TITAN URANIUM INC.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MAY 31, 2010

This Management Discussion and Analysis (MD&A) is an overview of the activities of Titan Uranium Inc. (the "Company") for the period ended May 31, 2010. The MD&A should be read in conjunction with the Company's interim financial statements for the period ended May 31, 2010 and the notes attached thereto. The effective date of this MD&A is July 30, 2010.

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).

RESULTS OF OPERATIONS

Quarter end May 31, 2010

For the quarter ended May 31, 2010 the Company had a loss of $521,899 ($0.01 per share) compared to a loss of $599,310 ($0.01 per share) for the quarter ended May 31, 2009. The lower loss related to lower administration expenses resulting from efforts to conserve cash. The loss was also impacted by new line items on the statement of operations for unrealized losses on financial instruments which were offset by a gain on the disposal of a note receivable.

Administration expense was $254,871 for the quarter ended May 31, 2010 compared to $407,139 for the quarter ended May 31, 2009. The decrease was a result of efforts to conserve cash as well as higher salary expense related to severance payments made during the quarter ended May 31, 2009 as staff levels were adjusted to reflect an emphasis on conserving cash.

Consulting and professional fees were $98,807 for the quarter ended May 31, 2010 compared to $109,520 for the quarter ended May 31, 2009. These fees related to accounting, legal and geological consulting remained consistent with the prior year.

Corporate development expense was $90,763 for the quarter ended May 31, 2010 compared to $70,991 for the quarter ended May 31, 2009. These expenses, relating primarily to investor relations and promotions, increased slightly due to promotional trips.

Unrealized loss on marketable securities was $70,400 for the quarter ended May 31, 2010 compared to $Nil for the quarter ended May 31, 2009. The loss relates to the Cue Resource Ltd. shares and warrants received in March, 2010. The carrying value of these securities is adjusted to market value at each reporting date.

Unrealized loss on derivative instrument was $54,354 for the quarter ended May 31, 2010 compared to $Nil for the quarter ended May 31, 2009. The loss relates to the value of the derivatives which require a cash payment of USD$2,000,000 and

USD$4,000,000 if the spot price reaches USD$65 and $USD85 respectively within three years of October 1, 2009. The derivatives are adjusted to market value at each reporting date.

Foreign exchange gain was $279 for the quarter ended May 31, 2010 compared to $Nil for the quarter ended May 31, 2009. The gain is a result of the USD assets and liabilities related to the Companies operations in Wyoming and Utah. In the quarter ended May 31, 2009 the Company did not have any USD assets or liabilities.

The Company recognized a gain on disposal of a note receivable of $81,385 during the quarter ended May 31, 2010 compared to $Nil for the quarter ended May 31, 2009. Repayment of the note consisted of USD$50,000 (CDN$50,940) cash, 2,381,626 common shares of Cue Resources Ltd. (Cue) and 2,381,626 common share purchase warrants of Cue exercisable at $0.15 for a period of two years. The Company valued the Cue common shares based on the market price as quoted on the TSX Venture Exchange on the settlement date and valued the common share purchase warrants using an option pricing model. The proceeds received for repayment of the note resulted in a gain on disposal of CDN$81,385.

The Company's only source of revenue is interest income from its bank accounts and guaranteed investment certificates. Interest income for the quarter ended May 31, 2010 was $7,572 compared to $4,931 for the quarter ended May 31, 2009. The increase was due to an increased cash balance this year resulting from the UPC acquisition that occurred on July 31, 2009.

Working capital at May 31, 2010 was $3,622,032 compared to $5,176,501 at February 28, 2010. The decrease is a result of spending on exploration activity, and general overhead expenses. The Company did not undertake any financing activities during the period.

Resource properties increased by $1,094,895 between February 28, 2009 and May 31, 2010 as a result of exploration activities which are described in the *Summary of Mineral Property Expenditures and Exploration Activities* later in this document.

Nine months ended May 31, 2010

For the nine-months ended May 31, 2010 the Company had a loss of $2,273,884 (0.02 per share) compared to a loss of $1,735,501 ($0.03 per share) for the nine months ended May 31, 2009. The higher loss is a result of higher stock-based compensation this year as well as unrealized losses from financial instruments.

Administration expense was $828,866 for the nine months ended May 31, 2010 compared to $1,027,395 for the nine months ended May 31, 2009. The decrease is a result of cash conservation efforts and severance costs incurred last year.

Consulting and professional fees were $376,486 for the nine months ended May 31, 20010 compared to $386,269 for the nine months ended May 31, 2009. This costs related to accounting, legal and geological consulting remained consistent.

Corporate development expense was $399,334 for the nine months ended May 31, 2010 compared to $297,441 for the nine months ended May 31, 2009. These expenses, relating primarily to investor relations and promotions, increased as a result of a promotional trip to Europe this year as well as consultants retained this year.

Stock-based compensation was $485,981 for the nine months ended May 31, 2010 compared to $22,379 for the nine months ended May 31, 2009. The increase was the result of 3,552,500 options granted during the nine months ended May 31, 2010 compared to no options granted during the nine months ended May 31, 2009.

Unrealized loss on marketable securities was $70,400 for the nine months ended May 31, 2010 compared to $Nil for the nine months ended May 31, 2009. The loss relates to the Cue Resource Ltd. shares and warrants received in March, 2010. The carrying value of these securities is adjusted to market value at each reporting date.

Unrealized loss on derivative instrument was $110,095 for the nine months ended May 31, 2010 compared to $Nil for the nine months ended May 31, 2009. The loss relates to the value of the derivatives which require a cash payment of USD$2,000,000 and USD$4,000,000 if the spot price reaches USD$65 and USD$85 respectively with three years of October 1, 2009. The derivatives are adjusted to market value at each reporting date.

Foreign exchange loss was $81,350 for the nine months ended May 31, 2010 compared to $Nil for the nine months ended May 31, 2009. The loss is a result of the USD$ depreciating relative to the CDN$ and net assets related to the Companies operations in Wyoming and Utah. In the nine months ended May 31, 2009 the Company did not have any USD assets or liabilities.

The Company recognized a gain on disposal of a note receivable of $81,385 during the nine months ended May 31, 2010 compared to $Nil for the nine months ended May 31, 2009. Repayment of the note consisted of USD$50,000 (CDN$50,940) cash, 2,381,626 common shares of Cue Resources Ltd. (Cue) and 2,381,626 common share purchase warrants of Cue exercisable at $0.15 for a period of two years. The Company valued the Cue common shares based on the market price as quoted on the TSX Venture Exchange on the settlement date and valued the common share purchase warrants using an option pricing model. The proceeds received for repayment of the note resulted in a gain on disposal of CDN$81,385.

The Company's only source of revenue is interest income from its bank accounts and guaranteed investment certificates. Interest income for the nine months ended May 31, 2010 was $124,311 compared to $61,719 for the nine months ended May 31, 2009. The increase was due to an increased cash balance resulting from the UPC acquisition that occurred in July, 2009.

Working capital at May 31, 2010 was $3,622,032 compared to $9,650,170 at August 31, 2009. The decrease is a result of spending on exploration activity and general overhead expenses. The Company did not undertake any financing activities during the period.

Resource properties increased by $4,410,891 between August 31, 2009 and May 31, 2010 as a result of exploration activities which are described in the *Summary of Mineral Property Expenditures and Exploration Activities* later in this document.

Summary of Quarterly Results

	May 31 2010 $	February 28 2010 $	November 30 2009 $	August 31 2009 $
Total assets [2]	42,172,904	42,206,292	42,814,379	42,810,764
Working capital	3,622,032	5,176,501	6,596,764	9,650,170
Shareholders' equity	37,148,001	37,669,900	38,296,870	38,839,267
Interest income	7,572	14,634	102,105	5,034
Loss	(521,899)	(632,470)	(1,119,515)	(5,232,546)
Loss per share [1]	(0.01)	(0.01)	(0.01)	(0.07)

	May 31 2009 $	February 9 2009 $	November 30 2008 $	August 31 2008 $
Total assets [2]	29,956,495	30,965,054	31,328,337	33,444,418
Working capital	4,150,626	5,142,484	6,142,734	6,800,491
Shareholders' equity	25,528,520	26,067,125	26,718,179	27,178,574
Interest income	4,931	16,930	39,858	55,334
Loss	(599,310)	(657,039)	(479,151)	(31,525,382)
Loss per share [1]	(0.01)	(0.01)	(0.01)	(0.60)

[1] All per share amounts are calculated on a quarterly weighted average, basic and fully diluted basis.
[2] Total assets increased significantly during the quarter ended August 31, 2009 as a result of the acquisition of UPC on July 31, 2009.

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 5[a] of the Company's August 31, 2007 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 5[a] of the Company's August 31, 2007 audited financial statements. In 2009 Mega completed the $5,000,000 spending requirement and a joint venture agreement is currently being negotiated between the Company and Mega.

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 diamond drilling of selected targets (7 holes, 598 metres), 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. Diamond drilling on the RAD claims intersected 3.9 metres with a grade of 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% U_3O_8 over 0.7 metres, adjacent to drill hole RADC-06-05 which intersected 0.16% U_3O_8 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. Forty claims (77,915 acres, 31,531 hectares) were staked to cover areas of favourable geology and anomalies. An additional 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 5[b] of the Company's August 31, 2007 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 documents 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 5[c] of the Company's August 31, 2007 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 could have earned 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. In December, 2009 Vale decided not to pursue the option and accordingly elected to terminate the option agreement because it no longer fit with its strategic exploration plan. 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 were completed in January, 2010. The results of these surveys outlined several interesting targets for future follow-up.

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 4,000 metre 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 two claims in April, 2009 which defined several low resistivity features for further exploration.

Castle South Ext — Ground based fixed loop TDEM surveys were completed in the winter of 2009 to ground-locate conductors that were originally identified by airborne EM surveys. Subsequently two areas (A-3 and A-4) were chosen for further follow-up. D.C. Resistivity surveys were completed in April, 2010 which identified several low resistivity "chimneys" recommended for further exploration by diamond drilling.

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, seven holes were drilled to test the conductors identified by the ground surveys for a total of 1,604.4 metres on the Border Block, with six holes on the King property and one on the Gartner Lake property. Alteration was observed in the basement rocks along fractured zones. An anomalous area of uranium was encountered in the basement rocks on the King property, a 3 metre interval of 7.7-15.6ppm U at a depth of 95.8-98.8 metres in DDH KNG09-2.

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 metres) 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 kilometres 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.

During the summer of 2009, seven holes were drilled to test the conductors identified by the ground surveys for a total of 1,604.4 metres on the Border Block, with six holes on the King property and one on the Gartner Lake property. Three of the holes intersected alteration, structure and graphitic horizons proximal to the unconformity. Anomalous uranium values were encountered in the basement rocks of the Gartner Lake property, a 20 metre interval of 6.1-7.7ppm U at a depth of 190.0-210.0 metres in DDH GL09-4.

In February and March, 2010 another phase of drilling consisting of six holes totaling 1,784 metres was completed to test favourable uranium targets at or near the unconformity between the Athabasca sandstone rocks and the underlying basement rocks. About 30 metres of weak to moderate hematite-clay-chlorite-sericite alteration was observed in the top portion of the basement rocks from 2 holes (DDH GL-10-05 and -06) drilled on Grid H. In addition, anomalous uranium values were encountered in the basement rocks: an 80 metre interval of alternating felsic gneiss and granitoids with elevated uranium (4.3-16.4 ppm) in drill hole GL-10-05 and a 30 metre interval of felsic gneiss with elevated uranium (7.0-12.7 ppm) in DDH GL-10-06. The regional background uranium value is about 1.1 ppm and the anomalous threshold is about 3.2 ppm.

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 TDEM surveys completed in March, 2009 further defined the anomalies identified by previous airborne surveys. Detailed ground SQUID TDEM and D.C. Resistivity surveys were completed and interpreted prior to a planned drilling program on this property in the summer of 2010.

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 were completed in January, 2010. The results of these surveys outlined several interesting targets for future follow-up.

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.

A TDEM survey was completed in January, 2010. Moving Loop Array surveys were completed in late April and D.C. Resistivity surveys were carried out and completed by the end of May 2010 over selected conductors identified by the TDEM surveys. Interpretation of the results of these surveys is currently on-going.

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. Elevated values of uranium, lead and boron were detected in the sandstone rocks where the unconformity in holes SH-09-26, SH-09-29, SH-09-30, while similar elevated values were observed in both the sandstone and basement rocks for holes SH-09-27, SH-09-28.

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 or 2010.

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.

Exploration carried out in 2008 included an airborne gravity gradient survey. In addition, a ground TDEM 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 deep targets on this remote property.

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.

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. The drilling resulted in the discovery of a new zone of uranium mineralization. Drill intercepts in the new zone included 3 feet (0.9 metres) averaging 0.276% eU3O8 in hole GRS-1035 and 3.5 feet (1.1 metres) averaging 0.127% eU3O8 in hole GRS-1025.

Green River North 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 5 to the Consolidated Financial Statements for the period ended May 31, 2010. No work has been completed on this property subsequent to the date of acquisition.

Sheep Mountain 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 5 to the Consolidated Financial Statements for the period ended May 31, 2010.

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. The mine is comprised of the Congo Open Pit as well as a conventional underground operation.

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% eU3O8, with a uranium content of 15.6 million pounds.

In October, 2009 the Company commenced a Preliminary Feasibility Study (PFS), which was completed in April, 2010.

The PFS estimated that the project will generate a pre-tax Internal Rate of Return (IRR) of 25%, with a Net Present Value (NPV) of USD$101 million using a 7% discount rate. Highlights of the PFS include (All currency amounts are quoted in US dollars):

- Estimates are based on capital and operating costs for a uranium mine using conventional open pit and underground mining methods and heap leach recovery, with a maximum annual capacity of 1.5 million lbs;
- The financial model is based on the long term uranium price of $60.00/lb. as projected by The UX Consulting Company, March, 2010;
- A Probable Mineral Reserve of 6,393,000 tons at an average grade of 0.111% eU_3O_8, containing 14,186,000 lbs eU_3O_8;
- Initial mine life of 11 years;
- Estimated capital cost of $118 million, including allowances for contingency and risk;
- Estimated operating cost of $28.67 per pound recovered;
- Estimated pre-tax NPV of $101 million using a 7% discount rate;
- Estimated pre-tax IRR of 25%; and
- Estimated pre-tax payback period of 5 years.

Pre-tax NPV and IRR Sensitivities

	Selling price (USD/pound)		
Discount rate	$50	$60	$70
5.0%	$50M	$129M	$209M
7.0%	$34M	$101M	$169M
10.0%	$17M	$70M	$122M
IRR	14.0%	25.0%	35.0%

In June, 2010 the Company commenced baseline environmental studies to support an application to the US Nuclear Regulatory Commission (NRC) for a Source Material License. Work was also initiated on a revision to the existing Wyoming Department of Environmental Quality (WDEQ) Mine Permit as well as a Plan of Operations for the US Bureau of Land Management (BLM).

Current work includes wildlife and vegetation surveys, air quality monitoring, the establishment of a meteorological station and the installation of five new ground water monitoring wells.

The submissions to the NRC, WDEQ and BLM are expected to occur in the second calendar quarter of 2011.

In May and June, 2010 a 62 hole drill program was conducted to better define the limits of the Congo Open Pit. Of the 62 holes completed, all but 8 exceeded the grade-thickness cut-off of 0.10 ft% eU_3O_8 used in the Preliminary Feasibility Study. Twenty-one of the holes intersected mineralization in excess of 1.0 ft% eU_3O_8. Several high grade intersections were encountered outside of the preliminary open pit limits.

The results provide the data needed to finalize the design and engineering of the Congo Pit as part of the NRC license application. The Company plans to follow up with further drilling to determine if the size of the reserve can be increased in light of the mineralization intersected outside of the Congo Pit.

East Shirley — 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.

Burro Canyon — 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 5 to the Consolidated Financial Statements for the period ended May 31, 2010.

Breccia Pipes — 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 5 to the Consolidated Financial Statements for the period ended May 31, 2010.

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 May 31, 2010 the Company had working capital of $3,622,032, which included cash and cash equivalents of $4,189,508.

As at July 30, 2010, the Company had a total of 105,987,021 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 $1,078,558.

RELATED PARTY TRANSACTIONS

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

A note receivable with a balance of $282,708 was repaid as described in Note 4. The note was receivable from a company with a director that is an officer of the Company.

Accounts receivable with a balance of $48,703 is receivable from a joint venture partner with a director and an officer who are directors of the Company.

The Company paid or accrued consulting and director fees totaling $131,076 [2009 - $75,685] to directors and officers of the Company or companies controlled by directors and officers of the Company for the quarter ended May 31, 2010.

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.

Derivative liability

The Company is required to make a payment pursuant to a property acquisition agreement of 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 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 determined that these payments constitute a derivate instrument and valued them using an option pricing valuation model. The derivative was valued at USD$454,546 on the date of the agreement and subsequently revalued at each reporting date to reflect the market variables prevalent at the reporting date. The revaluation results in a gain or loss recognized on the statement of operations.

Changes to the assumptions used in the option valuation model could materially impact the gain or loss recognized on the statement of operations. Changes in the spot price of uranium over the life of the derivative could also materially impact the gain or loss recognized. The value derived from the option pricing model represents the best estimate of the liability at each reporting date based on the probability of the spot price of uranium attaining the USD$65 and USD$85 price targets inferred largely by the historical volatility of the spot price. The future volatility of the spot price of uranium could change significantly from the historical volatility, which could materially change the probability of the spot price attaining USD$65 and USD$85.

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.

Capital Disclosure

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that shareholders may benefit from its operations.

The Company manages its capital structure, which consists of the shareholders' equity section of the balance sheet, by changing shareholders' equity in response to exploration results, economic conditions and their effect on the Company's assets. In order to adjust the Company's capital structure, new shares may be issued, assets may be acquired or disposed of and other means of financing may be sought.

In order to maximize the Company's exploration activities, the Company does not pay dividends. The Company's investment policy is to invest its cash in highly rated, highly liquid short-term interest-bearing investments, with an initial term to maturity of twelve months or less.

The Company is not subject to externally imposed capital requirements.

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.