyoming, USA**

The Company's Wyoming prospects are comprised of approximately 50 mining leases or options to lease covering approximately 29,000 net surface acres and 20,000 net mineral acres. In addition, the Company has staked approximately 1,200 mining claims in Wyoming covering approximately 21,000 acres.

**Aladdin Exploration Prospect – Crook County**

The Company acquired the Aladdin prospect through 33 leases or options to lease and through staking 65 mining claims. This prospect is 60 miles north of the Company's Dewey Terrace prospect, discussed below, and consists of approximately 17,800 mineral acres and 17,600 surface acres of mining leases in a historic uranium exploration/mining area along the northwest flank of the Black Hills Uplift.

The Company acquired seven Wyoming State mining leases, totaling 5,626 acres, from Bayswater, which are included in the amount referenced above. These properties are adjoining or on trend with uranium mineralization previously encountered on this prospect.

The Company completed its reclamation activities associated with its 60-hole drilling program. As a result, the surety instrument was reduced from \$130,010 to \$10,000 as approved by the Wyoming Department of Environment Quality.

The Company currently does not have any ongoing exploration activity at this prospect as it has prioritized its resources to the permitting activities at Dewey-Burdock and Centennial Projects. While the Company continues to maintain the prospect in expectation of future development, there are no additional exploration activities or expenditures planned with respect to this property for the 2010 fiscal year.

**Dewey Terrace Prospect – Weston and Niobrara Counties**

The Dewey Terrace Prospect is located in Weston and Niobrara Counties, Wyoming on the western continuation of mineralized trends from the Dewey Burdock Project in South Dakota. Powertech acquired this prospect through 16 leases and options to lease and staking approximately 750 mining claims, totaling approximately 17,500 mineral acres and 9,200 surface acres.

The Company acquired approximately 320 mining claims (approximately 5,760 acres) and four Wyoming State mining leases (2,560 acres) from Bayswater, which are included in the above referenced amount. These properties are adjacent to the Company's current land position in this prospect area.

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Subsequent to March 31, 2009, the WDEQ inspected the reclamation activities of 20 drill sites and reduced the surety to \$2,000 from the initial \$17,400.

The Company currently does not have any ongoing exploration activity at this prospect as it has prioritized its resources to the permitting activities at Dewey-Burdock and Centennial Projects. While the Company continues to maintain the prospect in expectation of future development, there are no additional exploration activities or expenditures planned with respect to this property for the 2010 fiscal year.

Colony Prospect – Crook County

The Colony Prospect is located on the northwest flank of the Black Hills Uplift approximately 10 miles north of the Aladdin Prospect. The Company acquired the Colony prospect through the staking of 190 mining claims.

The Company currently does not have any ongoing exploration activity at this prospect as it has prioritized its resources to the permitting activities at Dewey-Burdock and Centennial Projects. While the Company continues to maintain the prospect in expectation of future development, there are no additional exploration activities or expenditures planned with respect to this property for the 2010 fiscal year.

Powder River Basin Prospect – Campbell County

Powder River Basin prospect consists of 155 mining claims. The Company currently does not have any ongoing exploration activity at this prospect as it has prioritized its resources to the permitting activities at Dewey-Burdock and Centennial Projects. While the Company continues to maintain the prospect in expectation of future development, there are no additional exploration activities or expenditures planned with respect to this property for the 2010 fiscal year.

Shirley Basin Prospect – Carbon County

In connection with the Neutron property exchange discussed above, during January 2009, the Company disposed of its interest in Shirley Basin, which was comprised of 1,656 acres of claims and leases.

**New Mexico, USA**

In connection with the Neutron property exchange discussed above, during January 2009, the Company disposed of its interest in West Ambrosia Lake, which was comprised of 4,056 acres of claims

**Resource Property Interests – Capitalized Costs**

Costs reflected in resource property interests for the years ended March 31, 2009 and 2008 are detailed below:

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	<u>South Dakota</u>	<u>Wyoming</u>	<u>Colorado</u>	<u>New Mexico</u>	<u>Other</u>	<u>Total</u>
Balance, March 31, 2007	\$ 13,475,435	\$ 1,977,116	\$ 4,965,315	\$ 201,206	\$ 138,072	\$ 20,757,144
Currency translation	<u>(1,812,446)</u>	<u>(265,922)</u>	<u>(667,835)</u>	<u>(27,062)</u>	<u>(18,571)</u>	<u>(2,791,836)</u>
Balance, March 31, 2007	\$ 11,662,989	\$ 1,711,194	\$ 4,297,480	\$ 174,144	\$ 119,501	\$ 17,965,308
Acquisition costs	-	-	748,111	-	-	748,111
Land services	59,227	95,908	74,145	-	39,497	268,777
Legal fees	67,389	24,210	381,919	-	2,654	476,172
Claims maintenance	76,561	146,212	-	26,753	-	249,526
Lease payments	176,043	374,736	626,082	-	18,836	1,195,697
Drilling/ Engineering	1,615,259	637,955	173,766	-	-	2,426,980
Permitting	1,907,107	11,372	3,503,153	-	-	5,421,632
Wages/consulting	669,661	376,765	559,579	32,475	36,449	1,674,929
Currency translation	<u>1,420,833</u>	<u>186,840</u>	<u>428,439</u>	<u>21,410</u>	<u>13,461</u>	<u>2,070,983</u>
Balance, March 31, 2008	17,655,069	3,565,192	10,792,674	254,782	230,398	32,498,115
Acquisition	485,039	979,293	-	-	99,832	1,564,164
Transfer	317,902	(83,209)	-	(234,693)	-	-
Land services	20,447	-	89,696	-	-	110,143
Legal fees	161,551	-	331,807	-	-	493,358
Claims maintenance	45,849	130,116	-	-	20,561	196,526
Lease payments	158,817	102,337	162,184	-	2,138	425,476
Drilling/ Engineering	707,862	-	607,861	-	-	1,315,723
Exploration	1,893	7,418	-	-	-	9,311
Geological Services	20,359	-	38,333	-	-	58,692
Permitting	2,484,006	3,648	1,661,978	-	-	4,149,632
Wages/consulting	1,288,947	-	838,478	-	-	2,127,425
Currency translation	<u>(3,986,922)</u>	<u>(1,626,215)</u>	<u>(2,579,944)</u>	<u>(20,089)</u>	<u>(147,580)</u>	<u>(8,360,750)</u>
Balance, March 31, 2009	<u>\$ 19,360,819</u>	<u>\$ 3,078,580</u>	<u>\$ 11,943,067</u>	<u>\$ -</u>	<u>\$ 205,349</u>	<u>\$ 34,587,815</u>

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**SELECTED CONSOLIDATED ANNUAL INFORMATION**

The following table provides summarizes selected consolidated financial information for the Company's three most recently completed financial years. All amounts shown are stated in United States dollars, the Company's reporting currency, in accordance with Canadian generally accepted accounting principles.

	<u>2009</u>	<u>March 31,</u> <u>2008</u>	<u>2007</u>
<b>Statement of Operations</b>			
Interest income	\$ 73,591	\$ 394,771	\$ 270,764
Interest expense	97,029	-	-
Loss from continuing operations	4,336,652	3,433,794	4,956,795
Loss from continuing operations, per share	0.09	0.07	0.14
Net loss	4,336,652	3,433,794	4,956,795
Net loss per basic and diluted share	0.09	0.07	0.14
<b>Balance Sheet</b>			
Cash and cash equivalents	5,724,561	2,009,155	10,148,190
Total assets	41,535,939	35,895,998	28,992,316
Long-term debt	5,934,854	983,818	1,830,000

**RESULTS OF OPERATIONS**

During the year ended March 31, 2009, the Company continued to focus on expanding and advancing its resource property interests through property acquisitions and exploration/development.

Net loss increased for the year ended March 31, 2009 as compared to the year ended March 31, 2008. This increase was attributable to an overall increase in general and administrative expenses and interest expense and a decrease interest income, offset by an increase in foreign exchange gain, as discussed below.

The decrease in interest income was due to a decrease in cash balances for the majority of the fiscal year and lower interest rates compared to the prior period. Interest expense occurred due to the issuance of convertible debt, see Financing, Liquidity and Capital Resources for a discussion of this transaction.

Accretion expense was greater than the prior period as a result of the convertible debt issuance and the purchase of additional mineral interests as discussed in Note 8 of the Company's annual financial statements, which are filed as of the date of this MD&A.

Filing fees decreased period-to-period due to one-time charges during the year ended March 31, 2008 associated with the Company's transition from the Toronto Venture Exchange to the TSX.

Legal fees increased compared to a year ago as a result of the Company's financing transactions completed during the year, see Financing, Liquidity and Capital Resources for a discussion of these transactions.

Management and consulting fees, Community and media relations and Investor relations and promotion decreased compared to the prior period as a result of the Company's efforts to increase its employee base rather than continuing to engage consultants to perform corporate activities.

Travel and accommodation was greater than the prior year due to increased employee travel to the Company's projects associated with development of the projects.

The Company's operating expenses and capitalized costs are directly related to resource property exploration and development and the Company's general and administrative costs are related to the maintenance of its public listing and development of its resource property interests.

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**SUMMARY OF QUARTERLY RESULTS**

The following tables provide selected financial information for the most recent eight quarters.

	Quarter Ended			
	<u>March</u> <u>31, 2009</u>	<u>December</u> <u>31, 2008</u>	<u>September</u> <u>30, 2008</u>	<u>June</u> <u>30, 2008</u>
Interest Income	\$ 6,072	\$ 17,096	\$ 28,968	\$ 21,454
Interest Expense	97,029	-	-	-
Expenses	813,978	903,466	1,008,261	1,587,508
Net Loss	904,935	886,370	979,293	1,566,054

	Quarter Ended			
	<u>March</u> <u>31, 2008</u>	<u>December</u> <u>31, 2007</u>	<u>September</u> <u>30, 2007</u>	<u>June</u> <u>30, 2007</u>
Interest Income	\$ 47,275	\$ 91,788	\$ 128,517	\$ 127,191
Interest Expense	-	-	-	-
Expenses	1,008,715	1,228,860	939,001	651,989
Net Loss	961,440	1,137,072	810,484	524,798

During the three months ended March 31, 2009, the Company continued to focus on development of its mineral property interests. Net loss during the three months ended March 31, 2009 was less than the net loss at March 31, 2008. This is primarily due an overall decrease in general and administrative expenses and interest income, offset by an increase in interest expense, as discussed below.

The decrease in interest income was due to a decrease in cash balances for the majority of the fiscal year and lower interest rates compared to the prior period. Interest expense occurred due to the issuance of convertible debt, see Financing, Liquidity and Capital Resources for a discussion of this transaction.

Accretion expense was greater than the prior period as a result of the convertible debt issuance and the purchase of additional mineral interests as discussed in Note 8 of the Company's annual financial statements, which are filed as of the date of this MD&A.

Management and consulting fees, Community and media relations and Investor relations and promotion decreased compared to the prior period as a result of the Company's efforts to increase its employee base rather than continuing to engage consultants to perform corporate activities.

Stock based compensation was significantly lower during the fourth quarter of 2009 as compared to the fourth quarter of 2008 as a result of no new issuances of stock options during the quarter and partial vesting of prior stock options in accordance with generally accepted accounting policies.

**FINANCING, LIQUIDITY AND CAPITAL RESOURCES**

As of March 31, 2009, the Company had cash and cash equivalents of \$5,724,561 and net working capital of \$4,876,009.

During June 2008, the Company issued pursuant to a private placement agreement (the "Agreement") with Société Belge des Combustibles Nucléaires - Synatom S.A. ("Synatom") 6,000,000 units at a price of CAD\$1.50 per unit, for aggregate proceeds of CAD\$9,000,000 (\$8,980,200). Each unit consists of one common share and two share purchase warrants, with

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each warrant exercisable at an exercise price of CAD\$2.00 per share. The warrants, which are subject to certain anti-dilution provisions, were issued in two series as follows:

- the first series of 6,000,000 warrants may be exercised at any time until the earlier of: (i) 10 days following the day that the Company files certain specified permit applications for both the Centennial and the Dewey-Burdock projects of the Company (with a minimum duration of 6 months); and (ii) June 4, 2009 (this series expired on June 4, 2009 unexercised); and
- the second series of 6,000,000 warrants may be exercised at any time until the earlier of: (i) 10 days following the day that the Company has obtained the permits required to construct and operate either the Centennial or the Dewey- Burdock project; and (ii) June 4, 2010.

The Company granted Synatom certain governance rights that apply so long as Synatom owns not less than 10% of the outstanding shares (calculated on a non-diluted basis). In connection with these governance rights, Synatom has the right to nominate directors to the board of directors of the Company (and that of its wholly-owned subsidiary Powertech (USA), Inc.) in proportion to its then proportionate interest of shares and the Company will cause such individuals nominated to be elected or appointed to the Board.

In connection with the Agreement, in the event that the Company produces uranium for sale, the Company has also granted Synatom an option to purchase a certain quantity of uranium from time to time (based on Synatom's then percentage ownership interest in the Company) on the terms sold to third parties, exercisable so long as Synatom continues to own no less than 15% of the outstanding shares (calculated on a non-diluted basis).

At the close of the private placement, Synatom owned 10,890,000 shares (excluding shares issuable upon the exercise of the warrants or non-diluted basis) representing approximately 19.6% of the outstanding shares.

The Company received shareholder approval at a special meeting (the "Special Meeting") of shareholders of the Company held on July 15, 2008, for a special resolution (the "Special Resolution") approving the warrants and the pre-emptive rights granted to Synatom. In connection therewith, management of the Company, which owns or exercises direction or control over an aggregate of approximately 25% of the Shares (calculated on a non-diluted basis) voted their shares in favor of the Special Resolution. In addition, Synatom voted its holdings prior to the closing of the private placement of approximately 9.9% of the Company in favor of the Special Resolution. Synatom did not vote any of the Shares acquired in this transaction at the Special Meeting.

Management of the Company has entered into a Shareholders Agreement with the Company and Synatom regarding, among other things, mutual rights of first refusal on the sales of Shares, subject to certain exceptions, and certain anti-dilution rights in favor of Synatom. Management of the Company have also agreed to remain in their current positions for a period of five years and to not-compete for a period of one year after they cease providing services to the Company.

On December 22, 2008, the Company entered into a Loan Agreement, pursuant to which Synatom has provided the Company with a bridge loan in the amount of CAD\$2,500,000 (the "Bridge Loan"). The Company has also entered into a Private Placement Agreement (the "Private Placement Agreement") with Powertech (USA) Inc. and Synatom pursuant to which Synatom has agreed to make a strategic investment of CAD\$9,000 000 by way of the purchase of a convertible debenture, subject to necessary shareholder approval at a meeting of shareholders called for that purpose. The Company intends to use the proceeds for working capital and to advance its mineral properties towards production.

The Bridge Loan bore interest at the rate of 7% per annum, had a maturity date of the earlier of: (i) January 31, 2010, and (ii) the date on which the Company completes a debt or equity financing of not less than CAD\$5,000,000, and was secured by a floating charge over all of the Company's and its subsidiaries' present and after acquired property and assets.

Under the terms of the Private Placement Agreement, at closing, the Company issued a convertible debenture to Synatom in the principal amount of CAD\$9,000 000 (the "Debenture"). It was a condition of closing of the Debenture that the Bridge Loan was repaid.

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The Debenture bears interest at the rate of 7% per annum, to be compounded annually and has a maturity date of December 19, 2011. The Debenture is convertible into the Company's common shares (the "Common Shares") at a fixed conversion price of CAD\$0.50 per Common Share (the "Conversion Price") in certain circumstances. The principal amount of the Debenture, plus accrued and unpaid interest thereon, may be converted (1) by the Company in the event that the Company has obtained all of the permits required to construct and operate either the Centennial or the Dewey-Burdock project; or (2) by Synatom at any time, provided that each conversion shall be a minimum of CAD\$100,000 of the principal amount of the Debenture, until (a) repayment in full by the Company of any outstanding principal and interest outstanding on the Debenture, or (b) conversion upon the request of the Company pursuant to (a) above.

Repayment of the Debenture is secured by all of the security granted by the Company and its subsidiaries in connection with the Bridge Loan. The closing of the Debenture transaction is subject to shareholder approval and other customary closing conditions.

The Conversion Price and the number of Common Shares issuable upon conversion of the Debenture are subject to customary anti-dilution adjustments in the event of a subdivision, consolidation or reclassification of the Common Shares or the issuance of Common Shares to shareholders as a stock dividend.

The Company has also agreed not to take certain corporate actions without the consent of Synatom until the earlier of: (i) the conversion of the entire Debenture into Common Shares in accordance with the terms and conditions of the Debenture and (ii) the Maturity Date. These negative covenants are in addition to, and not in substitution of, the negative covenants of the Company agreed to in connection with the private placement in June 2008.

The Company is in the permitting stage on two of its projects, Dewey-Burdock and Centennial, and continues to be largely reliant on obtaining equity financing in order to continue its permitting and other exploration and development activities. As of March 31, 2009, the Company had net working capital of \$4,876,009. The Company has an active development program in place which cannot be fully funded with its existing working capital reserves, however, the Company is currently negotiating additional financing to meet its operational needs. Notwithstanding previous success in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company.

In the longer term, the Company's ability to continue as a going concern is dependent upon its ability to generate profitable operations in the future from its new business initiatives and to obtain the financing necessary to meet its obligations and pay its liabilities arising from normal business operations when they come due.

Cash used in operations for the year ended March 31, 2009 was slightly greater than cash used in operations at March 31, 2008, primarily due to an increase in net loss for the period, after adjustment for noncash items and a decrease in accounts payable. Cash outflows for investing activities decreased for the year ended March 31, 2009 from the same period in 2008 due to a release in Restricted cash and decreased spending on consulting activities associated with Mineral properties and on Buildings and equipment. Financing activities such as private placements, debt issuances and the exercise of warrants, raised \$16,429,900 and \$4,625,332 for the years ended March 31, 2009 and 2008, respectively.

## **CONTRACTUAL COMMITMENTS**

### **Resource Property Interests – Land and Mineral Lease Commitments**

Dewey-Burdock Project - The Company leases both surface and minerals within the Dewey-Burdock Project area in South Dakota. In general, the mineral owners will be paid a 5% overriding royalty. The surface owners will be paid a two percent overriding royalty as incentive to support the development of uranium under their lands. In addition, surface owners are paid an annual rental to cover the cost of surface damage and to compensate for reduction of husbandry grazing during field operations. Generally, royalty payments to the surface owners will be reduced by the amount of rentals previously paid. The basic terms of the leases are five-year initial terms and are renewable two times at the five-year mark and ten years from original signing. Additional bonuses are paid to the landowners at the time of renewal. All leases are in force through 2020

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without production. In the case of production, all leases will be held as long as minerals are produced. The average annual payments under the agreements are approximately \$190,000. As further disclosed in Note 3 of the Company's annual financial statements an additional \$1,300,000 is payable upon receipt of certain permits and authorizations.

Aladdin Prospect - The Company maintains lease agreements with mineral owners in its Aladdin Prospect in Wyoming. The Company granted the mineral owners a six percent overriding royalty payment out of sales of the product. The surface owners will be paid a two percent overriding royalty as incentive to support the development of uranium under their lands. In addition, surface owners are paid an annual rental to cover the cost of surface damage and to compensate for reduction of husbandry grazing during field operations. The basic terms of the leases are five-year initial terms and are renewable one time at the five-year mark from original signing. Additional bonuses are paid to the landowners at the time of renewal. All the leases are in force through 2017 without production. In the case of production, all leases will be held as long as minerals are produced. The average annual payments under the agreements are approximately \$90,000.

Centennial Project – The Company maintains lease agreements with mineral owners in its Centennial Project area in Colorado. The Company granted the mineral owners a five percent, escalating, overriding royalty payment out of sales of the product. The surface owners will be paid a one to two percent overriding royalty as incentive to support the development of uranium under their lands. The leases have an initial term of five years and are renewable upon payment of the annual rental fee. The average annual payments under the agreements are approximately \$63,000. As further disclosed in Note 3 of the Company's annual financial statements an additional \$1,500,000 is due upon receipt of certain permits and licenses.

Claims Maintenance – The Company has secured 1,720 mining claims within its various prospects. The total annual maintenance costs of the mining claims are approximately \$215,000.

Long-term Debt Obligations

Annual principle and interest payments due under the agreements payable are as follows:

	<u>Less than 1 year</u>	<u>1 to 3 years</u>	<u>4 to 5 years</u>	<u>Thereafter</u>	<u>Total</u>
Agreements payable	\$ 290,000	\$ 870,000	\$ 580,000	\$ 130,000	\$ 1,870,000
Convertible debt	-	7,272,637	-	-	7,272,637
	<u>\$ 290,000</u>	<u>\$ 8,142,637</u>	<u>\$ 580,000</u>	<u>\$ 130,000</u>	<u>\$ 9,142,637</u>

Management Services Contracts and Employment Contracts

The Company entered into/or renewed four management services agreements and nine employment agreements during the year ended March 31, 2009. The agreements require the Company to pay fees totaling \$147,200 per month. The agreements automatically renew for an additional year unless terminated by the Company at least 90 days prior to each agreement's anniversary.

For information regarding the Company's share purchase options to key service providers and employees under the Company's Stock Option Plan, see the Share Capital: Stock Option Plan discussion below.

Office Leases

During March 2009, the Company entered into a twenty-seven month lease agreement for office space in Vancouver, British Columbia. Annual lease payments due are approximately \$48,000 (CAD\$60,000).

During December 2006, the Company entered into a three-year lease agreement for office space in Albuquerque, New Mexico. Annual lease payments due are approximately \$19,200.

During November 2006, the Company entered into a three-year lease agreement for office space in Hot Springs, South Dakota. Annual lease payments are approximately \$12,900.

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During November 2008, the Company entered into a one-year lease agreement for office space in Wellington, Colorado. Annual lease payments are approximately \$19,200.

During November 2007, the Company entered into a five-year lease agreement for office space in Greenwood Village, Colorado. Annual lease payments are approximately \$80,800.

**LEGAL MATTERS**

Further to disclosure in previous public filings, the Company was named in a wrongful dismissal claim related to the termination of a former manager of the Company in 2004 prior to its change of business. Since such a claim was considered possible at the time of the sale of the Company's former business, the former controlling shareholder of the Company and purchaser of the former business, Fama Holdings Ltd., agreed to indemnify the Company for any damages or costs incurred in connection with any such claim. Pursuant to the indemnity agreement, Fama Holdings Ltd. has assumed the defense of the claim on behalf of the Company.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have any off -balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

**RELATED PARTY TRANSACTIONS**

The Company incurred the following transactions with directors and officers of the Company or with companies with directors and officers in common:

	<b>Years Ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
Director fees	\$ 31,716	\$ 32,329
Management and consulting fees	517,062	507,265
	\$ 548,778	\$ 539,594

These related party transactions are measured at the exchange value, which represents the amount of consideration established and agreed to by all the parties.

**CHANGE IN ACCOUNTING POLICIES**

**Measurement and Reporting Currency**

On April 1, 2008, the Company changed its reporting currency from Canadian dollars (CAD) to United States dollars (USD) as this currency is more appropriate for the Company's investors and other users of the financial statements. In making this change, the Company has followed recommendations of the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants ("CICA"), set out in EIC-130, "Translation Method When The Reporting Currency Differs From The Measurement Currency or There is a Change in The Reporting Currency".

Financial statements for all period presented have been translated from Canadian dollars into United States dollars using the current rate method, based on EIC-130 recommendations. Using this method, all consolidated assets and liabilities have been translated using the exchange rate at the balance sheet dates, while shareholders' equity has been translated using the historical rates of exchange in effect on the dates of the corresponding transactions. Consolidated Statements of Operations and Deficit have been translated using the prevailing average exchange rate for the period, except for equity transactions which have been translated using the historical rates of exchange in effect at the dates of the corresponding transactions. Any resulting exchange rate differences due to this translation are included in shareholders' equity as accumulated other

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comprehensive income. All comparative financial information being presented has been restated to reflect the Company's financial statements as if they have been historically reported in United States dollars and this resulted in an accumulated other comprehensive income adjustment of \$1,044,600.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at year end and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

Significant estimates used in the preparation of the Company's consolidated financial statements include, but are not limited to impairment of mineral properties, building and equipment, determination of fair values of financial instruments, the fair value for stock-based compensation, the provision for income taxes and composition of income tax assets and liabilities, the expected economic lives of and the estimated future operating results and net cash flows from mining properties, the anticipated costs of reclamation and closure cost obligations and the market interest rates used in fair valuing the liability component of the convertible debenture.

*Mineral Properties*

The Company capitalizes the costs of acquiring, maintaining its interest, exploring and developing mineral properties. The accumulated costs including applicable exploration expenses relative to non-productive mineral properties that the Company abandons interest in are written off. Otherwise, the accumulated costs are depleted over the estimated useful lives of the producing mineral properties on a method relating recoverable reserves to production.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying values of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Write-downs due to impairment in value are charged to operations. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

*Building and Equipment*

Equipment is recorded at cost. Amortization is provided using the double declining balance method at 40% per annum over a five year useful life for computer, field and office equipment and vehicles. Buildings are recorded at cost. Depreciation is recording using the straight-line method over a 40 year useful life.

*Stock-Based Compensation*

The fair value of all stock-based compensation awards granted is expensed with a corresponding increase to contributed surplus. Compensation expense for employees is generally amortized using the straight-line method over the period from the grant date to the date the options vest. Compensation expense for non-employees is recognized immediately for past services and pro-rata for future services over the service provision period. Compensation for non-employees is re-measured at each balance sheet date until the earlier of the vesting date or the date of completion of the service.

Upon exercise of the awards, the related amount of stock based compensation previously expensed is transferred from contributed surplus and together with consideration received, is recorded as share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option valuation models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate. See Note 5 for discussion of the Company's stock option plan

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**Recently Adopted Accounting Policies**

The CICA has issued the following new Handbook sections which the Company adopted as at April 1, 2008:

- i) Section 3862 – “Financial Instruments — Disclosures”, describes the required disclosure for the assessment of the significance of financial instruments for an entity’s financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.
- ii) Section 3863 – “Financial Instruments — Presentation”, establishes standards for presentation of financial instruments and non-financial derivatives. It carries forward the presentation related requirements of Section 3861 ‘Financial Instruments — Disclosure and Presentation’.
- iii) Section 1535 – “Capital Disclosures”, establishes standards for disclosing information about an entity’s capital and how it is managed. It describes the disclosure of the entity’s objectives, policies and processes for managing capital, the quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements, and, if it has not complied, the consequences of such non-compliance.

**Future Accounting Changes**

- i) In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company’s reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company’s accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency, certain contractual arrangements, debt covenants and capital requirements. The Company is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a successful conversion.
- ii) In February 2008, the CICA issued Section 3064, “Goodwill and Intangible Assets”, which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, “Revenues and Expenses During the Pre-operating Period”. As a result of the withdrawal of EIC-27, companies will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations. The changes are effective for interim and annual financial statements beginning January 1, 2009. The Company is in the process of evaluating the impact of this new standard for adoption.
- (iii) Section 1582, Business Combinations, which replaces Section 1581, Business Combinations, establishes standards for the accounting for a business combination. It is the Canadian GAAP equivalent to International Financial Reporting Standard IFRS 3, Business Combinations. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Company has not yet determined the impact of the adoption of this change on its consolidated financial statements.
- iv) Section 1601, Consolidated Financial Statements and Section 1602, Non-controlling Interests replaces Section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting, for a non-controlling interest in a subsidiary in consolidated financial statements, subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, Consolidated and Separate Financial Statements. These standards are effective for the Company for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Company has not yet determined the impact of the adoption of these changes on its consolidated financial statements.

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**SHARE CAPITAL**

**Authorized:**

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value that are issuable in a series.

**Common Shares Issued:**

As of June 29, 2009, the Company had 55,429,022 issued and outstanding common shares. Changes in issued and outstanding common shares for the year ended March 31, 2009 were as follows:

	<u>Number</u>	<u>Amount</u>
Balance, March 31, 2008	49,429,020	\$ 41,851,318
Issued for cash:		
Pursuant to private placement agreement (a)	<u>6,000,000</u>	<u>8,980,200</u>
Balance, March 31, 2009	<u>55,429,020</u>	<u>\$ 50,831,518</u>

- (a) On June 4, 2008, the Company closed a private placement of 6 million units at CAD\$1.50 per unit for proceeds of CAD\$9,000,000 (\$8,980,200). Each unit consisted of one common share and two share purchase warrants entitling the holder thereof to purchase an additional common share at CAD\$2.00 per share for terms not to exceed one year for the first series, which were not exercised, and two years for the second series. For complete discussion, see Financing, Liquidity and Capital Resources above.

**Escrow:**

At March 31, and June 29, 2009, 425,000 of the Company's common shares were held in escrow subject to escrow agreements.

On August 23, 2007, the Company's shareholders approved the issuance of 1,700,000 common shares to certain officers of the Company for services rendered in connection with performance achievements. The shares were issued subject to an escrow agreement. In conjunction, the officers agreed to return to treasury 1,700,000 shares held in escrow subject to a performance agreement which were cancelled by the Company. These transactions did not result in any change in the number of shares outstanding or in the number of shares held by the officers and accordingly no value was recorded for the transaction.

In addition, on October 31, 2007, the Company announced that its common shares were approved for listing on the TSX. In connection with this listing, the 6,426,000 escrow shares outstanding at that date and subject to time-release agreements were retroactively converted from a time release period of three years to a time release period of 18 months. As a result, all of the 6,426,000 shares were eligible for immediate release as of November 12, 2007 and were released from escrow. These shares were held by four directors of the Company

The following is a summary of the Company's escrow transactions during the year ended March 31, 2009:

Balance at March 31, <u>2008</u>	Escrowed during <u>the period</u>	Released during <u>the period</u>	Cancelled during <u>the period</u>	Balance at March 31, <u>2009</u>
<u>1,275,000</u>	<u>—</u>	<u>(850,000)</u>	<u>—</u>	<u>425,000</u>

The remaining escrow shares are to be released during July 2009.

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**Share Purchase Warrants:**

At March 31, and June 29, 2009, there were 12,000,000 and 6,000,000 share purchase warrants outstanding, respectively. Share purchase warrants entitled the holders thereof to purchase one common share for each warrant. Changes in share purchase warrants for the year ended March 31, 2009 were as follows:

Expiration Date	Exercise Price	Outstanding at March 31, 2008	Issued during the period	Exercised/Expired during the period	Outstanding at March 31, 2009
June 4, 2009* (a)	CAD\$2.00	-	6,000,000	-	-
June 4, 2010 (a)	<u>CAD\$2.00</u>	-	<u>6,000,000</u>	-	-
Totals		<u>-</u>	<u>12,000,000</u>	<u>-</u>	<u>-</u>

\*These warrants expired unexercised on June 4, 2009.

At March 31, 2009, the weighted average life was 8.25 months and the weighted average exercise price was CAD\$2.00.

**Convertible Debenture:**

As of June 29, 2009, the Company had a 7% secured convertible debenture in the principal amount of CAD\$9,000,000 outstanding, that was issued to Synatom pursuant to a private placement in February, 2009. The principal of the debenture and accrued interest thereon is convertible into common shares of the Company at a conversion price of CAD\$0.50 per common share. Assuming full conversion of the debenture, Synatom will acquire 18,000,000 common shares upon conversion of the CAD\$9,000,000 principal, and 4,050,774 common shares upon conversion of the possible CAD\$2,025,387 accrued interest thereon, for a total of 22,050,774 common shares of the Company.

**Stock Option Plan:**

The Company has a Stock Option Plan ("the Plan") under which it is authorized to grant share purchase options to directors, officers, consultants or employees of the Company. The Company is permitted to grant options under the Plan to a fixed number of 9,885,804 common shares which is equal to 20% of the issued and outstanding common shares at the date of Plan adoption. The exercise price of options granted under the Plan may not be less than the fair market value of the Company's common shares at the date the options are granted. Options granted under the Plan have a maximum life of five years. The Board of Directors specifies a vesting period on a grant-by-grant basis. All options are granted at exercise prices which are at or above the traded share price on grant date.

At March 31, and June 29, 2009, there are 7,600,000 options outstanding entitling the holders thereof to purchase one common share for each option held as follows:

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Expiration Date	Exercise Price (CAD)	Outstanding at March 31, 2008	Granted during period	Exercised during period	Forfeited during period	Outstanding at March 31, 2009
May 11, 2011	\$1.00	3,025,000	–	–	–	3,025,000
July 19, 2011	\$1.30	200,000	–	–	–	200,000
August 1, 2011	\$1.30	100,000	–	–	–	100,000
August 9, 2011	\$1.30	200,000	–	–	(200,000)	–
October 5, 2011	\$1.80	100,000	–	–	–	100,000
February 15, 2012	\$3.00	400,000	–	–	–	400,000
May 14, 2012	\$3.20	125,000	–	–	–	125,000
June 15, 2012	\$2.60	100,000	–	–	(100,000)	–
August 30, 2012	\$1.50	900,000	–	–	–	900,000
September 4, 2012	\$1.60	150,000	–	–	–	150,000
October 31, 2012	\$2.15	75,000	–	–	–	75,000
January 14, 2013	\$1.50	400,000	–	–	–	400,000
February 7, 2013	\$1.00	400,000	–	–	–	400,000
June 18, 2013	\$1.50	–	1,600,000	–	–	1,600,000
August 11, 2013	\$1.50	–	125,000	–	–	125,000
Totals		<u>6,175,000</u>	<u>1,725,000</u>	<u>–</u>	<u>(300,000)</u>	<u>7,600,000</u>

As of March 31, 2009 and June 29, 2009, 7,116,250 and 7,206,875 options have vested, respectively. The weighted average life of the stock options outstanding is 3.30 years. The weighted average exercise price of the stock options outstanding is CAD\$1.39.

The vesting period for stock options is determined by the Board of Directors at the time of the grant. Stock options granted under the Plan during the three months ended June 30, 2008 vested immediately while the stock options granted during the three months ended September 30, 2008 are subject to a vesting period.

### **FINANCIAL INSTRUMENTS**

The carrying values of cash, and accounts payable and accrued liabilities approximate fair value because of the short-term maturity of those instruments. The current bank accounts and accounts payable are non-interest bearing. The majority of cash is held in short-term investments bearing interest of less than 2%. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company to date has not used any formal currency hedging contracts to manage currency risk.

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Generally Accepted Accounting Principles ("GAAP") in Canada. The Company's financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

### **Disclosure Controls And Procedures**

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in provincial securities legislation. The Company evaluated its disclosure controls and procedures as defined under National Instrument 52-109. This evaluation was performed by the Company's Chief Executive Officer and Chief Financial Officer with the assistance of other employees to the extent necessary and appropriate. Based on this evaluation, the Chief Executive Officer and Chief

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Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures were effective.

**Internal Controls Over Financial Reporting**

The Company maintains internal controls over financial reporting which have been designed to provide reasonable assurance of the reliability of external financial reporting in accordance with Canadian GAAP as required by National Instrument 52-109.

There were no changes in internal control over financial reporting that occurred since the beginning of the Company's year ended March 31, 2010 to the date of this document that have materially affected, or are reasonably likely to materially affect internal control over financial reporting.

**RISKS AND UNCERTAINTIES**

The Company's operations and financial performance are subject to the normal risks of mining and are subject to various factors which are beyond the control of the Company. Certain of these risk factors are described below. The risks described below are not the only ones facing the Company. Additional risks not currently known to the Company, or that it currently considers immaterial, may also adversely impact the Company's business, operations, financial results or prospects, should any such other events occur.

*The Worldwide Macroeconomic Downturn May Reduce the Company's Ability to Obtain Necessary Financing*

Since 2008, there has been a downturn in general worldwide economic conditions due to many factors, including the effects of the subprime lending and general credit market crises, volatile but generally declining energy costs, slower economic activity, decreased consumer confidence and commodity prices, reduced corporate profits and capital spending, adverse business conditions, increased unemployment and liquidity concerns. As such, the Company is subject to counterparty risk and liquidity risk. The company is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold the Company's cash; (ii) through the Company's insurance providers; and (iii) through the Company's lenders. The company is also exposed to liquidity risks in meeting its operating expenditure requirements in that it may be unable to obtain appropriate financing as required. These factors may impact the ability of the Company to obtain loans and other credit facilities on favourable terms or at all. If these increased levels of volatility and market turmoil continue, the Company's planned growth and the trading price of its Common Shares could be adversely affected.

*Nuclear Energy Competes With Other Viable Energy Sources*

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrates and uranium conversion services, which in turn may result in lower market prices for uranium, which would materially and adversely affect the Company's business, financial condition and results of operations.

*Public Acceptance of Nuclear Energy Cannot Be Assured*

Growth in the demand for uranium and in the nuclear power industry will depend upon continued and increased acceptance of nuclear technology by the public as a safe and viable means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident or incident at a nuclear reactor anywhere in the world, or an accident or incident relating to the transportation or storage of new or spent nuclear fuel, could negatively impact the public's acceptance of nuclear power and the future prospects for nuclear power generation, which may have a material and adverse effect on the Company's business, financial condition and results of operations.

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*The Company Faces Competition from Other Mining Companies for the Acquisition of New Properties*

There is a limited supply of desirable mineral lands available for acquisition, claim staking or leasing in the areas where the Company is currently active. Many participants are engaged in the mining business, including large, established mining companies with substantial technical and financial capabilities and long earnings records and which have access to more capital, in some cases have state support, have access to more efficient technology, and have access to reserves of uranium that are cheaper to extract and process. The Company may be at a competitive disadvantage in acquiring mining properties as many of its competitors have greater financial resources and larger technical staffs. Accordingly, there can be no assurance that the Company will be able to compete successfully with its industry competitors.

*Sale of Uranium is Restricted by International Trade Regulations*

The supply of uranium is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of uranium available in the United States and Europe, which are the largest markets for uranium in the world. If the Company is unable to supply uranium to important markets in the United States or Europe, its business, financial condition and results of operations may be materially and adversely affected.

*Deregulation of the Electrical Utility Industry May Affect the Demand for Uranium*

The Company's future prospects are tied directly to the electrical utility industry worldwide. Deregulation of the utility industry, particularly in the United States and Europe, is expected to impact the market for nuclear and other fuels for years to come, and may result in the premature shutdown of some nuclear reactors. Experience to date with deregulation indicates that utilities are improving the performance of their reactors, achieving record capacity factors. There can be no assurance that this trend will continue.

*The Company's Financial Condition and Results of Operations May Be Adversely Affected by Changes in the Market Price of Uranium.*

The majority of the Company's potential revenues are anticipated to be derived from the sale of uranium products. The Company's financial condition, results of operations, earnings and operating cash flow will be closely related and sensitive to fluctuations in the long and short term market price of uranium. Historically, these prices have fluctuated widely. Between 1970 and 2008 the price of uranium has fluctuated between approximately US\$7 per pound and approximately US\$138 per pound, however since 2007, the price of uranium has declined significantly, being US\$53 per pound as of June 15, 2009. The price of uranium has been and will continue to be affected by numerous factors beyond the Company's control. Such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; and production levels and costs of production.

If, after the commencement of uranium production, the price of uranium falls below the cost of production at the Company's planned mines, it may not be economically feasible to continue production at such sites. This would materially and adversely affect production, profitability and the Company's financial position. A continued decline in the market price of uranium may also require a write-down of the Company's mineral reserves and resources which would have a material and adverse affect on its financial condition, results of operations and profitability. Should any significant write-down in reserves and resources be required, material write-downs of the Company's investment in the affected mining properties and increased amortization, reclamation and closure charges may be required.

*The Company Will Require Significant Amounts of Additional Capital in the Future*

The Company has limited financial resources. The Company will continue to make substantial capital expenditures related to exploration, development and production. In particular the Company will have further capital requirements as it expands

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its present exploration activities at its uranium projects or if it takes advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it.

Volatile demand for uranium and the volatile price of uranium or the incurrence of unanticipated major liabilities or expenses may make it difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its uranium projects with the possible loss of the rights to such properties. If the exploration or development of any mine is delayed, such delay would have a material and adverse effect on the Company's business, financial condition and results of operation.

*The Company's Operations are Subject to Operational Risks and Hazards Inherent in the Mining Industry*

The Company's business is subject to a number of inherent risks and hazards, including environmental pollution, accidents or spills; industrial and transportation accidents, which may involve radioactive or hazardous materials; labor disputes; power disruptions, catastrophic accidents; failure of plant and equipment to function correctly, the inability to obtain suitable or adequate equipment, fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, earthquakes, pit wall failures, ground movements, tailings, pipeline and dam failures and cave-ins; and encountering unusual or unexpected geological conditions and technical failure of mining methods. The Company may also contract for the transport of its uranium and uranium products to refining, conversion and enrichment facilities in North America, which will expose the Company to risks inherent in transportation including loss or damage of transportation equipment and spills of cargo.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's uranium properties, personal injury or death, environmental damage, delays in the Company's exploration or development activities, costs, monetary losses and potential legal liability and adverse governmental action, all of which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

*Mineral Resource Estimates are Only Estimates and May Not Reflect the Actual Deposits or the Economic Viability of Uranium Extraction*

Resource figures included for uranium are estimates only and no assurances can be given that the estimated levels of uranium will actually be produced or that the Company will receive the uranium price assumed in determining its resources. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling and exploration results and industry practices. Estimates made at any given time may significantly change when new information becomes available or when parameters that were used for such estimates change. While the Company believes that the resource estimates included herein and in its technical reports are well established and reflect management's best estimates, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Furthermore, market price fluctuations in uranium, as well as increased capital or production costs or reduced recovery rates, may render ore resources containing lower grades of mineralization uneconomic and may ultimately result in a restatement of resources. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of resources is always influenced by economic and technological factors, which may change over time.

*Exploration, Development and Operating Risk*

The exploration for and development of uranium properties involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical, drilling and other related costs which appear to be rising; and government regulations, including

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regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

*Currency*

Exchange rate fluctuations may affect the costs that the Company incurs in its exploration activities. Uranium is generally sold in United States dollars. Since the Company principally raises funds in Canadian dollars, but the Company's costs are incurred in United States dollars, the appreciation of the United States dollar against the Canadian dollar can increase the cost of uranium and other mineral exploration and production in Canadian dollar terms.

*Environmental Risks and Hazards*

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

*The Company's Activities are Subject to Extensive Legislation in respect of Environment, Health and Safety*

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. In addition, the uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The Company is required to obtain governmental permits and provide associated financial assurance to carry on certain activities. The Company is also subject to various reclamation and other bonding requirements under federal, provincial, state or local air, water quality and mine reclamation rules and permits. Although the Company makes provision for reclamation costs, where appropriate, there is no assurance that these provisions will be adequate to discharge its obligations for these costs. Environmental and employee health and safety laws and regulations have tended to become more stringent over time. Any changes in such laws or in the environmental conditions at the Company's properties could have a material adverse effect on the Company's financial condition, cash flow or results of operations.

Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of licences or permits and the imposition of penalties. There can be no assurance that the Company has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not adversely affect the Company's business, results of operations, financial condition or prospects.

*Government Regulation*

The Company's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company believes its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

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Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are subject to various federal, state and local statutory requirements. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions hereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations or applicable laws or regulations.

Amendments to current laws and regulation governing operations or more stringent implementation thereof could have a substantial impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Specific to the Company's Centennial Project, originating from opposition to the Project by numerous interested parties in Colorado, a new bill was recently signed (House Bill 1161) creating a specialized regulatory regime for in-situ uranium recovery in the State of Colorado. This new law could, upon implementation, establish standards for in-situ recovery mining and restoration that may ultimately affect the profitability of the Centennial Project.

*Public Involvement in the Permitting Process*

The process of obtaining radioactive materials licenses ("RML") from the US Nuclear Regulatory Commission and those required in the states that the Company is operating in allow for public participation. If a third party chooses to object to the issuance of any RML or permit required by the Company, significant delays may occur before the Company is able to secure an RML or permit. Generally, the public objections can be overcome with the passage of time and through the procedures set forth in the applicable permitting legislation. However, the regulatory agencies must also allow and fully consider public comment according to such procedures and there can be no assurance that the Company will be successful in obtaining any RML or permit.

*Political Risk*

The Company's future prospects may be affected by political decisions about the uranium market. There can be no assurance that the United States or other government or quasi-governmental authority will not enact legislation or other rules restricting uranium extraction and processing activities, or restricting to whom the Company can sell uranium. In addition the price of uranium may be affected by decisions of national governments to decommission nuclear weapons, thereby increasing the supply of uranium.

*The Company has no History of Mineral Production or Mining Operations*

The Company has never had uranium producing properties. There is no assurance that commercial quantities of uranium will be discovered at its properties or other future properties nor is there any assurance that the Company's exploration program thereon will yield positive results. Even if commercial quantities of uranium are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where uranium resources can profitably be produced therefrom. Factors which may limit the ability of the Company to produce uranium resources from its properties include, but are not limited to, the spot price of uranium, availability of additional capital and financing and the nature of any mineral deposits.

The Company does not have a history of mining operations and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

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*Future Sales of Common Shares by Existing Shareholders*

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. Substantially all of the Common Shares can be resold without material restriction in Canada.

*No Assurance of Titles or Borders*

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company will be able to acquire title to surface and mineral rights in the future. Titles to the Company's current and/or future surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

*Availability of Qualified Personnel*

The mining industry generally is experiencing a significant shortage of qualified personnel particularly in the availability of professionals such as mining engineers, metallurgists and geologists. There is also a shortage of staff and skilled workers and, as a result, training to fill the positions may be necessary in order to achieve the Company's planned production activities. The uranium industry is further impacted based on the need for professionals and skilled workers because the downturn of the uranium market in the 1980's resulted in a loss of skills and considerably fewer people entering the market in this area of mineral industry. The current demand for people has also resulted in a significant escalation of salaries and wages.

*Need for Additional Mineral Reserves and Delineation of Mineral Reserves*

Because mines have limited lives based on proven and probable mineral reserves, the Company will be required to continually replace and expand its mineral reserves if, and when its mines produce uranium. The Company's ability to maintain or increase its annual production of uranium in the future will be dependent in significant part on its ability to bring new mines into production and to expand mineral reserves at existing mines.

The Company may be unable to acquire rights to explore additional attractive mining properties on acceptable terms due to competition for mineral acquisition opportunities with larger, better established mining companies with greater financial and technical resources. There can be no assurance that the Company will be able to bring any of its properties into production or achieve mineral reserves on its properties.

*The Company's Insurance Coverage Does Not Cover All of its Potential Losses, Liabilities and Damage Related to its Business, and Certain Risks are Uninsured or Uninsurable*

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

No assurance can be given that the Company's insurance will be available at economically feasible premiums or at all, or that it will provide sufficient coverage for losses related to these or other risks and hazards.

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*Proposed Amendments to the United States General Mining Law of 1872 May Have an Adverse Effect on the Company's Business*

Some of the Company's mineral properties comprise unpatented mining claims in the United States. There is a risk that a portion of the Company's unpatented mining claims could be determined to be invalid, in which case the Company could lose the right to mine mineral reserves contained within those mining claims. Unpatented mining claims are created and maintained in accordance with the General Mining Law of 1872. Unpatented mining claims are unique to United States property interests, and are generally considered to be subject to greater title risk than other real property interests due to the validity of unpatented mining claims often being uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the General Mining Law of 1872. Unpatented mining claims are always subject to possible challenges of third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law.

In recent years, the United States Congress has considered a number of proposed amendments to the General Mining Law of 1872. If adopted, such legislation, among other things, could impose royalties on mineral production from unpatented mining claims located on United States federal lands, result in the denial of permits to mine after the expenditure of significant funds for exploration and development, reduce estimates of mineral reserves and reduce the amount of future exploration and development activity on United States federal lands, all of which could have a material and adverse affect on the Company's cash flow, results of operations and financial condition.

*Shareholders' Interest in the Company May Be Diluted in the Future*

The Company may require additional funds to fund the Company's exploration and development Programs and potential acquisitions. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders.

*The Company May Issue Additional Common Shares in the Future to Raise Capital or on the Exercise of Outstanding Stock Options and Warrants*

Sales of substantial amounts of Common Shares, or the availability of such Common Shares for sale, could adversely affect the prevailing market prices for the Company's securities. A decline in the market prices of the Company's securities could impair its ability to raise additional capital through the sale of new Common Shares should the Company desire to do so.

*The Market Price for Common Shares Cannot be Assured*

Securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

*The Company has Never Paid Dividends and May Not do so in the Foreseeable Future*

The Company has never paid cash dividends on its Common Shares. Currently, the Company intends to retain its future earnings, if any, to fund the development and growth of its business, and does not anticipate paying any cash dividends on its Common Shares in the near future. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in any Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by the Board.

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**OTHER INFORMATION**

This discussion and analysis of the financial position and results of operation as of June 29, 2009 should be read in conjunction with the audited consolidated financial statements for the year ending March 31, 2009. Additional information relating to the Company, including the Company's Annual Information Form, can be accessed at the Company's website [www.powertechuranium.com](http://www.powertechuranium.com) or through the Company's public filings on SEDAR at [www.sedar.com](http://www.sedar.com).

This Management Discussion and Analysis has been reviewed and approved by Mr. Richard F. Clement, Jr., President and CEO of Powertech, under whose direction the company's operations are being carried out. Mr. Clement, P.G., MSc. is a Qualified Person as defined by National Instrument 43-101.