POWERTECH URANIUM CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007

(Stated in Canadian Dollars)

(Unaudited)

THE ACCOMPANYING INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2007 AND 2006 HAVE NOT BEEN REVIEWED OR AUDITED BY THE CORPORATION'S AUDITORS

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
June 30, 2007 and March 31, 2007
(Stated in Canadian Dollars)
(Unaudited)

	June 30, 2007	March 31 2007
ASSETS		
Current		
Cash and short-term investments – Note 7	$ 13,553,218	$ 11,725,285
Restricted cash – Note 4	623,301	291,759
GST receivable	15,829	9,041
Other receivables	7,415	10,357
Prepaid expenses	61,984	78,974
	14,261,747	12,115,416
Deposits	86,439	94,321
Resource property interests – Notes 4, 7, 10 and 12	24,081,461	20,757,144
Equipment – Note 5	136,240	98,666
	$ 38,565,887	$ 33,065,547
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 7	$ 716,109	$ 648,738
Current portion of agreements payable – Notes 4 and 9	275,418	300,534
	991,527	949,272
Agreements payable – Notes 4 and 9	1,938,519	2,115,297
	2,930,046	3,064,569
SHAREHOLDERS' EQUITY		
Share capital – Notes 6 and 12	47,184,500	40,674,499
Contributed surplus – Note 6	4,812,154	5,110,610
Deficit	(16,360,813)	(15,784,131)
	35,635,841	30,000,978
	$ 38,565,887	$ 33,065,547

Nature of Operations – Note 2
Commitments – Notes 4, 6, 10 and 12
Subsequent Events – Note 11
Contingency – Note 12

APPROVED BY THE DIRECTORS:

"Richard Clement"	Director	*"Thomas Doyle"*	Director
Richard Clement		Thomas Doyle	

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
for the three months ended June 30, 2007 and 2006
(Stated in Canadian Dollars)
(Unaudited)

	2007	2006
Revenue		
Interest	$ 139,766	$ 36,632
General and administrative expenses		
Amortization	5,983	-
Audit and accounting fees	-	18,219
Director fees – Note 7	5,500	-
Filing fees	6,944	44,806
Foreign exchange loss	9,581	-
Insurance	27,935	-
Investor relations and promotion	57,105	1,219
Legal fees – Note 7	71,411	46,237
Management and consulting fees – Note 7	148,053	67,364
Office and miscellaneous	108,109	9,840
Stock-based compensation – Notes 6 and 7	149,376	2,728,380
Transfer agent fees	6,051	6,921
Travel and accommodation	29,312	17,827
Wages and benefits – Note 7	91,088	18,370
	716,448	2,959,183
Net loss for the period	$ (576,682)	$ (2,922,551)
Basic and diluted loss per share	$ (0.01)	$ (0.11)
Weighted average number of shares outstanding	46,321,252	25,502,175

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT
for the three months ended June 30, 2007 and 2006
(Stated in Canadian Dollars)
(Unaudited)

	2007	2006
Deficit, beginning of the period	$ (15,784,131)	$ (10,933,373)
Net loss for the period	(576,682)	(2,922,551)
Deficit, end of the period	$ (16,360,813)	$ (13,855,924)

SEE ACCOMPANYING NOTES

POWERTECH URANIUM CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three months ended June 30, 2007 and 2006
(Stated in Canadian Dollars)
(Unaudited)

	2007	2006
Operating Activities		
Net loss for the period	$ (576,682)	$ (2,922,551)
Item not affecting cash:		
Amortization	5,983	-
Foreign exchange loss	9,581	-
Stock based compensation – Note 5	149,376	2,728,380
	(411,742)	(194,171)
Changes in non-cash working capital balances related to operations:		
GST receivable	(6,788)	-
Other receivables	2,942	(20,568)
Prepaid expenses	16,990	-
Accounts payable and accrued liabilities	67,371	122,293
	(331,227)	(92,446)
Investing Activities		
Deposits	(7,882)	-
Resource property interests	(2,913,427)	(421,891)
Equipment	(42,988)	-
	(3,295,524)	(514,337)
Financing Activity		
Issuance of common shares	5,454,999	11,718,821
Increase (decrease) in cash during the period	2,159,475	11,204,484
Cash, beginning of the period	12,017,044	390,366
Cash, end of the period	$ 14,176,519	$ 11,594,850
Cash consist of:		
Cash	1,150,161	11,594,850
Short-term investments	12,403,057	-
	13,553,218	11,594,850
Restricted cash	623,301	-
	$ 14,176,519	$ 11,594,850

Non-cash Transactions – Note 8

SEE ACCOMPANYING NOTES

Note 1 Interim Reporting

The unaudited interim consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in Canada for interim financial information and follow the same accounting policies and methods of their application as the Company's most recent annual financial statements. These interim consolidated financial statements do not include all of the disclosure included in the annual financial statements and, accordingly, they should be read in conjunction with the annual financial statements for the year ended March 31, 2007. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.

Note 2 Nature of Operations

The Company was incorporated in British Columbia on February 10, 1984. The Company's shares are publicly traded on the TSX Venture Exchange and the Frankfurt Stock Exchange. The Company's business is the exploration and development of uranium properties located in South Dakota, Wyoming, Colorado and New Mexico, USA.

The Company is in the process of exploring its properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of the reserves, and upon future profitable production or proceeds from disposition of the properties.

Note 3 Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at year end and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Powertech (USA) Inc., a South Dakota corporation, which was incorporated by the Company on January 24, 2006. All significant inter-company balances and transactions have been eliminated.

Note 3 Significant Accounting Policies – (cont'd)

Cash and Short-term Investments

Cash and short-term investments consist of highly liquid investments that are easily convertible to cash and have maturities of three months or less when purchased.

Resource Property Interests

Property Acquisition Costs

Acquisitions of resource properties are recorded at cost. Costs incurred prior to the completion of an acquisition are deferred as deferred resource property acquisition costs. Producing resource properties are depleted over their estimated useful lives based upon a method relating recoverable resource reserves to production. Non-producing resource properties that the Company abandons interest in are written off in the year of abandonment.

Deferred Exploration Costs

The Company capitalizes all exploration expenses that result in the acquisition and retention of resource properties or an interest therein. The accumulated costs including applicable exploration expenses relative to non-productive resource properties that the Company abandons interest in are written off. Otherwise, the exploration expenses are depleted over the estimated useful lives of the producing resource properties on a method relating recoverable reserves to production.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying values of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Write-downs due to impairment in value are charged to operations. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of the completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Note 3 Significant Accounting Policies – (cont'd)

Equipment and Amortization

Equipment is recorded at cost. Amortization is recorded using the declining balance method at the following annual rates:

Computer equipment	30%
Office equipment	20%
Vehicles	30%

Amortization is recorded at one-half rates in the year of acquisition.

Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at June 30, 2007.

Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the period the asset is put into use, with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, depreciation and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and depreciation of the related asset. The Company has determined that there are no asset retirement obligations at June 30, 2007.

Financial Instruments

The carrying values of cash and short-term investments, restricted cash, other receivables and accounts payable and accrued liabilities approximate fair value because of the short-term maturity of those instruments. The fair value of agreements payable is also assumed to approximate their carrying amount. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

Note 3 Significant Accounting Policies – (cont'd)

Financial Instruments – (cont'd)

The Company's mineral exploration activities are located in the United States of America and expenditures are in U.S. dollars. Consequently some assets and liabilities are exposed to foreign currency fluctuations. At June 30, 2007, US currency balances were comprised of cash of US$437,612, restricted cash of US$588,408, accounts payable of US$609,111, and agreements payable totalling US$2,090,000.

Income Taxes

The Company accounts for income taxes by the asset and liability method. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

Stock-Based Compensation

The Company has a stock option plan as described in Note 6. Awards of stock options to employees and non-employees are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes option valuation model. Under the fair value method, the amount to be recognized as expense is determined at the time the options are issued and is deferred and recognized in earnings over the vesting period of the options with a corresponding increase in contributed surplus.

Consideration paid by directors, officers and key employees and consultants on the exercise of stock options is credited to share capital together with the amount previously recognized in contributed surplus.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. The weighted average number of common shares outstanding does not include performance escrow shares but does include time-release escrow shares. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully dilutive amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Note 3 Significant Accounting Policies – (cont'd)

Foreign Currency Translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in operations.

Note 4 Resource Property Interests – Notes 7, 10 and 12

South Dakota, USA

The Company's South Dakota prospect is comprised of 18 mining leases covering 14,933 gross acres, 12,247 net surface acres and 7,975 net mineral acres. In addition, the Company has staked and acquired 156 mining claims in South Dakota covering approximately 2,964 acres. The Company obtained the prospect as follows:

Dewey Burdock Prospect – Custer and Fall River Counties

a) By a purchase and sale agreement dated February 20, 2006 and effective May 11, 2006, the Company acquired all of the assets and assumed all of the liabilities of Denver Uranium Company, LLC ("DU"). The purchased assets included a package of mining leases. The assumed liabilities included US$888,000 of convertible promissory notes and accrued interest. The Company acquired the assets of DU by the issuance of 8,000,000 common shares at $1.00 per share. In addition, the Company settled the convertible promissory notes and accrued interest by the issuance of 2,220,000 common shares $0.48 per share. All of these shares are subject to the terms of escrow agreements that provide for their release over a three-year period.

b) By a letter agreement dated November 16, 2005 and effective May 11, 2006, the Company acquired 119 mineral claims by the issuance of 1,000,000 common shares at $1.00 per share. In addition, the Company issued 1,250,000 share purchase warrants entitling the holder to purchase an additional 1,250,000 common shares at $1.00 per share until May 11, 2007. The fair value of these share purchase warrants was calculated at $1,091,671 using the Black Scholes option valuation model. The agreement is subject to a production royalty ranging from 2% to 4%, dependent on the price of uranium.

Note 4 Resource Property Interests – Notes 7, 10 and 12 – (cont'd)

South Dakota, USA - (cont'd)

Dewey Burdock Prospect – Custer and Fall River Counties – (cont'd)

c) By a purchase agreement dated March 31, 2006, the Company acquired a one-third mineral interest in a property in Custer County, South Dakota, in consideration for US$950,000 to be paid US$100,000 on closing (paid) and US$10,000 per year for ten years until March 31, 2016 (paid US$10,000). The balance of the purchase price of US$750,000 is payable contingent upon receipt of permits and authorizations necessary to commence exploration and mining on the property. The US$750,000 is to be paid in four equal instalments of US$187,500 on each anniversary of the Company obtaining such permits. The purchase agreement is secured by a promissory note and a mortgage on the mineral interest.

The Company has received an exploration permit from the South Dakota Department of Environmental and Natural Resources. In addition, the Company has established a US$500,000 standby letter of credit facility with Wells Fargo Bank ("Wells Fargo"). As requested, Wells Fargo will issue irrevocable letters of credit to secure the Company's reclamation obligations associated with its drilling programs. Wells Fargo has issued the first letter of credit under the facility to the South Dakota Department of Environment and Natural Resources in the amount of US$213,500 in connection with the exploration permit. The letter of credit is secured by a certificate of deposit in the amount of US$235,000 (CDN $248,936) which is included in restricted cash at June 30, 2007. The entire facility is guaranteed by the Company.

Wyoming, USA

The Company's Wyoming prospects are comprised of 35 mining leases or options to lease covering 20,479 gross acres, 19,938 net surface acres and 12,117 net mineral acres. In addition, the Company has staked 792 mining claims in Wyoming covering approximately 15,048 acres. The Company obtained the prospects as follows:

Dewey Terrace Prospect – Weston County

During the year ended March 31, 2007, the Company acquired the Dewey Terrace prospect through 10 leases or options to lease and through staking 448 mining claims. The Dewey Terrace prospect is adjacent to the Dewey Burdock prospect located across the state line in South Dakota.

The Company has received authorization to proceed with exploration and drilling on the Dewey Terrace property. In connection with the exploration and drilling program, the Company paid US$17,400 (CDN $18,432) to the State of Wyoming to secure performance of the Company's reclamation obligations. This amount is included in restricted cash at June 30, 2007.

Note 4 Resource Property Interests – Notes 7, 10 and 12 – (cont'd)

Wyoming, USA – (cont'd)

Aladdin Prospect – Crook County

During the year ended March 31, 2007, the Company acquired the Aladdin prospect through 24 leases or options to lease and through staking 41 mining claims. This prospect is 60 miles north of the Company's Dewey Terrace prospect. The Company has received an exploration permit Wyoming Department of Environmental Quality with authorization to proceed with an exploratory drilling program.

On April 10, 2007, Wells Fargo issued a letter of credit to the Wyoming Department of Environmental Quality in the amount of US$140,010 in connection with the exploration program. The letter of credit was secured with by a certificate of deposit in the amount of US$155,000.

Colony Prospect – Crook County

During the year ended March 31, 2007, the Company acquired the Colony prospect through an option to lease and through staking 190 mining claims.

Powder River Basin Prospect – Campbell County

During the year ended March 31, 2007, the Company acquired the Powder River Basin prospect through staking 39 mining claims.

Shirley Basin Prospect – Carbon County

During the year ended March 31, 2007, the Company acquired the Shirley Basin prospect through staking 74 mining claims.

Colorado, USA

The Company's Colorado prospects are comprised of 3 mining leases covering 1,464 gross acres, 802 net surface acres and 170 net mineral acres. In addition, the Company purchased surface acreage covering 470 gross acres and purchased mineral rights covering 5,744 net acres. The Company obtained the prospects as follows:

Note 4 Resource Property Interests – Notes 7, 10 and 12 – (cont'd)

Colorado, USA – (cont'd)

Centennial and Indian Springs Prospects – Weld County

a) By a purchase agreement dated September 27, 2006, the Company purchased 5,744 net mineral acres from Anadarko Land Corp for US$3,000,000. As consideration for the rights, the Company made a cash payment of US$1,000,000 and recorded a liability of US$2,000,000 payable in eight instalments of US$250,000 per annum. An additional lump sum payment of US$1,500,000 is due upon receipt of all regulatory permits and licenses allowing production of uranium from the property. In addition, any remaining instalment payments are due in full upon receipt of all regulatory permits and licences. The Company has also agreed to a minimum annual work commitment of US$200,000 per annum until uranium is produced from the property. The property is subject to a royalty of 5% to 6% of production.

   The Company received authorization from the Colorado Department of Natural Resources Division of Reclamation Mining and Safety ("DRMS") to proceed with drilling monitoring wells on its Centennial Prospect.

   In connection with the drilling program, the Company posted cash security in the amount of US$181,000 with the DRMS to secure performance of the Company's reclamation obligations.

b) During the year ended March 31, 2007, the Company entered into 3 mining leases covering 1,464 gross acres, 802 net surface acres and 170 net mineral acres.

c) During the year ended March 31, 2007, the Company also acquired 320 acres of surface rights through direct acquisitions of land as part of the Company's overall program to secure surface rights on the prospects. The total consideration for the land purchases was US$850,000 and is included as capitalized costs in resource property interests.

d) During the quarter ended June 30, 2007, the Company also acquired an additional 350 acres of surface rights through six acquisitions of land as part of the Company's overall program to secure surface rights on the prospects. The total consideration for the land purchases was US$1,294,899 and is included as capitalized costs in resource property interests.

New Mexico, USA

West Ambrosia Lake Prospect – McKinley County

During the year ended March 31, 2007, the Company acquired the West Ambrosia Lake prospect through staking 223 mining claims covering 4,237 acres.

(Stated in Canadian Dollars)

Note 4 Resource Property Interests – Notes 7, 10 and 12 – (cont'd)

Data Acquisitions

a) By a purchase agreement dated August 9, 2006, the Company acquired a historical geological database related to its South Dakota and Wyoming properties. As consideration for the database, the Company paid $112,690 (US$100,000) and issued 200,000 common shares at $1.30 per share.

b) By a purchase agreement dated December 18, 2006, the Company acquired a historical geological database related to its Wyoming properties. As consideration for the database, the Company agreed to pay $1,000,000, payable in cash or common shares at the Company's option as follows:

- $300,000 on signing (payment was satisfied by the issuance of 139,534 common shares at $2.15 per share);
- $300,000 on or before March 1, 2007 (payment was satisfied by the issuance of 73,350 common shares at $4.09 per share); and
- $400,000 on or before July 1, 2007 (payment was satisfied prior to June 30, 2007 by the issuance of 140,022 common shares at $2.86 per share).

Summary Information

At June 30, 2007 and 2006, the Company has incurred the following amounts on its resource property interests:

	2007	2006
Dewey Burdock, South Dakota	$ 14,397,452	$ 12,682,316
Dewey Terrace, Wyoming	1,095,112	-
Aladdin, Wyoming	962,496	-
Colony, Wyoming	155,963	-
Powder River Basin, Wyoming	60,936	-
Shirley Basin, Wyoming	53,961	-
Centennial, Colorado	6,258,320	-
Indian Springs, Colorado	747,061	-
West Ambrosia Lake, New Mexico	206,631	-
Other	143,529	-
	$ 24,081,461	$ 12,682,316

(Stated in Canadian Dollars)

Note 4 Resource Property Interests – Notes 7, 10 and 12 – (cont'd)

At June 30, 2007, costs reflected in resource property interests are detailed below:

	South Dakota	Wyoming	Colorado	New Mexico	Other	Total
Acquisition costs	$ 11,778,419	$ -	$ 5,552,928	$ -	$ -	$ 17,331,347
Data acquisitions	93,173	1,093,172	-	74,538	111,807	1,372,690
Land services	56,792	193,178	158,468	38,701	18,691	465,830
Legal fees	77,406	12,019	19,144	-	4,853	113,422
Claims maintenance	18,980	228,688	-	74,844	-	322,512
Lease payments	200,524	205,638	301,923	-	-	708,085
Drilling	527,245	386,129	-	-	-	913,374
Permitting	166,317	-	471,596	-	-	637,913
Wages/Consulting	1,478,596	209,644	501,322	18,548	8,178	*2,216,288
	$ 14,397,452	$ 2,328,468	$ 7,005,381	$ 206,631	$ 143,529	$ 24,081,461

*includes capitalized stock-based compensation of $1,149,476.

Note 5 Equipment

	June 30, 2007		
	Cost	Accumulated Amortization	Net
Computer equipment	$ 67,995	$ 5,904	$ 62,091
Field equipment	1,829	62	1,767
Office equipment	9,853	1,343	8,510
Vehicles	78,798	14,926	63,872
	$ 158,475	$ 22,235	$ 136,240

(Stated in Canadian Dollars)

Note 6 Share Capital

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Issued:

		Number	Amount
Balance, March 31, 2007		44,898,999	$ 40,674,499
Issued for cash:			
- pursuant to exercise of warrants (c)	- at $1.00	750,000	750,000
- pursuant to exercise of warrants (a)	- at $1.15	180,000	207,000
- pursuant to exercise of warrants (b)	- at $1.30	3,459,999	4,497,998
Issued for assets:			
- acquisition of uranium database (d)	- at $2.86	140,022	400,000
Black-Scholes valuation on exercise of warrants (c)		-	655,003
Balance, June 30, 2007		49,429,020	$ 47,184,500

Share Capital Discussion:

a) On April 19, 2006, the Company closed a private placement of 300,000 units at $0.95 per unit. The proceeds of $285,000 were included in share subscriptions at March 31, 2006. Each unit consisted of one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at $1.15 per share for one year. At June 30, 2007, nil warrants were outstanding.

b) On May 11, 2006, the Company closed a brokered private placement of 12,000,000 units at $1.00 per unit. Each unit consisted of one common share and one-half a share purchase warrant, with each whole warrant entitling the holder thereof the right to purchase an additional common share at $1.30 per share for one year. At June 30, 2007, nil warrants were outstanding.

c) On May 11, 2006, the Company closed the acquisition of 119 mineral claims situated in South Dakota, USA. In connection with the terms of the agreement, the Company issued to the vendor 1,000,000 common shares at $1.00 per share and 1,250,000 share purchase warrants entitling the vendor to purchase one additional common share for each warrant held at $1.00 per share until May 11, 2007. During the quarter ended June 30, 2007, the remaining outstanding 750,000 warrants were exercised and $655,003 was credited to share capital.

d) On June 25, 2007, 140,022 common shares were issued for the Company's payment obligation of $400,000 due on July 1, 2007 with respect to the purchase of historical geological data covering the Company's Wyoming properties.

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Escrow:

At June 30, 2007, 8,126,000 common shares were held in escrow by the Company's transfer agent. The escrow shares are made up of 1,700,000 common shares subject to a performance agreement and 6,426,000 common shares subject to time release agreements which provide for release over a three year period in accordance with the policies of the TSX Venture Exchange. The time release escrow shares are held by four directors of the Company. The majority of time release escrow shares were issued pursuant to the Company's acquisition of Denver Uranium. The following is a summary of the Company's escrow transactions during the quarter ended June 30, 2007.

Balance at March 31, 2007	Escrowed during quarter ended June 30, 2007	Released during quarter ended June 30, 2007	Balance at June 30, 2007
9,732,500	-	(1,606,500)	8,126,000

The time release escrow will be released as follows:

November 11, 2007	1,606,500
May 11, 2008	1,606,500
November 11, 2008	1,606,500
May 11, 2009	1,606,500
	6,426,000

Share Purchase Warrants:

At June 30, 2007, there were Nil share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Expiration Date	Exercise Price	Outstanding at March 31, 2007	Exercised during quarter ended June 30, 2007	Expired during quarter ended June 30, 2007	Outstanding at June 30, 2007
May 11, 2007 (c)	$1.00	750,000	(750,000)	-	-
April 19, 2007 (a)	$1.15	180,000	(180,000)	-	-
May 11, 2007 (b)	$1.30	3,484,999	(3,459,999)	(25,000)	-
Totals		4,414,999	(4,389,999)	(25,000)	-

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Stock Option Plan:

The Company has a Stock Option Plan ("the Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% in the aggregate, and 5% with respect to any one optionee, of the number of issued and outstanding common shares of the Company at the date of the grant of the options. 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 the options are granted. Options granted under the Plan have a maximum life of five years. The options generally vest on the date of grant, however, the board of directors may specify a vesting period on a grant-by-grant basis.

At June 30, 2007, there are 4,350,000 options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Expiration Date	Exercise Price	Outstanding at March 31, 2007	Granted during quarter ended June 30, 2007	Exercised during quarter ended June 30, 2007	Outstanding at June 30, 2007
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
August 9, 2011	$1.30	200,000	-	-	200,000
October 5, 2011	$1.80	100,000	-	-	100,000
January 25, 2012	$2.80	100,000	-	-	100,000
February 15, 2012	$3.00	400,000	-	-	400,000
May 14, 2012	$3.20	-	125,000	-	125,000
June 15, 2012	$2.60	-	100,000	-	100,000
Totals		4,125,000	225,000	-	4,350,000

All stock options granted under the Plan through the quarter ending June 30, 2007 vested on the date of grant, except the 100,000 stock options expiring on October 5, 2011 which were granted on October 5, 2006 and vest 25,000 shares every three months until October 5, 2007 and the 100,000 stock options expiring on January 25, 2012 which were granted on January 25, 2007 and vest 25,000 shares every three months until January 25, 2008.

Stock-based Compensation:

Awards of stock options to employees and non-employees are accounted for in accordance with the fair value method of accounting for stock-based compensation. The total amount recognized in the quarter ended June 30, 2007 as stock-based compensation is $356,547; of which $149,376 was included in general and administrative expenses and $207,171 was included in resource property interests.

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Stock-based Compensation: (cont'd)

The fair value of each option granted by the Company during the quarter ended June 30, 2007 was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions:

Grant Date	Exercise Price	Number	Fair Value	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life (Yrs)
May 14, 2007	$3.20	125,000	$1.55	-	54%	4.61%	5
June 15, 2007	$2.60	100,000	$1.18	-	55%	5.10%	5
		225,000					

		June 30, 2007
Weighted average fair value	$	1.14
Total options granted		4,350,000
Total options vested		4,225,000
Total fair value of options granted	$	4,980,114
Total fair value of options vested	$	4,837,007

Contributed Surplus:

Balance, March 31, 2007	$ 5,110,610
Stock based compensation	356,547
Warrants exercised (c)	(655,003)
Balance, June 30, 2007	$ 4,812,154

(Stated in Canadian Dollars)

Note 7 Related Party Transactions

During the quarters ended June 30, 2007 and 2006, the Company incurred the following charges from directors or officers of the Company or from companies with directors or officers in common with the Company:

	2007	2006
Director fees	$ 5,500	$ -
Legal fees	-	36,513
Resource property interests – acquisition costs	-	11,218
Management and consulting fees	173,310	83,219
Resource property interests – wages/consulting	112,474	20,675
Resource property interests – stock-based compensation	-	341,047
Stock-based compensation	-	2,501,015
Wages and benefits	38,895	16,855
	$ 330,179	$ 3,010,542

These charges were measured by the exchange amount which is the amount agreed on by the transacting parties.

At June 30, 2007, cash and short-term investments included $Nil (2006: $52,835) held in trust by a director of the Company in his capacity as legal counsel for the Company.

At June 30, 2007, accounts payable and accrued liabilities include $16,332 (2006: $84,122) due to directors or officers of the Company or to companies with directors or officers in common with the Company for fees and expenses. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

Note 8 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the quarter ended June 30, 2007, the following transaction was excluded from the statements of cash flows:

- 140,022 common shares at $2.86 per share in connection with the acquisition of a historical geological database.

(Stated in Canadian Dollars)

Note 9 Agreements Payable – Note 3

	June 30, 2007	June 30, 2006
Dewey Burdock Prospect (US$90,000)	$ 95,337	$ 112,009
Centennial Prospect (US$2,000,000)	2,118,600	-
	2,213,937	112,009
Less: current portion	(275,418)	(11,201)
	$1,938,519	$ 100,808

Annual payments due under the agreements payable are as follows:

	$CDN	$US
March 31, 2008	$ 275,418	$ 260,000
March 31, 2009	275,418	260,000
March 31, 2010	275,418	260,000
March 31, 2011	275,418	260,000
March 31, 2012	275,418	260,000
March 31, 2013	275,418	260,000
March 31, 2014	275,418	260,000
March 31, 2015	275,418	260,000
March 31, 2016	10,593	10,000
	$ 2,213,937	$ 2,090,000

Note 10 Commitments

a) Resource Property Interests – Land and Mineral Lease Commitments

Dewey Burdock Prospect - The Company acquired leases from Denver Uranium Company, LLC with several levels of payments and obligations. In the portions of the prospect area where the Company seeks to develop uranium, both surface and minerals are leased. Denver Uranium has granted the mineral owners a five percent overriding royalty payment out of sales of the product. The surface owners will be paid a two percent overriding royalty as incentive to support the development of uranium under their lands. In addition, surface owners are paid an annual rental to cover the cost of surface damage and to compensate for reduction of husbandry grazing during field operations. The royalty payments to the surface owners are reduced by the amount of rentals to be paid. The basic terms of the leases are five-year initial terms and are renewable two times at the five-year mark and ten years from original signing. Additional bonuses are paid to the landowners at the time of renewal.

Note 10 Commitments (cont'd)

a) Resource Property Interests – Land and Mineral Lease Commitments – (cont'd)

All leases were signed in 2005 and the leases are in force through 2020 without production. In the case of production, all leases will be held as long as minerals are produced. Total annual rental payments under the agreements are approximately US$165,000.

Aladdin and Dewey Terrace Prospects - The Company has entered into option to lease agreements with respect to its Aladdin and Dewey Terrace Prospects in Wyoming, all of which expire in mid to late 2007. If the Company elects to exercise its option under the agreements, the total lease option payments required are approximately US$393,000.

Other Prospects – In addition, the Company has entered into other option to lease agreements with respect to other prospects, all of which expire in the next year. If the Company elects to exercise its option under the agreements, the total lease option payments are approximately US$50,000.

Claims Maintenance – The Company has secured 1,183 mining claims within its various prospects. The total annual maintenance costs of the mining claims are approximately US$150,000.

b) Management Services Agreements and Employment Agreements

The Company entered into three management services agreements and seven employment agreements during the year ended March 31, 2007. The agreements require the Company to pay fees totalling US$97,250 per month. The agreements automatically renew for an additional year unless terminated by the Company at least 90 days prior to each agreement's anniversary.

c) Office Leases

The Company entered into a twenty-two month lease agreement for office space in Vancouver, British Columbia. Annual lease payments due over the next two years are $17,531 and $14,610 respectively.

The Company entered into a three year lease agreement for office space in Albuquerque, New Mexico. Annual lease payments due over the next three years are US$19,200, US$19,200 and US$10,400 respectively.

The Company entered into a three year lease agreement for office space in Hot Springs, South Dakota. Annual lease payments due over the next three years are US$12,900, US$12,900 and US$8,600 respectively.

Note 11 Subsequent Events

a) Plum Creek Pospect, Fall River County, South Dakota

The Company has staked 165 mining claims on approximately 3,000 acres of federal minerals along the southern flank of the Black Hills Uplift in central Fall River County, South Dakota. The Company has also filed a Notice Of Intent To Locate on a further 280 acres in the area. This uranium exploration prospect, named the Plum Creek Prospect, is approximately eight miles southeast of the town of Edgemont, South Dakota, where the Atomic Energy Commission operated a mill and a uranium buying station during the 1950's.

Uranium exploration at the Plum Creek Prospect was performed by the Tennessee Valley Authority ("TVA") in the 1970's. Powertech has acquired an extensive database covering most of TVA's exploration activities in the Edgemont District. A review of drilling results in the region identified mineralized sands within the Cretaceous Lakota Formation from depths of 400 to 530 feet below surface. One mineralized intercept observed in the data was 2.3 feet of 0.258% U3O8 at a depth of 526 feet below surface.

The Plum Creek Prospect is located 15 - 20 miles southeast of the Company's Dewey-Burdock Prospect, on which Powertech has initiated mine permitting activities. The Dewey-Burdock deposit contains National Instrument 43-101 compliant inferred uranium resources of 7.6 million pounds with an average grade of 0.21% U3O8, and is located in the well known Edgemont Uranium District.

b) Aladdin Prospect, Crook County, Wyoming – Drilling Program

The Company has begun exploration drilling on its Aladdin Prospect in Crook County, Wyoming. This 60- hole program is being conducted under a State of Wyoming, Department of Environmental Quality (DEQ)-approved *Notice of Intent to Conduct Uranium Exploration by Drilling.*

The Aladdin Prospect consists of 13,590 acres of mining leases in a historic uranium exploration/mining area along the northwest flank of the Black Hills Uplift. In this area, uranium mineralization has been encountered in the same sandstones that contain uranium deposits in Powertech's Dewey Burdock and Dewey Terrace prospects along the southern flank of the Black Hills Uplift in South Dakota and Wyoming respectively. Prior to commencing this drilling program, the Company acquired and evaluated the historic Teton Exploration data base covering the area. The extensive data base included drill hole maps, resource calculation sheets and 589 drill hole logs totaling 220,000 feet of drilling on the Aladdin property. Previous drilling from three key historical drill holes yielded 10 feet of 0.47% U3O8, 6 feet of 0.695% of U3O8 and 6 feet of 0.504% of U3O8.

Note 11 Subsequent Events (cont'd)

b) Aladdin Prospect, Crook County, Wyoming – Drilling Program (cont'd)

Based on the site geology and a review of Teton's historic drill hole data, Powertech's objectives for this drilling program are twofold. Firstly, a portion of the program will be directed toward wide-spaced stratigraphic drilling within the 25-square mile prospect area to assess the distribution of host sands and the geochemistry of these units. This information will be used to evaluate the potential of the overall prospect area and assist, if necessary, in the consolidation of total land holdings. Secondly, drilling will also be completed within historic uranium resource areas identified by Teton Exploration. This drilling will be used to confirm and expand these mineralized areas and provide the basis for the preparation of a National Instrument ("NI") 43- 101 compliant report on uranium resources within the Aladdin Prospect.

c) Centennial Prospect, Weld County, Colorado – Drilling Program

The Company, through its wholly owned subsidiary, Powertech (USA) Inc., has received approval from the Colorado Department of Natural Resources, Division of Reclamation, Mining and Safety (DRMS), for its second Notice of Intent to Conduct Prospecting Operations, and the Company is proceeding with its program to drill 16 rotary holes, six core holes, and additional monitor wells on its Centennial Prospect, located in Weld County, Colorado.

The rotary drill holes associated with the coring program will be used to site the core holes and to confirm results of historic drilling conducted on the prospect by Rocky Mountain Energy Company in the late 1970's and early 1980's. Powertech recently filed a National Instrument 43- 101 compliant Technical Report on the Centennial Prospect which calculated a total Inferred Resource of 9,730,490 pounds of uranium, with an average grade of 0.094% U_3O_8, based upon this historic drilling. Confirmation drilling is expected to increase the confidence level of many of these 43-101 compliant resources such that they may be upgraded from an Inferred category to an Indicated or Measured category.

The Company plans to complete the core holes in six separate resource areas to provide data on the chemical and physical characteristics of the mineralized Fox Hills Sandstone, as well as the overlying and underlying confining sequences. The six core holes and one additional hole will be completed as monitor wells. Chemical laboratory analyses will be performed on the core to assess the leachability of the uranium, to test for associated metals and to examine the overall geochemistry of the host sandstone. The Company plans to incorporate the results of this testing into engineering and technical studies on in-situ recovery operations and permit applications for the prospect.

Note 11 Subsequent Events (cont'd)

c) Centennial Prospect, Weld County, Colorado – Drilling Program (cont'd)

Hydrological pump tests are scheduled for the areas where this coring program is being completed. Laboratory analyses of the core will provide physical characteristics (e.g., density, permeability, porosity, etc.) of the mineralized sandstones and confining units, to be integrated into the hydrologic testing program. This will help to ensure the results of the hydrologic testing are as complete and accurate as possible.

Concurrent with the drilling program is the implementation of other environmental baseline studies. Baseline studies are underway for air quality, meteorology, surface water quality, vegetation, soils, wildlife, background radiation, and socio-economics.

This drilling program includes the installation of seven new monitor wells, which along with the 23 monitor wells approved in the initial Notice of Intent, and more than 20 existing wells, will provide the baseline data for the groundwater in the prospect area. This data will be critical to the environmental report and permit applications for the Centennial Prospect.

In connection with the drilling program, the Company posted cash security in the amount of US$189,400 with the DRMS to secure performance of the Company's reclamation obligations.

d) Amendments to the 2006 Stock Option Plan

On August 23, 2007, the Company's Stock Option Plan was amended to change the amount of options that the Company is permitted to grant under the 2006 Stock Option Plan to a fixed number which is equal to 20% of the issued and outstanding Common Shares on August 23, 2007. As such, the Company will be permitted to grant options to acquire up to a maximum of 9,885,804 Common Shares.

Note 12 Contingency

The Company was named in a wrongful dismissal claim related to the termination of a former president of the Company in 2004 prior to the sale of the Company's former business. Since such a claim was considered possible at the time of the sale of the business, the former controlling shareholder of the Company and purchaser of the business, agreed to indemnify the Company for any damages or costs incurred in connection with any such claim. Pursuant to the indemnity agreement, the former controlling shareholder has assumed the defense of the claim on behalf of the Company.

Note 13 Comparative Figures

Certain comparative figures as at June 30, 2006 and have been reclassified in order to comply with the financial statement presentation adopted for the current year.