

**Report Pursuant to
Section 102.1 of the *Securities Act* (Ontario) and
Similar Provisions of other Provincial Securities Legislation**

1. The name and address of the Offeror

The K2 Principal Fund L.P. (the "Partnership")
444 Adelaide Street West
Suite 200
Toronto, Ontario M5V 1S7

2. The designation and number or principal amount of securities and the Offeror's security holding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file a news release, and whether it was ownership or control that was acquired in those circumstances

The Partnership has acquired 12,000,000 common shares and 6,000,000 common share purchase warrants (the "Warrants") to purchase up to 6,000,000 million common shares of Powertech Uranium Corp. ("PWE") at an exercise price of \$0.60 per share. The Warrants expire on March 9th, 2013. As a result of the acquisition of such Warrants and assuming the exercise of the Warrants in full, the Partnership would own 18,000,000 common shares, representing approximately 17.42% of the issued and outstanding common shares of Powertech Uranium Corp. (the "Common Shares").

3. The designation and number or principal amount of securities and the Offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file a news release

As a result of the acquisition of the Common Shares and Warrants and assuming the exercise of the Warrants in full, the Partnership would own 18,000,000 Common Shares, representing approximately 17.42% of the issued and outstanding Common Shares.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (3) over which:

(a) the Offeror, either alone or together with any joint actors, has ownership and control

As a result of the acquisition of the Common Shares and Warrants and assuming the exercise of the Warrants in full, the Partnership would own 18,000,000 Common Shares, representing approximately 17.42% of the issued and outstanding Common Shares.

(b) the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor

Not applicable

- (c) **the Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership**

Not applicable

5. **The name of the market in which the transaction or occurrence that gave rise to the news release took place**

Not applicable – the Common Shares and Warrants were issued to K2 in connection with the closing of a private placement with PWE.

6. **The value in Canadian dollars of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release**

Not applicable – the Common Shares and Warrants were issued to K2 in connection with the closing of a private placement with PWE.

7. **The purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer**

The Partnership acquired the securities for investment purposes only and may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over, or exercise its current rights to acquire, Common Shares or other securities of PWE through market transactions, private agreements or otherwise.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities**

Not applicable

9. **The names of any joint actors in connection with the required disclosure**

None

10. **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror**

Not applicable – the Common Share and Warrants were issued to K2 in connection with the closing of a private placement with PWE.

11. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities**

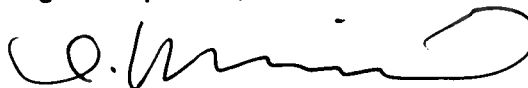
None

12. **If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance**

The Warrants were issued pursuant to an exemption from the prospectus requirements under section 2.3 ("Accredited Investor") of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

DATED this 3rd day of March, 2011.

THE K2 PRINCIPAL FUND L.P., by its
general partner, K2 GenPar Inc.



Shawn Kimel
President
Authorized Signing Officer