

## Powertech Uranium Corp.

(PWE-V: \$2.36)

### Advanced Developer Due for Re-Rating

Stock Rating: BUY

Sector View: Positive

Target: \$4.50

June 27, 2007

- ▶ **Summary:** Powertech is a relatively unknown uranium developer with two quality In Situ Recovery (ISR) uranium projects in the U.S. being advanced by an experienced team. We submit the company is due for a re-rating over the next six to 12 months as it progresses its projects into the permitting phase.
- ▶ **Strategy:** Focused on in situ recovery uranium projects in the U.S., Powertech has leveraged its extensive market knowledge to acquire known deposits with a view to achieving production in the shortest possible timeframe.
- ▶ **Valuation:** On a DCF basis, Powertech trades at a significant discount to our NAV. The company also ranks at the low end of its peer comparables on a market cap to advanced resource basis. Exploration success and new project acquisition offer further upside potential.
- ▶ **Projects:** Both of Powertech's main projects — Dewey–Burdock (South Dakota) and Centennial (Colorado) — were explored extensively in the previous cycle, including by members of Powertech's senior management team. Together, these projects have a combined inferred resource of 17.3 million pounds with production capacity of 1.5–2 million pounds per year, beginning in 2010.
- ▶ **People:** This team boasts some of the most experienced in situ explorers, developers and miners in the uranium sector. Among them, they have worked on more than a dozen in situ projects worldwide, a remarkable track record for a junior.
- ▶ We are initiating coverage of Powertech with a BUY rating and a one year target of \$4.50, representing a potential return of 91%.

Fiscal Year End		31-Mar
Current Price	27-Jun-07	\$2.36
52-week Range		\$4.50 - \$1.20
30-Day Average Volume		176.1
Basic Shares O/S (MM)		49.3
Options (MM)		4.3
Warrants (MM)		0.0
F.D. Shares O/S (MM)*		53.6
Market Capitalization (MM)		\$116.3
Dilution Cash (MM)		\$5.7
Float (MM)		\$81.4
Long Term Debt (MM)		\$0.0
Working Capital (MM)		\$14.5
Adjusted Market Cap. (MM)*		\$101.8
One-Year Target		\$4.50
Total Potential Return		91%
<b>Major Shareholders</b>		
Management and Directors		6.0%
David W. Tice & Associates		1.0%
<b>Forecasts &amp; Valuation</b>		
Asset Value/Share		\$3.40
Corporate NAV/Share		\$1.05
Target NAV		\$4.45
P/NAV		0.45x

\* Adjusted Market Cap. = Market Cap - Working Capital + Long-term Debt

Sources: Company Reports, Westwind Partners

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(All figures in C\$, unless otherwise noted.)

*See important disclosures on page 16 and inside back cover of this report.*

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Source: FactSet



## Executive Summary

Powertech boasts two high-quality projects with an extensive history of exploration and resource development. Both projects have the potential to be in production by 2010, with a combined capacity of about two million pounds  $U_3O_8$  per annum. Powertech is advancing both projects toward the permitting stage and has assembled a broad team of experts in “in situ” resource and mine development, environmental, health and safety management, as well as permitting and land management.

Powertech’s recent stream of press releases (Exhibit 1) has failed to generate significant excitement in the market. However, we would argue that these releases demonstrate that Powertech is on its way toward becoming a uranium producer. Investors should look for the company to be revalued as an advanced developer over the next six to 12 months.

### Exhibit 1: Recent Powertech Press Releases

Date	Headline
15-Jun-07	Appoints James Carter to Board of Directors
24-May-07	Completes NI 43-101 Compliant Resource Estimate On Centennial Project
22-May-07	Appoints Project Managers
17-May-07	Drilling Update
2-May-07	Meets with Nuclear Regulatory Commission
19-Apr-07	Retains R Squared Incorporated for Centennial Project Permitting

Source: Company Reports

The Centennial project in Colorado hosts an inferred resource of 9.7 million pounds of  $U_3O_8$  with good expansion potential. Based on a slightly preferential permitting regime, this project could start before the Dewey–Burdock project in South Dakota with an inferred resource of 7.6 million pounds  $U_3O_8$ . Upside potential at Dewey–Burdock is also strong and Powertech has been permitted for a 155-hole infill and exploration drill program, which is under way. The company also has less-advanced exploration projects in Wyoming — Dewey–Terrace and Aladdin — as well as several prospects also in Wyoming and New Mexico.

To value Powertech, we have developed DCF models for the Dewey–Burdock and Centennial projects. Using our uranium price deck, the company’s first production in 2010 receives an average price of US\$70 per pound  $U_3O_8$ . The average realized uranium price over the life of mine in our model is US\$55 per pound  $U_3O_8$ . The potential for Powertech to achieve higher prices in its first several years of production is positive and the projects exhibit high leverage to price changes. Even using a relatively conservative uranium price deck, the company trades at a significant discount to its NAV and its peer group. We believe this will change over the next six to 12 months and suggest investors become familiar with this company now.



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## Strategy

Since completing its change of business to a uranium explorer and developer in 2006, Powertech has advanced considerably in a short amount of time. We credit this to the company's focus on the core components of its strategy:

- ▶ **In Situ Recovery (ISR):** In situ recovery of uranium is a relatively unknown but proven method for extracting uranium worldwide. In 2006, approximately 22% of the world's uranium was produced through in situ recovery, including almost all production from the U.S. ISR uranium mining represents a core competency for Powertech, with senior management having built or been involved with more than a dozen in situ projects around the world. This processing method also enables the company to reach production in a relatively short timeframe and at low capital and operating costs.
- ▶ **U.S.-Based Projects:** In the U.S., in situ uranium mining represents a proven and understood mining method by regulators and permitting agencies. This, combined with senior management's vast experience in the country, makes it an ideal place for the company to operate. With the U.S. boasting the largest fleet of nuclear power plants in the world, customers are close and are often willing to pay a premium for a stable source of domestic production.
- ▶ **Known Deposits:** Powertech is not in the business of taking on grassroots projects and hoping to find an ore body. Management knows where the best projects are based on its work in the last cycle. The team has extensive working knowledge of the Dewey–Burdock and Centennial projects, both of which have long histories of exploration, including some production.
- ▶ **Near-Term Production:** Powertech is focused on generating cash flow as soon as possible to capture the current strength in the market. This makes the company attractive to investors, potential suitors and utility customers.
- ▶ **Top People:** The company has attracted and retained a broad team of experts in all aspects of exploration, production development, permitting and operation. Where the company does not have in-house expertise, qualified consultant organizations have been retained.
- ▶ **Accelerate the Permitting Process:** As with any uranium development project, the biggest bottleneck is permitting. Powertech intends to submit permit applications on its two key projects as soon as possible and has already begun the consultation process with the relevant permitting agencies to ensure any potential snags in the process are identified up-front.

With two projects entering the permitting process, Powertech is actively looking for a third advanced asset that it can develop. The company is evaluating new opportunities on an ongoing basis and we expect it to play a role in the continued consolidation of the uranium sector over the next 12–18 months.

## Valuation

We are initiating coverage of Powertech Uranium with a one-year target price of \$4.50, which is derived from DCF analysis of the Dewey–Burdock (\$79.7 million) and Centennial (\$96.7 million) projects (Exhibit 2). Our total NAV for the company, including corporate adjustments, is \$263.9 million, or \$4.45 per diluted share. We are setting our initial target at 1.0x the NAV.

Further upside beyond our target could come from:

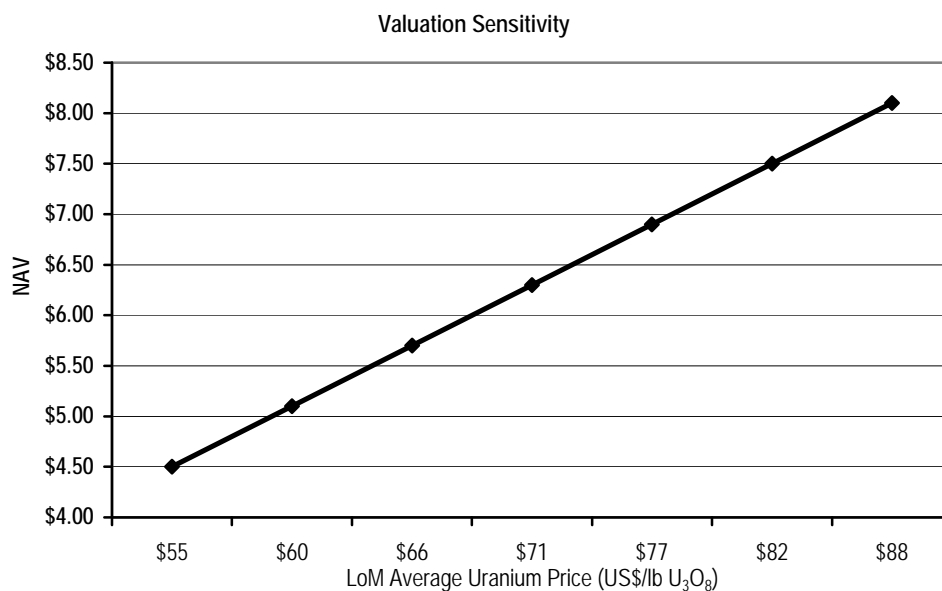
- ▶ Resource expansion success at either project.
- ▶ Discount rate reduction based on project and permitting advancement.
- ▶ Forward or long-term uranium price increases.
- ▶ New project acquisition or advancement of secondary projects.

### Exhibit 2: Valuation Summary

Development Assets	Interest	Method	Discount Rate	Attributable	
				Asset Value (\$MM)	Asset Value / Share
Dewey-Burdock	100%	DCF	12%	\$79.7	\$1.34
Centennial	100%	DCF	12%	\$96.7	\$1.63
<b>Exploration Projects</b>				\$25.0	\$0.42
<b>Total Asset Value</b>				\$201.4	\$3.40
<b>Corporate Adjustments</b>					
Proforma Working Capital*				\$62.5	\$1.05
Debt				\$0.0	\$0.00
<b>Total Corporate Adjustments</b>				\$62.5	\$1.05
<b>Total NAV</b>				\$263.9	\$4.45
<b>Multiple to NAV</b>					1.00x
<b>Target per Share</b>					<b>\$4.50</b>

Basic Shares O/S	49.3
Diluted Shares for Valuation*	59.3
Proforma F.D. Shares*	63.6

\*Assumes issuance of 10 MM shares as part of an expected \$40 MM offering in the next 12 months.



Sources: Company Reports, Westwind Partners

For the Centennial project, we assume it will yield a minimum of 11.4 million pounds of  $U_3O_8$  over an 11-year mine life. This is based on ISR mineralization grading 0.09% and average annual production of about 0.9 million pounds. At Dewey–Burdock, we estimate an eight-year mine life at an annual production rate of 1.0 million pounds for cumulative life-of-mine production of 7.9 million pounds at a grade of 0.2%  $U_3O_8$ . For both projects, we have modeled a 25% increase to the current resource, based on the exploration potential we witnessed during our site visits. Further upside should also be possible based on prospects within the current land position and from potential adjacent property acquisitions. Recoveries at both projects are estimated at 85%, which is in line with other in situ projects that we have reviewed. We have estimated the combined capital costs at US\$40 million, which includes well field development and the capital for a remote processing facility. It is envisioned that production from each project will be shipped as loaded resin to this central processing facility, the location of which is yet undecided but will likely be midway between the projects in Wyoming. The main components of our operating cost estimate of US\$27.50 per pound are labour, reagents, power, resin transport and processing.

### Exhibit 3: Dewey Burdock and Centennial DCF Model Summaries

	Dewey Burdock ISR South Dakota	Centennial ISR Colorado
<b>Modeled Tonnage</b>		
Mineable Tonnes (MM)	2.0	6.5
Head Grade ( $U_3O_8$ )	0.21%	0.09%
Recovery	85%	85%
Cumulative Production (MM lb)	7.9	11.4
<b>Operating Summary</b>		
Throughput (tpd)*	710	1,430
Throughput (tpa)*	250,000	500,000
Minelife (Years)	8.0	13.0
Annual Production (MM lbs $U_3O_8$ )	1.0	0.9
<b>Financial Summary</b>		
Average $U_3O_8$ Price (US\$/lb)	\$55.7	\$54.4
LoM Revenue (US\$)	\$439	\$623
Capital Cost (US\$MM)	\$15	\$25
Total Cumulative Opex LoM (US\$MM)	\$216	\$315
Opex per Pound (US\$)	\$27.5	\$27.5
Total LoM After-tax Cash Flow (US\$MM)	\$144	\$202

\*Equivalent tonnage to be treated by in situ recovery.

Source: Westwind Partners

Powertech currently trades at a discount to its peers on an adjusted market cap (AMC) per pound of advanced uranium resource basis. Exhibit 4 includes uranium developers and producers with similarly advanced projects in the U.S. We have listed each company's total uranium resource and segmented out the "advanced" resources, meaning those associated with projects that could see production within the next three to five years. This table shows how valuations are being adjusted to reflect those pounds that are viewed as mineable, while the market gives less value to total "pounds in the ground." The three lowest AMC/per total resource valuations belong to Energy Metals Corporation (EMC-T; not covered), Ur-Energy (URE-T; not covered) and Strathmore Minerals (STM-V; not covered). Each has a large total resource and is trading at or below \$5 per total resource pound. However, when we measure only the advanced/mineable resource, the value per pound changes dramatically, ranging from \$16 per pound to as much as \$30 per pound. Powertech's total resource of 17.3 million pounds is contained at its two advanced projects. At \$5.89 per pound, there is room for significant appreciation in Powertech's valuation as the market recognizes the advanced nature of these projects. We expect this to happen in the next six to 12 months as the company enters the permitting process for both projects.

## Exhibit 4: Comparable U.S. Uranium Producers/Developers

Company	Symbol	Adjusted Market Cap.* (MM)	Total Resources** (MM lb U <sub>3</sub> O <sub>8</sub> )	AMC per Total Advanced Resource Projects	Advanced Resources (MM lb U <sub>3</sub> O <sub>8</sub> )	AMC per Advanced Resource
Energy Metals Corp.	EMC	\$1,193.6	242.0	\$4.93	La Palangana, Powder River Basin, Great Divide	\$21.78
Uranium Resources Inc.	URRE	\$583.1	64.0	\$9.11	Vasquez, Kingsville, Churchrock	\$50.70
Strathmore Minerals Corp.	STM	\$281.3	158.3	\$1.78	Gas Hills, Sky	\$29.93
Ur-Energy Inc.	URE	\$402.0	88.3	\$4.55	Lost Soldier, Lost Creek	\$16.14
Uranium Energy Corp.	URME	\$148.7	12.9	\$11.53	Goliad, Nicols	\$23.23
Energy Fuels Inc.	EFR	\$98.8	1.7	\$59.16	Whirlwind, Energy Queen, Tenderfoot Mesa	\$65.86
Uranium Power Corp.	UPC	\$75.2	12.8	\$5.86	Sheep Mountain	\$6.77
			Median	\$5.86		\$23.23
			Mean (excluding Min and Max)	\$7.20		\$28.36
<b>Powertech Uranium Corp.</b>	<b>PWE</b>	<b>\$101.8</b>	<b>17.3</b>	<b>\$5.89</b>	<b>Dewey-Burdock, Centennial</b>	<b>\$5.89</b>

\* Adjusted Market Cap. = Market Cap - Working Capital + Long -term Debt

Note: Westwind does not cover any of these stocks.

Sources: Company Reports, Factset, Westwind Partners

## Company History

Powertech predecessor company, Powertech Industries Inc. (PWE.H) announced its intention to enter the uranium exploration and development business on August 5, 2005 through the acquisition of Denver Uranium Corp. ("DUC") which included a package of uranium property leases known as the Dewey-Burdock Property. On May 12, 2006 that transaction was completed in conjunction with a \$12 million private placement financing (Exhibit 5). On June 2, 2006 the company changed its name to Powertech Uranium Corp. The acquisition of the company's second main asset was complete on October 3, 2006 when the Centennial Project was purchased from Anadarko Land Corp., an affiliate of Anadarko Petroleum Corporation (Anadarko-NYSE-APC, not covered).

## Exhibit 5: Recent Financings

Date	Proceeds (MM)	Common Shares Issued (MM)	Price	Warrants Issued	Strike Price (C\$)
11-May-06	\$12.0	12.0	\$1.00	6.0	\$1.30

Source: Company Reports

## Projects

*Powertech's portfolio of uranium projects in the U.S. is built around two high-quality assets that were actively explored and evaluated for mining potential during the last uranium cycle. Each should enter the permitting process this year and each has good potential to reach production by 2010.*

### Exhibit 6: Project Location Map



Source: Company Reports

## Dewey–Burdock (100%) — South Dakota

### Overview

Dewey–Burdock was the first project acquired by Powertech and it is clear why. Based on management's extensive knowledge of the project and the long history of uranium exploration and mining, the company has been able to outline a high-grade resource within a short time. Exploration potential is also good, with several roll fronts identified that have never been drilled. We believe the local community is favourable toward mine development, outside of a handful of dissidents, and the remote nature of the project location is a plus. Permitting will represent the longest development item. South Dakota is a “non-agreement” state; therefore, Powertech is required to complete a full Environmental Impact Statement (EIS) for review and approval by the Nuclear Regulatory Commission (NRC). Consultations with the NRC have begun, and we suggest first production should commence in Q4/10.

### Location and History

The Dewey–Burdock project is located in southwest South Dakota and is part of the Edgemont uranium district first discovered in the 1950s. The project and district boast an extensive history of uranium exploration and mining through the mid-1980s. Initially, surface uranium deposits were mined and milled in Edgemont. Records indicate the area produced roughly 1 million pounds of  $U_3O_8$  via conventional mining and milling. By the 1970s, several companies were active in the area and were successfully discovering deeper deposits. Tennessee Valley Authority (TVA) acquired the Dewey–Burdock project in 1974, and by the time it dropped the project in 1986, about 4,000 holes had been drilled.



Denver Uranium Co. acquired the project and the majority of the extensive data for the project and region in 2005. Powertech completed its acquisition of Denver Uranium in May 2006. The property consists of claims on federal minerals and leases on private minerals that cover 11,180 acres. Surface use agreements cover 11,520 acres of private surface.

## Current Resources

In December 2005, the company completed a 43-101 technical report on the project, which estimated the following resource:

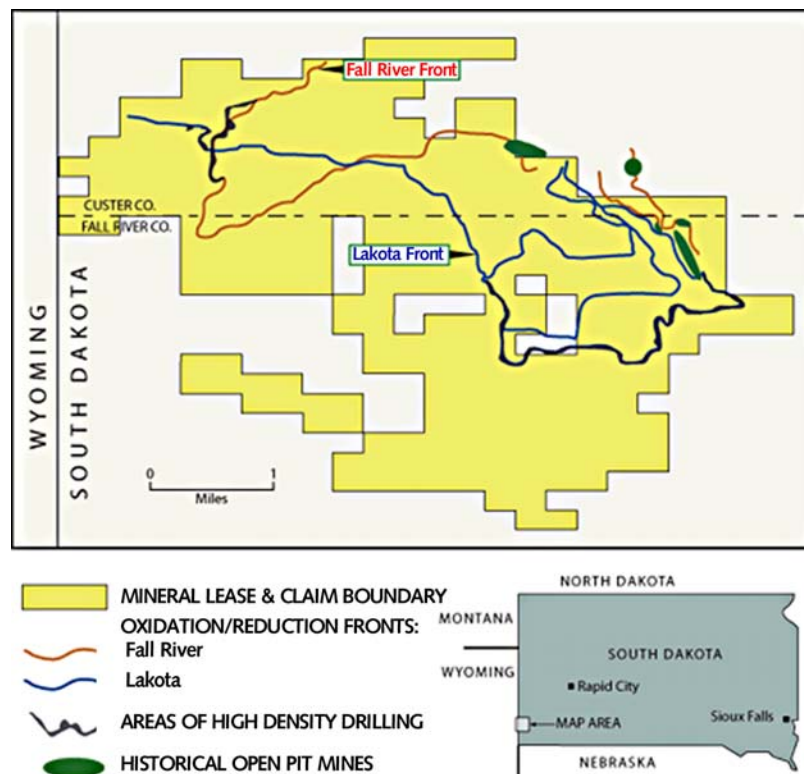
### Exhibit 7: Dewey–Burdock Resource Estimate

	Tonnes (MM)	Grade % U <sub>3</sub> O <sub>8</sub>	Average Thickness (ft)	Average Grade Thickness	Pound U <sub>3</sub> O <sub>8</sub> (MM)
Inferred	1.6	0.21%	6.1	1.28	7.6

Source: Company Reports

The Dewey–Burdock uranium deposits are typical sandstone roll fronts with mineralized widths from 50 to 100 feet and thicknesses from one to two feet in the limbs and up to eight to 10 feet in the rolls. Two formations have been identified as potential hosts for mineralization; the Lakota and Fall River formations; mineralization can occur at more than one horizon. Exploration potential is positive. The following exhibit shows the roll fronts where the current mineralization occurs. The exhibit also shows areas where oxidation/reduction (redox) fronts have been identified but not yet drilled. In January 2007, Powertech received an exploration permit to drill up to 155 holes and perform two 72-hour pump tests to determine the permeability and flow rates for the host formations. The objective of the drill program is to confirm and potentially expand the current resource. Included in this program will be the completion of six core holes to obtain samples for metallurgical and solution recovery testing.

### Exhibit 8: Dewey-Burdock Project Map



Source: Company Reports

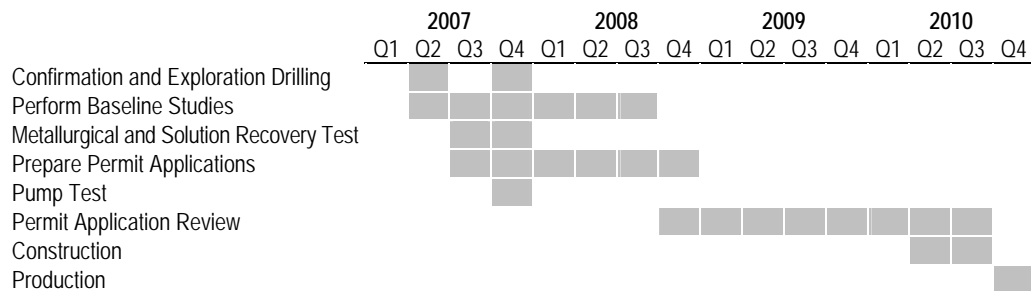
## Permitting

Permitting will likely represent the largest time component to development and potential area of delay to the project start-up schedule. South Dakota has been proactive in terms of designing and passing legislation with respect to possible ISR mining. In 2006, the South Dakota Legislature passed Senate Bill 62, which was designed to fill the gaps in the state laws that govern uranium exploration and mining and authorize the Board of Minerals and Environment to promulgate rules for construction, operation, monitoring and closure of in situ uranium mines. Powertech will require state and federal permits, including mine, water, environmental and safety. The NRC will be the primary licensing body. It requires a comprehensive EIS to be submitted. Although Powertech has the “right to mine” and local support for the project is good, special interest groups oppose development. At present, the most vocal opposition has been from the Defenders of the Black Hills, whose motion to stop further drilling by Powertech was recently denied by the South Dakota Circuit Court.

## People

In May, Powertech appointed Mark Hollenbeck as Project Manager for Dewey–Burdock. Mr. Hollenbeck is well suited for this position on several levels. He is a Chemical Engineer by training and has been involved in energy-producing industries for much of his career. In addition, he was elected to the South Dakota House of Representatives, where he served from 1989 through 1994, and later was Mayor of Edgemont (2001–2006). This time in public service provides Mr. Hollenbeck with a detailed understanding of working with state and government organizations. He is also well known and respected in the community and serves as a good spokesperson for the project in the area. Chief Geologist Frank Lichnovsky is now based out of Hot Springs, South Dakota, in order to take a “hands-on” approach to project exploration and development. His experience on ISR projects in both the U.S. and Australia should aid in advancement of the project.

### Exhibit 9: Dewey–Burdock Development Schedule



Sources: Company Reports, Westwind Partners

## Centennial (100%) — Colorado

### Overview

The Centennial project has several similarities to Dewey–Burdock, which makes it a high-quality development project, including the type of mineralization and size of the resource as well as the high level of historic exploration activity. In addition, the project has excellent access to infrastructure and water. Several development options, including a possible open-pit operation at the shallower end of the mineralization, provide the company with flexibility. Some local opposition to the mine development has surfaced; however, the company has made significant strides with affected landowners, having secured nearly all the required surface rights. Successful permitting through the county and the state could see Centennial commence production in early 2010.

## Location and History

The Centennial project is located in Weld County in northeastern Colorado in the Cheyenne basin, where uranium was first discovered in 1969. At the time, Rocky Mountain Energy (RME) controlled the mineral rights to a large land package in the area, and after extensive initial reconnaissance and survey work, it discovered the presence of uranium in the Fox Hills Formation in 1974. This discovery was led by Powertech's current Vice President of Exploration, Jim Bonner, who was RME's Exploration Manager at the time. Under Mr. Bonner's direction, RME went on to further delineate the ore bodies in the northern portion of the project at depths of 250–600 feet, and in the southern area of the project at depths of 85–125 feet. Substantial drilling (1,000,000 feet) and engineering work was also undertaken to create a plan to develop a surface mining operation around the southern portion of the deposit.

Powertech acquired 5,760 acres of uranium mineral rights and acquired the complete data package in October 2006 from Anadarko Land Corp., an affiliate of Anadarko Petroleum Corporation (APC-N; not covered). The company subsequently obtained additional mining leases, bringing the total project area to 6,880 acres. Access to the project is excellent with Interstate Highway 25 just five miles from the project and about a 90-minute drive from Denver, where Powertech's head office is located.

The company completed a 43-101 technical report on the project in March 2007, which estimated the following resource:

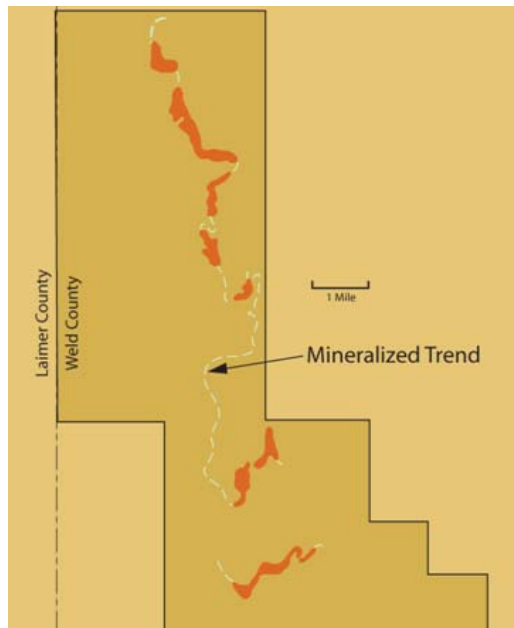
### Exhibit 10: Centennial Resource Estimate

	Tonnes (MM)	Grade % U <sub>3</sub> O <sub>8</sub>	Average Thickness (ft)	Average Grade Thickness	Pound U <sub>3</sub> O <sub>8</sub> (MM)
North Zone	2.9	0.100%	8.6	0.86	5.9
South Zone	2.3	0.085%	9.0	0.77	3.8
Total Inferred Resource	5.2	0.094%	8.8	0.82	9.7

Source: Company Reports

As with Dewey–Burdock, mineralization at Centennial is classic roll front within the Fox Hills Formation. The roll fronts in the Centennial area are known to cover a distance of 30 miles and extend through an area of more than 50 square miles. The economic mineralization exists in seven distinct deposits, which are in the south and north areas of the project (Exhibit 11). Several areas along the mineralized trend offer potential for exploration upside. As well, the company has negotiated with Anadarko to acquire additional ground along the mineralized trend.

**Exhibit 11: Centennial Project Area of Interest**

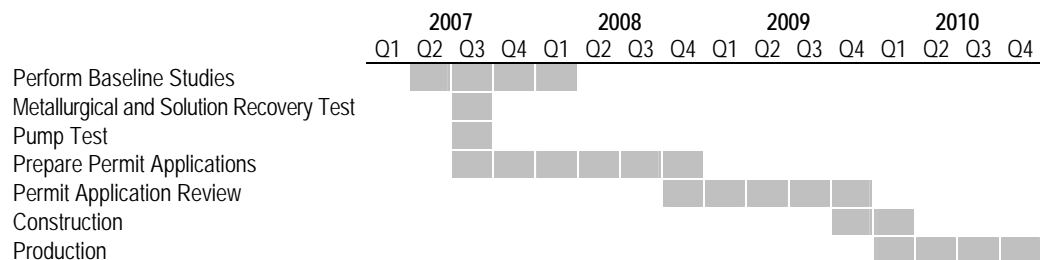


Source: Company Reports

**Permitting**

Colorado is an Agreement State, meaning that it has entered into an effective regulatory discontinuance agreement with the NRC, whereby the state has taken responsibility for regulating most types of radioactive material, including uranium mining. Generally, it is viewed to be a less onerous prospect to submit a permit application in an Agreement State because the NRC is not involved, removing the need to complete a full EIS. That said, the permitting process is still quite rigorous and requires a high standard of care. Powertech has retained R Squared Incorporated, a Denver-based environmental engineering firm, to assist in the permitting process. The company has commenced baseline environmental studies at Centennial. The following exhibit shows the proposed timeline to development.

**Exhibit 12: Centennial Development Schedule**



Source: Westwind Partners

## People

On our site visit to Centennial, we met the two critical team members with respect to advancing the project — Richard Blubaugh (Vice President, Health, Safety and Environmental Resources) and Lane Douglas (Project Manager). Mr. Blubaugh is responsible for overseeing the permitting applications and has over 20 years of experience in project and program management, primarily concerning environmental, health and safety. Mr. Douglas was appointed Project Manager of the Centennial project in May and has been working diligently to complete the surface acquisitions and land use agreements needed to develop the project. Mr. Douglas' 23 years of experience as a land manager and project manager for large projects in the communications and oil and gas industries positions him well to move this project forward.

## Other Projects

### Dewey-Terrace (100%) — Wyoming

The Dewey-Terrace project sits adjacent to Dewey-Burdock, just across the border in Wyoming, and has the potential to host similar mineralization. Past exploration work indicated that mineralization is in the same sandstone formations as at Dewey-Burdock, Lakota and Fall River. As well, Powertech has obtained past exploration data, consisting of 298 drill hole logs totaling 208,500 feet of drilling, which confirmed that the mineralized trends on the Dewey-Terrace project are a continuation of those on the Dewey-Burdock project. No resource estimate exists on the project, but Powertech has completed 10 holes of a 20-hole program, which intersected several zones of mineralization (3.0 feet of 0.053%  $U_3O_8$  and 5.5 feet of 0.047%  $U_3O_8$ ) and confirmed alteration in sands of the Lakota Formation at depths of 580–900 feet. An expanded second-phase drill program is planned later this year on the 8,540-acre project area.

### Aladdin (100%) — Wyoming

The Aladdin project is located in northeast Wyoming near the South Dakota border. As with the Dewey-Burdock and Dewey-Terrace projects, exploration in the 1970s and 1980s encountered uranium mineralization within sandstones of the Lakota Formation. Portions of the area were extensively drilled and significant uranium intercepts up to 10.0 feet of 0.47%  $U_3O_8$  were encountered at depths of approximately 500 feet below ground surface. Powertech's property covers over 13,500 acres. The company has purchased historic drilling data for this area, consisting of 589 drill hole logs totaling 222,000 feet of drilling. An exploration permit has been received for the project and drilling is expected to commence in July 2007.

## Management and Directors

In addition to securing a marquee uranium project in Dewey–Burdock, one of the principal reasons Powertech acquired Denver Uranium was for its team, led by Wallace Mays and Richard Clement.

**Mr. Mays** is a chemical engineer who was responsible for designing, constructing and operating the first ISR uranium mine in the U.S. and has been involved in some of the most recent ISR projects with Uranium One (formerly UrAsia) in Kazakhstan. As Chairman, Mr. Mays brings his full knowledge of ISR mining techniques as well as his contacts built during his former executive appointments, including President, Uranium Resources; President, Energy Fuels Nuclear; and Vice President, Technical Services and Marketing, for Power Resources Inc.

**Mr. Clement** a professional geologist with solid experience, having worked in uranium exploration, including at five ISR projects, almost consecutively since 1967. Mr. Clement spent most of that time with Mobil Oil in Australia and with Uranium Resources in the U.S. He held the position of President of Hydro Resources Inc. (a division of Uranium Resources) until 1999, where he oversaw securing all the necessary mining permits for ISR project development. This experience positions him well to oversee the development of Powertech’s projects.

### Exhibit 13: Management and Directors

Management	Title	Experience	Shares Held			Percentage
			Common	Options	Warrants	F.D.
Wallace Mays, P.Eng., BSc., M	Chairman	Mr. Mays is a chemical engineer responsible with some 30 years' experience designing, constructing, and operating ISR uranium mines worldwide. He was responsible for the first ISR mine in the U.S. 888 others and most recently was the operation manager for UrAsia (now Uranium One) overseeing the development of its ISL projects in Kazakhstan. In 1996, he was awarded membership in the Uranium Hall of Fame.	4,400,000*	600,000		1.1%
Richard Clement JR, P.Geo., M	President, CEO & Director	Mr. Clement is a professional geologist with nearly 40 years of uranium exploration experience in the United States and Australia with Mobil Oil Corp. and Uranium Resources, Inc. Mr. Clement served as a director and Senior Vice President - Exploration of Uranium Resources from 1983 to 1996 and subsequently as President of Uranium Resource's New Mexico subsidiary, Hydro Resources Inc. until 1999 where he oversaw the securing of all necessary mining permits for ISR development of Hydro Resource's uranium deposits.	3,600,000*	600,000		1.1%
Thomas Doyle	Vice President Finance, CFO & Director	Mr. Doyle has held a variety of senior positions across numerous aspects of the financial industry in Canada, the United States and internationally. Mr. Doyle has extensive expertise in domestic and foreign financial markets, management, business plan development, and capital formation primarily within the mineral resource and oil and gas industry.	2,813,400*	600,000		1.1%
Douglas Eacrett, C.A., LL.B.	Director	Mr. Eacrett is currently a practicing corporate finance and securities lawyer and a chartered accountant registered with the Institute of Chartered Accountants in British Columbia.	175,000	100,000		0.5%
Greg Burnett, MBA, BAsc.	VP Administration & Director	Mr. Burnett has 18 years of diversified business experience in corporate finance and administration. Mr. Burnett presently serves on the board of directors and is a consultant several resource focused public companies.	2,185,000*	600,000		1.1%
Jim Bonner, P.Geo., BSc.	VP Exploration	Mr. Bonner is a professional geologist with 30+ years experience in uranium exploration and discovery. Previously he served as Exploration Manager for Rocky Mountain Energy, a subsidiary of Union Pacific Railroad (UP) where his achievements include a number of highly economic uranium discoveries and management of geotechnology for UP's Nine Mile uranium leach project and the discovery and exploration of the Centennial project.		200,000		0.4%
Richard Blubaugh	VP of Health, Safety and Environmental Resources	Mr. Blubaugh has 20+ years of experience in project and program management, primarily concerning environmental, health and safety. In his positions as EVP and a Member of the Board of Directors for Atlas Corporation, a precious metals and uranium producer he oversaw all of the permitting and management activities in the environmental arena.		200,000		0.4%
Frank Lichnovsky, P.Geo.	Chief Geologist	Mr. Lichnovsky, a Professional Geologist, has been involved in uranium exploration and development activities for over 40 years in both the United States and Australia. He has brought his expertise to many exploration projects, underground uranium mines, and in situ leach operations, and he was responsible for design and operation of numerous uranium in situ well fields.		125,000		0.2%
			Total			6.0%

\*Shares are subject to a time release or performance escrow.

Sources: Company Reports, Sedi

## Risks

**Technical:** For ISR uranium mining operations to be successful, several subsurface conditions must exist, including good rock porosity, permeability and adequate confining layers. Past work on Powertech's Centennial and Dewey-Burdock projects has confirmed that several of these factors are present, but the company must undertake further studies, including pump tests, to verify the deposits are amenable to in situ recovery.

**Commodity:** The uranium price has increased dramatically over the past several years. While it is our expectation that the price will continue to rise in the near term before stabilizing at a long-term price in the \$40–\$60 per pound range, there can be no assurances that this will be the case. Like any commodity, uranium is heavily influenced by external macro factors that could significantly adversely impact the spot price. With Powertech still several years away from production, a significant drop in the uranium spot price could adversely affect project economics. We expect the company to mitigate this risk by entering forward sale agreements for expected production prior to constructing the mine.

**Environmental:** Uranium exploration and development projects are generally held to a higher standard of environmental safety than other commodities. Permit applications typically must be approved by both the mining and nuclear regulators. This can add additional cost and time to project advancement and should represent the largest bottleneck to development. Powertech's senior management team and consultants have experience exploring, developing, permitting and operating uranium projects and mines, as well as working with appropriate regulators; this should serve to mitigate this risk.

**Financing:** Without an operating mine generating positive cash flow, and development and exploration projects requiring ongoing funding, Powertech, from time to time, may be required to access the public market for additional capital. There can be no assurances that this capital will be available at reasonable prices; therefore, substantial future dilution may result.

**Political:** Both nuclear power generation and uranium mining are “hot button” political issues. The “not in my backyard” mindset is prevalent in most areas where new mine development is proposed. As such, developers will often face opposition from special interest groups. In the U.S., mining companies that own the mineral rights have the “right to mine”; however, attempts by these interest groups may serve to delay proposed development timetables.

## Conclusion

Powertech is undervalued on a NAV and comparables basis. Near-term permitting milestones should re-rate the company as an advanced developer with two high-quality projects delivering first production in 2010. We are confident this experienced team can navigate both projects through the permitting and development process. Exploration on secondary assets and possible M&A acquisition activity should provide ongoing news flow during the development period. We expect this company to generate significant market interest in the next six to 12 months and recommend investors BUY the shares now for a 91% potential return.

— NOTES —



— NOTES —

Company	Ticker
Powertech Uranium Corp.	PWE-V

I, Philip Williams, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations expressed in this research report.

*The analyst has viewed the material operations of Powertech Uranium Corp. during a recent site visit. Powertech Uranium Corp. paid for a portion of this trip.*

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