



To Our U.S. Shareholders, Warrant Holders and Option Holders:

Powertech Uranium Corp.  
Suite 3023, Three Bentall Centre  
595 Burrard Street, PO Box 49212  
Vancouver, BC Canada V7X 1K8

For the year ended March 31, 2008

### PFIC ANNUAL INFORMATION STATEMENT

This statement is provided for shareholders who are United States persons. It is not relevant to other persons. All section references below are to sections of the U.S. Internal Revenue Code of 1986, as amended.

**THERE MAY BE SIGNIFICANT TAX ADVANTAGES TO U.S. SHAREHOLDERS WHO MAKE THE QEF ELECTION DESCRIBED BELOW. PLEASE CONSULT YOUR TAX ADVISER.**

Powertech Uranium Corp. ("Powertech") is currently a Passive Foreign Investment Company ("PFIC") as defined in section 1297. Shareholders who are United States persons should consult their tax advisers regarding appropriate elections, including an election to treat Powertech as a Qualified Electing Fund ("QEF") under section 1295. Statements provided herein are not intended to constitute tax advice, but are merely provided as a guide to competent advisers.

Powertech expects that it will continue to be a PFIC. The U.S. tax rules that apply to U.S. shareholders in a PFIC continue to apply to such shareholders in subsequent years in which the foreign corporation is not a PFIC, unless the foreign corporation is "purged" of its PFIC "taint" as to such shareholders, (i.e. by a deemed sale election (see discussion below)), or the investor makes a QEF election for the first year of its holding period during which the foreign corporation is a PFIC.

Section 1291 imposes the "excess distribution regime" on shareholders of a PFIC who have not elected to have their investments in a PFIC treated as an investment in a QEF. Tax liability under the excess distribution rules arises only when an actual distribution is made by the PFIC, or when the U.S. investor directly or indirectly disposes of stock in the PFIC. An actual distribution is subject to the excess distribution regime only to the extent the total of actual distributions during a taxable year received by the investor exceeds 125% of the average of actual distributions received in the three preceding taxable years.

Once the total amount of the "excess distribution" has been determined, it is allocated ratably to all days in the investor's holding period for the stock. Amounts allocated to the "prior-year PFIC period," (i.e. days in the investor's taxable year during which POWERTECH was a PFIC), are subject to the highest rate of tax for the year to which allocated, and each of the resulting amounts of tax draws an interest charge as if it were an underpayment of taxes for the year in question. Amounts allocated to the current-year period are included in the U.S. investor's income as ordinary income and taxed at the applicable marginal rate for such investor for such year.

The QEF election is normally made on Part I of Form 8621 on or before the due date, including extensions, for the income tax return with respect to the taxable year to which the election relates. Unless the investor makes the election in the first year he or she holds stock in the PFIC, an election of QEF treatment does not suspend the operation of the excess distribution regime. Therefore, both regimes can apply at the same time. To avoid this result when an election has not been made in the first year, the U.S. investor can make a “deemed sale election” under section 1291(d)(2)(A). A shareholder that makes the deemed sale election is treated as having sold, for its fair market value, the stock of the PFIC that the shareholder held on the qualification date, which is usually the first day of the PFIC’s first taxable year as a QEF. The gain recognized on the deemed sale is taxed under section 1291 as an excess distribution received on the qualification date.

As an alternative to a QEF election, a U.S. person can make a “Mark-to-Market” election under section 1296. This is an election by the investor to treat his stock in the PFIC as if it were sold at the end of each year. If the stock has increased in value since the prior year, the investor includes the gain in his income as ordinary income, (i.e. the gain is taxed at regular U.S. tax rates, not the capital gains rate). If the stock has decreased in value since the prior year, the U.S. investor is permitted to deduct the resulting loss to the extent of gains that he included in income in prior years. The mark-to-market election can be made only if the stock of the PFIC is “marketable.” The stock is “marketable” if it is “regularly traded” on a “qualified stock exchange.” Stock is “regularly traded” if it is traded in more than de minimis amounts on at least 15 days of each quarter. A stock exchange is a “qualified stock exchange” if it is either one of the recognized U.S. stock exchanges or, alternatively, a non-U.S. stock exchange whose governing rules and regulations meet certain standards set forth in IRS regulations. Powertech’s stocks are marketable as they are regularly traded on the on the TSX Stock Exchange and Frankfurt Stock Exchange, which are stock exchanges whose governing rules and regulations meet certain standards set forth in IRS regulations.

A U.S. holder of our warrants or options is taxed in a manner similar to a U.S. holder of common shares if the holder realizes gain on the sale of the warrants or options. If the holder exercises the warrants or options to purchase common shares, the holding period over which any income realized is allocated includes the holding period of the warrants or options. A U.S. warrant or option holder is treated as a holder of PFIC stock taxable under ordinary income allocation and interest charge regime described above.

The following information is provided for those shareholders who have in effect a QEF election with respect to their holdings in Powertech:

i) The tax year of the PFIC to which the QEF election applies is:

|                         | <u>Year Beginning</u> | <u>Year Ending</u> |
|-------------------------|-----------------------|--------------------|
| Powertech Uranium Corp. | April 1, 2007         | March 31, 2008     |

ii) The QEF’s ordinary earnings and the net capital gain for the year ended above is as follows:

|                         | <u>Ordinary Earnings</u> | <u>Net Capital Gain</u> |
|-------------------------|--------------------------|-------------------------|
| Powertech Uranium Corp. | None                     | None                    |

iii) Cash and fair market value of other property distributed or deemed distributed by the QEF for the year ended above is as follows:

|                         | <u>Cash Distribution</u> | <u>Property Distribution</u> |
|-------------------------|--------------------------|------------------------------|
| Powertech Uranium Corp. | None                     | None                         |

- iv) Powertech Uranium Corp. hereby agrees that it will permit a shareholder to inspect and copy Powertech's permanent books of account, records and other documents which establish the PFIC's ordinary earnings and net capital gain that are computed in accordance with the U.S. tax principles and to verify the computation of the shareholder's pro rata share of the PFIC's ordinary earnings and net capital gain.

#### **U.S. Internal Revenue Service Circular 230 Notice**

To ensure compliance with U.S. Internal Revenue Service Circular 230, U.S. equity holders are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this information statement or any document referred to is not intended or written to be used, and cannot be used, by U.S. equity holders for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing (within the meaning of U.S. Internal Revenue Service Circular 230) of the transactions or matters addressed herein; and (c) U.S. equity holders should seek advice based on their particular circumstances from an independent tax advisor.

#### **About Powertech Uranium Corp.**

Powertech Uranium Corp. is a Denver-based mineral exploration and development company that holds the Dewey-Burdock Uranium Deposit in South Dakota, the Centennial Project in Colorado and the Dewey Terrace and Aladdin Projects in Wyoming. The company's key personnel have over 200 years of experience in the uranium industry throughout the United States, and have permitted more than a dozen in-situ operations for production. For more information, please visit <http://www.powertechuranium.com/>

#### **POWERTECH URANIUM CORP.**

**"Thomas Doyle"**

**Thomas Doyle**

**CFO, VP Finance**

**Powertech Uranium Corp.**

**For further information, please contact:**

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For the year ended March 31, 2008

**INSTRUCTIONS FOR SHAREHOLDERS OF PASSIVE FOREIGN INVESTMENT COMPANIES  
AND QUALIFIED ELECTING FUNDS**

Powertech Uranium Corp. is a passive Foreign Investment Company (“PFIC”). Shareholders may have individually made elections to treat Powertech Uranium Corp. as a Qualified Electing Fund.

Each U.S. shareholder of a Passive Foreign Investment Company or a Qualified Electing Fund must complete Form 8621 and attach it to a timely filed U.S. Federal income tax return. A separate Form 8621 must be completed for each PFIC or QEF owned by the shareholder. These instructions and the preceding information are not required to be filed with your tax return nor with the separately filed Form 8621 but should be retained with your records as the Internal Revenue Service may request that you provide this information upon audit. Tax exempt partners should consult with their tax advisers in applying the PFIC and QEF rules.

The following information must be entered on Form 8621:

PFIC Name: Powertech Uranium Corp.

PFIC Address: Suite 3023, Three Bentall Centre  
595 Burrard Street, PO Box 49212  
Vancouver, BC Canada V7X 1K8

EIN: N/A

Tax Year: April 1, 2007 – March 31, 2008

The QEF election is made by completing and attaching Form 8621 to a U.S. federal income tax return filed by the due date of the return, as extended.

**We strongly urge you to consult your own tax advisor for advice concerning the application of the US federal income tax rules governing PFICs.**

The Form 8621 IRS instructions can be found on the Internet at:

<http://www.irs.gov/pub/irs-pdf/i8621.pdf>

Form 8621 can be found on the Internet at:

<http://www.irs.gov/pub/irs-pdf/f8621.pdf>