



**POWERTECH URANIUM CORP.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**(January 22, 2009)**

**GENERAL**

The following discussion of performance, financial condition and future prospects should be read in conjunction with the consolidated financial statements of Powertech Uranium Corp. (the "Company") and notes thereto for the quarter ended December 31, 2008 and the year ended March 31, 2008. Additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com). References to "CAD\$" refer to Canadian currency and "\$" to United States currency.

**DISCLAIMER FOR FORWARD LOOKING INFORMATION**

Certain statements in this quarterly report are forward-looking statements, which reflect management's expectations regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views, are based on certain assumptions, and speak only as of December 31, 2008. These assumptions, which include, management's current expectations, estimates and assumptions about certain projects and the markets the Company operates in, the global economic environment, interest rates, exchange rates and its ability to manage its assets and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause its actual results to differ materially from those expressed or implied by the forward looking statements, including, but not limited to: (1) the risk that nuclear energy will not be accepted by the public as a safe and viable means of generating electricity; (2) a downturn in general economic conditions in the United States, Europe and internationally; (3) a decrease in the demand for uranium and uranium related products; (4) the number of competitors; (5) the uncertainty of government regulation in the United States, Europe and internationally; (6) political and economic conditions in uranium producing and consuming countries; (7) delays in the receipt of any permits or approvals required for the Company's operations; (8) failure to obtain additional capital at all or on commercially reasonable terms; and (9) other factors beyond the Company's control.

There is a significant risk that the Company's forecasts and other forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors and Uncertainties" in the Company's annual Management Discussion and Analysis for the year ended March 31, 2008.

**NATURE OF BUSINESS**

The Company is a Toronto Stock Exchange ("TSX") (symbol "PWE") and a Frankfurt Stock Exchange (symbol "P8A") listed mineral exploration/development company which, through its wholly-owned subsidiary Powertech (USA) Inc., is focused on the exploration and development of uranium properties in the United States.

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**Directors and Officers**

The Company's Board of Directors that were re-elected at the Annual and Special General Meeting of the Shareholders held on July 15, 2008 are Wallace M. Mays, Richard F. Clement, Jr., Thomas A. Doyle, Greg Burnett, Douglas E. Eacrett, Malcolm Clay, Robert Leclère, and Gérard Pauluis.

The Company's current officers include the following persons:

Wallace M. Mays	Chairman of the Board, Chief Operating Officer
Richard F. Clement, Jr	President, Chief Executive Officer
Thomas A. Doyle	Chief Financial Officer, Vice President – Finance and Treasurer
Greg Burnett	Vice President – Administration and Secretary
James Bonner	Vice President – Exploration
Richard Blubaugh	Vice President – Health, Safety and Environmental Resources
John Mays	Vice President – Engineering

**MINERAL PROPERTY INTERESTS**

**South Dakota, USA**

**Dewey-Burdock Project – Custer and Fall River Counties**

Through December 1, 2008, the Company's Dewey-Burdock Project is comprised of 18 mining leases covering approximately 14,000 net surface acres and 7,300 net mineral acres. The Company has purchased approximately 560 net mineral acres. In addition, the Company staked and acquired 238 mining claims in Dewey-Burdock covering approximately 4,700 acres. In December 2008, the Company purchased 59 mining claims in the Dewey--Burdock area from Bayswater Uranium Corporation ("Bayswater"). This purchase included other mining claims and State mining leases located in two of the Company's Wyoming exploration prospects, see discussion below.

During January 2009, the Company acquired 124 claims and 30 leases covering approximately 6,000 acres, from Neutron Energy, Inc. ("Neutron"), in exchange for some of the Company's noncore properties in New Mexico, Wyoming and South Dakota. In South Dakota, the Company transferred to Neutron approximately 360 acres of claims and leases, along with associated historical drilling data. The acreage is located several miles away from the Dewey-Burdock project. See discussion below regarding the New Mexico and Wyoming exchanges.

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% U<sub>3</sub>O<sub>8</sub>, and is located in the well-known Edgemont Uranium District. Thirty-four mining claims, included above, were staked within the project area to correct defects associated with County filing requirements on some fractional claims located in 2007 and acquire additional buffer lands for the Aquifer Exemption boundary.

A new uranium exploration permit application for 30 additional drill holes was submitted to the South Dakota Department of Environment and Natural Resources ("SD DENR"). The purpose of this new drill program is to confirm that the area for the proposed plant site will not be built over potential ore. The drilling program was approved by the Board of Minerals and Environment at the November 19, 2007 hearing. Drilling is scheduled to begin upon issuance of the permit and acceptance of surety bond.

The following major milestones have been completed through January 22, 2009:

- The draft Technical Evaluation Report ("TER") and Environmental Report ("ER") that will be submitted to the U.S. Nuclear Regulatory Commission ("NRC") are undergoing technical and administrative reviews both internally and externally, prior to completion and submittal.

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- The Special, Exceptional, Critical or Unique Lands Designation Permit application has been submitted and deemed complete by SD DENR, will be subject to a hearing before the Board of Minerals and Environment in February 2009.
- The Underground Injection Control (“UIC”) permit application was submitted to the US EPA Region 8 in December 2008.
- Radiation data collection is complete for thermo luminescent detectors (“TLDs”) and Track-Etch monitors for radon.
- All air monitoring stations for particulates are operating properly and filters have been collected for analysis as scheduled. Air monitoring requirements for permit submittal were completed in August 2008.
- Two 72-hour aquifer pump tests, one in the Dewey area and one in the Burdock area, were conducted and deemed successful. The report is being completed by the Company’s independent contractors.
- The NRC-required quarterly groundwater sampling was completed. Monthly samples of the 12 wells installed at the request of the SD DENR will continue through March 2009.
- The final monthly stream samples (four) and the first of two sediment samplings were collected in June 2008. Also, the fourth and last quarterly surface water samples from impoundments in the project area were collected and transmitted for analyses.
- The floodplain analysis report for Beaver Creek and Pass Creek drainages is complete.
- The vegetation and wetland draft reports have been completed and merged into the draft TER and ER documents.
- The Company requested the Approved Jurisdictional Decision from the US Corp of Army engineers (“USCAE”) for the Project in order to eliminate or minimize issues with typically dry drainages. Final decision from the USCAE is expected in January 2009.
- Summary letters were submitted by the contractors surveying the vegetation, soils and wildlife confirming there were no federal or state threatened or endangered species observed on the project area and are included in the Special, Exceptional, Critical or Unique Lands Designation Permit application.
- The soils characterization survey and mapping have been completed and the report is being prepared.
- The Company entered into a Memorandum of Agreement with the South Dakota State Archaeologist for the management and protection of cultural resources in the project area.
- Engineering and design work is well underway and is expected to result in efficient and environmentally sound plans for the Dewey-Burdock Project.

Having submitted the UIC permit application to EPA in December, the Company intends to submit the necessary permit applications for ISR operations to the United States Nuclear Regulatory Commission and the South Dakota Department of Environment and Natural Resources in early calendar 2009.

**Colorado, USA**

**Centennial Project – Weld County**

The Company has purchased approximately 670 gross surface acres and 5,800 net mineral acres. In addition, the Company’s Centennial Project is comprised of 14 mining leases covering approximately 1,600 net surface acres and 1,100 net mineral acres. The Centennial project contains National Instrument 43-101 (“NI 43-101”) compliant inferred uranium resources of 9.7 million pounds with an average thickness of 8.8 feet and an average grade of 0.094% U<sub>3</sub>O<sub>8</sub> (average Grade Thickness (“GT”) of 0.82).

The 2008 Notice of Intent (“NOI”) for ten additional drill holes was approved by the Colorado Division of Reclamation, Mining and Safety (“CDRMS”) in August 2008. Three rotary drill holes were completed in Section 9, T9N, R67W in the area of the proposed Central Processing Plant (“CPP”). These holes were drilled to ensure that no uranium resources existed beneath the proposed plant site. One drill hole encountered mineralization with a GT value of 0.50. Two core holes were drilled within resource areas in Section 9 and 35, T9N, R67W. 430 feet of core were recovered. Analytical results of core samples collected from the August coring program have been received. Mineralized core was composited for leach testing studies. The first phase of these studies showed a high percentage of uranium recovery. The second phase will examine the final water quality of the leaching solutions. These results will be received in the first calendar quarter 2009

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and will help in well field restoration planning. Porosity, permeability and density values were determined on core from both aquifers and confining units within the project area. These values will be incorporated into a hydrological evaluation associated with the final pump test.

Additionally, a Modification to the 2008 NOI was prepared and submitted to the CDRMS for 15 wells and one core hole. The modification includes 13 pump test wells. The CDRMS recently approved the NOI Modification. CDRMS acceptance of the required financial surety will complete the permit process for the modification. This new technical information will be incorporated, along with previously collected data, in the permit applications. Drilling is expected to begin upon approval of the NOI and placement of surety.

The following major milestones have been completed through January 22, 2009:

- The Air Quality Control Permit application is under development. Sampling of the background air particulates continued as did the data collection from the meteorological tower through December 2008.
- The eighth and final groundwater sampling event from the network of groundwater wells in the project area has been completed. The samples have been sent to the independent laboratory for analyses. Included in this network of groundwater wells are several historical groundwater observation wells completed in the 1980's.
- A feasibility study on deep disposal injection wells was completed by an independent contractor in September. The Company anticipates permitting deep disposal well(s) for the disposal of land and well field waste streams.
- 55 surface soil samples (0-15cm) were taken in the month of June and submitted to the laboratory for testing and 19 soil profiles were taken to a depth of 100cm to assist in the characterization of baseline radiation in the project area.
- 12 thermo-luminescent dosimeters ("TLDs") were installed and readings were taken to measure ambient radon concentration at the end of October as part of the baseline data collection. Results were typical of baseline and will be incorporated into the baseline data base and permit applications.
- Surface sediment samples were obtained from surface drainages and two impoundments. Three surface water samples were obtained during the third quarter of 2008 from the established surface water sampling stations. The surface sampling stations were surveyed, including horizontal and gradient profiles. Sampling was completed in October 2008.
- Additional soil samples were collected for analyses in support of the land application process. Geotechnical samples in the land application areas were obtained, the results are incorporated into the engineering design and permit applications.
- The noise survey draft report has been prepared, subject to revision, upon completion of the Centennial operation plan.
- Vegetative sampling was completed in June 2008 and the draft report has been completed.
- Cultural Resource surveys have been completed and the draft report has been provided. Review by an independent peer reviewer is underway.
- Approximately 80% of the tasks required to develop the ER are complete. Draft reports and numerous maps and figures have been provided by independent contractors and are under internal review. Several sections of the ER are in draft form:
  1. Aquifer pumping tests
  2. Baseline Radiation
  3. Regional Surface Water Hydrology
  4. Air Quality Assurance Report

The decision to incorporate additional technical information from a final pump test has resulted in a revision in the schedule for filing all permit applications for the Centennial Project. The Company now intends to submit the necessary permit applications for ISR operations to the United States Environmental Protection Agency, the Colorado Department of Public Health and Environment, Colorado Department of Natural Resources and Weld County in the second quarter of calendar 2009.

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**Wyoming, USA**

Aladdin Exploration Prospect – Crook County

The Company acquired seven Wyoming State mining leases, totaling 5,626 acres, from Bayswater. These properties are adjoining or on trend with uranium mineralization previously encountered on this prospect.

Dewey Terrace Exploration Prospect – Weston & Niobrara Counties

The Company acquired 322 mining claims (6,440 acres) and four Wyoming State mining leases (2,560 acres) from Bayswater. These properties are adjacent to the Company's current land position in this prospect area.

Shirley Basin Exploration Prospect – Carbon County

In connection with the Neutron property exchange discussed above, during January 2009, the Company disposed of its interest in Shirley Basin, which was comprised of 1,656 acres of claims and leases.

**New Mexico, USA**

In connection with the Neutron property exchange discussed above, during January 2009, the Company disposed of its interest in West Ambrosia Lake, which was comprised of 4,056 acres of claims.

**Mineral Property Interests – Capitalized Costs**

Costs reflected in mineral property interests for the periods ended December 31, 2008 and March 31, 2008 are detailed below:

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	<u>South Dakota</u>	<u>Wyoming</u>	<u>Colorado</u>	<u>New Mexico</u>	<u>Other</u>	<u>Total</u>
Balance,						
March 31, 2007	\$ 11,947,246	\$ 1,729,549	\$ 4,364,018	\$ 176,988	\$ 119,840	\$ 18,337,641
Acquisition costs	-	-	1,312,266	-	-	1,312,266
Land services	57,792	95,718	73,179	-	38,614	265,303
Legal fees	66,033	23,555	369,704	-	-	459,292
Claims						
maintenance	74,465	145,338	-	27,875	-	247,678
Lease payments	173,396	365,675	34,396	-	20,833	594,300
Drilling/ Engineering	1,563,598	614,991	168,209	-	-	2,346,798
Permitting	1,850,751	17,508	3,392,272	-	-	5,260,531
Wages/Consulting	<u>629,926</u>	<u>352,849</u>	<u>478,444</u>	<u>29,830</u>	<u>34,953</u>	<u>1,526,002</u>
Balance,						
March 31, 2008	16,363,207	3,345,183	10,192,488	234,693	214,240	30,349,811
Acquisition costs	506,521	-	-	-	-	506,521
Land services	59,632	(350)	74,913	-	-	134,195
Legal fees	42,715	-	339,195	-	-	381,910
Claims						
maintenance	64,976	136,490	-	27,875	-	229,341
Lease payments	103,069	106,169	61,984	-	5,352	276,574
Drilling/ Engineering	565,652	-	433,963	-	-	999,615
Exploration	1,892	7,420	-	-	-	9,312
Geological Services	20,359	21,338	34,008	-	-	75,705
Permitting	2,333,540	3,737	1,500,970	-	-	3,838,247
Wages/Consulting	880,501	-	452,789	-	-	1,333,290
Other	<u>(4,590)</u>	<u>(24,934)</u>	<u>-</u>	<u>(34)</u>	<u>(4,352)</u>	<u>(33,910)</u>
Balance,						
December 31, 2008	<u>\$ 20,937,474</u>	<u>\$ 3,595,053</u>	<u>\$ 13,090,310</u>	<u>\$ 262,534</u>	<u>\$ 215,240</u>	<u>\$ 38,100,611</u>

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**SUMMARY OF QUARTERLY RESULTS**

The following tables provide selected financial information for the most recent eight quarters.

	Quarter Ended			
	<u>December</u> <u>31, 2008</u>	<u>September</u> <u>30, 2008</u>	<u>June</u> <u>30, 2008</u>	<u>March</u> <u>31, 2008</u>
Interest Income	\$ 15,992	\$ 30,080	\$ 21,467	\$ 44,289
Expenses	944,484	1,077,766	1,733,677	673,181
Net Loss	928,492	1,047,686	1,712,210	1,257,952

	Quarter Ended			
	<u>December</u> <u>31, 2007</u>	<u>September</u> <u>30, 2007</u>	<u>June</u> <u>30, 2007</u>	<u>March</u> <u>31, 2007</u>
Interest Income	\$ 94,585	\$ 128,664	\$ 127,186	\$ 90,266
Expenses	1,178,519	927,405	649,386	1,329,457
Net Loss	1,083,934	798,741	522,200	1,239,191

During the three and nine months ended December 31, 2008, the Company continued to focus on development of its mineral property interests. Net loss during the three months ended December 31, 2008 was less than the net loss at December 31, 2007. This is primarily due to a decrease in stock-based compensation, partially offset by an increase in certain general and administrative expenses, as discussed below, and a decrease in interest income. Net loss for the nine months ended December 31, 2008 was greater than the same period in 2007 as a result of an increase in stock based compensation and general and administrative expenses and a decrease in interest income.

Amortization and depreciation increased each period as a result of greater spending on office and field equipment in prior periods. Field operation expense is related to certain costs that are now being expensed instead of capitalized to the projects. Wages and benefits increased period-to-period primarily due to the increase in staff. The decrease in interest income each period was attributable to a decrease in cash and cash equivalents balances for each period.

**FINANCING, LIQUIDITY AND CAPITAL RESOURCES**

As of December 31, 2008, the Company had cash and cash equivalents of \$3,097,132 and net working capital of \$1,868,381.

On June 4, 2008, the Company issued pursuant to a private placement agreement (the "Agreement") with Synatom 6,000,000 units at a price of CAD\$1.50 per unit, for aggregate proceeds of CAD\$9,000,000 (\$8,980,200). Each unit consists of one common share and two share purchase warrants, with the warrants exercisable at an exercise price of CAD\$2.00 per share, subject to adjustment. The warrants, which are subject to, among other things, certain anti-dilution provisions, were issued in two series as follows:

- the first series of 6,000,000 warrants may be exercised at any time until the earlier of: (i) 10 days following the day that the Company files certain specified permit applications for both the Centennial and the Dewey-Burdock projects of the Company (with a minimum duration of 6 months); and (ii) June 4, 2009; and
- the second series of 6,000,000 warrants may be exercised at any time until the earlier of: (i) 10 days following the day that the Company has obtained the permits required to construct and operate either the Centennial or the Dewey- Burdock project; and (ii) June 4, 2010.

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The Company granted Synatom certain anti-dilution and preemptive rights that apply so long as Synatom continues to own no less than 15% of the outstanding Shares (calculated on a non-diluted basis). In connection therewith, Synatom will, subject to any regulatory and applicable shareholder approval requirements, be entitled to: (i) maintain its rateable ownership of the shares, if the Company proposes to issue any further shares or any securities convertible into shares; and (ii) increase its ownership to 33.34% of the outstanding Shares (calculated on a fully diluted basis) if, after the exercise of all of the warrants, Synatom owns less than 33.34% of the outstanding Shares (calculated on a fully diluted basis).

The Company granted Synatom certain governance rights that apply so long as Synatom owns not less than 10% of the outstanding shares (calculated on a non-diluted basis). In connection with these governance rights, Synatom has the right to nominate directors to the Board of Directors of the Company (and that of its wholly-owned subsidiary Powertech (USA), Inc.) in proportion to its then proportionate interest of shares and the Company will cause such individuals nominated to be elected or appointed to the Board.

In connection with the Agreement, in the event that the Company produces uranium for sale, the Company has also granted Synatom an option to purchase a certain quantity of uranium from time to time (based on Synatom's then percentage ownership interest in the Company) on the terms sold to third parties, exercisable so long as Synatom continues to own no less than 15% of the outstanding shares (calculated on a non-diluted basis).

At the close of the private placement, Synatom owned 10,890,000 Shares (excluding Shares issuable upon the exercise of the warrants) representing approximately 19.6% of the outstanding Shares. If all of the warrants are exercised for shares, Synatom will own shares representing approximately 33.9% of the outstanding shares.

The Company received shareholder approval at a special meeting (the "Special Meeting") of shareholders of the Company held on July 15, 2008, for a special resolution (the "Special Resolution") approving the warrants and the pre-emptive rights granted to Synatom. In connection therewith, management of the Company, which owns or exercises direction or control over an aggregate of approximately 25% of the Shares (calculated on a non-diluted basis) voted their shares in favour of the Special Resolution. In addition, Synatom voted its holdings prior to the closing of the private placement of approximately 9.9% of the Company in favour of the Special Resolution. Synatom did not vote any of the Shares acquired in this transaction at the Special Meeting.

Management of the Company has entered into a Shareholders Agreement with the Company and Synatom regarding, among other things, mutual rights of first refusal on the sales of Shares, subject to certain exceptions, and certain anti-dilution rights in favour of Synatom. Management of the Company have also agreed to remain in their current positions for a period of five years and to not-compete for a period of one year after they cease providing services to the Company.

On December 22, 2008 the Company entered into a Loan Agreement, pursuant to which Synatom has provided the Company with a bridge loan in the amount of CAD\$2,500,000 (the "Bridge Loan"). The Company has also entered into a Private Placement Agreement (the "Private Placement Agreement") with Powertech (USA) Inc. and Synatom pursuant to which Synatom has agreed to make a strategic investment of CAD\$9,000,000 by way of the purchase of a convertible debenture, subject to necessary shareholder approval at a meeting of shareholders called for that purpose. The Company intends to use the proceeds for working capital and to advance its mineral properties towards production.

The Bridge Loan bears interest at the rate of 7% per annum, has a maturity date of the earlier of: (i) January 31, 2010, and (ii) the date on which the Company completes a debt or equity financing of not less than CAD\$5,000,000, and is secured by a floating charge over all of the Company's and its subsidiaries' present and after acquired property and assets.

Under the terms of the Private Placement Agreement, at closing, the Company will issue a convertible debenture to Synatom in the principal amount of CAD\$9,000,000 (the "Debenture"). It is a condition of closing of the Debenture that the Bridge Loan is repaid.

The Debenture would bear interest at the rate of 7% per annum, to be compounded annually and will have a maturity date of December 19, 2011. The Debenture will be convertible into the Company's common shares (the "Common Shares") at a fixed conversion price of CAD\$0.50 per Common Share (the "Conversion Price") in certain circumstances. The principal

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amount of the Debenture, plus accrued and unpaid interest thereon, may be converted (1) by the Company in the event that the Company has obtained all of the permits required to construct and operate either the Centennial or the Dewey-Burdock project; or (2) by Synatom at any time, provided that each conversion shall be a minimum of CAD\$100,000 of the principal amount of the Debenture, until (a) repayment in full by the Company of any outstanding principal and interest outstanding on the Debenture, or (b) conversion upon the request of the Company pursuant to (a) above.

Repayment of the Debenture will be secured by all of the security granted by the Company and its subsidiaries in connection with the Bridge Loan. The closing of the Debenture transaction is subject to shareholder approval and other customary closing conditions.

The Conversion Price and the number of Common Shares issuable upon conversion of the Debenture are subject to customary anti-dilution adjustments in the event of a subdivision, consolidation or reclassification of the Common Shares or the issuance of Common Shares to shareholders as a stock dividend.

In the event that the Debenture is approved by the Company's shareholders, the Company has also agreed not to take certain corporate actions without the consent of Synatom until the earlier of: (i) the conversion of the entire Debenture into Common Shares in accordance with the terms and conditions of the Debenture; and (ii) the Maturity Date. These negative covenants are in addition to, and not in substitution of, the negative covenants of the Company agreed to in connection with the private placement in June 2008.

The Company will be seeking shareholder approval at a special meeting (the "Special Meeting") of shareholders of the Company to be held on February 5, 2009, for a special resolution (the "Special Resolution") approving the issuance, effectiveness, terms and conditions and conversion of the Debenture.

Each of Wallace M. Mays, the Wallace M. Mays 2006 Family Trust No. 1, Richard F. Clement, Jr., the Clement Family Limited Partnership, Thomas A. Doyle and Greg Burnett, which collectively own or exercise direction or control over an aggregate of approximately 22.9% of the outstanding Common Shares (calculated on a non-diluted basis), have entered into a Voting Agreement with Synatom, dated December 19, 2008, whereby they have each agreed to vote their Common Shares in favour of the Special Resolution. As required by the rules and policies of the TSX and Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), Synatom will not be voting any of the Common Shares that it owns at the Special Meeting.

Further details of the private placement and the aforementioned agreements are contained in the management information circular mailed to shareholders of the Company on January 9, 2009 in connection with the Special Meeting. As required by MI 61-101, the Company engaged a valuator to prepare a formal valuation of the Common Shares, the detail of which is contained in the management information circular.

The Company is in the permitting stage of its two projects, Dewey-Burdock and Centennial, and continues to be largely reliant on obtaining equity financing in order to continue its permitting and other exploration and development activities. As of December 31, 2008, the Company had net working capital position of \$1,868,381. The Company has an active development program in place and believes the remainder of its fiscal year 2009 budget can be fully funded with its existing working capital reserves. Notwithstanding previous success in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company.

In the longer term, the Company's ability to continue as a going concern is dependent upon its ability to generate profitable operations in the future from its new business initiatives or to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

Cash used in operations for the three-month period ended December 31, 2008 was less than cash used in operations at December 31, 2007 primarily due to a decrease in net loss for the period and an increase accounts payable. Cash used in operating activities was slightly greater for the nine months ended December 31, 2008 as compared to December 31, 2007, as a result of increased activity surrounding the Company's operations. Cash outflows for investing activities decreased for

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the three and nine months December 31, 2008 from the same period in 2007 primarily due to decreased spending on buildings and equipment. Financing activities, through long-term, debt, for the three months ended December 31, 2008 raised \$2,081,891, there was no such activity for the three months ended December 31, 2007. Financing activities such as private placements, debt and stock options/warrants exercises, raised \$11,112,091 and \$5,581,532 for the nine months ended December 31, 2008 and 2007, respectively.

**CONTRACTUAL COMMITMENTS**

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

**LEGAL MATTERS**

Further to disclosure in previous public filings, the Company was named in a wrongful dismissal claim related to the termination of a former manager of the Company in 2004 prior to its change of business. Since such a claim was considered possible at the time of the sale of the Company's former business, the former controlling shareholder of the Company and purchaser of the former business, Fama Holdings Ltd., agreed to indemnify the Company for any damages or costs incurred in connection with any such claim. Pursuant to the indemnity agreement, Fama Holdings Ltd. has assumed the defense of the claim on behalf of the Company.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

During the three and nine months ended December 31, 2008 and 2007, the Company incurred the following transactions with directors and officers of the Company or with companies with directors and officers in common:

	<b><u>Three Months Ended December 31,</u></b>		<b><u>Nine Months Ended December 31,</u></b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		Restated – Note 2		Restated – Note 2
Director Fees	\$ 7,469	\$ 9,527	\$ 24,748	\$ 21,656
Management and Consulting Fees	120,806	133,736	386,240	412,932
Mineral Property Interests				
Stock-Based Compensation	16,734	–	364,896	–
Wages and Benefits	245,696	208,337	586,537	293,785
Stock based compensation	16,873	210,532	823,731	361,117
Wages and Benefits	124,590	68,119	223,220	137,385
Other	<u>2,790</u>	<u>–</u>	<u>2,790</u>	<u>–</u>
	\$ 534,958	\$ 630,251	\$ 2,412,162	\$ 1,226,875

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

At December 31, 2008, accounts payable and accrued liabilities include \$27,486 (March 31, 2008: \$33,950) due to directors and officers of the Company or companies with directors in common for unpaid fees and expenses owed.

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**CHANGE IN ACCOUNTING POLICY**

Change in Accounting Policy

Effective April 1, 2008, the Company changed its functional and reporting currency from the Canadian dollar (“CAD”) to the United States dollar (“USD”). This change to USD resulted from an increase in the business activities conducted in USD.

Financial statements for all periods presented have been translated from CAD to USD using the current rate method. Using this method, all consolidated assets and liabilities have been translated using the exchange rate at the balance sheet dates, while shareholders’ equity has been translated using the historical exchange rates at the dates of the corresponding transactions. The consolidated statements of operations and deficit and consolidated statements of cash flow have been translated using the prevailing average exchange rates for the periods. Any resulting exchange rate differences due to this translation are included in shareholders’ equity as accumulated other comprehensive income. All comparative financial information being presented has been restated to reflect the Company’s financial statements as if they have been historically reported in USD and the effect on the consolidated financial statements resulted in an accumulated other comprehensive income adjustment of \$1,465,224 as at March 31, 2008.

**SHARE CAPITAL**

**Authorized:**

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value that are issuable in a series.

**Common shares issued:**

	<u>Number</u>	<u>Amount</u>
Balance, March 31, 2008	49,429,020	\$ 41,851,318
Issued for cash:		
Pursuant to private placement agreement	<u>6,000,000</u>	<u>8,980,200</u>
Balance, January 22, 2009	<u>55,429,020</u>	<u>\$ 50,831,518</u>

On June 4, 2008, the Company closed a private placement of 6 million units at CAD\$1.50 per unit for proceeds of CAD\$9,000,000 (\$8,980,200). Each unit consisted of one common share and two share purchase warrants entitling the holder thereof to purchase an additional common share at CAD\$2.00 per share for terms not to exceed one year for the first series and two years for the second series. For complete discussion, see Financing, Liquidity and Capital Resources above.

**Escrow:**

At December 31, 2008, 850,000 common shares were held in escrow subject to an escrow agreement.

**Stock Option Plan:**

The Company has a Stock Option Plan (“the Plan”) under which it is authorized to grant share purchase options to directors, officers, consultants or employees of the Company. The Company is permitted to grant options to acquire up to a maximum of 9,885,804 common shares. 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 Board of Directors specifies a vesting period on a grant-by-grant basis.

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At December 31, 2008, there are 7,800,000 options outstanding entitling the holders thereof to purchase one common share for each option held as follows:

Expiration Date	Exercise Price (CAD)	Outstanding at March 31, 2008	Granted during period	Exercised during period	Forfeited during period	Outstanding at September 30, 2008
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
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)	–
August 30, 2012	\$1.50	900,000	–	–	–	900,000
September 4, 2012	\$1.60	150,000	–	–	–	150,000
October 31, 2012	\$2.15	75,000	–	–	–	75,000
January 14, 2013	\$1.50	400,000	–	–	–	400,000
February 7, 2013	\$1.00	400,000	–	–	–	400,000
June 18, 2013	\$1.50	–	1,600,000	–	–	1,600,000
August 11, 2013	\$1.50	–	125,000	–	–	125,000
Totals		6,175,000	1,725,000	–	(100,000)	7,800,000

As of December 31, 2008 and January 22, 2009, 7,165,625 and 7,240,625 options have vested, respectively. The weighted average life of the stock options outstanding is 3.2 years. Vesting period is determined by the Board of Directors at the time of the grant. Stock options granted under the Plan during the three months ended June 30, 2008 vested immediately while the stock options granted during the three months ended September 30, 2008 are subject to a vesting period. The weighted average exercise price of the stock options outstanding is CAD\$1.38.

### **FINANCIAL INSTRUMENTS**

The carrying values of cash, and accounts payable and accrued liabilities approximate fair value because of the short-term maturity of those instruments. The current bank accounts and accounts payable are non-interest bearing. The majority of cash is held in short-term investments bearing interest of less than 4%. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company to date has not used any formal currency hedging contracts to manage currency risk.

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Generally Accepted Accounting Principles ("GAAP") in Canada. The Financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

### **Disclosure Controls And Procedures**

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in provincial securities legislation. The Company evaluated its disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at December 31, 2008. This evaluation was performed by the Company's Chief Executive Officer and Chief Financial Officer with the assistance of other employees to the extent necessary and appropriate. Based on this evaluation, the Chief

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Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective.

**Internal Controls Over Financial Reporting**

The Company maintains internal controls over financial reporting which have been designed to provide reasonable assurance of the reliability of external financial reporting in accordance with Canadian GAAP as required by Multilateral Instrument 52-109.

There were no changes in internal control over financial reporting that occurred since the beginning of the Company's fiscal year ended March 31, 2009 to the date of this document that have materially affected, or are reasonably likely to materially affect internal control over financial reporting.

**OTHER INFORMATION**

This discussion and analysis of the financial position and results of operations as of January 22, 2009 should be read in conjunction with the audited consolidated financial statements for the year ending March 31, 2008 and the interim consolidated financial statements (unaudited) for the quarter ended December 31, 2008. Additional information can be accessed at the Company's website [www.powertechuranium.com](http://www.powertechuranium.com) or through the Company's public filings at [www.sedar.com](http://www.sedar.com).

This Management Discussion and Analysis has been reviewed and approved by Mr. Richard F. Clement, Jr., President and CEO of Powertech, under whose direction the Company's operations are being carried out. Mr. Clement, P.G., MSc. is a Qualified Person as defined by National Instrument 43-101.