

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PANCONTINENTAL URANIUM CORPORATION

(an exploration stage company)

For the nine months ended September 30, 2009

(unaudited)

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of Pancontinental Uranium Corporation (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor, Collins Barrow Toronto LPP (formerly, Smith Nixon LLP), has not performed a review of these financial statements.

Pancontinental Uranium Corporation

PANCONTINENTAL URANIUM CORPORATION
(an exploration stage company)

CONSOLIDATED BALANCE SHEETS

As at	September 30 2009 (unaudited)	December 31 2008 (audited)
ASSETS		
Current		
Cash	\$ 308,544	\$ 255,476
Term deposits	3,851,129	6,005,398
Receivables (note 8)	41,066	4,548
Prepays	18,776	-
	4,219,515	6,265,422
Mineral exploration properties (notes 3, 8)	4,448,422	2,880,711
Equipment (notes 5, 8)	5,171	30,138
	\$ 8,673,108	\$ 9,176,271
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	\$ 231,826	\$ 556,397
SHAREHOLDERS' EQUITY		
Capital stock (note 6)	12,918,448	12,918,448
Contributed surplus (note 7)	2,006,070	1,790,251
Deficit	(6,483,236)	(6,088,825)
	8,441,282	8,619,874
	\$ 8,673,108	\$ 9,176,271

Commitments (note 3)

See accompanying notes.

PANCONTINENTAL URANIUM CORPORATION
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CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(unaudited)

	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Expenses				
Amortization	374	2,024	1,111	6,028
Consulting fees (note 8)	6,000	1,114	18,000	26,185
Filing and transfer agent fees	3,169	3,604	15,354	20,094
General and administrative	3,718	679	17,228	7,393
Management fees (note 8)	31,500	31,500	94,500	94,500
Professional fees (note 8)	4,708	15,007	22,945	29,142
Rent (note 8)	2,100	4,325	6,600	15,113
Salaries and benefits	6,399	18,768	19,197	55,084
Shareholder relations and promotion	6,677	4,981	55,117	100,679
Stock-based compensation (note 6)	11,932	172,432	215,819	600,200
Travel	-	4,338	14,049	53,148
Loss before other items	76,577	258,772	479,920	1,007,566
Other items				
Interest income	(23,007)	(30,955)	(75,470)	(159,852)
Foreign exchange loss (gain)	1,467	(11,551)	(761)	1,819
Gain on sale of equipment (notes 5, 8)	(9,278)	-	(9,278)	-
Loss for the period	45,759	216,266	394,411	849,533
Deficit, beginning of period	6,437,477	5,773,204	6,088,825	5,139,937
Deficit, end of period	6,483,236	5,989,470	6,483,236	5,989,470
Basic and diluted loss per share (note 9)	0.001	0.004	0.008	0.017

See accompanying notes.

PANCONTINENTAL URANIUM CORPORATION
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CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash provided by (used in):				
Operating activities				
Loss for the period	(45,759)	(216,266)	(394,411)	(849,533)
Adjustment for items not affecting cash:				
Amortization	374	2,024	1,111	6,028
Stock-based compensation	11,932	172,432	215,819	600,200
Gain on sale of equipment	(9,278)	-	(9,278)	-
	(42,731)	(41,810)	(186,759)	(243,305)
Changes in non-cash working capital items				
Accrued interest on term deposits	90,849	232,626	54,269	117,193
Receivables	(32,610)	27,222	(36,518)	19,375
Prepays	4,490	5,025	(18,776)	(1,875)
Accounts payable and accrued liabilities	(25,888)	(53,019)	(26,821)	(28,929)
	(5,890)	170,044	(214,605)	(137,541)
Investing activities				
Mineral exploration properties	(771,677)	(808,263)	(1,865,461)	(1,255,107)
Purchase of term deposit	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Redemption of term deposit	3,850,000	3,700,000	5,100,000	4,000,000
Proceeds from sale of equipment	33,134	-	33,134	-
Purchase of equipment	-	-	-	(33,134)
Advances to Crosscontinental Uranium Limited	-	-	-	158,634
	111,457	(108,263)	267,673	(129,607)
Net change in cash	105,567	61,781	53,068	(267,148)
Cash, beginning of period	202,977	354,657	255,476	683,586
Cash, end of period	308,544	416,438	308,544	416,438

See accompanying notes.

PANCONTINENTAL URANIUM CORPORATION

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2009

1. NATURE OF OPERATIONS

Pancontinental Uranium Corporation (the "Company") is an exploration stage company. The Company's principal business activities involve the acquisition, exploration and development of uranium mineral properties that it believes may contain mineralization that will be economically recoverable in the future. The Company is currently participating in exploration activities in Australia and Burkina Faso, West Africa.

The Company has not yet established whether its mineral exploration properties contain reserves that are economically recoverable. The success and continuation of the Company as a going concern is dependent upon the Company acquiring successful and economically viable mineral properties or projects and upon its ability to raise necessary financing, if and when required. To date, there has been no revenue from exploration activities.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are stated in Canadian dollars and have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as those used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2008, with the exception of changes in accounting policies described in Note 10.

Under GAAP, additional disclosure is required in annual financial statements and accordingly, the unaudited interim period consolidated financial statements should be read together with the audited annual consolidated financial statements and related notes for the year ended December 31, 2008. In the opinion of management, all adjustments considered necessary for fair presentation have been included. These interim results are not necessarily indicative of the results that may be anticipated for the entire fiscal year.

The unaudited interim period consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

These consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiary Maya Gold Corporation S.A. de C.V., a Honduras company, as well as its 50% proportionate share of the accounts of Crosscontinental Uranium Limited ("Crosscontinental"). All inter-company transactions and balances have been eliminated upon consolidation.

Certain comparative figures have been reclassified to conform with the current period's presentation. The net loss previously reported has not been affected by the reclassifications.

(a) Estimates and assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, estimates are subject to measurement uncertainty and actual results could vary from estimates. Significant estimates and assumptions include those related to mineral exploration properties, advances to Crosscontinental, equipment and stock-based compensation.

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BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Stock-based compensation

The Company accounts for stock-based compensation using the fair value-based method. The fair value of stock options is determined by the Black-Scholes option pricing model with assumptions used for: expected dividend yield; expected share price volatility; risk-free rates of return; and, the expected life of the stock-based instruments at the time of grant.

The fair value of stock options is recognized as stock-based compensation expense with a corresponding credit to contributed surplus over the vesting period. The applicable contributed surplus balance is transferred to share capital, if and when the stock options are exercised, and the consideration received is credited to share capital.

(c) Mineral exploration properties

The Company records its interest in mineral exploration properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition, maintenance, exploration and development of these interests are deferred on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. When a property begins commercial production, deferred costs will be amortized on the basis of units produced in relation to the proven and probable reserves estimated on the related property. Properties which are sold before that property reaches production will have all revenues from the sale of the property credited against the cost of the property. Acquisition and deferred costs will be written off if a specific claim block or area of geological interest is disproven, sold, abandoned or management has determined there to be an impairment.

Amounts shown for mineral exploration properties represent costs incurred to date, net of write-downs and recoveries, and do not necessarily represent present or future values. The recovery of amounts capitalized for mineral exploration properties is dependent upon the existence of economically recoverable mineral deposits, the ability of the Company to obtain necessary financing to complete exploration and/or development of the properties, and upon future profitable production or proceeds from the disposition of the properties.

(d) Long-lived assets

Management of the Company regularly reviews the net carrying value of mineral exploration properties and equipment to determine if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is measured by the amount in which the carrying value of the long-lived asset exceeds its fair value.

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3. MINERAL EXPLORATION PROPERTIES

	December 31 2008	Acquisition and Property	Exploration	September 30 2009
Australia	\$	\$	\$	\$
Charley Creek	908,011	10,180	765,323	1,683,514
Chilling	1,401,769	16,035	601,555	2,019,359
Kalabity	444,787	1,217	41,075	487,079
Crossland Creek	-	45,163	53,132	98,295
	2,754,567	72,595	1,461,085	4,288,247
Burkina Faso, West Africa				
Oursi	74,525	3,417	28,110	106,052
Other	51,619	1,198	1,306	54,123
	126,144	4,615	29,416	160,175
	2,880,711	77,210	1,490,501	4,448,422

	December 31 2007	Acquisition and Property	Exploration	December 31 2008
Australia	\$	\$	\$	\$
Charley Creek	204,346	15,354	688,311	908,011
Chilling	140,186	105,739	1,155,844	1,401,769
Kalabity	202,220	15,401	227,166	444,787
	546,752	136,494	2,071,321	2,754,567
Burkina Faso, West Africa				
Oursi	-	24,240	50,285	74,525
Other	40,739	2,311	8,569	51,619
	40,739	26,551	58,854	126,144
	587,491	163,045	2,130,175	2,880,711

Australia

On February 8, 2007, pursuant to a letter of agreement dated February 14, 2007, the Company formed a joint venture (the "Joint Venture") with Crossland Uranium Mines Limited ("Crossland") to earn a 50% interest in a number of prospective uranium projects held by Crossland, in Australia, together with all uranium prospects that are currently or subsequently available to, or known by Crossland. On June 30, 2008, the Company and Crossland finalized a joint venture agreement. From the formation date of the Joint Venture, the Company is required to contribute AUD8 million (excluding certain Joint Venture property acquisition costs) over four (4) years to earn a 50% interest in the Joint Venture.

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MINERAL EXPLORATION PROPERTIES (continued)

The Company has incurred sufficient Joint Venture expenditures to satisfy the compulsory minimum commitment of AUD4 million over three (3) years (extended on December 1, 2008 from the initial period of two (2) years). Upon the Company attaining its 50% interest in the Joint Venture, all further expenditures will be shared on a proportionate basis.

Crossland acts as operator of the Joint Venture and is entitled to charge operator costs comprised of overheads and equipment usage costs.

As at September 30, 2009, the Company has expended AUD4,691,517 (CAD4,216,967) on Joint Venture expenditures and AUD77,612 (CAD71,280) on Joint Venture property acquisition costs. The Company is required to expend a further AUD3,308,483 (approximately CAD3,130,000) on Joint Venture expenditures, during the four year period, to earn its interest.

Charley Creek

Crossland has a 100% interest in the Charley Creek project, located in central Australia. The project area originally encompassed approximately 703 square kilometres and was comprised of two tenements, one of which is subject to a 3% net smelter royalty ("NSR"). Crossland has received title to an additional four tenements encompassing 3,080 square kilometres.

Chilling

Crossland has a 100% interest in the Chilling project, located in the Northern Territory of Australia. The project area encompasses approximately 1,687 square kilometres and is comprised of six tenements, two of which are subject to a 3% NSR and one of which is subject to a 2% NSR. Two directors of the Company are part of a group that hold the rights to one of the 3% NSRs. Crossland has applied for four additional tenements encompassing 2,522 square kilometres.

Kalabity

Crossland can earn a minimum 60% interest in the Kalabity project located in South Australia by spending AUD500,000 over three (3) years, expiring on January 17, 2010. The project area encompasses approximately 148 square kilometres and is comprised of one tenement. As at September 30, 2009 Crossland has expended approximately AUD409,000.

Crossland Creek

Crossland had a 100% interest in the Crossland Creek project, located in Western Australia. The project area originally encompassed 315 square kilometres and was comprised of two tenements, of which one was subject to a 3% NSR. Two directors of the Company were part of a group that held the rights to the NSR. Prior to September 30, 2009 Crossland relinquished the tenement carrying the 3% NSR and Crossland acquired an additional tenement having an area of approximately 452 square kilometres and subject to a 2% NSR. Subsequent to September 30, 2009 Crossland relinquished the remaining two tenements. As at September 30, 2009, the related acquisition and property costs and deferred exploration costs to be written-off, amounted to \$98,295.

Burkina Faso, West Africa

Pursuant to the Joint Venture, the Company and Crossland, on March 20, 2007, formed Crosscontinental, a private Canadian company, owned and funded by the Company and Crossland on a 50:50 basis. Crosscontinental was formed to expand the Company's and Crossland's world-wide uranium exploration and development efforts beyond Australia.

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MINERAL EXPLORATION PROPERTIES (continued)

As at September 30, 2009, the Company and Crossland have each provided Crosscontinental with advances of AUD350,000 (CAD319,025). Crosscontinental is currently using its funds to finance the acquisition of uranium exploration permits and exploration activities in Burkina Faso, West Africa. The exploration permits are in various stages of receiving government approval.

Oursi Project

On June 5, 2008 Crosscontinental entered into a joint venture agreement with Southern Cross Exploration NL and Longreach Oil Limited to conduct uranium exploration activities on the Oursi Project, comprised of the Agalsa and Tin Dioulaf tenements. Crosscontinental purchased a 20% interest in the tenements and, as a minimum commitment, was obligated to expend an additional Australian \$100,000 by March 5, 2009. Crosscontinental satisfied the minimum expenditure commitment and has earned a 35% interest, which can be increased to 50% by Crosscontinental electing to expend a further AUD400,000 (approximately CAD378,500) by June 5, 2011. Upon Crosscontinental attaining a 50% interest, all further expenditures will be shared on a proportionate basis. Crosscontinental is the operator of the joint venture.

4. ADVANCES TO CROSSCONTINENTAL URANIUM LIMITED

Amounts due from Crosscontinental are non-interest bearing and have no specific terms of repayment.

5. EQUIPMENT

	Cost	Accumulated Amortization	September 30 2009
	\$	\$	\$
Computer	2,158	1,547	611
Exploration	5,140	1,993	3,147
Office	2,307	894	1,413
	9,605	4,434	5,171

	Cost	Accumulated Amortization	December 31 2008
	\$	\$	\$
Computer	2,158	1,238	920
Exploration	38,274	10,717	27,557
Office	2,307	646	1,661
	42,739	12,601	30,138

During the nine month period ended September 30, 2009, Crosscontinental sold exploration equipment for its original cost of CAD66,268 (Pancontinental's portion \$33,134) resulting in Crosscontinental realizing a gain of CAD18,555 (Pancontinental's portion \$9,278).

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6. CAPITAL STOCK

Authorized

Unlimited common shares

Issued

	Number	Amount
Balance, at December 31, 2007, 2008 and September 30, 2009	49,806,492	\$ 12,918,448

Stock options

Under the terms of the Company's stock option plan ("Plan"), the Company is authorized to issue up to a maximum of 10% of the issued common shares. All of the stock options were granted in accordance with the terms of the Plan and expire five years from the date of grant or re-pricing and vest as follows: one-third immediately; one-third twelve months from the date of grant; and, one-third twenty-four months from the date of grant. The exercise price of the options is fixed by the board of directors at the time of grant in accordance with the terms of the Plan.

Stock option transactions and the number of stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2007	3,750,000	\$0.62
2008:		
Granted	100,000	0.48
Expired	(250,000)	0.68
Balance, December 31, 2008 *	3,600,000	\$0.61
2009:		
Granted **	50,000	0.20
Expired	(50,000)	0.95
Balance, September 30, 2009	3,600,000	\$0.20

* On June 3, 2009, a total of 3,550,000 previously granted stock options were re-priced at an exercise price of \$0.20 per common share and the expiry date of each option was extended until June 3, 2014. Vesting of the re-priced stock options began on the date the options were granted. The change in the exercise price is reflected in the weighted average exercise price.

** On June 3, 2009, granted 50,000 stock options to an officer of the Company. The options were issued at an exercise price of \$0.20 and expire on June 3, 2014.

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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CAPITAL STOCK (continued)

The fair value of the options at the time of re-pricing and grant has been estimated to be \$406,221 using the Black-Scholes option pricing model with the following average assumptions: dividend yield – nil (2008 – nil); expected volatility – 142.4% (2008 – 132.0%); risk free rate of return – 2.25% (2008 – 3.21%) ; and, expected life of options – 3.76 years (2008 – 3 years).

During the nine month period ended September 30, 2009, the Company recognized stock-based compensation expense of \$215,819 (2008 - \$600,200). The offsetting credit was charged to contributed surplus.

The following table summarizes information on the outstanding options:

Expiry Date	Outstanding	Exercise Price	Exercisable	Weighted Average Remaining Contractual Life (Years)	Unamortized Stock-based Compensation
June 3, 2014	3,600,000	\$0.20	3,566,667	4.67	\$ 2,934

7. CONTRIBUTED SURPLUS

	September 30 2009	December 31 2008
Balance, opening	\$ 1,790,251	\$ 1,115,147
Stock-based compensation	215,819	675,104
Balance, ending	\$ 2,006,070	\$ 1,790,251

8. RELATED PARTY TRANSACTIONS

During the nine month period ended September 30, 2009, the Company:

- (a) paid management fees of \$94,500 (2008 - \$94,500) to companies controlled by or associated with officers of the Company.
- (b) paid director fees of \$nil (2008 - \$13,000) to compensate independent directors for their time at a per diem of \$1,000 per day on pre-approved Company activities. These amounts are included in consulting fees.
- (c) paid \$127,994 (2008 - \$119,221) to a company related by virtue of common directors to reimburse consulting fees and equipment usage costs it paid to a company controlled by a director. These amounts are included in mineral exploration properties. Comparative figures were included in mineral exploration properties (\$112,036) and consulting fees (\$7,185).

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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RELATED PARTY TRANSACTIONS (continued)

- (d) paid or accrued operator costs comprised of overheads and equipment usage fees for the Joint Venture of \$441,352 (2008 - \$442,176) to a company related by virtue of common directors. These amounts are included in mineral exploration properties.
- (e) paid legal fees of \$1,209 (2008 - \$3,915) to a company related by virtue of common directors for legal services provided to the Joint Venture by a director. These amounts are included in mineral exploration properties.
- (f) paid rent of \$6,600 (2008 - \$15,465) to companies related by virtue of common directors.
- (g) paid legal fees of \$11,253 (2008 - \$11,202) to a law firm controlled by an officer. Comparative figures were paid to a law firm in which a former officer was a partner.
- (h) sold exploration equipment for its original cost of \$33,134 to a company related by virtue of common directors. The related company reacquired the exploration equipment it had previously sold to the Company in 2008. This amount is included in receivables.

Included in accounts payable and accruals is \$225,990 (2008 - \$202,213) payable to: directors/officers; companies controlled by or associated with directors/officers; or companies related by virtue of common directors.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

9. SUPPLEMENTARY INFORMATION

(a) Weighted average number of common shares

As at September 30,	2009	2008
Basic	49,806,492	49,806,492
Diluted	49,806,492	50,606,492

The effect of the potentially dilutive options were not included in the calculation of the diluted loss per share as the result would be anti-dilutive.

(b) Cash flows

- (i) Cash received for interest was \$129,739 (2008 - \$277,045).
- (ii) The Company accrued expenses of \$220,745 (2008 - \$199,849) for mineral exploration.

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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10. CHANGES IN ACCOUNTING POLICES

Effective January 1, 2009, the Company adopted the following accounting standard recommended by the Canadian Institute of Chartered Accountants ("CICA"):

Goodwill and Intangible Assets (Section 3064)

This standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new standard also provides guidance for the treatment of pre-production and start-up costs and requires these costs to be expensed as incurred. There was no effect on the interim period financial statements as a result of the adoption of this standard.

11. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards

The Canadian Accounting Standards Board confirmed plans to converge GAAP with International Financial Reporting Standards ("IFRS"), effective January 1, 2011. As a result, the Company will be required to prepare its interim and annual financial statements in accordance with IFRS standards for the fiscal year beginning January 1, 2011, at the latest.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to be able to fund the exploration and development of its mineral properties and acquisition of other mineral resources, for the benefit of its shareholders.

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares, warrants and incentive stock options. The Company has not established quantitative targets for its capital structure, however it reviews its capital management methods and requirements on an ongoing basis and makes adjustments, accordingly.

The Company's capital consists of working capital:

	September 30		December 31
	2009		2008
Current assets	\$ 4,219,515	\$	6,265,422
Current liabilities	(231,826)		(556,397)
Working capital	\$ 3,987,689	\$	5,709,025

There were no changes in the Company's management of its capital during the nine month period ended, September 30, 2009. The Company is not subject to any externally imposed capital requirements.

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, term deposits, receivables and accounts payable and accrued liabilities approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidence by a quoted market price.

The Company's financial instruments are classified as follows:

Cash	Held for trading
Term deposits	Held for trading
Advances to Crosscontinental Uranium Limited	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Risk Management

The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash and term deposits. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee or written risk management policies. The primary risks the Company's financial instruments are exposed to are described below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge or meet their obligations. Financial instruments that potentially expose the Company to this risk consist of cash, term deposits and receivables. The Company's risk is minimal, since the vast majority of its: cash and term deposits are on deposit with a Canadian chartered bank; and, receivables are due from the Company's financially healthy Joint Venture partner.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 12. The Company has no income from operations and is dependent on its existing working capital and equity funding to support its exploration and corporate activities. Should the need for further equity funding arise, there is a risk that the Company may not be able to sell new common shares at an acceptable price.

The Company has sufficient funds to discharge its liabilities. The Company may be required to raise additional funds to meet its potential future Australian dollar denominated joint venture commitments as described in Note 3.

Currency Risk

The Company's management is located in Canada and its functional currency is the Canadian dollar. The Company participates in exploration activities in Australia and Burkina Faso, West Africa and evaluates foreign opportunities giving rise to market risks from changes in foreign exchange rates. The Company has potential future financial

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FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

commitments denominated in Australian dollars. The Company periodically monitors foreign exchange rates, though it has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates. As at September 30, 2009 the Company had the following foreign denominated balances:

	USD	CFA Franc	AUD
Cash	16,791	23,195,542	-
Accounts payable and accrued liabilities	-	7,911	231,592

A 10% change in the USD foreign exchange rates will impact profitability by approximately \$1,800, a 10% change in the CFA Franc will impact profitability by approximately \$5,500 and a 7% change in the AUD foreign exchange rates will impact profitability by approximately \$15,300. A 7% change in AUD foreign exchange rates will affect the amount of funds the Company requires to meet the potential future Joint Venture contributions by approximately \$219,000.

Interest Rate Risk

Excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The term deposits consists of a guaranteed investment certificate, which bear interest at floating rates based on the Canadian bank prime rate. The Company's cash and term deposits are subject to interest rate cash flow risk resulting from fluctuations in interest rates. A one (1) basis point change in the floating interest rate will affect profitability of the Company by approximately \$8,000 over a three month period.

Price Risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is strongly related to: the market price of the primary minerals identified in its mineral properties; market price of the Company's equities; and, general commodity and investor sentiment. Mineral and equity prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in either the prices of the identified primary minerals, the Company's issued equities or investor sentiment could have a negative impact on the Company's ability to raise additional capital. Management monitors the commodity and stock markets to determine the applicable financing strategy to be taken, when needed.

Political Risk

The Company's mineral exploration properties are in Australia and Burkina Faso, West Africa and may potentially expose the Company to risks and different considerations not normally associated with companies or exploration activities in North America. The Company's ability to retain its mineral properties, raise and deploy capital may be adversely affected by changes in governing regimes, policies, laws and regulations, all of which are beyond the Company's control.

PANCONTINENTAL URANIUM CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (for the nine month period ended September 30, 2009)

November 25, 2009

INTRODUCTION

The following management's discussion and analysis ("MD&A") of operating results, financial condition and future prospects of Pancontinental Uranium Corporation ("Pancontinental" or the "Company") should be read in conjunction with Pancontinental's: audited annual consolidated financial statements and related notes for the year ended December 31, 2008 and related MD&A dated April 23, 2009; and, unaudited interim consolidated financial statements and related notes for the nine month period ended September 30, 2009. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at www.sedar.com.

Pancontinental's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts in the MD&A and in the Company's consolidated financial statements are expressed in Canadian dollars, unless otherwise noted. The Company's investment in Crosscontinental Uranium Limited ("Crosscontinental"), a company under joint control, is accounted for using proportionate consolidation. The consolidated financial statements include the accounts of Pancontinental's wholly-owned inactive subsidiary Maya Gold Corporation S.A. de C.V., a Honduras company.

This MD&A and the related audited annual consolidated financial statements and related notes have been reviewed by Pancontinental's audit committee and approved by its Board of Directors.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements relating to, but not limited to, Pancontinental's assumptions, estimates, expectations and statements that describe Pancontinental's future plans, intentions, beliefs, objectives or goals, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or anticipated by such forward-looking statements. Factors that could cause such differences, without limiting the generality of the foregoing, include: timing of commencement of exploration activities; failure to establish resources or reserves; changes in conditions of precious and base metal markets; ability to raise capital in equity markets; cost and supply of materials, labour and equipment; environmental approvals and regulations; non-performance of project operator or joint venture partner; adverse exploration and mining conditions; unexpected or unsatisfactory geological conditions or exploration results; failure or delays in obtaining or retaining necessary permits or approvals; inability to access properties; changes in government and mining policies and regulations; currency and commodity price fluctuations; and other development and exploration risks.

Although we believe that the assumptions, estimates and expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Pancontinental disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2009)

OVERVIEW

Pancontinental is an exploration stage company, focused on the acquisition, exploration and development of uranium properties. The Company is currently participating in uranium exploration activities in Australia and in Burkina Faso, West Africa through a joint venture agreement with Crossland Uranium Mines Limited ("Crossland"). The Company has no proven reserves and does not earn any production revenue.

On September 7, 2007, the name of the Company was changed to Pancontinental Uranium Corporation and the Company was continued under the Canada Business Corporations Act ("CBCA"). The Company was formerly known as Centram Exploration Ltd. and was previously incorporated under the laws of Alberta. On September 10, 2007, the Company began trading as a Tier 2 issuer on the TSX Venture Exchange, under the trading symbol PUC. During October 2007, the Company changed its fiscal year end from April 30 to December 31.

JOINT VENTURES

CROSSLAND URANIUM MINES LIMITED

Australia

On February 8, 2007, pursuant to a letter of agreement dated February 14, 2007, Pancontinental formed a joint venture (the "Joint Venture") with Crossland to earn a 50% interest in a number of prospective uranium projects held by Crossland, in Australia, together with all uranium prospects that are currently or subsequently available to, or known by Crossland. On June 30, 2008, the Company and Crossland finalized a joint venture agreement. From the formation date of the Joint Venture, the Company is required to contribute AUD8 million (excluding certain Joint Venture property acquisition costs) over four (4) years to earn a 50% interest in the Joint Venture. The Company has incurred sufficient Joint Venture expenditures to satisfy the compulsory minimum commitment of AUD4 million (the "Minimum Commitment") over three (3) years. Upon the Company attaining its 50% interest in the Joint Venture, all further expenditures will be shared on a proportionate basis. Crossland acts as operator of the Joint Venture and is entitled to charge operator costs to the Company comprised of overheads and equipment usage costs.

On December 1, 2008, the initial two (2) year period, in which Pancontinental was to contribute the Minimum Commitment, was extended to allow Crossland an additional year to conduct further exploration activities and incur sufficient expenditures. Crossland had experienced unexpected operating challenges, which impeded Crossland's ability to conduct exploration activities at originally planned rates.

As of the date of this MD&A, Pancontinental has: expended AUD4,691,517 on Joint Venture expenditures; expended AUD77,612 on Joint Venture property acquisition costs; and, provided Crossland with Joint Venture expenditure advances of AUD618,408 (the "Advances to Crossland"). Assuming the Advances to Crossland are solely expended on Joint Venture expenditures, the Company is required to expend an additional AUD2,690,075 (approximately CAD2,623,000) to earn its interest in the Joint Venture.

Considering the promising results generated from exploration activities conducted in 2009, there is a strong likelihood that the scale of the exploration program for 2010 will be sufficient for the Company to earn its 50% interest. The exploration program for 2010 is currently be developed and the Company anticipates that only in the event of a material shortfall in exploration expenditures will the period to meet the AUD8 million requirement be extended.

Crosscontinental Uranium Limited

Pursuant to the Joint Venture, Pancontinental and Crossland, on March 20, 2007, formed Crosscontinental, a private Canadian company, owned and funded by the Company and Crossland on a 50:50 basis. Crosscontinental was formed to expand the Company's and Crossland's world-wide uranium exploration and development efforts beyond Australia.

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2009)

Pancontinental and Crossland have each provided Crosscontinental with advances of AUD350,000 (CAD319,025). Crosscontinental is currently using its funds to finance the acquisition of uranium exploration permits and fund exploration activities in Burkina Faso, West Africa.

Oursi Project - Burkina Faso, West Africa

On June 5, 2008 Crosscontinental entered into a joint venture agreement with Southern Cross Exploration NL and Longreach Oil Limited to conduct uranium exploration activities on the Oursi Project (the "Oursi Project Joint Venture"), comprised of the Agalsa and Tin Dioulaf tenements. Crosscontinental purchased a 20% interest in the tenements and, as a minimum commitment, was obligated to expend an additional AUD100,000 by March 5, 2009. Crosscontinental satisfied the minimum expenditure commitment and has earned a 35% interest, which can be increased to 50% by Crosscontinental electing to expend a further AUD400,000 by June 5, 2011. Upon Crosscontinental attaining a 50% interest, all further expenditures will be shared on a proportionate basis. Crosscontinental is the operator of the Oursi Project Joint Venture.

MINERAL EXPLORATION PROPERTIES

EXPLORATION STRATEGY

Pancontinental's and Crossland's exploration strategy is to pursue the discovery of major uranium deposits, primarily across the Northern Territory ("NT") of Australia, South Australia and, following the election of a pro-uranium mining State Government, Western Australia, utilizing the extensive experience of the management team. Their significant experience, together with the use of modern exploration techniques, improves the likelihood of exploration success. Properties have been selected based on a number of key factors that include choosing projects in areas with a high probability for the discovery of major uranium deposits, particularly in regions where land title issues are minimized and where the development of discoveries could be expected, if exploration proves successful.

The region of Northern Australia, known as the Pine Creek Orogen, hosts large uranium deposits including Jabiluka, Ranger, Koongarra and Nabarlek in the Alligator Rivers Uranium Field, in addition to Rum Jungle and the South Alligator Valley deposits. The region has a global reputation for large, high grade uranium deposits, perhaps matched only by the Athabasca Basin of Canada. Crossland has been accumulating its North Australian exploration portfolio since 2002 and commenced exploration in 2003. Pancontinental believes Crossland has the expertise and resources to effectively manage the exploration activities from its operations base in Darwin.

Central Australia, that area of the Northern Territory centred on Alice Springs, is a region of emerging importance for radioactive minerals. The Pamela sandstone deposit attracted 38 expressions of interest when applications for exploration were invited by the NT Government in 2007. A joint venture between Cameco and Paladin was the successful applicant for that project, indicating that major uranium producers consider the region to be of importance. Pancontinental and Crossland value this interest from major uranium producers. Their presence in the region will help to raise the profile of uranium development and its benefits for residents of the region, which should ultimately assist the infrastructure and approval processes that Pancontinental and Crossland would need should our exploration continue to return positive results. Crossland has recently joined the Australian Uranium Association as an Associate Member to ensure it has a formal voice in the industry in Australia.

The onset of the global financial crisis has resulted in adjustments to the strategy of the Joint Venture. One result of the collapse in exploration activity has been the availability of skilled personnel and exploration services on more favourable terms than were previously available. This should have the effect of lowering exploration costs. Additionally, as less committed uranium explorers relinquish ground, it has been possible to considerably expand land holdings. Crossland has lodged additional applications for exploration licences around both Chilling and Charley Creek in recent months. Conversely, until the crisis has passed, it will be more difficult to source funds for mineral exploration and development on attractive terms. The Joint Venture has developed strategies to deal with this as prudently as possible. Exploration for 2009 was focused on the core projects of Chilling and Charley Creek

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Management's Discussion & Analysis (for the nine month period ended September 30, 2009)

in the Northern Territory while, with limited exceptions, exploration has been postponed to the levels necessary to preserve titles, on other projects. This resulted in a more thorough assessment of the core areas and a more cautious drill program than might have been the case in a stronger market.

Pancontinental and Crossland continue to receive offers to participate in other uranium opportunities; evaluation of these opportunities will continue and those deemed exceptional and fitting Pancontinental's strategy may be acquired.

EXPLORATION PROJECTS

Australia

Chilling

The Chilling project, located in the uranium-rich Pine Creek Orogen of the Northern Territory in Australia, approximately 150 kilometres south of Darwin, has the potential to host unconformity-related uranium deposits. The project area encompasses approximately 1,687 square kilometres and is comprised of six tenements, two of which are subject to a 3% net smelter royalty ("NSR") and one of which is subject to a 2% NSR (two directors of Pancontinental and Crossland - Geoff Eupene and Peter Walker - are part of a group that holds the rights to a 3% NSR on one of the tenements). Crossland has a 100% interest in Chilling and has now received titles for 100% of the total area, including the additional 67 square kilometres of the Mount Thomas exploration license, acquired in early March 2008 from Aldershot Resources.

In January 2009, title to an exploration license (EL22738), covering approximately 537 square kilometres on the southern end of the Chilling project area was granted. This area contains approximately half of the known uranium radiometric anomalies in the project area. Past exploration in the area has been patchy and isolated, despite several other companies' efforts. It is Pancontinental's and Crossland's intention to systematically and comprehensively explore for uranium covering the entire project area. This work has now commenced. Having increased our knowledge and development of exploration concepts, Crossland has recently applied for an additional four exploration licences. These cover 2,522 square kilometres and cover an additional 100km of prospective structures extending to the south of Chilling.

Targets at Chilling include Alligator Rivers-type large, high-grade, unconformity-related uranium ore bodies. It is the Joint Venture's hypothesis that the Chilling area mirrors the Jabiluka-Ranger-Koongarra corridor of the Alligator Rivers Uranium Field. The area on the western side is in a similar geological setting with high uranium background values and is large enough to include a repetition of the entire corridor. The Joint Venture is particularly interested in the apparently favourable and potentially uranium-bearing structures beneath sandstone cover of the Tolmer Group, which covers the Lower Proterozoic unconformity in the project area.

The Chilling titles cover a significant portion of an arcuate unconformity between Paleoproterozoic (more than 1,850 million years old ("1,850 Ma")) metamorphic basement rocks and less deformed Mesoproterozoic (1,700 Ma or younger) platform sedimentary cover rocks of the Tolmer Group. This unconformity extends north-south for approximately 130 kilometres within the Chilling area and is the most important control for the location of uranium mineralization in the Pine Creek Orogen. The source of the high uranium background values is Archean granite basement, which is exposed in the Rum Jungle and Waterhouse granites, over 20 kilometres to the north-northeast of the project area. It is likely that the Adelaide River Fault System, traversing the area, provided channelways for uranium-bearing fluids. The Depot Creek Sandstone of the Tolmer Group, which forms the cover rocks, is stratigraphically equivalent in age to the Kombolgie Sandstone in the Alligator Rivers Uranium Field, and favourable structures at the unconformity surface may form sites for uranium deposition within Chilling. Uranium occurrences are known to outcrop within the project area.

During 2009, rocks that are the stratigraphic equivalent of the basal Paleoproterozoic units at Rum Jungle were identified in the Buchanan Window near the southern extent of the original Chilling Project Area. This influenced

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the acquisition of additional ground referenced above. These sediments contain anomalous values of base metals and uranium in stream and soil samples, and show extensive development of radiometric anomalies over the favourable stratigraphy. The sediments extend below the Tolmer Group at the Buchanan Window. The area represents a prime target for uranium and base metal mineralisation.

Charley Creek

The Charley Creek project is located in central Australia, approximately 100 kilometres northwest of Alice Springs in the Northern Territory and is situated on the southern margin of the North Australian Craton. The project area originally encompassed approximately 703 square kilometres of granted exploration licenses and was comprised of two tenements, one of which is subject to a 3% NSR. Crossland has a 100% interest in Charley Creek. Crossland has recently lodged applications for a further 5 exploration licences in the district covering an additional 3,337 square kilometres, four of which, totalling 3,080 square kilometres, have already been processed and granted.

The Charley Creek property was selected in 2003 using proprietary targeting methods and has since been expanded to include extensive areas of the radioactive Teapot Granite, as well as drainages and sediment basins downstream of the granite. The project area has not been intensively explored, although outcropping secondary uranium mineralization is recorded from the property. Pancontinental and Crossland believe the area also contains the elements necessary for the formation of sediment-hosted uranium deposits and has additional potential for nickel-platinum deposits that will be evaluated concurrently with uranium exploration.

Targets in the Charley Creek project area include uranium-enriched phases of the Teapot Granite, as well as sediment-hosted uranium deposits, specifically calcrete and redox-related uranium targets. Past exploration has identified uranium occurrences in the Teapot Granite. The area is also considered prospective for copper, nickel and platinoid deposits. Known uranium occurrences associated with secondary uranium mineralization hosted in the granite returned values up to 0.193% U when sampled in the 1970s. Exploration in the 1970s also measured uranium in water bores around the project area, indicating that uranium is mobile in the groundwater and a deposition site would accumulate this to form calcrete or redox deposits. Targets are either one of the two possible deposit types, or a combination of the two types formed in a single deposit, as occurs elsewhere in the region.

The Teapot Granite outcrops in the western portion of the area, which should provide an ideal source rock for sediment-hosted mineralization in the surrounding fluvial channels. The Teapot Granite intrudes and assimilates older gneissic basement of the Glen Helen Metamorphics, Mesoproterozoic (1,650 – 1,680 Ma) gneisses and schists. The oldest lithology in the area is the Mt. Hay Granulite (over 1,780 Ma), a highly metamorphosed Paleoproterozoic mafic intrusive complex prospective for nickel, copper and platinoids, which outcrops significantly in the eastern portion of the property. A portion of this complex lies below the channels.

In 2009, the Joint Venture Exploration program has focused on the Teapot Granite uranium occurrences, where outcropping uranium mineralisation has been observed at scores of localities. While it is tempting to draw analogies with the alaskite uranium deposits of Namibia, there is as yet no evidence that the mineralisation is restricted to a minor phase of the granite as is apparently the case in Namibia. Rather, spectrometer surveys and rock sampling suggest that elevated uranium values are associated with particular zones within the major phase of the Teapot Granite. These may have a structural control.

Kalabity

The Kalabity project is located in South Australia, 40 kilometres north of Olary and approximately 100 kilometres west of Broken Hill. The project area encompasses approximately 148 square kilometres and is comprised of one tenement. Crossland entered into a joint venture on Kalabity in late 2006 with Platsearch NL ("Platsearch") and Eaglehawk Geological Consulting Pty Ltd. ("Eaglehawk"). Crossland can earn at least a 60% interest in Kalabity through the expenditure of Australian \$500,000 over three years, expiring on January 17, 2010. As of September 30, 2009, Crossland has expended approximately AU\$409,000.

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2009)

Platsearch and Eaglehawk compiled the previous exploration data after applying for the property in 1999. The project lies within the Olary Uranium Field in the southwestern portion of the Curnamona Craton. This is a district of historic uranium and radium mining and contains a variety of known deposit types. Australia's first uranium mine, Radium Hill, lies 50 kilometres to the south. The KR4 prospect within the Kalabity title was discovered in 1985 by prospecting and contains outcropping davidite mineralization, similar to ore mined at Radium Hill. The field also includes the Crocker Well, Mt. Victoria, Spring Hill, Jagged Rocks, Honeymoon and Gould's Dam deposits, in the district surrounding Kalabity.

Targets at Kalabity include granite-related uranium deposits and iron oxide-copper-gold deposits. Since Crossland has commenced exploration it has identified the Tabita uranium prospect, which appears to be a new style of mineralization. In addition to uranium exploration, recent exploration has concentrated on iron oxide-copper-gold deposits of the East Mt. Isa and Olympic Dam style.

The Kalabity project area has moderate bedrock exposure, although significant areas have thin unconsolidated alluvial, colluvial and aeolian cover, usually much less than 20 metres in depth. Calcreted soils form a large portion of the cover.

As a result of the positive exploration results at Tabita, discussions are currently underway to extend the Crossland's earn-in period and undertake exploration work early in 2010.

Crossland Creek

The Crossland Creek project is located in the West Kimberley region of Western Australia, 190 kilometres west of Wyndham and 150 kilometres south of Kalumburu. The project area originally encompassed approximately 315 square kilometres and was comprised of two tenements, one of which was subject to a 3% NSR (two directors of Pancontinental and Crossland were part of a group that held the rights to the 3% NSR). Subsequent to December 31, 2008, Crossland relinquished the tenement carrying the 3% NSR. The project area covered approximately 508 square kilometres including a tenement known as "Gibb South", acquired from Thundelarra Exploration Ltd., having an area of approximately 452 square kilometres and subject to a 2% NSR.

Targets at Crossland Creek included unconformity-related uranium deposits, possibly accompanied by other metals. Though past exploration focused on several other targets, Crossland recognized the promising potential for uranium on the property. The structural geology is similar to the Athabasca Basin in Saskatchewan, Canada and the McArthur Basin in the Northern Territory, Australia.

The Crossland Creek project is situated in the Kimberley Basin, a relatively undeformed Paleoproterozoic sequence of sandstone, siltstone, shale and basalt up to 5,000 metres in thickness. Basaltic rocks of the Carson Volcanics outcrop over much of the project area. This is underlain by the King Leopold Sandstone. The target for a possible source of uranium and other metals is on the basal unconformity of the King Leopold Sandstone. The basement rocks below the King Leopold Sandstone remain unexplored, as no evidence of previous drilling has been found near the prospective area, although uranium occurrences are known in areas where the basement rocks are exposed around the edge of the Kimberley Basin.

During the quarter, the project was subject to a thorough helicopter supported reconnaissance by Crossland's two most senior geologists. They concluded that the reconnaissance had adequately looked at the remaining potential at Crossland Creek and no further exploration work was warranted. The tenements have now been relinquished.

Burkina Faso, West Africa

Crosscontinental has applied for a number of uranium exploration permits in Burkina Faso, West Africa. The permits cover a significant portion of zones that rated well for uranium prospectivity in a 2003 study funded by the

Pancontinental Uranium Corporation

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European Development Fund. Processing of Crosscontinental's applications is expected to proceed when the Government of Burkina Faso has formulated its policy on uranium mining. Burkina Faso borders Niger, the leading uranium producing nation in Africa.

Oursi Project Joint Venture

Crosscontinental has a 35% interest in the Oursi Project Joint Venture consisting of two tenements in north-east Burkina Faso granted for uranium exploration, referred to as "Tin Dioulaf" and "Agalsa". These tenements cover a combined area of 500 square kilometres and include a 50 kilometre strike length of an unconformity structure that is considered to be prospective for uranium deposits. A known uranium mineralization occurrence is located 50 kilometres along strike and west of the tenements.

EXPLORATION ACTIVITIES

Australia

Chilling

A detailed airborne magnetic and radiometric survey was completed in December 2007, and covered 18,875 line kilometres. This generated 43 priority uranium targets which are being systematically evaluated.

During 2008, nine diamond core holes were drilled, for a total of 1,595.7 metres, at the March Fly prospect in the northern sector of Chilling. Previously, high-grade intersections had been encountered in drill programs by earlier explorers below outcropping oxidized uranium mineralization. The March Fly structure can be traced, in both geology and as a radiometric anomaly, over 600 metres and has the potential to host a mineable resource which should be amenable to open pit mining. The target represents a relatively low permitting risk and with the right grade may well be saleable to an operating mill in the area, such as Ranger. An announcement on the results of the March Fly drilling was made in February 2009. The assessment of these results led to recommendations for additional drilling at March Fly, and a program of up to four drill holes will be completed in the December quarter of 2009.

The Buchanan EL 23682 was granted in January 2009 and has received priority during the 2009 field season, which commenced in June. This has been the first opportunity to explore this area in over 10 years.

Crossland has rehabilitated over 100km of access track in cooperation with neighbouring exploration companies. Geological mapping, combined with soil and stream geochemistry, is well advanced, and a large area has been covered by ground gamma spectrometer surveys. Mapping has considerably refined the understanding of local geology, and this has enhanced the potential of the radiometric anomalies detected by the 2007 airborne survey.

A belt of strongly folded carbonate, and silicified and brecciated carbonate and other sediments lies to the east of the Soldiers Creek Granite, and this has been called the Buchanan Window. The area had been assigned to various stratigraphic units in previous regional geological mapping, but the observed structural complexity and intensity of folding indicated in magnetics indicates that the area is a zone of Lower Proterozoic sediments of the Pine Creek Orogen in faulted, and in places intrusive, contact with the radioactive Soldiers Creek Granite on the west, and unconformably overlain by the middle Proterozoic Tolmer Group sediments on the east. The area has very poor bedrock exposure, which accounts for past confusion about the geological setting. These observations led Crossland to considerably upgrade the potential of the radiometric anomalies in this zone, as their setting is very similar to that found at many unconformity-related uranium deposits in the region. Geochemical sampling showed several strong zones of base metal and uranium values in specific stratigraphic horizons. Spectrometer surveys on 25m line spacing have mapped the various radiometric signatures, and defined several strong uranium anomalies. These were evaluated with air core drilling completed in early November. A total of 87 holes for 2,586m were completed. The drilling encountered deeply weathered bedrock and heavy water inflows at shallow depths. Few holes encountered fresh bedrock, and deeper drilling will be required to test primary bedrock grades, however, the drilling confirmed the previously postulated geological setting and provided evidence for sub-surface continuity of the outcropping zones enriched in uranium and base metals. Assay results of several hundred samples collected from the program are pending.

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Data collection for the Geoscience Australia sponsored, regional-scale airborne electro-magnetic ("EM") survey, has been completed. The survey covered the Pine Creek Orogen, of which the Chilling project is a part. Crossland has subscribed to the survey and has also completed more detailed surveys over large portions of the Chilling Project Area, taking advantage of the low cost of the bulk survey.

Crossland is now in receipt of preliminary final results from its detailed surveys and the results for the complete regional survey over its holdings. The EM data will provide additional information to Crossland's own detailed magnetics and radiometrics which will allow deep targeting beneath the cover sandstone units for buried unconformity style deposits. While the available data is being evaluated by Crossland's geophysicist, given the considerable site preparation work that will be necessary once targets are selected, this drilling will be an early priority for the 2010 season. There are well-defined structures in the Allia Granite Window, some of which contain undrilled outcropping secondary uranium mineralisation at the MEMA prospect, that appear to have responded to the detailed AEM survey. This area is being covered with a detailed ground prospecting program in the late stages of the field season. This includes geological mapping, geochemical sampling, and a detailed spectrometer survey, in preparation for possible drilling in 2010.

Future Plans

A large body of data has been gathered during 2009 that will be analysed over the Australian summer months when rains make the Chilling Project inaccessible. These will be the basis for planning the 2010 program, which is likely to include testing of targets below sandstone cover.

Charley Creek

In 2008, the exploration program at Charley Creek included an air core drilling program into the shallow sedimentary basin. A total of 126 holes were drilled totalling 4,434 metres. The holes ranged in depth from 3 metres to 129 metres and most reached unweathered basement rocks, even where sedimentary cover rocks were present. Drill targets were delineated from the analysis of the Tempest airborne EM survey completed in August 2007. The assay results of 1,185 samples submitted for multi-element analysis have been reviewed and the results of drilling have been modelled. A maximum value of 33ppm U was returned from the samples and there are other element concentrations of interest in the results; there are indications of development of a substantial channel filled with probable Tertiary sediments, and there is activity in the radiometrics in these. The drilling indicates that more holes are warranted up-channel closer to the sediment source. There were values that warrant follow up for Nickel (to 286ppm), Cobalt (to 614ppm), and Copper (to 240ppm), that support the concept of mineralization associated with the layered basic intrusive of the Mount Hay Granulite, Selenium and tungsten values of more than 10 times Average Crustal Abundance are widespread in the results, with a maximum of 28ppm Se and 0.15% W. These results will also be followed up in the next round of air core drilling. Presently, Crossland is awaiting site clearance of the lines proposed for this additional drilling work.

In August 2008, Pancontinental announced the initial assay results from outcrop samples collected in June 2008. These samples were collected following up on radiometric anomalies delineated from Crossland's detailed airborne radiometric survey completed in January 2008. The airborne survey results indicate that high uranium radioactivity occurs over extensive areas of the Teapot Granite. Of 37 samples, 30 returned chemical uranium values of over 100ppm, 19 were over 300ppm, while three were over 1000ppm, with a maximum of 2530ppm, equivalent to around 6.6lbs of U₃O₈ per metric ton. These results confirmed that high chemical values are present in outcrop in association with the surface radiometrics. In outcrop, widespread visible secondary uranium minerals exist on fracture surfaces. Further anomaly follow-up has extended these observations to literally scores of sites. The possibility exists that the values reported are enhanced by surface enrichment. It will be possible to evaluate if this is the case following drilling. An area of 42 square kilometres in seven --sections was earmarked for detailed spectrometer surveys on 25m line spacings over anomalous areas identified from airborne work. The detailed ground surveys have been under way since late January 2009. This survey is now nearing completion. Anomaly follow-up and sampling has continued in conjunction with the survey as manpower is available. Crossland is preparing to commit substantial resources to this discovery, which has been named the Cockroach Dam Prospect, after a local water point. On November 11, Pancon advised the market of the most recent results of this work. A

Pancontinental Uranium Corporation

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total of 148 rock chip samples have now been collected to follow up the anomalies identified at the Cockroach Dam Prospect. Over 80% of these samples exceed 32ppmU, a threshold value for geochemical anomalies in the region. Six of the outcrop samples now have returned values of over 2,000ppmU, with a maximum value of 4,550ppmU (5,364ppmU₃O₈). These values are supported by a strong spread of other elevated results, with a total of 15 samples exceeding 1,000ppmU, 47 exceeding 500ppmU, and 111 exceeding 100ppmU, which represents around 60% of the total sample population. The arithmetic average of all 186 rock chip samples is 373ppmU, or 439ppm U₃O₈. (one pound is 453.6 grams)

The association with a particular major granite phase which outcrops over an area of several square kilometres raises the potential for large uranium deposits within Crossland's holdings.

Four of five Exploration Licence applications made earlier this year surrounding the original Charley Creek holdings have now been granted, leaving only one more to be granted. A Tempest airborne EM survey on broad line spacing has already been completed to guide the exploration of these areas. The survey provides a broad definition of depth of overburden and the thickness of any sediment basins developed, which assists in planning the exploration programs to be followed in each area.

Future Plans

Work at Charley Creek has been continuous since January 2009 and will continue to focus on the outstanding prospect at Cockroach Dam. Following a review of the drill results from the air core program, additional holes, targeting the areas identified from the 2008 program, are planned to be drilled in early 2010.

A substantial reconnaissance program will continue at the Cockroach Dam prospect and other anomalous areas. Application to drill test the outcropping mineralization is also in process. It is likely that agreement to do this from potential custodians of Aboriginal Areas will take time and require significant effort in education of local communities. Crossland is actively pursuing these aims. Exploration programs over the newly granted Exploration Licences will be developed for commencement in 2010.

Kalabity

Results from 636 samples from the Kalabity auger drilling program, completed in March 2008, were received in August 2008. These samples were from the Tabita prospect and from follow-up of an area that returned palladium values between the detection limit of 1ppb and 134ppb, from the final line of sampling at the KR4 prospect in 2007. The new results did not return similar levels. At Tabita, there were 15 auger drill sites which returned bottom hole samples with values of over 100ppm U, four exceeding 200ppm U with a highest value of 235ppm U. Based upon element distribution patterns as well as geological settings, the Tabita prospect represents a different style of mineralization to the Davidite style that is common to the region and present at the KR4 prospect. Elevated values of uranium are much more persistent at Tabita. The presence of high vanadium values in association with uranium suggests that the uranium mineral is likely to be carnotite. Its presence near surface might suggest a calcrete deposit, but almost the entire surface in this district is calcreted, while the Tabita Prospect appears to have an association with gypsum. The prospect warrants deeper drilling and trenching to appraise the extent and dimensions of this mineralization, which is now known to extend over several hectares.

Future Plans

Further work is warranted at Tabita to see if values increase at depth or laterally. Permits have been obtained to allow deeper drilling and trenching to go ahead, subject to heritage surveys. This work has been postponed until 2010 as part of the Joint Venture's plan to trim expenditures and focus on core projects.

Crossland Creek

An airborne radiometric and magnetic survey of the Gibb South exploration licence was completed in August 2008. The results revealed several clear uranium channel anomalies that warranted follow-up. Crossland planned to limit 2009 exploration activity to ground checking of anomalies detected in the 2008 survey of Gibb South. This work was completed during the quarter utilising helicopter reconnaissance of all anomalies of interest. These

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proved to be derived from contrast with low background surroundings and were of no potential for economic mineralisation. As a result, a decision was made to relinquish all tenements in the Crossland Creek Project and withdraw from exploration in Western Australia for the time being.

Burkina Faso, West Africa

Based on a familiarity with local conditions and what we believe is excellent untested prospectivity, Crosscontinental has applied for several permits for uranium exploration in the West African nation of Burkina Faso. In 2008, Crossland's Exploration Director, Geoff Eupene, visited many of the application areas in Burkina Faso in 2008, and was encouraged by both the potential and the stability of the nation. Progress with these applications has been slow, as the Government has announced that it wished to develop a policy with respect to uranium mining before processing the applications. We believe that this process is proceeding and expect the applications will be granted in due course. This may involve a substantial commitment when the titles are granted, if the terms of grant are considered to be acceptable by Crosscontinental.

Oursi Project Joint Venture

An aerial inspection of the tenements was completed in June 2008 and a detailed airborne geophysical survey was completed in October 2008. Results of this survey revealed several uranium radiometric anomalies that warranted ground checking. These appear to be associated with structural intersections in the cover sediments over an unconformity surface on Lower Proterozoic terrain. A first phase of ground checking has been completed. Results do not justify additional work pending access to additional titles, which might permit the evolution of a prospect model worthy of more work.

Future Plans

All further exploration activities in Burkina Faso will be postponed until the grant of Crosscontinental's additional uranium exploration permits on terms that are acceptable.

Qualified Person

Geoffrey Eupene, B.Sc(Hons), FAusIMM, a director of Pancontinental and Crossland, is the Company's in-house Qualified Person for the purposes of NI 43-101.

MINERAL EXPLORATION PROPERTIES EXPENDITURES

Acquisition and property costs and exploration expenditures totalled \$595,813 for the three month period ended September 30, 2009. During the current quarter, \$588,432 was expended on the Joint Venture in Australia and \$7,381 on exploration activities in Burkina Faso, West Africa. For the nine month period ended September 30, 2009 expenditures incurred were \$1,567,711, as \$1,533,680 was expended on the Joint Venture in Australia and \$34,031 on exploration activities in Burkina Faso, West Africa.

Joint Venture operator costs include the recovery by Crossland of under-budgeted and under-allocated overheads and equipment usage costs for fiscal 2008 and a subsequent increase in budgeted operator costs for 2009. Operator costs for the quarter were \$112,094 and \$441,352 for the nine month period. Crossland uses its internal resources to support Joint Venture exploration activities.

For further information with respect to the components of mineral exploration properties, please refer to Schedule "A".

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SUMMARY OF QUARTERLY RESULTS

		Revenue	Loss before other items	Other items	Net loss	Net loss per share
	<u>Fiscal 2009</u>	\$	\$	\$	\$	\$
Q3	September 30, 2009	-	76,577	(30,818)	45,759	0.001
Q2	June 30, 2009	-	270,985	(8,587)	262,398	0.005
Q1	March 31, 2009	-	132,358	(46,104)	86,254	0.002
	<u>Fiscal 2008</u>					
Q4	December 31, 2008	-	175,921	(76,566)	99,355	0.002
Q3	September 30, 2008	-	258,772	(42,506)	216,266	0.004
Q2	June 30, 2008	-	392,528	(42,297)	350,231	0.007
Q1	March 31, 2008	-	356,266	(73,230)	283,036	0.006
	<u>Transition Year</u>					
2 mths	December 31, 2007	-	272,364	(66,701)	205,663	0.004

Variances in losses between the quarters for fiscal 2009 were primarily influenced by the amount of: stock based compensation recognized, which was significantly impacted as a result of the fair value of 3,550,000 previously granted stock options being adjusted due to the options being re-priced and extended in Q2; filing and transfer agent fees, legal, travel and shareholder relations and promotion costs related to the Company holding its Annual and Special Meeting of Shareholders (the "ASM") in Q2; and, professional fees attributable to under-accrued fiscal 2008 audit costs in Q2. Variations in "other items" in each of the periods, were primarily attributable to: fluctuations in foreign exchange gains or losses related to the Australian dollar and the CFA Franc; and, a gain on sale of exploration equipment in Q3.

For fiscal 2008, Pancontinental operated as an active exploration company. Variances in losses in each period were primarily influenced by the amount of: stock-based compensation recognized; shareholder relations and promotion activities undertaken to market the Company, including holding its ASM in Q2; and, travel costs resulting from travel to Burkina Faso, West Africa and the attendance of the Company's Australian directors and a Crossland officer at the Company's ASM in Q2. The loss for Q4 was also influenced by professional fees attributable to the Company accruing its fiscal year-end audit costs. Variations in "other items" in each of the periods, were attributable to fluctuations in interest income and foreign exchange gains or losses.

During the eight month period ended December 31, 2007 (the "Transition Year"), Pancontinental evolved into an active exploration company and incurred a substantial increase in expenditures. The loss for the 2 month period (the "Transition Quarter") was significantly influenced by the amount of: stock-based compensation recognized as the Company granted 2,150,000 incentive stock options during Q2; professional fees attributable to the incurrence of audit costs, as a result of the Company changing its fiscal year end; and salaries and benefits as personnel was added to facilitate the Company's growth. Other items were positively influenced by interest income and a foreign exchange gain.

RESULTS OF OPERATIONS

For further information with respect to the components of expenses and other items, please refer to the Statements of Operations and Deficit included in Pancontinental's unaudited interim consolidated financial statements for the nine month period ended September 30, 2009.

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Three month period

For the current quarter, Pancontinental's operations primarily revolved around exploration activities in Australia and expenses represent typical overheads to support the Company's current level of operation. The net loss for the three month period ended September 30, 2009, was \$45,759 compared to a net loss of \$216,266 for the comparable three month period ended September 30, 2008. Expenses decreased significantly (2009F – \$76,577 vs 2008F – \$258,772), as well as cash operating expenses (2009F – \$64,271 vs 2008F – \$84,316).

The primary factors contributing to the decrease in the net loss for the current quarter were:

- a decrease in stock-based compensation (2009F – \$11,932 vs 2008F – \$172,432) due to the amortization of a diminishing fair value balance for incentive stock options.
- a decrease in salaries and benefits (2009F – \$6,399 vs 2008F – \$18,768) due to the departure of an employee at the Company's former Toronto, ON, office.
- a decrease in professional fees (2009F – \$4,708 vs 2008F – \$15,007) due to the absence of audit fees.
- a decrease in travel costs (2009F – \$nil vs 2008F – \$4,338) as general corporate travel was curtailed.
- a decrease in rent costs (2009F – \$2,100 vs 2008F – \$4,325) as the Company only maintains office premises in North Vancouver, BC. In September, 2008 the Company vacated its offices in Toronto, ON.
- a slight decrease in filing and transfer agent fees (2009F – \$3,169 vs 2008F – \$3,604) as reporting issuer and share capital activities were relatively limited.

The decrease in the net loss for the current quarter was mitigated by:

- an increase in consulting fees (2009F – \$6,000 vs 2008F – \$1,114) due to the Company engaging the services of a consultant to support the Company's internal investor relations activities.
- an increase in general and administrative costs (2009F – \$3,718 vs 2008F – \$679) due to the incurrence of director and officer insurance premiums.
- an increase in shareholder relations and promotion costs (2009F – \$6,677 vs 2008F – \$4,981) due to the issuance of two expansive news releases.
- a foreign exchange loss (2009F – \$1,467 vs 2008F – gain \$11,551). The loss for the quarter was due to unfavourable changes in the United States dollar and Central African franc mitigated by favourable changes in the Australian dollar.
- a decrease in interest income (2009F – \$23,007 vs 2008F – \$30,955) as the amount of funds available for investing and interest rates declined.
- a gain on sale of equipment (2009F – \$9,278 vs 2008F – \$nil) as Crossland reacquired exploration equipment from Crosscontinental for its original value of \$66,268 (Pancontinental's portion \$33,134). Crosscontinental realized a gain of \$18,555 (Pancontinental's portion \$9,278) as a result of recovering the depreciation it had recognized in 2008, please refer to the Related party Transactions section for further details.

Management fees were unchanged (2009F – \$31,500 vs 2008F – \$31,500), please refer to the Related Party Transactions section for further details.

Nine month period

During the current nine month period ended September 30, 2009 and the comparable nine month period ended September 30, 2008, Pancontinental primarily focused on exploring the Joint Venture properties. The net loss for the current nine month period ended was \$394,411 compared to a net loss of \$849,533 for the comparable nine month period. Expenses decreased significantly (2009F – \$479,920 vs 2008F – \$1,007,566), as well as cash operating expenses (2009F – \$262,990 vs 2008F – \$401,338).

The primary factors contributing to the net loss and variance in the net loss between the nine month periods were:

- a decrease in stock-based compensation (2009F – \$215,819 vs 2008F – \$600,200) due to the amortization of a diminishing fair value balance attributable to incentive stock options granted in prior years. During the

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year, the Company granted 50,000 stock options and re-priced and extended 3,550,000 previously granted stock options. All of the re-priced options have vested. The fair value of the re-priced options was recalculated, which included adjustments to the re-priced options past fair values.

- a decrease in shareholder relations and promotion costs (2009F – \$55,117 vs 2008F – \$100,679) as the Company reduced its marketing efforts to reduce overheads. The Company held its Annual and Special Meeting of Shareholders (“ASM”) and attended two industry trade shows during the nine month period. The decrease is reflected in lower ASM, travel, advertising and marketing materials costs.
- a decrease in travel costs (2009F – \$14,049 vs 2008F – \$53,148) as general corporate travel was curtailed to reduce overheads.
- a decrease in salaries and benefits (2009F – \$19,197 vs 2008F – \$55,084) due to the elimination of personnel at the Company's former Toronto, ON, office.
- a decrease in rent costs (2009F – \$6,600 vs 2008F – \$15,113) as the Company only maintains office premises in North Vancouver, BC. In September, 2008 the Company vacated its offices in Toronto, ON.
- a decrease in consulting fees (2009F – \$18,000 vs 2008F – \$26,185) due to the absence of fees paid for the services of Company directors. The Company engages the services of a consultant to support the Company's internal investor relations activities.
- a decrease in professional fees (2009F – \$22,945 vs 2008F – \$29,142) due to a reduction in additional audit costs.
- a decrease in filing and transfer agent fees (2009F – \$15,354 vs 2008F – \$20,094) as the Company's need to make changes in its public reporting environment diminished. The Company also benefited from lower TSX Venture Exchange sustaining fees.
- management fees were unchanged (2009F – \$94,500 vs 2008F – \$94,500), please refer to the Related Party Transactions section for further details.
- an increase in general and administrative costs (2009F – \$17,228 vs 2008F – \$7,393) due to the incurrence of director and officer insurance premiums.
- a decrease in interest income (2009F – \$75,470 vs 2008F – \$159,852) as the amount of funds available for investing and interest rates declined.

LIQUIDITY AND CAPITAL RESOURCES

Pancontinental has no regular source of cash flow and is incurring operating costs in excess of its interest income. The Company finances its activities by raising capital in the capital/equity markets and is dependent upon its existing working capital and its ability to obtain necessary financing to meet its obligations and pay its liabilities. It should be noted that during this period of economic uncertainty and contracted capital/equity markets for junior mineral exploration companies, the ability for the Company to access these markets for funding is very limited at this time.

Pancontinental's financial success is dependent on the extent to which it can discover mineralization in economic quantities and the economic viability of developing its properties or projects. Given the nature of the Company's operations, which consist of exploration, evaluation and acquisition of mineral properties or mining projects, the Company believes that the most meaningful financial information relates primarily to current liquidity and solvency.

Cash Flows

Three month period

Cash flows consumed in operating activities for the current three month period were \$5,890 compared to \$170,044 provided in the comparable three month period ended September 30, 2008. Cash flows consumed by operations before changes in non-cash working capital were relatively unchanged (2009F – \$42,731 vs 2008F – \$41,810). Significant changes in non-cash working capital items included: a decrease in accrued interest on term deposits of \$90,849, as interest was received on maturity and redemption of its guaranteed investment certificates (“GIC's”); and, an increase in receivables as the Company recorded a receivable of \$33,134 from the sale of

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exploration equipment to Crossland. Accounts payable and accrued liabilities includes accrued mineral exploration properties expenditures of \$220,745.

Cash flows provided by investing activities for the current quarter were \$111,457 compared to \$108,263 used during the quarter ended September 30, 2008. Term deposits of \$3,850,000 were redeemed to fund \$771,677 of mineral exploration properties expenditures and repurchase a \$3,000,000 term deposit. Proceeds of \$33,134 were recorded from the sale of exploration equipment to Crossland.

There were no financing activities for the current quarter (2008F – \$nil).

For the three month period ended September 30, 2009, these activities resulted in increasing Pancontinental's cash balance by \$105,567 compared to an increase of \$61,781 for the three month period ended September 30, 2008.

Nine month period

Cash flows consumed in operating activities for the current nine month period were \$214,605 compared to \$137,541 consumed in the comparable nine month period ended September 30, 2008. Cash flows consumed by operations before changes in non-cash working capital were \$186,759 (2008F – \$243,305). The decrease in the amount of cash consumed by operations was the result of the Company benefiting from lower overheads. Significant changes in non-cash working capital items included: a decrease in accrued interest on term deposits of \$54,269 as interest was received on maturity and redemption of its GICs; an increase in prepaids as Crosscontinental paid a deposit to secure the rights to acquire an exploration camp in Burkina Faso, West Africa.

Cash flows provided by investing activities for the current nine month period were \$267,673 compared to \$129,607 used during the comparable nine month period ended September 30, 2008. Term deposits of \$5,100,000 were redeemed to fund \$1,865,461 of mineral exploration properties expenditures and repurchase a \$3,000,000 term deposit.

There were no financing activities for the current nine month period (2008F – \$nil).

For the nine month period ended September 30, 2009, these activities resulted in increasing Pancontinental's cash balance by \$53,068, compared to a decrease of \$267,148 for the nine month period ended September 30, 2008.

As at September 30, 2009, Pancontinental had cash of \$308,544 (2008F – \$416,438). Cash of \$253,107 was held on deposit with a Canadian chartered bank and cash of \$55,437 represents Pancontinental's portion of the \$110,874 of cash held in Burkina Faso, West Africa.

At September 30, 2009, Pancontinental had \$3,851,129 invested in two variable rate GIC's, held with a Canadian chartered bank. The Company can draw down on the GIC's, at any time, prior to maturity. Interest is paid on maturity or on redemption. Accrued interest, as at September 30, 2009, was \$1,129. Subsequent to September 30, 2009, to mitigate the Company's potential exposure to a strengthening Australian dollar for the balance of 2009, the Company redeemed an \$850,000 GIC and advanced Crossland funds of AUD618,408 for anticipated Joint Venture expenditures to be incurred during the fourth quarter of 2009.

Pancontinental's consolidated working capital, as at September 30, 2009, was \$3,987,689. Since December 31, 2008 working capital decreased by \$1,721,336. The decrease is primarily related to the deployment of capital to fund the mineral exploration properties expenditures. As at September 30, 2009, the Company is required to expend a further AUD3,308,483 (approximately, CAD3,130,000) to earn its interest in the Joint Venture.

Pancontinental believes its cash reserves are sufficient to fund its Joint Venture and operating expenditures for the remainder of fiscal 2009 and 2010, though the Company's potential exposure to a strengthening Australian dollar may require the Company to raise additional capital to fund its Joint Venture commitments. For the balance of 2009, the Company anticipates that it will use its cash reserves to fund Joint Venture expenditures of

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approximately \$600,000 - \$700,000 and operating expenditures of approximately \$100,000. For 2010 Pancontinental and Crossland are currently in the process of developing an aggressive exploration plan for Australia and a strategy for Crosscontinental. Pancontinental may need to provide Crosscontinental with additional funds, if decisions are made and/or additional permits are granted that accelerate exploration activities. In the current economic environment, the Company intends to manage its cash resources prudently, but the Company may possibly be required to raise additional capital in 2010 or 2011 to fund acquisitions or exploration activities.

SHARE CAPITAL

Common Shares

As at September 30, 2009, Pancontinental had 49,806,492 common shares outstanding. There was no common share activity for fiscal 2009 and 2008.

Options

At the Company's Annual and Special Meeting of Shareholders, held on June 3, 2009, shareholders approved the re-pricing and extension of 3,550,000 previously granted incentive stock options. The exercise price of each stock option was amended to \$0.20 and the expiry date for each option was extended to June 3, 2014. All of these stock options have vested. The estimated fair value of the re-priced stock options is \$400,379.

On June 3, 2009, a total of 50,000 incentive stock options were granted to an officer of Pancontinental. The exercise price of each stock option is \$0.20, expiring on June 3, 2014. Of these stock options, 16,667 have vested. The estimated fair value of the stock options granted is \$5,842. The unamortized fair value of these options at June 30, 2009 is \$2,934.

As of the date of this MD&A, Pancontinental has 3,600,000 incentive stock options outstanding of which 3,566,667 are exercisable. Currently, none of the exercisable options are "in the money".

All of the stock options were: granted pursuant to the terms of the Company's Incentive Stock Option Plan; issued for a five (5) year term; and, vest as follows: one-third immediately, one-third on the first anniversary from the date of grant and one-third on the second anniversary from the date of grant. The Company uses the Black-Scholes option pricing model to estimate the fair value of the stock options. The estimated fair value is recognized over the vesting period of the options granted, with an offsetting credit charged to contributed surplus.

For further information on share capital and contributed surplus, please refer to Notes 6 and 7 of the unaudited interim consolidated financial statements for the nine month period ended September 30, 2009.

RELATED PARTY TRANSACTIONS

Management fees of \$10,500 (2008F – \$10,500) for the current three month period and \$31,500 (2008F – \$31,500) for the nine month period were paid or became payable to RJM & Associates, a company controlled by the Company's President and Chief Executive Officer, Mr. Richard Mark. Management fees of \$21,000 (2008F – \$21,000) for the current three month period and \$63,000 (2008F – \$63,000) for the nine month period were paid or became payable to Rustle Woods Capital Inc., a company controlled by an associate of the Company's Chief Financial Officer, Mr. Mark McMurdie. Mr. Mark's agreement provides for monthly remuneration of \$3,500 (subsequently amended to \$5,000 per month, effective October 1, 2009) and Mr. McMurdie's agreement provides for monthly remuneration of \$7,000. Each of these agreements is automatically renewed on a monthly basis and continues from year to year. In addition, each agreement may be terminated by the Company upon 30 days written notice and making a lump-sum payment equivalent to one month's remuneration.

Pancontinental has a policy to compensate independent directors for their time spent on pre-approved company activities at a per diem of \$1,000 (the "Director Consulting Fees") and to reimburse directors for out of pocket

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expenses. Director Consulting Fees of \$nil for the nine month period (2008F – \$13,000) were paid or became payable for services rendered. The Director Consulting Fees are recorded in the consulting account.

Eupene Exploration Enterprises Pty. Ltd. ("Eupene Exploration"), a company controlled by Mr. Eupene, purchases supplies, employs personnel, provides consulting services and deploys equipment, from time to time, for the purpose of facilitating exploration activities for the Joint Venture and for Crosscontinental. Costs incurred by Eupene Exploration are reimbursed by Crossland and where applicable, invoiced to Pancontinental or Crosscontinental. These costs are recorded in the mineral exploration properties account, unless otherwise noted. The Company paid Crossland \$51,907 (2008F – \$8,050) for the three month period and \$127,994 (2008F - \$119,221) for the nine month period for:

- consulting fees for services rendered by Mr. Eupene of \$44,788 (2008F – \$6,857) for the current three month period and \$116,624 (2008F – \$57,424) for the nine month period. For the comparative periods, consulting fees of \$114 for the three month period and \$7,185 for the nine month period were paid to Mr. Eupene to manage the evaluation and development of opportunities for Crosscontinental and accordingly, these amounts were recorded in the consulting fees account.
- equipment usage fees of \$7,119 (2008F – \$1,193) for the current three month period and \$11,370 (2008F – \$10,274) for the nine month period.
- field and geological/technical consulting fees, exclusive of Mr. Eupene's services, of \$nil (2008F – \$nil) for the current three month period and \$nil (2008F – \$51,522) for the nine month period.

Crossland acts as operator of the Joint Venture and is entitled to charge operator costs to Pancontinental, comprised of a portion of its overhead and equipment usage costs. Operator costs for the current three month period were \$112,094 (2008F – \$44,131) and \$441,352 (2008F – \$442,176) for the nine month period. Operator costs may include amounts paid to Mr. Eupene and Company and Crossland director, Mr. Peter Walker, for consulting services not directly attributable to a Joint Venture property or to Crosscontinental.

The mineral exploration properties account includes the reimbursement to Crossland of \$495 (2008F – \$1,434) for the current three month period and \$1,209 (2008F – \$3,915) for the nine month period for legal services provided to the Joint Venture Mr. Walker.

Pancontinental subleases its office premises in Vancouver, B.C. from VMS Ventures Inc. ("VMS") at a cost of \$700 per month. For the current quarter, the Company paid rent of \$2,100 (2008F – \$2,100) and \$6,300 (2008F - \$6,300) for the nine month period. The Company's President and Chief Executive Officer, Mr. Mark, also acts as Chief Executive Officer for VMS. The original sublease agreement expired on April 30, 2009 and the Company is currently subleasing its premises on a monthly basis. The Company anticipates that a new sublease agreement will be negotiated on similar terms.

Prior to October 1, 2008, Pancontinental subleased its office premises in Toronto, Ontario from Equinox Minerals Limited ("Equinox") at twenty percent (20%) of Equinox's cost (approximately \$1,100 per month). The Company vacated these premises in September 2008 and continued to pay Equinox a nominal amount for storage until March 31, 2009. For the current quarter, the Company paid or accrued rent of \$nil (2008F – \$2,225) and \$300 (2008F – \$8,813) for the nine month period. Mr. David Mosher, a director of the Company is also a director of Equinox.

Crosscontinental subleases its field office premises in Burkina Faso, West Africa from a subsidiary of High River Gold Mines Ltd. ("High River") at a nominal cost. Mr. Mosher and Mr. Donald Whalen, directors of Pancontinental and Crosscontinental, were directors or officers of High River until the latter part of 2008. The sublease renews on an annual basis and may be terminated by either party. Fifty percent (50%) of these costs are recorded in the mineral exploration properties account. For the comparative quarter, Crosscontinental accrued or paid rent costs of \$290 for the three month period and \$705 for the nine month period.

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Mr. Chris Irwin was appointed Corporate Secretary of Pancontinental on December 1, 2008. Mr. Irwin controls Irwin Professional Corporation ("Irwin"), the Company's current legal counsel. During the current quarter, legal costs incurred by the Company in relation to Irwin's services amounted to \$4,265 (2008F – \$nil) and \$11,253 (2008F – \$nil) for the nine month period.

Mr. David Poynton was the Assistant Corporate Secretary of Pancontinental until December 1, 2008. Mr. Poynton was a partner at the law firm, Cassels Brock & Blackwell LLP ("Cassels"), the Company's former legal counsel. For the comparative quarter, legal costs incurred by the Company in relation to Cassels' services were \$nil for the three month period and \$11,202 for the nine month period.

Crossland reacquired exploration equipment it had previously sold to Crosscontinental in 2008 for its original cost of \$66,268 (Pancontinental's portion \$33,134). Pancontinental's portion of the sale proceeds is included in the receivables account.

Included in accounts payable and accruals at September 30, 2009 is \$225,990 (2008F – \$202,213) payable to: directors/officers; companies controlled by or associated with directors/officers; or companies related by virtue of common directors. Accounts payable and accruals includes payables to Crossland of \$220,726 (2008F – \$199,888) for mineral exploration costs.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OUTLOOK

Through the Joint Venture, Pancontinental and Crossland have established one of the strongest management teams in the uranium industry combined with a highly prospective uranium project portfolio. Australia contains the world's largest known resources of uranium, but has received little uranium exploration effort from the mid-1980s until very recently. The recent election of pro-uranium development governments in Australia has resulted in increased exploration activity in Australia. In particular, the search for unconformity-related deposits of the type that have contributed significantly to Canada's inventory during that period, including McArthur River, Cigar Lake and Millenium deposits, buried deeply beneath younger basin cover, has been very restricted in Australia and received very little attention.

In Australia, all of Pancontinental's project areas contain outcropping and potential ore grades of uranium mineralization, in settings similar to those that have resulted in significant uranium accumulations elsewhere. A characteristic of these exploration projects is that they all have indications of uranium and prospectivity for defined targets.

While Pancontinental and Crossland believe that in terms of mineral potential, Australia represents a prime destination, they understand the importance of diversification to minimize sovereign and other risks. The Company's and Crossland's uranium interests are designed to give a spread of geographic and political conditions, as well as styles of uranium deposits. Through Crosscontinental, the Company expects to enter into other opportunities around the world as these become available.

Even though the world oil price has declined significantly, Pancontinental believes that the demand for uranium is likely to continue to increase as the world copes with the issues of sustainable energy usage and greenhouse gas reduction. Many utility companies consider nuclear power as the optimum solution to these issues and an increasing number are placing orders for new plants. Nuclear power is being re-evaluated for a role in the energy mix of several countries that previously announced a phasing out of nuclear power. All of these factors are contributing to predictions of supply shortages and strong prices for uranium into the future. The Company considers the downturn in the spot uranium price over recent months to be temporary.

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CRITICAL ACCOUNTING ESTIMATES

The significant areas requiring the use of estimates and assumptions include the carrying value of mineral exploration properties, advances to Crosscontinental, equipment and fair value of stock-based compensation. On a quarterly basis, Pancontinental considers whether events or changes in circumstances affect these estimates or assumptions. The Company bases its estimates on historical experience, future expectations and on various other assumptions that the Company believes to be reasonable. Actual results could differ from these estimates.

Pancontinental's recoverability of the carrying value of its mineral exploration properties is subject to considerations such as, but not limited to: progress, results and future plans of exploration; future costs and probability of development; value and market conditions of underlying minerals; ability to obtain sufficient financing; net realizable proceeds from production or disposition of properties; and, political, legal, permitting and environmental factors.

The recoverability of the carrying value of equipment is subject to considerations such as, but not limited to: condition, location and future uses of equipment; storage and transportation costs; and, secondary market values.

Considerations affecting the fair value of stock-based compensation include estimates of when stock options may be exercised and stock price volatility. The timing of when stock options are exercised is beyond Pancontinental's control and revolves around the Company's share value and the financial objectives of the stock option holder.

CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

On January 1, 2009, Pancontinental adopted the following new accounting standard issued by the Canadian Institute of Chartered Accountants ("CICA"). The adoption of this standard had no impact on the Company's financial statements.

Goodwill and Intangible Assets – Section 3064

This standard establishes revised standards on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new standard also provides guidance for the treatment of pre-production and start-up costs and requires these costs to be expensed as incurred. Concurrent with the introduction of this new standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

FUTURE ACCOUNTING CHANGES

- The Canadian Accounting Standards Board confirmed plans to converge GAAP with International Financial Reporting Standards ("IFRS") over a transition period expected to be effective for interim and annual periods commencing January 1, 2011. Pancontinental is monitoring CICA plans to make the transition to IFRS. Management plans to initiate a comprehensive review of the impact of IFRS on the Company's financial statements with the objective to qualify and disclose the significant differences between GAAP and IFRS and therefore enabling management to begin quantification. The Company intends to engage the services of its auditors to assist the Company through this process.

FINANCIAL INSTRUMENTS

Fair value

The carrying values of the following financial instruments, approximates fair value due to their short-term maturity: cash; term deposits; receivables; and, accounts payable and accruals.

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Management believes Pancontinental is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company has not entered into any specialized financial agreements to minimize its investment, currency or credit risks. There are no off-balance sheet arrangements.

Disclosure on the risks arising from financial instruments may be found in Note 13 of Pancontinental's unaudited interim consolidated financial statements for the nine month period ended September 30, 2009.

Foreign Exchange Risk

Pancontinental operates in Canadian and international markets, giving rise to exposure to market risks from changes in foreign exchange rates. Certain expenditures are denominated in foreign currencies including the Australian dollar, the Central African franc for Burkina Faso, West Africa and the United States dollar. The Company does not use derivatives to mitigate its exposure to foreign currency risk and is therefore subject to gains or losses from fluctuations in the value of these currencies.

Pancontinental's Australian dollar denominated commitments and payables, United States dollar holdings and Crosscontinental's Central African franc holdings and payables are exposed to fluctuations in foreign exchange rates. Of the Company's cash and term deposits, less than 1% is denominated in United States dollars and less than 2% in Central African francs. Approximately 95% of accounts payables and accruals are denominated in Australian dollars.

RISKS AND UNCERTAINTIES

Pancontinental is in the business of exploring for minerals and if successful, ultimately mining them. The mining sector is by its nature, cyclical, competitive and risky. Many of these risks are beyond the Company's control. Investment in the mining sector in general and the exploration sector, in particular, involves a great deal of risk and uncertainty and Pancontinental's common shares should be considered as a highly speculative investment. Current and potential investors should give special consideration to the risk factors involved.

Acquisition Risk

Pancontinental uses its best judgment to acquire mineral properties or projects and, in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including agreements to finance the acquisition and development of the mineral properties or projects. The Company cannot provide assurance that it can complete any acquisition that it pursues, on favourable terms, or that any acquisition will ultimately benefit the Company.

Commodity Price Risk

The ability of Pancontinental to develop its properties and the future profitability of the Company is directly related to the market price of uranium. Uranium prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in uranium prices could have a negative impact on the Company's ability to raise additional capital and develop its projects.

Competition Risk

Pancontinental must compete with a number of other companies that possess greater financial and technical resources. Competition in the mining sector could adversely affect the Company's ability to acquire mineral properties or projects.

Conflicts of Interest

Certain directors and officers of Pancontinental, in their personal capacities or as directors or officers of other companies, are engaged or have interests in mineral exploration and development activities outside of the Company. Accordingly, exploration opportunities or prospects of which they become aware of may not necessarily be made available to the Company.

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Dependence on Management and Crossland

Pancontinental is very dependent upon the efforts and commitment of its directors, management and Crossland, to the extent that if the services of the directors or management were not available, or Crossland failed to perform its obligations or conduct sufficient exploration activities on the Joint Venture, a disruption in the Company's operations may occur and/or the Company may not earn its interest in the Joint Venture.

Environmental Risk

The exploration and development activities conducted on Pancontinental's mineral properties are subject to the environmental laws and regulations of the country in which the activities take place. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. Although the Company undertakes to comply with current environmental laws and regulations, there is no assurance that future changes in environmental laws or regulations will not adversely affect the Company's operations.

Exploration and Risk

There is no assurance that the activities of Pancontinental will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once a mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. Pancontinental's ability to establish a profitable mining operation is subject to a host of variables, such as technical and economic factors and regulatory issues. Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards which could result in injury or death, property damage, adverse environmental conditions and legal liability.

Financing and Liquidity Risk

Pancontinental does not have any producing properties or projects and no source of regular revenue. The Company's ability to finance its exploration and development activities and make acquisitions is highly dependent upon its ability to raise capital in the financial markets. Pancontinental will require significant capital to finance its overall objectives and there is no assurance that the Company will be able to raise the capital required and continue as a going concern.

Political and Other Risks

Pancontinental's mineral exploration properties, in Australia and Burkina Faso, West Africa, expose the Company to different considerations and other risks not typically associated with companies in North America. Such risks are associated with the political, economic and legal environments. The Company's ability to raise and deploy capital may be adversely affected by changes in political and social conditions and by changes in government policies, laws and regulations.

Property Title Risk

Although Pancontinental takes reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged, impugned or renounced.

Schedule "A"

MINERAL EXPLORATION PROPERTIES

	Australia					Burkina Faso, West Africa			As at	
	Charley Creek		Chilling	Crossland Creek		Total	Oursi	Other	Total	Sept. 30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Acquisition and property										
Balance, December 31, 2008	20,852	107,373	41,723	-	169,948	24,240	36,130	60,370	230,318	
Acquisition costs	2,430	-	-	-	2,430	-	-	-	2,430	
Land access and sacred sites	5,730	1,507	-	-	7,237	-	-	-	7,237	
Permits and tenements	2,020	14,528	1,217	45,163	62,928	3,417	1,198	4,615	67,543	
	10,180	16,035	1,217	45,163	72,595	3,417	1,198	4,615	77,210	
Balance, September 30, 2009	31,032	123,408	42,940	45,163	242,543	27,657	37,328	64,985	307,528	
Exploration costs										
Balance, December 31, 2008	887,159	1,294,396	403,064	-	2,584,619	50,285	15,489	65,774	2,650,393	
Assays, laboratory, metallurgy	3,895	55,379	-	-	59,274	-	-	-	59,274	
Drilling	-	36,785	-	-	36,785	-	-	-	36,785	
Equipment	25,803	50,065	-	4,143	80,011	-	-	-	80,011	
Field consulting and wages	150,642	96,585	612	1,917	249,756	-	-	-	249,756	
Field expenses and consumables	82,610	45,525	244	479	128,858	6,111	-	6,111	134,969	
Field office and administration	18,463	9,721	12	762	28,958	4,141	1,306	5,447	34,405	
Geological/technical consulting	177,630	70,954	13,682	26,098	288,364	9,383	-	9,383	297,747	
Geophysics and surveys	60,201	47,400	-	-	107,601	3,950	-	3,950	111,551	
Operator costs	212,903	182,887	25,829	19,733	441,352	-	-	-	441,352	
Travel	33,176	6,254	696	-	40,126	4,525	-	4,525	44,651	
	765,323	601,555	41,075	53,132	1,461,085	28,110	1,306	29,416	1,490,501	
Balance, September 30, 2009	1,652,482	1,895,951	444,139	53,132	4,045,704	78,395	16,795	95,190	4,140,894	
Total	1,683,514	2,019,359	487,079	98,295	4,288,247	106,052	54,123	160,175	4,448,422	