

TITAN URANIUM INC.

FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2009

This Management Discussion and Analysis (MD&A) is an overview of the activities of Titan Uranium Inc. (the “Company”) for the year ended August 31, 2009. The MD&A should be read in conjunction with the Company’s audited financial statements for the year ended August 31, 2009 and the notes attached thereto. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise indicated. The effective date of this MD&A is November 26, 2009.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

The reader is encouraged to review the Company’s statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

The Company is a natural resource company in the process of exploring its mineral properties and has not yet determined whether these properties contain resources and/or reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon: the existence of economically recoverable resources and/or reserves; the ability of the Company to obtain the necessary financing to complete exploration and development; and upon future profitable production or proceeds from disposition of such properties.

On May 30, 2005 the Company changed its name from Ceduna Capital Corp. to Titan Uranium Exploration Inc. On June 24, 2005 the Company changed its name from Titan Uranium Exploration Inc. to Titan Uranium Inc. The Company trades on the TSX Venture Exchange under the symbol “TUE”. The common shares of the Company were transferred from trading on the NEX to the TSX-V Board on June 2, 2005.

On July 31, 2009, the Company acquired, by way of a plan of arrangement all of the issued and outstanding shares of Uranium Power Corp. (UPC).

The Company has two regional groups of mineral properties; Canada and the United States.

ACQUISITION OF URANIUM POWER CORP.

On July 31, 2009, the Company completed the acquisition of all of the issued and outstanding common shares of UPC by way of a plan of arrangement. The Company issued 52,980,838 common shares to acquire all of the UPC common shares. For accounting purposes, the acquisition was accounted for as a purchase of assets.

The acquisition increased the Company’s working capital by \$6,287,724, after transaction fees, and added uranium properties in Utah, Colorado, Arizona and Wyoming. The Sheep Mountain property in Wyoming contains a 43-101 compliant inferred resource of 15.6 million lbs U₃O₈ and is the subject of a pre-feasibility study that commenced in October, 2009 and is expected to take approximately six months to complete. Transaction details are contained in note 3 and 16 to the consolidated financial statements for the year-ended August 31, 2009.

On October 1, 2009, the Company acquired the 50% interest not already owned in the Sheep Mountain property and the Green River North property in Utah. The transaction was completed with the Company’s Joint Venture partner Uranium One. As a result of the transaction, the Company owns 100% of the Sheep Mountain and Green River North properties. In exchange for the Sheep Mountain and Green River North properties, the Company paid USD \$350,000 to Uranium One and transferred to Uranium One its 50% interest in the Breccia Pipe property and the Burro Canyon property. The Company must also pay to Uranium One an additional USD \$2,000,000 if the month-end spot uranium price reported by Ux Consulting Company exceeds USD \$65 per pound within three years of the closing. The Company must also pay to Uranium One an additional USD \$4,000,000 if the month-end spot uranium price reported by Ux Consulting Company exceeds USD \$85 per pound within three years of the closing date. The Company also assumed the remaining 50% of the asset retirement obligation related to Sheep Mountain that was not recognized at August 31, 2009 and provided an additional USD \$1,100,000 deposit as security for future reclamation obligations.

RESULTS OF OPERATIONS

Year end August 31, 2009

For the year ended August 31, 2009 the Company had a loss of \$6,968,046 (\$0.12 per share) compared to a loss of \$33,424,978 (\$0.63 per share) for the year ended August 31, 2008. The decreased loss primarily relates to a write-down of resource properties and related future income tax recoveries, both of which are non-cash items. The year ended August 31, 2008 included a write-down of resources properties of \$44,700,021 and future income tax recovery of \$13,852,000 whereas the year ended August 31, 2009 included a write-down of \$6,491,706 and future tax recovery of \$1,752,000.

Stock-based compensation was \$22,379 for the year ended August 31, 2009 compared to \$770,820 for the year ended August 31, 2008. There were no stock options granted during the year ended August 31, 2009 compared to 2,635,833 options granted in the year ended August 31, 2008.

Corporate development expense was \$378,901 for the year ended August 31, 2009 compared to \$686,411 for the year ended August 31, 2008. These expenses, relating primarily to investor relations and promotions, decreased due to the utilization of fewer consultants and less promotional activities and a focus on cash conservation in light of the current economic down-turn.

Administration expense was \$1,308,339 for the year ended August 31, 2009 compared to \$1,042,161 for the year ended August 31, 2008. The increase was primarily due to severance payments totaling \$265,685, made to employees that were terminated in an effort to conserve cash. In future periods, savings resulting from severing certain employees are expected to be partially offset by increased expenses resulting from increased activity related to the acquisition of UPC.

Consulting and professional fees were \$521,450 for the year ended August 31, 2009 compared to \$380,223 for the year ended August 31, 2008. The increase was due to advisory fees regarding business transactions, severance payments to consultants and increase audit fees resulting from more complex issues related to the acquisition of UPC.

Future income tax recovery was \$1,752,000 for the year ended August 31, 2009 compared to \$13,852,000 for the year ended August 31, 2008. The decrease was due to a smaller write-down of resource properties in the year-ended August 31, 2009 compared to the year ended August 31, 2008.

The Company's only source of revenue is interest income from its bank accounts and guaranteed investment certificates. Interest income for the year ended August 31, 2009 was \$66,753 compared to \$384,504 for the year ended August 31, 2008. The decrease was due to lower interest rates as well as a lower cash balance during most of the year. The cash balance increased by \$6,277,775 after transaction fees on July 31, 2009 as a result of the UPC acquisition.

Working capital at August 31, 2009 was \$9,650,170 compared to \$6,800,491 at August 31, 2008. The increase is a result of cash acquired as part of the UPC acquisition, which was partially offset by spending on exploration activity and general and administrative expenses. The Company did not undertake any financing activities during the year.

Resource properties increased by \$6,286,195 between August 31, 2008 and August 31, 2009. The acquisition of UPC and related property expenditures subsequent to acquisition resulted in additions to resource properties of \$11,464,234 which was partially offset by a write-down of \$6,491,706. Exploration activities are detailed in the *Summary of Mineral Property Expenditures and Exploration Activities* later in this document.

The write-down of \$6,491,706 was the result of the Company's intention to abandon the Knight claims, some of the R-Seven claims and most of the Virgin Trend claims. The claims are being abandoned to focus on higher priority projects as the spending required to retain the claims and explore the targets, which are remote and deep, is higher than is justified by current market conditions.

Three months ended August 31, 2009

For the three months ended August 31, 2009 the Company had a loss of \$5,232,546 (\$0.07 per share) compared to a net loss of \$31,525,382 (\$0.60 per share) for the three months ended August 31, 2008. The decreased loss primarily relates to a write-down of resource properties and related future income tax recovers, both of which are non-cash items. The quarter ended August 31, 2008 included a write-down of resources properties of \$44,700,021 and future income tax recovery of \$13,852,000 whereas the quarter ended August 31, 2009 included a write-down of \$6,491,706 and future tax recovery of \$1,752,000.

Interest income for the three months ended August 31, 2009 was \$5,034 compared to \$57,334 for the three months ended August 31, 2008. Interest income decreased because of a lower cash balance during most of the quarter and much lower

interest rates. The cash balance increased by \$6,277,775 after transaction fees on July 31, 2009 as a result of the UPC acquisition.

Stock-based compensation was \$Nil for the quarter ended August 31, 2009 compared to \$371,701 for the quarter ended August 31, 2008. The decrease was a result of no options granted or vesting during the quarter.

Corporate development expense was \$81,460 for the quarter ended August 31, 2009 compared to \$147,057 for the quarter ended August 31, 2008. These expenses, relating primarily to investor relations and promotions, decreased due to the utilization of fewer consultants and less promotional activities. The Company continues to focus on cash conservation in light of the economic recession.

Administration expense was \$280,944 for the quarter ended August 31, 2009 compared to \$82,142 for the quarter ended August 31, 2008. The increase was primarily due to severance payments totaling \$195,679, made to employees that were terminated in an effort to conserve cash. In future periods, savings resulting from severing certain employees are expected to be partially offset by increased expenses resulting from increased activity related to the acquisition of UPC.

Consulting and professional fees were \$135,181 for the quarter ended August 31, 2009 compared to \$110,843 for the quarter ended August 31, 2008. The increase was due to increased accounting and audit fees resulting from more complex issues arising from the acquisition of UPC.

Future income tax recovery, a non-cash item, was \$1,752,000 for the quarter ended August 31, 2009 compared to \$13,852,000 for the quarter ended August 31, 2008. The decrease was due to a smaller write down of resource properties in 2009 compared to 2008.

Selected Annual and Quarterly Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the audited Financial Statements of the Company for the year ended August 31, 2009.

	August 31 2009 \$	August 31 2008 \$	August 31 2007 \$
Total revenues	66,753	384,504	509,317
Loss	(6,968,046)	(33,424,978)	(7,307,686)
Basic and diluted loss per share [1]	(0.12)	(0.63)	(0.16)
Total assets [2]	42,810,764	33,444,418	78,760,338
Total long-term liabilities	2,866,527	4,112,000	15,534,000
Cash dividends	—	—	—

[1] All per share amounts are calculated on a weighted average, basic and fully diluted basis.

[2] Total assets decreased in the year ended August 31, 2008 primarily as a result of a write-down of resource properties resulting from an impairment analysis arising from adverse changes in the business climate and a significant decrease in the Company's market capitalization compared to the carrying value of its resource properties. Total assets increased in the year ended August 31, 2009 primarily as a result of the acquisition of UPC.

Summary of Quarterly Results

	August 31 2009 \$	May 31 2009 \$	February 29 2009 \$	November 30 2008 \$
Total assets	42,810,764	29,956,495	30,965,054	31,328,337
Working capital	9,650,170	4,150,626	5,142,484	6,142,734
Shareholders' equity	38,839,267	25,528,520	26,067,125	26,718,179
Interest income	5,034	4,931	16,930	39,858
Loss	(5,232,546)	(599,310)	(657,039)	(479,151)
Loss per share [1]	(0.07)	(0.10)	(0.01)	(0.01)

	August 31 2008 \$	May 31 2008 \$	February 28 2008 \$	November 30 2007 \$
Total assets	33,444,418	77,972,895	77,733,454	78,231,314
Working capital	6,800,491	8,357,720	11,619,436	13,528,797
Shareholders' equity	27,178,574	58,017,255	58,507,926	61,943,380
Interest income	57,334	104,744	110,598	111,828
Loss	(31,525,382)	(505,824)	(997,225)	(396,547)
Loss per share [1]	(0.60)	(0.01)	(0.02)	(0.01)

[1] All per share amounts are calculated on a quarterly weighted average, basic and fully diluted basis.

SUMMARY OF MINERAL PROPERTY EXPENDITURES AND EXPLORATION ACTIVITIES

Nunavut

On May 31, 2005, the Company acquired a 100% working interest in eight mining leases in Nunavut. The details of this acquisition are described in note 6[a] of the Company's August 31, 2009 audited financial statements.

On June 13, 2007, the Company entered into an option agreement with Mega Uranium Ltd. (Mega) whereby Mega can earn a 51% interest in all of the Company's Thelon properties by incurring \$5,000,000 in exploration expenses before December 31, 2008. The details of this agreement are described in Note 6[a] of the Company's August 31, 2009 audited financial statements. A Joint Venture agreement is presently being finalized.

Exploration done to date on the property includes work in 2005, 2006, 2007 and 2008. A short program of prospecting in 2005 confirmed the results of the exploration work carried out by Westmin Resources Ltd. from 1976 to 1984 that had defined several radioactive boulder trains. Diamond drilling of these and other targets was the recommendation of the Company's Qualifying Report on its Thelon properties.

In 2006, Titan completed boulder prospecting (over 1100 radioactive boulders, up to 26,900 ppm uranium), geological mapping, and radon sampling to try to locate the sources of boulder trains and diamond drilling of selected targets (7 holes, 598 metres). Diamond drilling on the RAD claims intersected 3.9 metres with 0.16% U₃O₈.

In 2007, prospecting continued and over 200 samples were sent to the Saskatchewan Research Council (SRC) Geoanalytical Laboratory for analysis. Additional radon sampling was completed and 25 holes (1,600 metres) were drilled (3 holes lost). Drill hole RADC-07-01 intersected fracture-controlled basement mineralization with a grade of 0.19% U₃O₈ over 0.7 metres, adjacent to drill hole RADC-06-05 which intersected 0.16% U₃O₈ over 3.9 metres in 2006. An airborne radiometric and high resolution magnetic survey was flown which identified magnetic and radiometric anomalies on the property. An additional 40 claims (77,915 acres, 31,531 hectares) were staked to cover areas of favourable geology and anomalies and 20 claims (39,646 acres, 16,044 ha) were staked to convert Permit 6660 to claims.

In 2008, Titan carried out prospecting on the claims staked in 2007 and on selected other areas. Fifty-nine samples were analyzed and a maximum grade of 1,990 ppm was recorded from one sample. Additionally, 25 bulk till samples were collected in the vicinity of magnetic anomalies and analyzed for kimberlite indicator minerals. No kimberlite indicator minerals were identified. Twelve holes totaling 1,244.5 metres were drilled to test geological, magnetic and geochemical targets. The best drill hole intersection from the 2008 drill campaign was hole R22-08-01 which recorded 270 ppm U (0.032% U₃O₈) over 5.52 metres.

No exploration work has been completed on the Nunavut project since August 31, 2008. The camp used during the 2008 exploration program was demobilized in March, 2009.

Saskatchewan

On July 5, 2005, the Company acquired a 100% interest in thirty mineral claims located in the Athabasca Basin in Saskatchewan. The details of this acquisition are described in note 6[b] of the Company's August 31, 2009 audited financial statements.

In 2006, exploration carried out on the thirty claims, which form seven distinct properties, consisted of airborne Megatem electromagnetic-magnetic surveys on all properties. Diamond drilling was conducted on the Castle North and Castle South properties. Results of this work were reported in Titan's Q1 and Q2 Interim MD&A's filed in fiscal 2007.

On December 15, 2006, the Company entered into an agreement to acquire a 100% interest in seventy-two claims located in the Athabasca Basin in Saskatchewan from Dejour Enterprises Ltd. (Dejour). The details of this acquisition are described in Note 6[b] of the Company's August 31, 2009 audited financial statements.

A summary of the work conducted on these properties prior to their acquisition by Titan can be found in the Dejour MD&A for the Dejour year end of December 31, 2006.

During 2008, two option agreements were signed. The first was signed on April 11, 2008, with Vale Exploration Canada (Vale), a wholly-owned subsidiary of Companhia Vale do Rio Doce. Vale can earn a 60% working interest in the Company's Sand Hill / Rook II properties upon the full spending of \$12,000,000 on exploration prior to April 11, 2013. The second agreement was signed on May 23, 2008, with Japan Oil, Gas and Metals Corporation (JOGMEC). JOGMEC can earn a 50% working interest in the Virgin Trend and Knight properties upon the full spending of \$9,000,000 on exploration prior to March 31, 2011. JOGMEC subsequently agreed to abandon the Knight property and most of the Virgin Trend claims, with the exception of the southernmost claims where the drilling was conducted, due to the expense required to explore the remote property and deep targets.

On November 12, 2008, a second option agreement was signed with JOGMEC on the Border Block project which is comprised of the Maybelle, Gartner and King properties. JOGMEC can earn a 50% working interest in the Border Block project upon the full spending of \$6,000,000 on exploration prior to March 31, 2012.

Since 2006, exploration work carried out on the Company's Athabasca properties is as follows:

- Bishop I & II* One hole was drilled in June, 2007 to test a weak Electromagnetic (EM) conductor; no significant radioactivity was encountered. No work was done in 2008. Ground resistivity and EM surveys are planned for December, 2009.
- Castle North* No field work was done on the property in 2007. Titan's geophysical consultant reviewed the airborne data and recommended ground geophysical surveys to be conducted to more accurately define airborne anomalies. Ground EM surveys were completed in November, 2008 and March, 2009 over EM anomalies detected by previous airborne surveys. Five weak shallow bedrock conductors were defined and further work is recommended to constrain a deep weak conductor.
- Castle South* A ground geophysical EM survey was carried out to better define the trace of the Saskatoon Lake Conductor (SLC) on Titan's ground. Three drill holes were completed during the winter of 2007 to test location of the SLC along its 4,000m strike length on the property. While the holes did not intersect high grade uranium mineralization, they did intersect elevated to anomalous values of pathfinder elements such as uranium, lead and boron in the sandstone rocks. No work was completed in 2008. A resistivity survey was completed on tow claims in April, 2009 which defined several low resistivity features for further exploration.
- King* Three claims (12,211 hectares) were staked in January 2007. High resolution magnetic and Geotech EM airborne surveys were flown and a number of EM anomalies were identified. These were tested by ground geophysical surveys in 2008, which successfully defined several basement conductive zones.
- Ground based fixed loop EM surveys were completed in March, 2009 to define a conductor that was originally identified by airborne surveys. During the summer of 2009, six holes were drilled to test the conductors identified by the ground surveys for a total of 1,361 metres. Alteration was observed in the basement rocks along fractured zones. Analytical results have not yet been received.
- Knight* An audio-magnetotelluric survey was done in 2007 to further explore a conductor defined by a previous airborne EM survey. A deep conductor was identified and interpreted as a graphitic fault zone, which may be the extension of the Platt Creek fault drilled on the adjacent UEX/AREVA property where weak uranium mineralization has been encountered. In 2008, the project was flown with the Bell Aerospace Airborne Gravity Gradiometer system. An interpretation of the data identified several potential trends.

During 2009, the Company decided to abandon the Knight property due to the expense required to explore the remote property and deep targets.

- Rook I* Four claims were staked in 2007 and an additional four claims were staked in 2008 to cover the extension of graphitic horizons located to the south of the R-Seven, Meanwell and Bishop properties. Airborne EM surveys completed in 2007 and 2008 were successful in defining the extent of the graphitic horizons. A ground geophysical survey was completed in 2007 on one claim to better define the airborne anomalies. The Rook I claims were under option to UR-Energy Inc. in 2007; however, the option was not renewed for 2008. No work was carried out in 2009.
- Rook II* A MaxMin survey was completed in the fall of 2007. Two drill holes (293.6 metres) were completed to test the EM conductor defined by previous air and ground geophysical surveys. Neither hole intersected any significant radioactivity. Two holes (714 metres) were drilled in 2008 and no significant radioactivity was intersected. No work was carried out in 2009.
- BZ* No work was done in 2007, 2008 or 2009.
- Carlson Creek* A ground resistivity survey was completed in 2007 to better define the airborne anomaly detected by a 2006 EM survey. Three holes were drilled to test the conductor and elevated values of uranium and pathfinder element boron were intersected. In 2008, an additional three holes (1,631 m) were drilled to follow up on the interesting results recorded during the 2007 drill program. Two of the 2008 holes intersected graphitic pelitic schist, which is the probable source of the conductor identified in the 2006 EM survey. Drill hole CC-08-04 intersected fractured and bleached zones in the sandstone rocks at depths of 350 and 400 metres above the unconformity. Composite chip samples in these zones contained 2.22 and 1.87 ppm uranium, respectively. These values are 4 to 5 times higher than normal background for the sandstone rocks and are typical values observed in altered zones above unconformity type uranium deposits. No work was carried out in 2009.
- Fleming* A ground EM geophysical survey was completed during the winter of 2007 to better define the airborne EM anomalies. In 2008, seven drill holes were completed to test the EM anomalies. Three holes did not reach the target depth. Three of the four holes intersected anomalous levels of uranium and/or boron in the sandstone rocks. A ground EM geophysical survey was completed in April, 2009 which further defined airborne EM anomalies and provided 2.4 km of untested conductor targets.
- Gartner Lake* An airborne high resolution magnetic survey was flown during the first quarter of 2007 to characterize the geology. The survey results, and those of the airborne EM surveys, were used to plan follow-up ground geophysical surveys which were completed in 2008 and identified several basement conductors to be drill-tested in a subsequent program.
- A 2008/2009 winter drill program completed three holes totaling 2,058 metres to planned depth. All holes exhibited anomalous levels of boron, which is a pathfinder element. Two holes also displayed elevated values of nickel, arsenic, cobalt and vanadium. Ground EM surveys were completed in March, 2009 to better define conductors in the south west part of the property.
- A summer drill program in 2009 consisted of seven holes (1,602 metres). Three of the holes intersected alteration, structure and graphitic horizons proximal to the unconformity. Analytical results have not been received to date.
- Hoppy North* A ground EM geophysical survey was completed in 2007 which further defined a weak airborne EM anomaly. No work was done in 2008 or 2009.
- Hoppy South* No work was done on this property in 2007, 2008 or 2009.
- Keefe Lake* This property was acquired by staking in early 2007 and is located near Cameco's McArthur River mine. An airborne EM survey was completed in 2008. No work was carried out in 2009.
- Maybelle River* A high resolution magnetic airborne survey was flown during the first quarter of 2007 to characterize the geology of the basement rocks. The survey results, and those of the airborne EM surveys, were used to plan ground geophysical surveys which were completed in 2008. Several basement EM anomalies were identified.

Ground EM surveys completed in March, 2009 further defined the anomalies identified by previous airborne surveys. Ground EM and resistivity surveys are planned for December, 2009.

Meanwell Lake

Five holes totaling 489 metres were completed in 2007 to test targets defined by ground and airborne EM conductors. Two were completed to planned depth and three of the holes were lost in overburden. No significant radioactivity was intersected. No work was done in 2008 or 2009. Resistivity and Max-Min surveys are planned for December, 2009.

R-Seven

Thirteen holes totaling 3,213 metres were drilled in 2007 to follow-up on results from the 2006 drilling program. Six of the holes were lost in unconsolidated sandstone or overburden. The completed holes intersected interesting alteration and structure which was observed in the sandstone rocks. Drill hole RS-07-14A displayed anomalous radioactivity in altered basement rocks. A one metre sample of the zone contained 105 ppm U₃O₈. In 2007 and 2008, a resistivity survey was completed that defined several areas of low resistivity in the sandstone rocks. These areas may reflect alteration zones which are often associated with uranium mineralization in the Athabasca Basin.

No work was completed in 2009. EM moving loop surveys are planned for December, 2009.

Sand Hill Lake

During 2007, two holes (180 metres) were drilled. One hole was lost in overburden, the other did not intersect significant radioactivity. Deep penetrating ground magnetotelluric surveys were carried out to test for basement conductors in the northern part of the property. Weak conductors were defined and interpreted to be hosted by the sandstone rocks.

In 2008, exploration consisted of 1,290 metres of drilling in seven holes. Extensive clay alteration was intersected in the sandstone rocks. Elevated uranium and boron values were observed. Vale agreed to accelerate expenditures and in late summer carried out soil and twig geochemical sampling over the prime target area. Several weakly anomalous areas were defined. Several areas on the property displayed anomalous uranium values in sediments sampled as part of a lake sediment survey.

Ground geophysical surveys were completed in late 2008 and defined several deep conductors. A drill program was completed in March and April, 2009 to test geophysical and geochemical anomalies along a regional graphitic horizon which exhibits structure, alteration and anomalous pathfinder geochemistry similar to that found in the vicinity of uranium deposits. Eight holes were completed for a total of 1,465 metres. Analytical results displayed weak to moderate uranium values (up to 2 ppm U over a background of 0.38 ppm U) in five of the eight holes and elevated values of pathfinder element boron (up to 1,100 ppm B over a background of 60 ppm B). Alteration assemblages consisting of illite and sudoite clay species were found in the sandstone rocks throughout the drilled area. The presence of these clays and elevated values of uranium and boron, in conjunction with the observed structure and graphitic basement rocks, are typical features seen in the vicinity of uranium deposits in the Athabasca Basin.

A second phase of drilling to further test the geophysical and geochemical anomalies along the regional graphitic horizon commenced in August and was completed in September, 2009. Five holes were completed for a total of 1,330 metres. Assay analysis is currently pending.

Resistivity surveys carried out on the NE corner of the Sand Hill property in 2009 detected zones of low resistivity which are interpreted to have conductive basement lithology combined with potential chimney alteration associations.

Thorburn Lake

Ground EM geophysical surveys were completed in 2007 to further define an airborne EM conductor on the property. In 2008, four holes (1,573 metres) were drilled to test the conductor. All four holes intersected clay alteration and fractured, poorly consolidated sections of sandstone rocks. Hole TBN-08-02 intersected anomalous uranium (2.87 to 20.9 ppm) in the last 12 metres of sandstone rocks located above the unconformity. Hole TBN-08-04 intersected 0.057% U₃O₈ over 0.6 metres at the unconformity. The alteration observed in the basal sandstone rocks, and the bleaching and clay alteration in the basement rocks, combined with the anomalous uranium values and the uranium mineralization at the unconformity indicate the presence of a uranium mineralizing hydrothermal system. No work was carried out in 2009.

Virgin Trend North In 2007, three permits were converted to claims and eight additional claims were staked in 2007 and 2008 to bring the property to 153,029 hectares. An airborne Megatem and magnetic survey was completed in late 2007 and the results interpreted in early 2008. The survey located a deep conductor in the south part of the project, which may be caused by clay alteration. The conductor is interpreted to represent clay alteration in the sandstone rocks.

Exploration carried out in 2008 included an airborne gravity gradient survey. In addition, a ground EM survey was conducted using JOGMEC's state of the art, deep-penetrating Squitem system. Geophysical data was used to select a drill target along strike of Cameco's Centennial deposit to the south.

A drill hole was started in February and completed in March, 2009 to a depth of 1,340.5 metres. Analytical results showed highly anomalous boron values (up to 2,320 ppm B) from subcrop to 900 metres downhole and from 1,190 to 1,230 metres located above the unconformity. The analytical results also indicated the presence of illite and sudoite clay species throughout the sandstone rocks, generally in areas with the greatest boron concentration. Boron, illite and sudoite anomalies are typically part of the hydrothermal alteration systems associated with uranium mineralization.

During 2009, the Company decided to abandon most of the Virgin Trend property, with the exception of the southernmost claims where the drilling was conducted, due to the expense required to explore the remote property and deep targets.

South Fork On July 31, 2009, the Company acquired a 25% working interest in the South Fork property from UPC. The Company has an option to earn an additional 7.5% working interest in the property by spending an additional \$1,000,000 on exploration activities by January 25, 2011.

United States

On July 31, 2009, the Company acquired six properties in the United States as part of the UPC acquisition described in note 3 to the Consolidated Financial Statements for the year ended August 31, 2009.

Information on work completed by UPC on the properties can be found in financial statements and MD&A for periods prior to July 31, 2009 on the SEDAR profile for UPC.

Subsequent to July 31, 2009, the Company carried out the following work:

Green River South On July 31, 2009, the Company acquired the Green River South property in Utah from UPC. The Company has an option to earn a 70% working interest in the property by completing the following: Cash payments of:

- USD\$146,250 by December 31, 2009;
- USD\$146,250 by December 31, 2010;

Cumulative exploration spending of:

- USD\$1,023,750 by December 31, 2009;
- USD\$1,365,000 by December 31, 2010;

Issuing common shares of the Company in the amount of:

- 25,000 shares by December 31, 2009;
- 25,000 shares by December 31, 2010.

Subsequent to completing the terms necessary to earn a 70% working interest, the Company has an option to earn an additional 15% working interest for a total working interest of 85% by making an additional USD\$300,000 cash payment and completing additional work on the property totaling USD\$700,000.

In October, 2009, twenty holes (12,560 feet) were drilled to test targets identified by an airborne geophysical carried out by UPC. Results from the drill program are pending.

<i>Green River North</i>	A 50% working interest in the Green River North property in Utah was acquired from UPC on July 31, 2009. The remaining 50% was owned by Uranium One who was UPC's joint venture partner for the property. On October 1, 2009, the Company acquired Uranium One's 50% working interest in the property pursuant to a transaction described in note 16 to the Consolidated Financial Statements for the period ended August 31, 2009. No work has been completed on this property subsequent to the date of acquisition.
<i>Sheep Mountain</i>	<p>A 50% working interest in the Sheep Mountain property in Wyoming was acquired from UPC on July 31, 2009. The remaining 50% was owned by Uranium One who was UPC's joint venture partner for the property. On October 1, 2009, the Company acquired Uranium One's 50% working interest in the property pursuant to a transaction described in note 16 to the Consolidated Financial Statements for the period ended August 31, 2009.</p> <p>In October, 2009, the Company commenced a prefeasibility study, which is expected to take about six months to complete. The study will include:</p> <ul style="list-style-type: none"> • Completion of a uranium resource evaluation and modeling of the potential open pit and underground mining areas; • Development of a preliminary underground mine and reclamation plan; • Development of an open pit mine and reclamation plan; • Development of a conceptual plan for heap leach extraction; and • Completion of a NI 43-101 compliant resource report <p>The Sheep Mountain mine was operated as an underground and open pit mine at various times in the 1970's and 1980's. 5,063,813 tons of ore was mined and milled, yielding 17,385,116 pounds of uranium at an average grade of 0.17% U₃O₈. Mining was suspended in 1988 and the mine has been in care and maintenance since that time.</p> <p>In October, 2006, UPC received a National Instrument 43-101 Technical Report, completed by Scott Wilson Roscoe Postle Associates. The report is available under UPC's profile on SEDAR. The report showed an inferred Mineral Resource totaling 4.56 million tons at an average grade of 0.171% U₃O₈, with a uranium content of 15.6 million pounds.</p>
<i>East Shirley</i>	A 100% working interest in the East Shirley property in Wyoming was acquired from UPC on July 31, 2009. No work has been completed on this property subsequent to the date of acquisition.
<i>Burro Canyon</i>	A 50% working interest in the Burro Canyon property in Colorado was acquired from UPC on July 31, 2009. The remaining 50% was owned by Uranium One who was UPC's joint venture partner for the property. On October 1, 2009, the Company disposed of its 50% working interest in the property pursuant to a transaction described in note 16 to the Consolidated Financial Statements for the period ended August 31, 2009.
<i>Breccia Pipes</i>	A 50% working interest in the Breccia Pipes property in Arizona was acquired from UPC on July 31, 2009. The remaining 50% was owned by Uranium One who was UPC's joint venture partner for the property. On October 1, 2009, the Company disposed of its 50% working interest in the property pursuant to a transaction described in note 16 to the Consolidated Financial Statements for the period ended August 31, 2009.

Summary Table of Mineral Property Expenditures

Property	August 31	Acquisition	Geophysical / Geochemical	Drilling	Consulting	Write-down	August 31
	2008						2009
	Balance	\$	\$	\$	\$	\$	Balance
	\$	\$	\$	\$	\$	\$	\$
Thelon	2,842,160	17,394	1,096	119,057	41,150	—	3,020,857
Bishop I	484,315	—	—	—	2,947	—	487,262
Bishop II	150,484	—	—	—	2,207	—	152,691
BZ	21,719	—	—	—	15	—	21,734
Carlson Creek	73,640	—	—	—	845	—	74,485
Castle North	1,504,044	17	131,953	—	9,849	—	1,645,863
Castle South	490,078	25	122,518	—	2,491	—	615,112
Fleming	2,433,428	—	89,402	—	5,829	—	2,528,659
Gartner Lake	815,417	—	4,933	12,136	5,435	—	837,921
Hoppy North	140,606	265	—	—	552	—	141,423
Hoppy South	80,632	33	—	—	537	—	81,202
Keefe Lake	110,946	—	882	—	1,042	—	112,870
King	652,540	—	1,653	4,206	4,767	—	663,166
Knight	371,820	—	1,600	—	—	(373,420)	—
Maybelle	402,948	—	1,440	—	3,920	—	408,308
Meanwell	1,030,878	—	213	—	5,503	—	1,036,594
Rook I	467,924	113	12,606	—	7,222	—	487,865
R7	4,202,178	26	19,361	600	25,176	(975,115)	3,272,226
Sandhill \ Rook II	2,457,578	14	183,391	5,044	163	—	2,646,190
Thorburn Lake	214,419	—	—	—	1,354	—	215,773
Umpherville Lake	—	33	—	—	—	—	33
Virgin Trend North	5,360,685	—	261,240	190,581	10,831	(5,143,171)	680,166
Athabasca Total	21,466,279	526	831,192	212,567	90,685	(6,491,706)	16,109,543
United States	—	11,444,197	—	—	20,037	—	11,464,234
Total	24,308,439	11,462,117	832,288	331,624	151,872	(6,491,706)	30,594,634

Property	August 31	Acquisition	Geophysical / Geochemical	Drilling	Consulting	Write-down	August 31
	2007						2008
	Balance	\$	\$	\$	\$	\$	Balance
	\$	\$	\$	\$	\$	\$	\$
Thelon	2,240,035	(3,289)	87,564	518,041	(191)	—	2,842,160
Bishop I	481,259	25	205	809	2,017	—	484,315
Bishop II	147,759	—	204	169	2,352	—	150,484
BZ	21,719	—	—	—	—	—	21,719
Carlson Creek	937,607	12,647	2,515	514,793	6,078	(1,400,000)	73,640
Castle North	1,378,988	60	123,837	—	1,159	—	1,504,044
Castle South	3,087,752	25	(186)	—	2,487	(2,600,000)	490,078
Fleming	5,105,059	50	2,696	1,500,409	25,214	(4,200,000)	2,433,428
Gartner Lake	3,489,933	—	508,598	11,948	4,938	(3,200,000)	815,417
Hoppy North	336,391	—	500	3,182	533	(200,000)	140,606
Hoppy South	180,345	—	—	—	287	(100,000)	80,632
Keefe Lake	56,114	2,205	51,413	481	733	—	110,946
King	468,098	—	175,524	4,326	4,592	—	652,540
Knight	471,370	50	(79)	—	479	(100,000)	371,820
Maybelle	2,392,399	—	103,085	4,326	3,138	(2,100,000)	402,948
Meanwell	2,419,022	25	1,066	3,348	7,417	(1,400,000)	1,030,878
Rook I	157,024	69,168	238,988	803	1,941	—	467,924
R7	7,840,089	51,581	545,952	457,263	7,293	(4,700,000)	4,202,178
Sandhill \ Rook II	10,801,725	12,730	207,359	729,759	6,005	(9,300,000)	2,457,578
Thorburn Lake	499,999	198	1,867	502,020	10,335	(800,000)	214,419
Umpherville Lake	154,423	—	—	—	329	(154,752)	—
Umpherville West	45,269	—	—	—	—	(45,269)	—
Virgin Trend North	19,030,126	17,595	711,464	—	1,500	(14,400,000)	5,360,685
Athabasca Total	59,502,470	166,359	2,675,008	3,733,636	88,827	(44,700,022)	21,466,279
Total	61,742,505	163,070	2,762,572	4,251,677	88,636	(44,700,022)	24,308,439

LIQUIDITY AND CAPITAL RESOURCES

The Company does not generate significant income and is dependent upon the issuance of new equity to finance its operations. As at August 31, 2009 the Company's had working capital of \$9,650,170, which included cash and cash equivalents of \$9,704,788.

The Company expects that its current capital resources will be sufficient to carry out its operations for the year ended August 31, 2010. The Company expects that it will require more capital resources in the future to complete the exploration and development of its resource properties. The Company does not currently operate any producing properties and as such, is dependent upon issuance of new equity or the sale of assets to advance its exploration and development properties. If equity financing is required, failure to obtain financing on a timely basis may cause the Company to postpone exploration and development plans, reduce or terminate its operations.

The Company's contractual obligations are as follows:

	Total	Less than one	One to three	Three to five	Thereafter
	\$	year	years	years	\$
	\$	\$	\$	\$	\$
Operating Lease Obligations	160,136	71,073	89,063	—	—

The Company has spending commitments related to resource properties which are discussed in the *Summary Mineral Property Expenditures and Exploration Activities* earlier in this document as well as in note 6 to the Consolidated Financial Statements.

As at November 26, 2009, the Company had a total of 105,962,021 common shares issued and outstanding as well as 3,719,167 options. In the event that all options were exercised, the Company would be required to issue a further 3,719,167 common shares for gross cash proceeds of \$1,070,745.

RELATED PARTY TRANSACTIONS

The Company has entered into the following transactions with parties not at arm's length to the Company:

The Company paid or accrued consulting fees totaling \$248,845 [August 31, 2008 - \$250,414] to directors and officers of the Company for the fiscal year 2009.

A note receivable with a balance of \$290,797 is receivable from a company with two directors that are a director and an officer of the Company.

Accounts receivable with a balance of \$224,726 is receivable from a joint venture partner with two directors in common.

The above transactions have been recorded at the exchange amounts which is the amount agreed to by the transacting parties. The exchange amount is considered equivalent to the fair value of the service provided.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements including any contractual arrangement with an entity not reported on a consolidated basis under which the Company has: any obligation under guarantee contracts; a retained or contingent interest in assets transferred to an unconsolidated entity; any obligation under derivative instruments; or any obligation under a material variable interest held by the Company in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company, or engages in leasing, hedging or, research and development services with the Company.

RISK AND UNCERTAINTIES

The Company's financial success will be dependent upon the discovery of mineralization or the acquisition of mineral properties and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations of the Company have been funded primarily by the issuance of share capital. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are prepared in conformity with Canadian Generally Accepted Accounting Principles ("GAAP"). The Company's accounting policies are described in note 2 to the Consolidated Financial Statements. Certain policies require that Management make judgments about matters that are inherently uncertain. The uncertainties related to these areas could materially impact the Company's financial statements.

Management considers the following policies to be the most critical estimates:

Resource properties

These financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable mineral reserves. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the financing necessary to complete exploration and development and the success of future operations.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The carrying value of resource properties is reviewed at least annually by management on a property-by-property basis to determine if it has become impaired. If impairment is deemed to exist, the resource property is written down to its net recoverable value. Management's estimates of recoverability of the Company's investment in various projects have been based on current conditions. However, it is possible that changes could occur in the near term which could adversely affect management's estimates and may result in a further write-down of capitalized property carrying values.

Stock-based compensation

Options granted under the share option plan are accounted for using the fair value method. Under this method, the fair value of stock options granted is measured at the grant date using the Black-Scholes option pricing model and recognized over the vesting period of the options. Changes to the assumptions used in the Black-Scholes model could impact stock-based compensation in future periods.

Future income taxes

Future income tax assets and liabilities are determined based on the differences between the financial statement book value of assets and liabilities and their respective tax basis measured using the income tax rates and laws that will be in effect when the differences are expected to reverse and differences are realized. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not to occur. The income tax rates in effect at realization, how likely the realization of tax benefits is to occur and the timing of realization may differ from managements estimate.

Asset retirement obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which they occur and/or in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow.

The Company estimates its asset retirement obligations based on its understanding of current environmental regulations and related laws in the jurisdictions where it operates. Regulations and laws are continually changing and are generally expected to become more restrictive. New regulations or interpretations of the law could materially change the Company's asset retirement obligations.

NEW ACCOUNTING PRONOUNCEMENTS

Financial instruments presentation and disclosure

On September 1, 2008, the Company adopted Canadian Institute of Chartered Accountants (CICA) handbook sections 3862 and 3863 relating to financial instruments presentation and disclosure. These sections are intended to enhance the users' ability to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks.

On September 1, 2008, the Company adopted CICA handbook section 1535 relating to Capital Disclosures. This section requires the Company to disclose its objectives, policies and processes for managing capital and whether the Company has complied with externally imposed capital requirements.

On September 1, 2008, the Company adopted CICA handbook section 1400 which requires management to assess and disclose an entity's ability to continue as a going concern. The Company does not generate significant revenue, and continues to incur operating losses, the management believes that the Company has sufficient resources to continue operations for the upcoming year, but expects that more capital resources will be needed to completely explore and development its resource properties.

FUTURE ACCOUNTING PRONOUNCEMENTS

In February 2008, the CICA issued handbook section 3064 relating to Goodwill and Intangible Assets. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of

intangible assets by profit-oriented enterprises. This section is effective for years beginning on or after October 1, 2008. The Company does not expect the adoption of these changes to have a material impact on its consolidated financial statements.

Canada's Accounting Standards Board (AcSB) has ratified a strategic plan calling for the convergence of Canadian GAAP with International Financial Reporting Standards (IFRS), by publically accountable enterprises in Canada. The AcSB has confirmed that IFRS will replace current Canadian GAAP standards for fiscal years starting on or after January 1, 2011. As a result, the Company will be required to prepare its consolidated financial statements in accordance with IFRS for interim and annual periods beginning September 1, 2011. The Company's financial statements for interim and annual periods ended August 31, 2011 will require restatement.

Although IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. The Company is developing a plan to convert its financial statements to IFRS. Management has not yet quantified the effects of adopting IFRS. The consolidated financial performance and financial position as presented in the Company's Canadian GAAP financial statements may be significantly different when presented in accordance with IFRS.

In January 2009, the CICA issued handbook sections 1582, 1601 and 1602 relating to Business Combinations and section 1600 relating to Consolidated Financial Statements. These sections apply prospectively to business combinations with an acquisition date that is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

SUBSEQUENT EVENTS

- [a] On September 8, 2009, the Company granted stock options to directors, officers, employees and consultants to purchase up to an aggregate of 3,552,500 common shares in the capital stock of the Company, exercisable for a period of three years, at a price of \$0.265 per share.
- [b] On October 1, 2009, the Company acquired the 50% interest not already owned in the Sheep Mountain property and the Green River North property in Utah. The transaction was completed with the Company's Joint Venture partner Uranium One. As a result of the transaction, the Company owns 100% of the Sheep Mountain and Green River North properties. In exchange for the Sheep Mountain and Green River North properties, the Company paid USD \$350,000 to Uranium One and transferred to Uranium One its 50% interest in the Breccia Pipe property and the Burro Canyon property. The Company must also pay to Uranium One an additional USD \$2,000,000 if the month-end spot uranium price reported by Ux Consulting Company exceeds USD \$65 per pound within three years of the closing. The Company must also pay to Uranium One an additional USD \$4,000,000 if the month-end spot uranium price reported by Ux Consulting Company exceeds USD \$85 per pound within three years of the closing date. The Company also assumed 50% of the asset retirement obligation related to Sheep Mountain that was not recognized at August 31, 2009 and provided an additional USD \$1,100,000 deposit as security for future reclamation obligations.
- [c] On October 15, 2009, the Company announced the start of a prefeasibility study on the Sheep Mountain property. The study is expected to take approximately six months to complete and will include:
- Completion of a uranium resource evaluation and modeling of the potential open pit and underground mining areas;
 - Development of a preliminary underground mine and reclamation plan;
 - Development of an open pit mine and reclamation plan;
 - Development of a conceptual plan for heap leach extraction; and
 - Completion of a NI 43-101 compliant resource report

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements expressly stated or implied by such forward-looking statements to differ materially from actual results. Such factors include, among others, the following: uranium exploration and development costs and results, fluctuations in the price of uranium, competition, uninsured risks, capitalization and commercial viability and requirements for obtaining permits and licenses.