

Summary (Item 3)

The Centennial Project is an advanced-stage uranium exploration project located in northern Colorado, controlled 100% by Powertech Uranium Corp. (Powertech). Powertech conducted confirmatory drilling to verify the results of extensive historical drilling, established current Indicated and Inferred classified resources, and conducted hydrogeologic tests to evaluate the project as an in situ recovery (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 in Nebraska and Wyoming. Lyntek, Inc. (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.

The uranium mineralization of the Centennial Project is comprised of “roll-front” type uranium mineralization hosted in sandstone stratigraphic horizons of the Fox Hills Sandstone that is amenable to ISR technology. Several deposits are located along the reduction-oxidation boundary that trends generally north-south. The combined Centennial deposits contain Indicated resources totaling 6.87 million tons @ 0.09% eU₃O₈ for 10.4 million contained pounds U₃O₈, and an additional Inferred resource of 1.36 million tons @ 0.09% eU₃O₈ for 2.3 million contained pounds U₃O₈, at a 0.2GT (grade-thickness product) cut-off.

The proposed ISR project envisions a 700,000 pounds per year U₃O₈ production rate and a 75% ultimate recovery; generating a 14 year mine life. The base case economic analysis results indicate a pre-tax Net Present Value (NPV) of US dollars (USD) 51.8million at an 8% discount rate with an Internal Rate of Return (IRR) of 18%. Phase I (initial) capital costs are estimated at USD71.1million and Life of Mine operating unit costs of USD34.95/lb U₃O₈. The Centennial Uranium ISR project is sufficiently attractive from a technical and economic perspective that it justifies further work by Powertech toward completion of project permitting, and further definition of hydrogeological characteristics that would allow for ISR production parameters.

Property Description and Location

The Centennial Project is located in west central Weld County, in north central Colorado; about 13 miles south of the Colorado-Wyoming state line. Property access includes major U.S. Highways and numerous state and county roads that follow land subdivision lines. Interstate Highway 25 between Denver, Colorado and Cheyenne, Wyoming is approximately 4 miles west of the project. The project lies within portions of Townships 8, 9 and 10 North, Range 67 West, approximately 14 miles northeast of the city of Fort Collins and 16 miles northwest of Greeley.

Ownership

Originally, the Centennial Project consisted of private mineral rights totaling 6,880 acres. This total included 5,760 acres (nine sections) of mineral rights purchased by Powertech from Anadarko. The Anadarko mineral rights were originally part of the Union Pacific Railroad land grant, which was comprised of alternate sections (checkerboard pattern) for 20 miles on both sides of the railroad right-of-way. Anadarko retained mineral rights pertaining to oil and gas and leasable minerals.

Powertech's land position has steadily increased. In July 2009, Powertech entered into two option agreements for the purchase of an aggregate of 3,585 acres of land, together with the associated water, mineral and lease interests. Powertech entered into an option agreement with M.J. Diehl & Sons, Inc. and Howard Diehl and Donna Diehl (collectively, Diehl) to purchase approximately 2,160 acres of land. Pursuant to the option agreement, the Company has 24 months to exercise the option. During the term of the option, the Company is permitted to access the property for the purposes of pumping, testing, monitoring and sampling water. An option agreement was also established with Thomas Varra and Dianna Varra (collectively, Varra) for the purchase of approximately 1,425 acres of land. The option agreement is for a term of 12 months but can be extended for two 12-month periods. Powertech's gross mineral rights in the area include 9,615 acres, while its surface use acreage increased to 7,262 acres. The addition of the surface use acreage provides Powertech access to its privately owned minerals, as well as enabling it to conduct drilling, pump testing, mine planning, and support operational facility design.

Geology and Mineralization

The uranium deposits in the Centennial Project are classic roll front type deposits occurring in subsurface sandstones deposited in shallow marine regressive and transgressive sequences within the Fox Hills Sandstone of late-Cretaceous age. The uranium roll fronts in the Centennial area are associated with oxidation/reduction interfaces and are known to cover a linear distance of at least 30 miles, extending throughout an area of more than 50 square miles. Maps prepared by a prior property owner, Rocky Mountain Energy Company (RME) from 1978 until 1984, indicate the regional oxidation occurs in three separate sands within the Fox Hills Sandstone and that potentially economic concentrations of uranium occur in seven distinct deposits within the Project along the oxidation/reduction boundary. Historical exploration drilling by RME defined the deposits that comprise the Centennial Project, and Powertech performed confirmatory drilling to verify the mineralization.

Exploration

Historical exploration by RME provides Powertech with a project database including data from 3,500 drillholes. The exploration drillhole data obtained consists of the original electric down hole probe log of each hole. Samples of the cuttings from each hole were collected at 5-foot intervals and the geologic description of the cuttings was recorded on lithologic logs by the project geologist. Numerous cores were taken and chemically assayed from the mineralized zones to substantiate the radiometric values determined by the electric log. RME also logged nearly 800 holes with Princeton Gamma Tech (PGT) instrumentation that conducted spectrometric down hole measurements of protactinium. Protactinium is an early radiometric decay product of uranium and historically it was determined that the presence of protactinium, due to its short half-life, can be directly related to the quantity of uranium present within the subsurface. RME drilled another 12 holes to depths of 250-400 feet on the northern portion of the project that were also probed using a PGT down hole tool. These data are also included with the Powertech database received from Anadarko. Numerous historical reports define uranium "reserves" (resources by current standards).

From August 2007 to October 2007 and from August 2008 to September 2008, Powertech completed three drilling programs, totaling 41 drillholes and 14,931 feet of drilling on the

Centennial Project. The depths of these holes ranged from 103 to 900 feet-below-surface. Geological and geophysical information was collected from all drillholes. There were 18 holes completed as water wells, 15 as rotary drillholes, and 8 as core holes.

During 2009, Powertech drilled 16 water wells and 2 additional core holes on the project for a total of 8,677 feet of drilling. These water wells are for the purpose of conducting an aquifer test to investigate the characteristics of the aquifer and the quality of groundwater in the vicinity of Powertech's initial ISR well field. As of the effective date of this report, the aquifer test has not yet been conducted.

Powertech used the historical data and Powertech drilling data to estimate resources for the Centennial Project compliant with CIM definitions sufficient for NI 43-101 reporting. Powertech first reported resources for the Centennial Project in March 2007, with a second revision in June 2009. The most recent revision of the resources was completed in an updated 43-101 technical report dated February 25, 2010 and stated in this report. The Powertech resource estimate was completed by an independent consultant, Cary Voss, and audited by SRK. The resources reported by Powertech are shown in Table ES.1 and further described in Section 15 of this report.

Table ES.1: 2010 Centennial Resources – 0.20 GT Cut-off (Voss 2010)

Classification	Tons	Average Grade (eU ₃ O ₈)	Pounds (U ₃ O ₈)
Indicated Resources	6,873,199	0.09%	10,371,571
Inferred Resources	1,364,703	0.09%	2,325,514

Proposed Development and Operations

The Centennial mineralization is located at depths of 100 to 700 feet below surface, as primarily three separate mineralized horizons, which are sinuous and narrow but extend for several miles along trend. The deposits are planned for ISR mining by development of individual well fields for each mineralized horizon. A well field will be developed as a series of injection and recovery wells, with a pattern to fit the mineralized horizon, typically a five-spot well pattern on 70 to 100 foot (ft) drillhole spacing depending on local hydrogeologic character.

The Centennial Project has two sections, the Northern project area and the Southern project area, both of which will be developed for ISR mining. The Northern deposits are located below the water table in the host formations with conditions favorable for ISR methods. Much of the mineralization in the Southern project area lies at or just above the water table, which will require a localized enhancement of the water table with a well field encircling freshwater injection fence to facilitate ISR mining methods.

A Central Processing Plant (CPP) will be constructed in the Northern project area, and a satellite facility (SF) in the Southern project area. The SF will only contain ion exchange vessels for resin loading, and the loaded resin will be hauled by truck to the CPP. The central uranium recovery and processing plant is planned to produce uranium as "yellowcake".

Total recovery of uranium from the mineral deposits is projected at 75%. This value is an estimate based on similar existing operations in Powertech's experience profile. Leaching studies were conducted in a lab setting to support this estimate of recovery. Therefore, the overall potential yellowcake production is estimated to be 9.52 million pounds U₃O₈. Considering the

well field development and production schedule, the life of mine, at a production rate of 700,000 pounds per year U_3O_8 is 14 years.

The Centennial area is well positioned for technical and support services from nearby towns and infrastructure. Major highways and a railroad line are located a few miles west of the property, and a power sub-station of the Colorado power grid is located a few miles east of the project at the community of Nunn.

Preliminary Assessment

Powertech technical and management staff have prior experience with ISR uranium mine development and operations. Therefore, Powertech 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 surface uranium recovery and processing facilities, and is a major contributor to the estimate of project costs for Centennial.

SRK completed a preliminary economic analysis for the Project. The base case economic analysis results indicate a pre-tax NPV of USD 51.8million at an 8% discount rate with an IRR of 18%. The economics are based on a USD65/lb U_3O_8 long-term uranium price and a design production rate of 700,000lbs U_3O_8 /yr. Total capital costs are estimated at USD129.3million comprised of initial capital costs of USD71.1million, and ongoing capital costs over the LoM of USD58.2million.

Table ES.2: Technical Economic Results (\$000s)

	units	Value
Net Revenue		
U ₃ O ₈ Price (\$/lb)	\$/lb-U ₃ O ₈	\$65.00
Prod.	klbs	9,523
Gross Revenue		\$000s
		618,983
Transportation		
Severance Tax	\$000s	(1,428)
Surface Royalty	\$000s	(4,928)
Mineral Royalty	\$000s	(12,380)
Property Tax	\$000s	(30,949)
Net Revenue		\$000s
		564,324
Production Costs		
Central Processing Plant	\$000s	61,919
Satellite/Well Field	\$000s	135,862
Restoration	\$000s	9,404
Decommissioning	\$000s	4,466
G&A Labor	\$000s	14,311
Corporate Overhead	\$000s	5,600
Contingency	\$000s	46,598
Production Costs		\$000s
		278,160
Gross Margin		\$000s
		286,164
Project Capital (Equity)	\$000s	(129,286)
Income Tax	\$000s	0
Free Cash Flow		\$000s
		156,878
IRR		-
		18%
Present Value		-
		51,774

This Preliminary Assessment presents a study of the potential ISR minability of the project, utilizing industry standard criteria for Scoping Level studies, which is normally at ± 35 to 40% on costing estimates. 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%.

Conclusions and Recommendations

SRK concludes the Centennial Project is a sufficiently drill-defined sandstone-hosted roll front uranium deposit to support the approximately 12.7 million pounds of in-situ uranium resource stated by Powertech and confirmed by SRK. Historical and current drilling information support the resource estimation defining several deposits of uranium mineralization on private surface and mineral lands at the Centennial Project. Continued work is justified by Powertech towards the goal of defining the potential ISR uranium recovery and production operation. Most of the basic information necessary to evaluate the conceptual development of the resources by ISR methods has been addressed at a scoping study level to assess the project's potential economic viability. SRK recommends that Powertech's 2010 aquifer testing program be completed, and the data be evaluated to better define the hydrogeologic characteristics, to progress the evaluation of the Centennial Project for ISR development.

Powertech's plan is to fully permit the Centennial Project for operations and upon receiving all permits to proceed, delineate the initial well fields, conduct detailed hydrogeologic studies of the initial well fields and aquifer enhancement in the Southern project area, and construct the processing facilities. Upon review of the detailed site-specific well field data, including additional resource definition and hydrogeologic data, Powertech plans to design, construct, and operate their well fields. SRK recommends that Powertech continue the ongoing process of project permitting and hydrogeologic data collection, advancing towards project development and production.

To achieve initial well field construction, Powertech will require capital expenditures of USD71.1million over a 1-year period (initial project capital), as a recommended Phase I program and budget. A Phase II program and budget will be the annual capital and operating costs required to operate the project for the life-of-mine, net of revenue, which is variable from year to year – the project will be self-funding after Year 1.