POWERTECH URANIUM CORP.

(An Exploration Stage Company)
MANAGEMENT DISCUSSION AND ANALYSIS
(July 29, 2011)

GENERAL

The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed financial statements of Powertech Uranium Corp. (the "Company" or "Powertech") and notes thereto for the three and six months ended June 30, 2011. 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 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 the Company will obtain from them. These forward-looking statements reflect management's current views, and are based on certain assumptions, and speak only as of July 29, 2011. 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 the Company's 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) that the recent events in Japan may affect public acceptance of nuclear energy and the Company's permitting timelines; (2) a decrease in the market price of uranium; (3) a decrease in the demand for uranium and uranium related products; (4) discrepancies between actual and estimated mineral resources and mineral reserves; (5) changes to the cost of commencing production and the time when production commences, and actual ongoing costs; (6) the occurrence of risks associated with the development and commencement of mining operations; (7) unforeseen or changed regulatory restrictions, requirements and limitations, including environmental regulatory restrictions and liability and permitting restrictions; (8) the failure to obtain governmental approvals and fulfill contractual commitments, and the need to obtain new or amended licenses and permits; (9) unforeseen changes in the costs of material inputs, including fuel, steel and other construction materials; (10) the loss of key employees; (11) the loss of, or defective title to, exploration and mining claims, rights, leases or licenses; (12) the number of competitors; (13) political and economic conditions in uranium producing and consuming countries; (14) failure to obtain additional capital at all or on commercially reasonable terms; (15) other factors beyond the Company's control; and (16) those factors described in the section entitled "Risk Factors and Uncertainties" in the Company's annual MD&A as filed on March 28, 2011.

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.

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.

Industry Trends

The recent earthquake and tsunami in Japan, with the resultant damaging effect on that country's nuclear reactors, may affect the Company's expected permitting timeline and business plan. These events have negatively affected public opinion regarding nuclear energy as a safe and viable source of power. A number of heads of government and their legislative bodies have announced reviews and/or delays of plans to develop new nuclear power facilities. In the United States, the Chairman of the Nuclear Regulatory Commission (the "NRC") has publicly stated that a more stringent review of design risks will be undertaken for both existing facilities and future applications for new nuclear power facilities. The additional scrutiny by the NRC could affect all parts of the organization including the licensing of new uranium production facilities. Other relevant regulatory bodies could also react to these recent events resulting in additional delays or barriers in permitting and licensing new uranium production operations. Since the occurrence of these events, the Company and other companies engaged in uranium exploration and development have experienced a reduction in the trading prices of their shares on applicable stock exchanges. Given the short time that has elapsed between the events in Japan and the date of this MD&A, the remaining uncertainty as to the ultimate outcome, and the current volatility of public markets and public opinion, it is too soon for the Company to determine the long-term impact such events will have on the Company's financial condition, results of operations and permitting plans, particularly as pertains to the Company's Dewey-Burdock Project, which is at an advanced stage in the permitting process. It is possible that it will take several fiscal quarters before the long-term effects of the events in Japan on the Company can be determined.

RESOURCE PROPERTY INTERESTS

South Dakota, USA

Dewey-Burdock Project – Custer and Fall River Counties

The Company's Dewey-Burdock Project is located in the Edgemont Uranium District. The Project is comprised of approximately 50 mining leases and approximately 370 mining claims covering approximately 15,200 surface acres and 17,900 net mineral acres.

The Company's business objectives are currently focused on obtaining the necessary permits and licenses for this project. In order to obtain such permits and licenses, the Company must:

- continue to interface with the NRC regarding its license application, which was submitted in August 2009 and deemed complete in October 2009;

- submit an ISR large-scale mine permit application to the South Dakota Department of Environmental and Natural Resources (the "DENR");
- submit a groundwater discharge permit application to the DENR;
- continue to interface with the United States Environmental Protection Agency (the "EPA") regarding its underground injection control (UIC) Class III Permit, which was submitted in December 2008 and deemed complete in February 2009;
- submit a water rights permit to the DENR; and
- respond to any requests for additional information from the NRC and all other agencies necessary to obtain ancillary permits.

The NRC is expected to provide a draft supplemental Environmental Impact Statement ("EIS") for the Dewey-Burdock Project in late 2011 or early 2012. At this point, the NRC will respond to any comments it may receive from other federal government agencies and the public, and then provide a final supplemental EIS, which is expected in the second half of 2012. The license from the NRC, and all ancillary permits, are expected to follow thereafter.

During March 2010, the Company published an updated National Instrument 43-101 ("NI 43-101") technical report entitled "Updated Technical Report on the Dewey-Burdock Uranium Project, Custer and Fall River Counties, South Dakota" dated March 1, 2010 on SEDAR at www.sedar.com. The report was authored by Jerry D. Bush, a "Qualified Person" as such term is defined in NI 43-101, who is independent of the Company. According to the report, using a 0.20 GT cut-off, and applying evaluation criteria based on CIM Definition Standards, Powertech has identified 6,684,285 pounds of Indicated Resources and 4,884,536 pounds of Inferred Resources., contained in 3,251,653 tons averaging 0.178% U_3O8. Using a 0.50 GT cut-off, Powertech has identified 6,684,285 pounds of Indicated Resources and 4,525,500 pounds of Inferred Resources., contained in 2,820,998 tons averaging 0.198% U_3O8. The Dewey-Burdock technical report fully describes the drilling programs and exploration work, including permitting activities, that have been undertaken on the Dewey-Burdock Project up to the date of the report.

During June 2010, the Company received the results of a Preliminary Economic Assessment (the "Dewey-Burdock PEA"), prepared in accordance with NI 43-101, for the Dewey-Burdock Project. The Dewey-Burdock PEA was originally filed on SEDAR on July 14, 2010, with an updated version filed on February 8, 2011.

The Dewey-Burdock PEA was prepared by Allan V. Moran, R.G., CPG, and Frank A. Daviess, MAusIMM, of SRK Consulting (U.S.), Inc. ("SRK"), who are both Qualified Persons independent from Powertech under NI 43-101, as the primary authors. SRK received technical assistance from Lyntek Incorporated ("Lyntek") and Mr. Jerry Bush, P.G. SRK and Lyntek are based in Lakewood, Colorado and are well known as providers of a full range of engineering and construction services for the global uranium sector. The purpose of the Dewey-Burdock PEA is to provide an independent analysis of the potential economic viability of the mineral resources of the Dewey-Burdock Project. The engineering staff of Powertech assembled an extensive amount of information as part of the Company's production planning for the Dewey-Burdock Project. This data was used by SRK and Lyntek as the basis of the Dewey-Burdock PEA.

The Dewey-Burdock PEA states: "The Dewey-Burdock Project is an advanced-stage uranium exploration project located in South Dakota, controlled 100% by Powertech Uranium Corp. Powertech conducted confirmatory drilling to verify the results of extensive historic drilling, established current Indicated and Inferred classified resources, and conducted hydrogeologic tests to evaluate the project as an in situ leach and recovery (ISR) mining and uranium production operation. Powertech, with the assistance of Lyntek, conceptually designed well fields and a uranium recovery processing facility, and developed cost estimates for a proposed ISR operation that would be similar to existing uranium ISR operations currently in production nearby in Nebraska and Wyoming."

Powertech technical and management staff have extensive prior experience with ISR uranium mine development and operations. Therefore, Powertech has developed much of the preliminary well field design and cost estimates in-house, with vendor quotes as support in many instances. Lyntek provided independent preliminary engineering

design support for the proposed surface uranium recovery and processing facilities, and is a major contributor to the estimate of costs for the Dewey-Burdock Project. In many cases, the cost estimates provided by Powertech are defined to a prefeasibility level, with vendor quote backup. As a result, contingency costs for the base case are set at 20%.

In the Dewey-Burdock PEA, base case economic analysis results indicate a pre-tax net-present value of $55.4 million at an 8% discount rate, with an internal rate of return of 27%, based on a uranium price of $65 per pound. Payback will be in the first quarter of production, Year 4. No provision for salvage value was assumed in the analysis. The Dewey-Burdock PEA identifies:

- CIM-compliant indicated mineral resources of 1,561,560 tons, at an average grade of 0.214% U_3O8, for 6,684,285 contained pounds U_3O8 (See 43-101 report of Jerry Bush, P.G., March 01, 2010);
- CIM-compliant inferred mineral resources of 1,259,438 tons, at an average grade of 0.179% U_3O8, for 4,525,500 contained pounds U_3O8 (See 43-101 report of Jerry Bush, P.G., March 01, 2010);
- a mine life of nine years at a conservative estimate of 75% recovery, producing more than 8,400,000 pounds U_3O8;
- a cash operating cost of $34.90 per pound of U_3O8; and

Phase I capital costs estimated at $65 million to achieve start-up at 1,000,000 pounds U_3O8/year including construction of the central processing plant, the first well field, and infrastructure for electrical power supply and waste water disposal.

Colorado, USA

Centennial Project – Weld County

The Company's Centennial Project is located in western Weld County in northeastern Colorado. Through May 2011, Powertech had purchased approximately 670 gross surface acres and 5,800 net mineral acres and had entered into 15 mining leases covering approximately 1,700 net surface acres and 1,200 net mineral acres. Powertech's mineral rights within the project area total approximately 9,500 acres. Surface use agreements with private surface owners are continually being negotiated. Through May 2011, Powertech had obtained approximately 7,200 acres of surface use or purchase agreements over its mineral rights. During June 2011, Powertech decided not to exercise certain option payments regarding the purchase on land and minerals at Centennial. As a result of this election, gross mineral rights decreased to approximately 7,100 acres and surface use acres has decreased to approximately 3,700 acres.

In addition to increasing the Company's overall resource base for the project, the valuable addition of surface rights provides the Company access to its existing privately owned minerals, and enables it to complete mine planning and associated operational facility design.

During February 2010, the Company published an updated NI 43-101 technical report entitled "Updated Technical Report on the Centennial Uranium Project, Weld County, Colorado" dated February 25, 2010, filed on SEDAR at www.sedar.com. The report was authored by W. Cary Voss, a "Qualified Person" as such term is defined in NI 43-101, who is independent of the Company According to the report, using a 0.20 GT cut-off, and applying evaluation criteria based on CIM Definition Standards, Powertech has identified 10,371,571 pounds of Indicated Resources and 2,325,514 pounds of Inferred Resources. Using a 0.50 GT cut-off, Powertech has identified 8,120,866 pounds Indicated Resources and 641,470 pounds of Inferred Resources. This resource information is subject to re-calculation based on termination of option purchase agreements covering approximately 900,000 pounds of indicated resources and approximately 200,000 pounds of inferred resources using a 0.20 GT cut-off.

Through the date of this MD&A, Powertech has completed a significant amount of work focused primarily on preparing the project for in situ ("ISR") leach permitting and feasibility. This work has included drilling, recovery tests, water well tests and environmental studies. At the request of the Colorado Division of Reclamation, Mining and Safety ("CDRMS"), the Company prepared and submitted an updated Site Characterization Plan in April 2009. All the required environmental surveys and studies have been completed and the draft reports have been received.

UIC Class I Injection Permit Application - Powertech completed its application to EPA for a Class I UIC Permit in November 2010. On December 9, 2010, EPA informed the Company that the application was deemed complete.

Aquifer Pump Test - One particular test that has not yet been performed is the regional aquifer pump test. The pump test is a critical component to determining and understanding the hydrogeological characteristics of the project area. Powertech has been waiting for the EPA to issue its permit to inject, as that is the selected method for disposing of the water pumped during the test. The EPA issued the permit on December 3, 2010. On January 3, 2011, the permit was petitioned for appeal by two parties. On February 7, 2011, the EPA withdrew the permit with the stated intention of modifying and reissuing it. EPA issued the draft UIC permit #CO52209-08412 during May 2011and closed the public comment period during June 2011. Based on discussions with the EPA, the final permit is expected to be issued late third quarter 2011. If there are no intervenors, the permit will be effective 30 days after issuance. If there are intervenors, the permit will not be issued until the Environmental Appeals Board has rejected the intervenors' arguements.

New ISR Rules - House Bill 1161 was passed by the Colorado Legislature and signed into law by Governor Ritter in 2008. Powertech had opposed the bill. The bill amended the Mined Land Reclamation Act by adding restrictions to uranium mining in Colorado. In 2009 and 2010, the Division of Reclamation Mining and Safety ("DRMS") conducted a rulemaking process for HB-08-1161. The rulemaking process also included two related bills: SB 08-228 and SB 08-169. The final rules were effective September 30, 2010. The DRMS had asked Powertech to withhold its application until the rulemaking was complete. On November 1, 2010, Powertech, through its counsel, filed a civil suit challenging both the substance of certain rules and the procedure under which they were promulgated. In January 2011, Powertech met with the DRMS and is actively engaged in discussions regarding the regulations and the Company's complaint.

Powertech is now preparing a draft Site Environmental Report which will be used in the preparation of the applications for ISR operations to the EPA, the Colorado Department of Public Health and Environment, the Colorado Department of Natural Resources and Weld County. The applications will be delayed pending completion of the aquifer pump test and resolution of the lawsuit challenging the regulations, both of which are anticipated to be resolved in 2011. The Company will continue to meet periodically with the regulatory agencies and Weld County to provide updates and plans.

During August 2010, the Company received the results of a Preliminary Economic Assessment (the "Centennial PEA"), prepared in accordance with NI 43-101, for the Centennial Project. The Centennial PEA was originally filed on SEDAR on August 20, 2010 and an updated version was filed on February 8, 2011.

The Centennial PEA was prepared by Allan V. Moran, R.G., CPG, and Frank A. Daviess, MAusIMM, of SRK, who are both Qualified Persons independent from Powertech under NI 43-101, as the primary authors. SRK received technical assistance from Lyntek and Mr. Cary Voss, P.G. The purpose of the Centennial PEA is to provide an independent analysis of the potential economic viability of the mineral resources of the Project. The engineering staff of Powertech assembled an extensive amount of information as part of the Company's production planning for the Project. This data was used by SRK and Lyntek as the basis of the Centennial PEA.

The Centennial PEA states: "The Centennial Project is an advanced-stage uranium exploration project located in northern Colorado, controlled 100% by Powertech. Powertech conducted confirmatory drilling to verify the results of extensive historic drilling, established current Indicated and Inferred classified resources, and conducted hydrogeologic tests to evaluate the Centennial Project as an ISR mining and uranium production

operation. Powertech conceptually designed well fields and a uranium recovery processing facility, and developed cost estimates for a proposed ISR operation that would be similar to existing uranium ISR operations currently in production nearby in Nebraska and Wyoming. Lyntek reviewed and confirmed these designs and cost estimates in the preparation of this report. SRK reviewed and compiled all project information into this Preliminary Assessment NI 43-101 technical report document."

As stated above, Powertech technical and management staff have prior experience with ISR uranium mine development and operations. Therefore, Powertech has developed much of the preliminary well field design and cost estimates in-house, with vendor quotes as support in many instances. Lyntek provided independent preliminary engineering design support for the proposed surface uranium recovery and processing facilities, and is a major contributor to the estimate of costs for the Centennial Project. In many cases, the cost estimates provided by Powertech are defined to a pre-feasibility level, with vendor quote backup. As a result, contingency costs for the base case are set at 20%.

In the Centennial PEA, base case economic analysis results indicate a pre-tax net-present value of $51.77 million at an 8% discount rate, with an internal rate of return of 18%, based on a uranium price of $65 per pound. No provision for salvage value was assumed in the analysis. The Centennial PEA identifies:

- CIM-compliant indicated mineral resources of 6,873,199 tons, at an average grade of 0.09% U_3O8, for 10,371,571 contained pounds U_3O8, (See 43-101 report of Cary Voss, February 25, 2010);

- CIM-compliant inferred mineral resources of 1,364,703 tons, at an average grade of 0.09% U_3O8, for 2,325,514 contained pounds U_3O8 (See 43-101 report of Cary Voss, February 25, 2010);

- a mine life of fourteen years at an estimate of 75% recovery, producing more than 9,523,000 pounds U_3O8;

- a cash operating cost of $34.95 per pound of U_3O8; and

Phase I capital costs estimated at $71.1million to achieve start-up at 700,000 pounds U_3O8/year including construction of the central processing plant, the first well field, and infrastructure for electrical power supply and waste water disposal. Phase I costs also include $9.02 million for purchasing water rights and construction of water supply infrastructure to achieve aquifer enhancement.

The PEA is subject to re-evaluation based on termination of option purchase agreements covering approximately 1.1 million pounds of uranium resources.

Wyoming, USA

Powder River Basin Prospect – Campbell County

As of December 31, 2010, the Powder River Basin prospect consisted of 155 mining claims. During January 2011, the Company staked an additional 90 claims in this area.

Resource Property Interests – Capitalized Costs

Costs reflected in resource property interests for the year ended December 31, 2010 and the six months ended June 30, 2011 are detailed below:

	South Dakota	Wyoming	Colorado	Other	Total
Balance, January 1, 2010	$21,173,616	$3,315,088	$15,653,520	$ 134,289	$ 40,276,513
Acquisitions	–	–	375,000	–	375,000
Land services	36,180	–	36,070	–	72,250
Legal fees	302,828	–	233,101	–	535,929
Claims fees	63,062	117,070	–	–	180,132
Land/lease payments	532,612	73,749	122,264	–	728,625
Drilling/ Engineering	38,268	–	129,250	–	167,518
Feasibility study	160,263	–	160,441	–	320,704
Permitting	1,317,733	–	427,685	–	1,745,418
Write-down	(36,847)	(231,716)	–	(134,289)	(402,852)
Wages/consulting	852,719	–	632,820	–	1,485,539
Balance, December 31, 2010	$24,440,434	$3,274,191	$17,770,151	$ –	$ 45,484,776
Land services	7,000	7,000	7,000	–	21,000
Legal fees	199,544	–	(3,532)	–	196,012
Claims fees	(200)	51,221	–	–	51,021
Land/lease payments	61,753	54,262	26,700	–	142,715
Drilling/ Engineering	11,616	–	(1,112)	–	10,504
Permitting	680,931	–	(647)	–	680,284
Exploration	–	5,000	–	–	5,000
Write-down	–	–	(2,303,441)	–	(2,303,441)
Wages/Consulting	472,452	20,250	206,251	–	698,953
Balance, June 30, 2011	$ 25,873,530	$3,411,924	$15,701,370	$ –	$ 44,986,824

RESULTS OF OPERATIONS

During the three and six months ended June 30, 2011, the Company continued to focus on permitting and developing its resource property interests.

SUMMARY OF QUARTERLY RESULTS

The following tables provide selected financial information for the most recent eight quarters, stated in United States dollars in accordance with International Financial Reporting Standards ("IFRS"). The following quarterly results are compliant with IFRS: June 30 and March 31, 2011 and December 31, September 30, June 30, and March 31, 2010. The following quarters are compliant with Canadian generally accepted accounting principles ("GAAP"): December 31, September 30, 2009.

	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Income Statement				
Interest income	$ 4,248	$ 2,059	$ 33,273	$ –
Interest expense	–	375,913	488,659	434,618
Impairment charges	2,303,441		402,852	–
Gain (loss) Re-measurement of derivative liability	105,168	1,534,318	(736,998)	161,806
Gain on extinguishment of debt	–	5,431,452	–	–
G&A and other expenses	941,296	3,316,212	2,206,634	1,494,871
Net income (loss)	(3,135,321)	3,403,792	(3,801,870)	(1,767,683)
Net income (loss) per share, basic and diluted	(0.03)	0.03	0.07	(0.03)
Balance Sheet				
Cash and cash equivalents	7,085,313	9,131,986	1,857,358	3,144,161
Total assets	52,728,780	55,889,993	48,153,301	49,388,158
Debt (current and long-term)	8,947,716	8,948,107	26,294,561	23,583,209

	June 30, 2010	March 31, 2010	December 31, 2009	September 30, 2009
Income Statement				
Interest income	$ 430	$ 138	$ 2,800	$ 878
Interest expense	354,032	268,757	229,056	192,375
Impairment charges	–	–	–	–
Gain (loss) Re-measurement of derivative liability	1,685,246	2,913,828	–	–
Gain on extinguishment of debt	–	–	–	–
G&A and other expenses	864,297	2,095,500	1,302,943	1,852,303
Net income (loss)	467,347	549,709	(1,529,199)	(2,043,800)
Net income (loss) per share, basic and diluted	0.01	0.01	(0.03)	(0.04)
Balance sheet				
Cash and cash equivalents	5,749,254	4,963,230	3,581,859	1,997,508
Total assets	50,109,737	47,628,663	45,000,956	42,281,867
Debt (current and long-term)	22,453,157	20,229,067	13,896,403	11,090,337

Three- and Six-Month Periods Ended June 30, 2011 Compared to Three- and Six-Month Periods Ended June 30, 2010

During the three and six months ended June 30, 2011, the Company continued to focus on development of its mineral property interests. Net loss was $3,135,321 for the three months ended June 30, 2011 compared to net income of $467,347 for the three months ended June 30, 2010 primarily due to impairment charges discussed below. Net income during the six months ended June 30, 2011 was lower than net income during the six months ended June 30, 2010, at $268,471 and $1,017,056, respectively, primarily due to a gain on extinguishment of debt, offset by increased impairment charges and an increase in expenses as discussed below.

Accretion decreased to $168,558 for the three months ended June 30, 2011 from $470,933 for the three months ended June 30, 2010. Accretion increased to $1,670,399 for the six months ended June 30, 2011 from $923,771 for the six months ended June 30, 2010. Variances in accretion expense are due to the promissory note issued during March 2011 and the extinguishment of the loan facility and convertible debenture. Upon extinguishment of these debt obligations, accretion expense that would have been amortized until maturity of each obligation was charged during the first quarter of 2011. See Note 8 of the June 30, 2011 interim financial statements filed as of the date of the MD&A.

Audit and accounting fees increased to $16,893 from $482 for the three months ended June 30, 2011 and 2010, respectively. Said fees increased to $64,846 from $13,565 for the six months ended June 30, 2011 and 2010. This increase is primarily due to the audit fees associated with the Company's public offering and its transition to IFRS. See Financing, Liquidity and Capital Resources, below for a discussion of the public offering.

Community and media relations expenses decreased to $9,900 from $37,262 for the three months ended June 30, 2011 and 2010, respectively, and to $21,622 from $101,648 for the six months ended June 30, 2011 and 2010, respectively, as a result of the Company's continued efforts to bring such activities in-house rather than continuing to engage external consultants.

Director fees increased to $15,372 from $8,762 for the three months ended June 30, 2011 and 2010, respectively, and to $26,018 from $17,407 for the six months ended June 30, 2011 and 2010, respectively, due to an additional board member joining during May 2011.

Filing fees increased to $120,225 from $18,738 for the six months ended June 30, 2011 and 2010, respectively, primarily due to fees regarding the public offering during the first quarter of 2011, as discussed in the March 31, 2011 interim financial statements as filed as of the date of this MD&A.

Investor relations and promotion expenses decreased to $13,530 from $45,543 for the three months ended June 30, 2011 and 2010, respectively, and to $55,511 from $67,586 for the six months ended June 30, 2011 and 2010, respectively, as a result of the Company's continued efforts to bring such activities in-house rather than continuing to engage external consultants.

Legal fees increased to increased to $66,564 from $37,175 for the three months ended June 30, 2011 and 2010, respectively, and to $118,827 from $60,423 for the six months ended June 30, 2011 and 2010, respectively, due to increased general corporate activities.

Transfer agent fees increased to $9,485 from $5,582 for the three months ended June 30, 2011 and 2010, respectively, and to $19,455 from $7,081 for the six months ended June 30, 2011 and 2010, respectively, due to activities associated with the public offering. See Financing, Liquidity and Capital Resources, below for a discussion of the public offering.

Interest expense in the current period was significantly lower during the three and six months ended June 30, 2011 than in the comparative period in 2010 due to the debt extinguishments discussed in Note 8 of the Company's June 30, 2011 financial statements, which were filed on SEDAR as of the date of this MD&A.

Gain on extinguishment of debt was $5,431,452 for the six months ended June 30, 2011 due to the refinancing transaction discussed in the Financing, Liquidity and Capital Resources section below. There was no such transaction during the prior year.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2011, the Company had cash and cash equivalents of $7,085,313 and net working capital of $6,306,137. As of December 31, 2010, the Company had cash and cash equivalents of $1,857,358 and negative net working capital of $23,750,884.

Cash used in operations for the three months ended June 30, 2011 was $354,176 compared to cash provided by operations for the three months ended June 30, 2010 of $34,789. This is primarily due to an increase in net loss for the period, after adjustment for noncash items and a decrease in non-cash working capital. Cash used in operations for the six months ended June 30, 2011 was $1,647,652 compared to cash used in operations for the six months ended June 30, 2010 of $899,840. This is primarily due to an increase in net loss for the period, after adjustment for noncash items and a decrease in non-cash working capital.

Cash outflows for investing activities decreased for the three months ended June 30, 2011 to $1,622,597 from $2,340,334 in the same period in 2010. Cash outflows for investing activities decreased for the six months ended June 30, 2011 to $2,092,053 from $3,542,324 in the same period in 2010. In general, activities have slowed at the Centennial Project as the Company was awaiting final decisions regarding the rule-making process for ISR mining in Colorado. Field activities at Dewey-Burdock have decreased as many of the Company's permit applications have been completed and submitted, and are under review. This is partially, offset by an increase in costs associated with the review process. For further discussion of these Projects, see Resource Property Interests, above. The Company has decreased its spending on property, plant and equipment.

Financing activities such as share and debt issuances/repayments and accrued interest on said debt, utilized cash of $30,000 and provided cash of $3,260,610 for the three months ended June 30, 2011 and 2010, respectively. Financing activities provided cash of $8,931,777 and $6,634,232 for the six months ended June 30, 2011 and 2010, respectively.

Although the Company is in the permitting stage on two of its projects, Dewey-Burdock and Centennial, it is currently focusing its efforts on obtaining the necessary permits and licenses for its Dewey-Burdock Project, as discussed in the Resource Property Interests section above. In order to meet its on-going obligations, with the exception of the Centennial Project option payments, the Company successfully completed a financing transaction by way of short-form prospectus, the terms of which are discussed below.

Going concern: The Company is continually evaluating additional financing opportunities to meet its operational needs. Notwithstanding previous success in acquiring financing on acceptable terms, there is no guarantee that the Company will be able to obtain funding or on what terms any such capital may be available to the Company.

The Company will incur future losses which casts doubt as to the Company's ability to continue as a going concern which is dependent upon its ability to raise the necessary funds and/or to obtain the necessary financing to meet its debt obligations and repay its liabilities arising from normal business operations when they come due. Recent events in Japan may impact the Company's ability to raise capital if the downward pressure on uranium prices continues or if public opinion turns against uranium exploration and development companies.

Recent Financing Transactions

Equity Financing and Debt Restructure

On March 15, 2011, the Company completed a public offering of 47,872,340 units (the "Units") at a price of $0.48 (CAD$0.47) per Unit to raise gross proceeds of $23,105,250 (CAD$22,500,000) pursuant to a short form prospectus dated March 2, 2011 (the "Offering"). On the same day, the Company closed its refinancing transaction (the "Refinancing

Transaction") with Société Belge des Combustibles Nucléaires Synatom SA ("Synatom"), which was approved by Powertech's shareholders at a special meeting held on March 14, 2011. The closings of each of the Offering and the Refinancing Transaction were mutually conditional on the closing of the other.

Closing of Offering

On March 15, 2011, the Company closed the Offering, under which 47,872,340 Units were sold, with each Unit consisting of one common share of the Company (each, a "Share") and one half of one common share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one common share at an exercise price of CAD$0.60 for two years following the closing of the Offering, provided that, if at any time after the date that is six months and one day following the closing of the Offering, the daily volume-weighted average price of the common share on the TSX, or on any other stock exchange on which such common share may be principally traded at the time, is equal to or greater than CAD$1.20 per common share for a period of 20 consecutive trading days, the Company may, within five days of such event, accelerate the expiry date of the Warrants by giving notice to the holders thereof. In such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

A syndicate of agents led by Salman Partners Inc. and including Dundee Securities Ltd. (collectively, the "Agent") were engaged in respect of the Offering. The Agent received a commission equal to 6.5% of the gross proceeds of the Offering (approximately $1,502,000). The commission was charged against share capital at the closing of the Offering. As additional consideration, the Agent was issued 3,111,702 agent's warrants (each an "Agent Warrant"). Each Agent Warrant entitles the holder to acquire one common share for a period of two years from the closing of the Offering at a price of CAD$0.47 per common share. The agent warrants were fair valued using the Black Scholes option pricing model using the following inputs: 90.37% volatility, 3% interest risk free rate, 2 years and 0% dividend yield. A fair value of $360,619 was charged to share capital as share issuance costs.

As a result of the completion of the Offering, there are 103,301,362 common shares issued and outstanding. Net proceeds from the Offering after commissions, agent expenses and payment to Synatom, discussed below, was $8,694,249 (CAD$8,466,500).

The Units, Shares, Warrants and Agent Warrants have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

Closing of Refinancing Transaction

On March 15, 2011, the Company also closed the Refinancing Transaction which restructured Powertech's repayment obligations on approximately $25,018,083 (CAD$25,015,581) of debt owed to Synatom. In connection with the closing of the Refinancing Transaction (the "Closing"), the following events occurred:

1. Powertech paid $12,836,250 (CAD$12,500,000) to Synatom;

2. Powertech issued an unsecured non-interest bearing promissory note in the principal amount of $7,701,750 (CAD$7,500,000) (the "Note") to Synatom, which is repayable in cash or Shares at Powertech's election and is due on the earlier of: (i) six months after the last permit is obtained for the Company's Dewey-Burdock project; and (ii) two years from the Closing. At the election of Powertech, the Note may also be prepaid in advance in cash at anytime, provided that such prepayment is for an amount not less than CAD$250,000, or, after an initial period of 18 months, the Note may be repaid by the issuance of common shares to Synatom at a price per common share equal to the greater of CAD$0.60 per common share or a 15% discount to the 20-day volume-weighted average price of the common shares on the TSX (or such other stock exchange on which the common shares may be listed at such time) at the time of payment. Powertech USA has guaranteed Powertech's obligation to repay the Note;

3. Powertech, Powertech USA, Indian Springs Land and Cattle Co., LLC ("Indian Springs") and Synatom entered into a termination, voting and lock-up agreement (the "Termination Agreement") pursuant to which all prior loans,

agreements, rights and obligations among and between the parties (the "Prior Agreements") were terminated, including: (i) the CAD$9 million convertible debenture of Powertech in favour of Synatom (plus accrued interest thereon); (ii) the CAD$13.8 million Loan Facility between (plus accrued interest thereon); and (iii) the rights and obligations under the prior private placement agreements among the parties (including, without limitation, the anti-dilution rights, pre-emptive rights, governance and other representation rights, registration rights, right to purchase uranium and non-compete agreements by management shareholders). Under the terms of the Termination Agreement, Synatom irrevocably and unconditionally released and discharged all security interests it had in and to or affecting any of the shares, undertaking, property and assets of Powertech, Powertech USA or Indian Springs, and all original share certificates, promissory notes, debentures and other collateral or property in the possession of Synatom were delivered to the Company; and

4. Powertech, Synatom, Wallace Mays, the Wallace Mays 2006 Family Trust No. 1, Richard F. Clement Jr., the Clement Family Limited Partnership, Thomas A. Doyle and Greg Burnett entered into a termination agreement whereby a shareholder's agreement dated June 2, 2008 among those parties was terminated.

Under the terms of the Termination Agreement, Synatom retained its 10.89 million common share and has agreed that it will not sell such Shares until the earlier of: (i) eighteen months from the Closing; (ii) the date upon which a Change of Control (as defined in the Termination Agreement) occurs; and (iii) the date upon which an Event of Default (as defined in the Termination Agreement) occurs (the "Lock-up Period") without the approval of Powertech. Synatom has also agreed to vote in favour of management's proposed slate of directors at any meeting of shareholders of Powertech held during the Lock-Up Period. As a result of the completion of the Offering and the Refinancing Transaction, Synatom holds 10.5% of the issued and outstanding common share, on an undiluted basis, based on 103,301,362 common share issued and outstanding. If Powertech elects to convert the principal of the Note into common share, Synatom will hold 20.2% of the issued and outstanding common share based on 115,801,362 common share outstanding upon conversion of the Note.

As a result of the Refinancing Transaction, the Company was able to retire approximately $17.5 million of debt obligations which were owed to Synatom as of December 31, 2010.

CONTRACTUAL COMMITMENTS

Long-term Debt Obligations

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations, as of June 30, 2011:

	Less than 1 year	1 to 3 years	4 to 5 years	Thereafter	Total
Lease obligations	$ 365,459	$ 1,354,712	$ 929,898	$ 40,880	$ 2,690,949
Accounts payable and accrued liabilities	495,931	–	–	–	495,931
Agreements payable	390,000	970,000	70,000	30,000	1,460,000
Promissory note[1]	–	7,678,500	–	–	7,678,500
	$ 1,251,390	$ 10,003,212	$ 999,898	$ 70,880	$ 12,325,380

[1]As the promissory note is convertible into common shares it may not result in a cash outflow. See Notes 8 and 9 of the Company's June 30, 2011 financial statements as filed on SEDAR as of the date of this MD&A.

Management Services Contracts and Employment Contracts

During March 2011, the Company provided written notice to each of three consultants under certain management services agreements and an employment agreement that it does not wish to renew any of such agreements. As a result, three management services agreements and one employment agreement expired as of April 30, 2011. Two management services agreements and one employment agreement were entered into during April 2011. The agreements require the Company to pay fees totaling approximately $48,000 per month. The agreements automatically renew annually for an additional year unless terminated by the Company at least 90 days prior to each agreement's anniversary.

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

LEGAL MATTERS

The Company is subject from time to time to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of these proceedings and claims cannot be predicted with certainty, the Company's management does not believe that the outcome of any of these legal matters will have a material adverse affect on its consolidated financial position, results of operations or cash flows.

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

Other than the financing arrangements with Synatom discussed in the section entitled "Financing, Liquidity and Capital Resources" and Notes 8 and 11 in the Company's June 30, 2011 financial statements as filed on SEDAR as of the date of this MD&A, during the three and six months ended June 30, 2011 and 2010, the Company entered into the following transactions with directors and officers of the Company or with companies with directors and officers in common:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Director fees	$ 15,372	$ 8,762	$ 26,018	$ 17,407
Management and consulting fees	106,654	145,831	257,700	290,645
	$ 122,026	$ 154,593	$ 283,718	$ 308,052

As of June 30, 2011, the Company had not prepaid any management and consulting fees. As of June 30, 2010, the Company had prepaid $45,800 of management and consulting fees related to July 2010 services. As of December 31, 2010, the Company had prepaid $46,500 of management and consulting fees related to January 2011 services.

At June 30, 2011, December 31, 2010 and January 1, 2010, the amount of prepaid expenses capitalized to resource properties was $nil, $10,000 and $10,000, respectively.

At June 30, 2011, December 31, 2010 and January 1, 2010, the Company advanced $nil, $nil and $40,000 respectively for travel of one of the directors of the Company.

As of June 30, 2011, December 31, 2010 and January 1, 2010, the Company had an accrued liability of $10,678, $4,500 and $1,500 respectively to its directors for services rendered but not yet paid.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year-ending December 31, 2011 and have been applied consistently to all periods presented in these condensed financial statements and in preparing the opening IFRS balance sheet at January 1, 2010 for the purposes of the transition to IFRS, unless otherwise noted.

Basis of Measurement

The condensed interim financial statements have been prepared on a historical cost basis and are presented in US dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are discussed below.

Significant accounting judgments and estimates

The preparation of these condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the condensed interim statement of financial position;
- the estimated useful lives of property, plant and equipment which are included in the condensed consolidated interim statement of financial position and the related depreciation included in the statement of comprehensive loss;
- the inputs used in accounting for share purchase option expense in the condensed interim statement of comprehensive loss;
- the inputs used in determining the net present value of the liabilities for asset retirement obligations included in the condensed consolidated interim statement of financial position; and
- the inputs used in determining the various commitments and contingencies accrued in the condensed consolidated interim statement of financial position.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and guaranteed investment certificates. These investments are easily convertible to known amounts of cash, are subject to insignificant risk of change in value, and have maturities of three months or less when purchased. Cash and cash equivalents are classified as held for trading and carried at fair value. For cash flow presentation purposes, cash and cash equivalents includes bank overdrafts.

Restricted Cash

Restricted cash consists of deposits held for collateral pursuant to bonds provided to State authorities in connection with mineral property activities as well as the balance of $26,500 in restricted funds that is used to secure corporate credit card.

Asset Retirement Obligations

The Company is subject to various government laws and regulations relating to environmental disturbances cause the exploration and evaluation activities. The Company records the present value for the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The Company has determined that there are no additional asset retirement obligations at December 31, 2010 as the Company has secured such estimated costs with the State agencies in which its activities are located.

Mineral Properties

Pre-exploration costs are expensed in the period in which they occur.

Exploration and evaluation expenditures are capitalized in the period in which they occur once the legal right to explore a property has been acquired. This includes any acquisition costs associated with such property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, contractor payments, land payments, claims maintenance and certain employee costs. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may, at its discretion, enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transfee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Any such impairment charges will be written off to the statement of comprehensive loss.

Once the technical feasibility and commercial viability of extracting the resource has been determined, the property will be considered a mine under development and will be classified as “mines under construction.” Exploration and evaluation assets will also be tested for impairment at this point prior to transferring the assets to development properties.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Building and Equipment

On initial recognition, building and equipment (“B&E”) are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability, as anticipated, is recognized within provisions.

B&E is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

When parts of an item of B&E have different useful lives, they are accounted for as separate items (major components) of B&E.

The cost of replacing part of an item of B&E is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost ban be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of B&E are recognized in profit and loss as incurred.

Depreciation 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. Depreciation is recorded using the straight-line method over a 40 year useful life for buildings. Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted as appropriate.

Stock-Based Compensation

When equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in net loss over the vesting period, described as the period during which all vesting conditions are to be satisfied.

When equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in net loss, unless they are related to the issuance of common shares. Amounts related to the issuance of common shares are recorded as a reduction of share capital. When the value of goods and services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted based on management's best estimate, for the effects of transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, common shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where the grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

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 8 for discussion of the Company's stock option plan.

See the section entitled "Share Capital" for discussion of the Company's stock option plan and Note 8 of the Company's June 30, 2011 financial statements as filed on SEDAR as of the date of this MD&A.

Impairment of Long-lived Assets

Long-lived assets and intangibles held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company considers each project and/or prospect to be a cash-generating unit separate from the other projects and/or prospects.

Impairment charges are recorded in net loss in the period in which the evaluation was completed.

During June 2011, the Company chose not to exercise certain option payments related to its Centennial Project. As a result, the Company wrote-off all historical charges associated with the option agreements in the amount of approximately $2,300,000.

During 2010, the Company chose not to continue its annual claims maintenance fees for certain claims as those claims are not deemed valuable at this time to the Company's projects. As a result, the Company wrote-off all historical charges associated with these claims. The Company has also taken impairment charges related to its prospects that it has chosen to abandon as of December 31, 2010. Total impairment charges as of December 31, 2010 are approximately $403,000.

During transition to IFRS, the Company performed an initial impairment assessment on its long-lived assets as of the transition date and reviewed its impairment charges for the year ended December 31, 2010. This assessment/review concluded that there was no impairment as of the transition date and no changes to impairment charges taken during the year ended December 31, 2010.

Income Taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantially enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for certain temporary differences. Recognition of deferred tax assets for unused tax losses, tax credits and deductable temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. Annually, the Company reasseses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The Company evaluated its tax position at the transition date and December 31, 2010 for any changes from GAAP to IFRS. No material differences were noted during this evaluation.

Basic and Diluted Income Per Common Share

Basic income per common share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted income per common share reflect the potential dilution that could occur if potentially dilutive securities, such as convertible debt obligations, warrants, and the vested portion of stock options outstanding, were exercised or converted to common stock only to the extent that they are not antidilutive.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial asset or financial liability. The Company's common shares, preferred shares and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new share or options are shown in equity as a deduction from the proceeds.

Foreign Currency Translation

The Company's functional currency is US dollars. At the transaction date, each asset, liability, revenue and expense dominated in a foreign currency is translated to US dollars by the use of the exchange rate in effect at that date. Non-monetary assets and liabilities that are measured at historical cost are translated into US dollars by using the exchange rate in effect at the date of initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into US dollars by using the exchange rate at the date the value is determined and the related translation difference s are recognized in net loss.

Financial Instruments

Financial assets and financial liabilities, including derivatives, are measured at fair value on initial recognition and recorded on the balance sheet. Measurement in subsequent periods depends on whether the financial instrument has been classified as fair valued, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities.

Financial assets and liabilities fair valued are measured at fair value with changes in those fair values recognized in net income. Financial assets and financial liabilities considered held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost. Derivative instruments, including embedded derivatives, are measured at fair value with any changes in the fair values of derivative instruments being recognized in profit and loss with the exception of derivatives designated as effective cash flow hedges. The Company has no such designated hedges. The disclosure of the Company financial instruments is further described in Note 14 of the March 31, 2011 interim financial statements filed as of the date of this MD&A.

Financial instruments recorded at fair value on the condensed statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Receivables, deposits and prepaid expenses are classified as loans and receivables. Accounts payable and accrued liabilities, current portion of long-term debt, agreements payable and convertible promissory note payable are classified as other financial liabilities and are measured at amortized cost.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Derivative Financial Instruments

The Company may issue compound financial instruments with embedded derivatives components to manage certain risks. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is measured at fair value through profit and loss. The difference between the fair value of the total compound instrument and the fair value of the embedded derivative is assigned to the host contract. The host contact is accounted for at amortized cost. The embedded derivative is fair valued each reporting period with changes in the fair value being recognized immediately in earnings.

Future accounting changes

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board (“IASB”) or Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC’) that are mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has early adopted the amendments to IFRS 1 which replaces references to a fixed date of “January 1, 2004” with “the date of transition to IFRS.” This eliminates the need for the Company to restate derecognition transactions that occurred before the date of transition to IFRS. The amendment is effective for year-ends beginning on or after July 1, 2011. The impact of the amendment and early adoption is that the Company only applies IAS 39 derecognition requirements to transactions that occurred after the date of transition.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will or may have an effect on the Company's future results and financial position:

IFRS 9 "Financial Instruments": IFRS 9 is part of the IASB's wider project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2013. The Company is in the process of evaluating the impact of the new standard on its financial position.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will not have an effect on the Company's future results and financial position:

- IFRS 1 "Severe Hyperinflation" (effective for periods beginning on or after July 1, 2011)
- IAS 12 "Deferred Tax: Recovery of Underlying Assets" (effective for periods beginning on or after January 1, 2012)
- IFRS 10, "Consolidated Financial Statements", establishing principles for the presentation and preparation of consolidated financial statements (effective for periods beginning on or after January 1, 2013)
- IFRS 11, "Joint Arrangements", which sets out principles for the financial reporting of joint arrangements (effective for periods beginning on or after January 1, 2013)
- IFRS 13, "Fair Value Measurement", which establishes the principles to define, measure and disclose fair values (effective for periods beginning on or after January 1, 2013)
- IFRS 12, "Disclosure of Interests in Other Entities", to address an interest in a subsidiary, a joint arrangement, as associate or an unconsolidated structured entity (effective for periods beginning on or after January 1, 2013)

INTERNATIONAL FINANCIAL REPORTING STANDARDS FIRST-TIME ADOPTION

Statement of Compliance

The condensed interim financial statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the IASB and IFRIC. IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

These are the Company's first IFRS condensed interim financial statements for part of the period covered by the Company's first IFRS c condensed annual financial statements for the year ending December 31, 2011. Previously, the Company prepared its condensed annual and condensed interim financial statements in accordance with GAAP. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group are provided in Note 4. This note includes reconciliations of equity and profit or loss for comparative periods reported under Canadian GAAP to those reported for those periods under IFRS.

As these are the Company's first set of condensed interim financial statements in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2010 annual consolidated financial statements prepared in accordance with Canadian GAAP. In 2012 and beyond, the Company may not provide the same amount of disclosure in the Company's interim condensed financial statements under IFRS as the reader will be able rely on the annual consolidated financial statements which will be prepared in accordance with IFRS.

The condensed interim financial statements should be read in conjunction with the Company's 2010 annual financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company which is provided in Note 4 of the interim financial statements as filed as od the date of this MD&A.

First-time Adoption

The Company has adopted IFRS for the year ended December 31, 2011, with a transition date of January 1, 2010. Under IFRS 1 "First-time Adoption of International Financial Reporting Standards", the IFRS are applied retrospectively at the

transition date with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The Company applied the following optional and mandatory exemptions:

Business combinations: The Company elected not to retrospectively apply IFFRS 3: Business Combinations to any business combinations that may have occurred prior to its transition date and such business combinations have not been restated.

Share-based payment transactions: The Company has elected not to retrospectively apply IFRS 2: Share-based Payment to equity instruments that were granted and had vested prior to the transition date. As a result of applying this exemption, the Company applied the provisions of IFRS 2 only to all outstanding equity instruments that were unvested as of the transition date.

Leases: The Company elects to determine whether an arrangement existing as the transition date contains a lease on the basis of facts and circumstances at that date.

Cumulative translation adjustments: The Company elected to reset all cumulative translation differences to zero as of the transition date. This election was applied to all foreign operations as of the transition date.

Compound financial instruments: The Company elected not to retrospectively separate the liability and equity components of compound financial instruments for which the liability component is no longer outstanding as of the transition date.

Borrowing costs: The Company elected to apply the transitional provisions of IAS 23 Borrowing Costs which permits prospective capitalization of borrowing costs on qualifying assets from the transition date.

Estimates: The estimates previously made by the Company under GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, the Company has not used hindsight to revise estimates.

IFRS employs a conceptual framework that is similar to Canadian GAAP. While the adoption of IFRS has not changed the actual cash flows of the Company, the adoption has resulted in significant changes to the reported financial position and results of operations of the Company.

SHARE CAPITAL

Authorized Common Shares:

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:

	Number	Amount	Contributed Surplus
Balance, January 1, 2010	55,429,022	$ 50,831,518	$ 6,817,117
Stock-based compensation	–	–	38,840
Balance, December 31, 2010	55,429,022	$ 50,831,518	$ 6,855,957
Share issuance [(a)]	47,872,340	23,105,250	–
Share issue costs	–	(1,626,094)	–
Agent's warrants	–	(360,619)	360,619
Stock-based compensation	–	–	8,100
Balance, June 30, 2011 and July 29, 2011	103,301,362	$ 71,950,055	$ 7,224,676

[(a)] On March 15, 2011, the Company completed a public offering of 47,872,340 units (the "Units") at a price of $0.48 (CAD$0.47) per Unit to raise gross proceeds of $23,105,250 (CAD$22,500,000) pursuant to a short form prospectus dated March 2, 2011 (the "Offering"). Each unit comprised of one common share and one-half share purchase warrant. On the same day, the Company closed its refinancing transaction (the

"Refinancing Transaction") with Synatom, which was approved by Powertech's shareholders at a special meeting held on March 14, 2011. The closings of each of the Offering and the Refinancing Transaction were mutually conditional on the closing of the other. See Financing, Liquidity and Capital Resources, above and Note 8 of the Company's March 31, 2011 financial statements as filed on SEDAR as of the date of this MD&A for a complete discussion of these transactions.

Share Purchase Warrants:

At June 30, 2011 and July 29, 2011, there were 27,047,872 share purchase warrants outstanding. For a discussion of the issuance of the warrants, see Closing of Offering section above.

Changes in share purchase warrants for the six months ended June 30, 2011 are as follows:

Expiration Date	Exercise Price (CAD)	Outstanding at December 31, 2010	Issued during the period	Expired during the period	Outstanding at June 30, 2011
March 15, 2013	$0.60	–	23,936,170	–	23,936,170
March 15, 2013	$0.47	–	3,111,702	–	3,111,702
Totals		–	27,047,872	–	27,047,872

Convertible Debt Obligations:

The convertible debt obligations are discussed in Financing, Liquidity and Capital Resources, above and Note 8 of the Company's March 31, 2011 financial statements as filed on SEDAR as of the date of this MD&A.

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 acquire an aggregate fixed number of 9,885,804 common shares which was equal to 20% of the issued and outstanding common shares of the Company at the date of the adoption of the Plan. 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 such options are granted. Options granted under the Plan have a maximum life of five years. The Company's 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 the respective grant date.

During May 2011, the Company's shareholders approved a 2011 Stock Option Plan (the"2011 Plan"), effective April 2011, under which it is authorized to grant share purchase options to directors, employees, contractors or consultants of the Company. The Company is permitted to grant options under the Plan equal to 10% of the issued and outstanding common shares of the Company until the 10th anniversary of the effective date of the 2011 Plan. 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 such options are granted. The Company's Board of Directors specifies a vesting period and expiry on a grant-by-grant basis.

At June 30, 2011 and July 29, 2011, there are 4,475,000 and 4,275,000, respectively, options outstanding entitling the holders thereof to purchase one common share for each option held. Share options are as follows:

Expiration Date	Exercise Price (CAD)	Outstanding at December 31, 2010	Granted during period	Exercised during period	Expired during period	Outstanding at March 31, 2010
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
February 15, 2012	$3.00	400,000	–	–	–	400,000
May 14, 2012	$3.20	125,000	–	–	–	125,000
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		7,500,000	–	–	(3,025,000)	4,475,000

Subsequent to June 30, 2011, 200,000 options expired, unexercised.

As of June 30, 2011 and July 29, 2011, 4,435,000 and 4,235,000 options have vested and are exercisable, respectively. As of June 30, 2011, the weighted average life of the stock options outstanding was 1.43 years with a weighted average exercise price of the stock options outstanding of CAD$1.64. As of July 29, 2011, the weighted average life of the stock options outstanding was 1.41 years with a weighted average exercise price of the stock options outstanding of CAD$1.65.

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 Company's Board of Directors. The financial statements were prepared by the Company's management in accordance with IFRS. 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 as of June 30, 2011. This evaluation was performed by the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") with the assistance of other employees to the extent necessary and appropriate. Based on this evaluation, the CEO and CFO concluded that the design and operation of the Company's disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

The Company maintains internal control over financial reporting which has 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. The Company evaluated its internal control over financial reporting as of December 31, 2010. The evaluation was performed by the CEO and the CFO with the assistance of other employees to the extent necessary and appropriate. Based on this evaluation, the CEO and the CFO, concluded the Company's internal control over financial reporting was effective.

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

OTHER INFORMATION

This discussion and analysis of the financial position and results of operation as of July 29, 2011 should be read in conjunction with the unaudited condensed financial statements for the three and six months ended June 30, 2011. Additional information relating to the Company, including the Company's Annual Information Form, can be accessed at the Company's website www.powertechuranium.com or through the Company's public filings on SEDAR at 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.