

Pancontinental Uranium Corporation
(An exploration stage company)

Interim Consolidated Financial Statements

(unaudited)

**For the Three Months Ended March 31, 2011
and 2010**

Management's Responsibility for Interim Financial Statements

The accompanying unaudited interim consolidated financial statements of Pancontinental Uranium Corporation (the "Company") are the responsibility of management.

The unaudited interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

Pancontinental Uranium Corporation
Interim Consolidated Statements of Financial Position
As at
(unaudited)

	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current Assets			
Cash	\$ 356,965	\$ 626,049	\$ 279,377
Term deposits	-	-	3,004,027
Receivables	132,600	83,953	37,611
Prepaid expenses	14,575	2,283	14,286
	504,140	712,285	3,335,301
Mineral properties (Note 6)	8,828,179	8,619,318	5,347,787
Equipment (Note 7)	3,622	3,865	5,064
	\$ 9,335,941	\$ 9,335,468	\$ 8,688,152
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 1,028,035	\$ 845,972	\$ 544,370
	1,028,035	845,972	544,370
Shareholders' Equity			
Capital stock (Note 8)	13,383,952	13,383,952	12,918,448
Contributed Surplus	2,035,371	2,035,371	2,006,806
Warrant allocation (Note 9)	145,193	145,193	-
Deficit	(7,479,946)	(7,362,182)	(6,778,952)
Accumulated other comprehensive income (loss)	223,336	287,162	(2,520)
	8,307,906	8,489,496	8,143,782
	\$ 9,335,941	\$ 9,335,468	\$ 8,688,152
Commitments (Note 6)			
Subsequent events (Note 16)			

Pancontinental Uranium Corporation
Interim Consolidated Statements of Operations
(unaudited)

Three months ended March 31,	2011	2010
Revenue		
Interest Income	\$ 22	\$ 3,434
Expenses		
General and administration (Note 10)	119,548	69,045
Amortization	188	282
Stock-based compensation	-	720
Exploration expenditures and evaluation	1,833	-
Write-off of mineral properties	-	8,130
Foreign exchange (gain)	(3,783)	39,298
Net loss	\$ (117,764)	\$ (114,041)

Loss per share

Basic	\$ (0.002)	\$ (0.002)
Diluted	\$ (0.002)	\$ (0.002)

Weighted average number of common shares outstanding

Basic and diluted	54,806,492	49,806,492
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Pancontinental Uranium Corporation
Interim Consolidated Statements of Comprehensive Income
(unaudited)

Three months ended March 31,	2011	2010
Net income (loss) for the period	\$ (117,764)	\$ (114,041)
Other comprehensive income (loss), net of taxes		
Foreign currency translation adjustment	(63,826)	27,544
Comprehensive loss	\$ (181,590)	\$ (86,497)

Pancontinental Uranium Corporation
Interim Consolidated Statements of Changes in Shareholders' Equity
(unaudited)

	Number of Shares	Capital Stock	Contributed Surplus	Warrants	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2010	49,806,492	\$ 12,918,448	\$ 2,006,806	\$ -	\$ (6,778,952)	\$ (2,520)	\$ 8,143,782
Net loss for the period	-	-	-	-	(114,041)	-	(114,041)
Other comprehensive income	-	-	-	-	-	27,554	27,554
Stock-based compensation	-	-	720	-	-	-	720
Balance, March 31, 2010	49,806,492	12,918,448	2,007,526	-	(6,892,993)	25,034	8,058,015
Units issued by private placement	5,000,000	465,504	-	145,193	-	-	610,697
Stock-based compensation	-	-	27,845	-	-	-	27,845
Net loss for the period	-	-	-	-	(469,189)	-	(469,189)
Other comprehensive income	-	-	-	-	-	262,128	262,128
Balance, December 31, 2010	54,806,492	13,383,952	2,035,371	145,193	(7,362,182)	287,162	8,489,496
Net income for the period	-	-	-	-	(117,764)	-	(117,764)
Other comprehensive income	-	-	-	-	-	(63,826)	(63,826)
Balance, March 31, 2011	54,806,492	\$ 13,383,952	\$ 2,035,371	\$ 145,193	\$ (7,479,946)	\$ 223,336	\$ 8,307,906

Pancontinental Uranium Corporation
Interim Consolidated Statements of Cash Flows
(unaudited)

Three months ended March 31,	2011	2010
Cash (used in) provided by:		
Operating Activities		
Net loss for the period	\$ (117,764)	\$ (114,041)
Adjustments for:		
Amortization	188	282
Stock-based compensation	-	720
Write-off of mineral exploration properties	-	8,130
Foreign exchange	7,899	32,166
	(109,677)	(72,743)
Net changes in non-cash working capital items:		
Accrued interest on term deposits	-	(1,896)
Receivables	(48,647)	(24,507)
Prepaid expenses	(12,292)	(26,813)
Accounts payable and accrued liabilities	(76,781)	(13,180)
	(247,397)	(139,139)
Investing Activities		
Mineral exploration properties	(21,687)	(606,596)
Redemption of term deposit	-	700,000
	(21,687)	93,404
Net change in cash	(269,084)	(45,735)
Cash, beginning of period	626,049	279,377
Cash, end of period	\$ 356,965	\$ 233,642

Pancontinental Uranium Corporation
Notes to Interim Consolidated Financial Statements
Three Months ended March 31, 2011 and 2010
(unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pancontinental Uranium Corporation "the Company" is an exploration stage company incorporated under the laws of the province of British Columbia, Canada. The Company's principal business activities involve the acquisition, exploration and development of rare earth element ("REE") and uranium mineral properties that it believes may contain mineralization that will be economically recoverable in the future. The address of the Company's registered office is 1550 16th Avenue, Building D, Richmond Hill, Ontario.

The Company has been in the development stage since its inception as it has not yet established whether its mineral properties contain reserves that are economically recoverable. The success and continuation of the Company as a going concern and recovery of amounts capitalized for mineral properties on the balance sheet is dependent upon the Company discovering economically recoverable mineral deposits, the ability of the Company to obtain the necessary financing to complete exploration and/or development of the properties, and upon future profitable production or proceeds from the disposition of the properties. To date, there has been no revenue from exploration activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and accounting policies adopted in accordance with International Financial Reporting Standards ("IFRS").

Unaudited interim consolidated financial statements for the three months ended March 31, 2011 are the first financial statements prepared in accordance with IFRS and its interpretations adopted by the IASB, including IFRS 1, First-time Adoption of International Financial Reporting Standards. January 1, 2010 is the date of transition to IFRS ("Transition Date"). Previously, the consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). GAAP differs in some policies from IFRS. In accordance with the transition rules, IFRS has been applied retroactively to the comparative data for 2010.

These unaudited interim consolidated financial statements should be read in conjunction with the 2010 annual consolidated financial statements prepared in accordance with GAAP. The IFRS transition disclosures are in Note 4.

In Note 4, the reconciliations and descriptions of the effect of transitioning from GAAP to IFRS on the equity and comprehensive loss have been presented. In Note 4, the Company has presented selected annual disclosures in accordance with IFRS to supplement the 2010 annual consolidated financial statements prepared in accordance with GAAP.

The Company will ultimately prepare its opening Consolidated Statement of Financial Position and financial statements for 2010 and 2011 by applying IFRS that are in effect as at December 31, 2011. Accordingly, the opening Consolidated Statement of Financial Position and financial statements for 2010 and 2011 may differ from these financial statements if new standards are subsequently enacted.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Preparation

The financial statements are presented in Canadian dollars which is also the functional currency of the corporate offices located in Canada. The functional currency of the Australian subsidiaries and joint ventures is the Australian dollar.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments held for trading and financial instruments classified as available-for-sale.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and in preparing an opening IFRS balance sheet at January 1, 2010 for the purpose of transition to IFRS.

Changes in Accounting Policies and Disclosures

The following standard has been issued but is not yet effective:

IFRS 9 - Financial Instruments

IFRS 9 replaces the current standard, IAS 39 Financial Instruments: Recognition and Measurement. The new standard replaces the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 11 - Joint Arrangements

IFRS 11 establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Changes in Accounting Policies and Disclosures (Cont'd)

IFRS 10 – Consolidated Financial Statements

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation—Special Purpose Entities and is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 12 – Disclosure of Involvement with Other Entities

IFRS 12 requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 13 – Fair Value Measurement

IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IAS 28 – Investments in Associates and Joint Ventures

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

The Company is currently evaluating the impact of the above standards on its financial performance, position and financial statement disclosures.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Panconoz Pty Ltd, an Australian company, and Maya Gold Corporation S.A. de C.V., an inactive Honduras company, as well as its proportionate share of the accounts of Crosscontinental Uranium Limited ("Crosscontinental") and the Australian Joint Venture ("the Joint Venture"). All significant inter-company transactions and balances have been eliminated upon consolidation.

Foreign Currency Translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate. All foreign currency adjustments are expensed.

Financial statements of the Australian subsidiaries and joint ventures for which the functional currency is not the Canadian dollar are translated into Canadian dollar, the functional currency of the parent, as follows: all asset and liability accounts are translated at the period-end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income.

The parent company has monetary items that are receivable from foreign operations. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the parent company's net investment in that foreign operation. Such exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment in foreign operations.

Equipment

a) Cost

Equipment is carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is computed using the declining balance method based on the estimated useful life of the assets. Useful life is reviewed at the end of each reporting period.

Where parts of an item of equipment have different useful lives, they are accounted for as separate items of equipment.

Pancontinental Uranium Corporation
Notes to Interim Consolidated Financial Statements
Three Months ended March 31, 2011 and 2010
(unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Equipment (Cont'd)

b) Subsequent costs

The Company recognizes in the carrying amount of an item of equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

c) Depreciation

Depreciation is charged to the income statement on a declining balance basis over the estimated useful lives of each part of an item of equipment as follows:

Computer equipment	45%
Exploration equipment	20%
Office equipment	20%

Mineral Properties

Exploration and evaluation activities

As permitted by IFRS, the Company will continue its policy of deferring exploration and evaluation expenditures until such time as the properties are either put into commercial production, sold, or determined not to be economically viable or abandoned. Costs related to pre-exploration and evaluation activities will be expensed as incurred.

The Company records its interest in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition and exploration 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. If the property is placed into production, deferred costs would be amortized on the basis of units produced in relation to the proven and probable reserves estimated on the related property. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Mineral properties which are sold after the property reaches the production stage will have a gain or loss calculated based on the portion of that property sold. Acquisition costs and related deferred costs would be written off if specific claim blocks or areas of geological interest are disproved, sold, abandoned or management has determined there to be an impairment.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Mineral Properties (Cont'd)

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as potential for problems arising from frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Financial Instruments

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value, with any resultant gain or loss recognized in the statement of operations. FVTPL consists of cash.

Financial instruments classified as being available-for-sale are measured at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, except for impairment losses and, in the case of monetary items such as securities denominated in foreign currency, which are recorded in foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method. Loans and receivables consists of receivables.

Financial liabilities classified as other financial liabilities are measured at amortized cost using the effective interest rate method. Other financial liabilities consists of accounts payable and accrued liabilities.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. Impairment losses for the different financial assets and liabilities are recognized as follows:

Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based Compensation

The Company accounts for share-based compensation using the fair value based method. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of the goods or services received cannot be reliably measured, then the Black-Scholes option pricing model is used. The fair value of stock options is recognized as share-based compensation expense over each tranche's vesting period with an offsetting credit charged to contributed surplus. The applicable contributed surplus is transferred to share capital if and when the stock options are exercised. Any consideration paid on the exercise of stock options is credited to capital stock.

Loss Per Share

The computation of loss per share and diluted loss per share amounts are based upon the weighted average number of outstanding common shares during the year. Dilution is calculated based on the net number of common shares issued should "in the money" options and warrants be exercised and the proceeds used to purchase common shares at the weighted average market price in the period.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the determination of functional currency, measurement of share-based compensation, impairment of property and equipment and mineral properties and provisions and contingencies.

4. TRANSITION TO IFRS

The Company adopted IFRS on January 1, 2011 and the unaudited interim consolidated financial statements for the three months ended March 31, 2011 are the first interim financial statements prepared in accordance with IFRS, including IFRS 1. In accordance with IFRS 1, the Company has applied IFRS retroactively to the comparative data as of January 1, 2010, the Transition Date. In preparing these unaudited interim consolidated financial statements, the Company also applied certain exceptions and exemptions available under IFRS 1 to the conversion from GAAP to IFRS as discussed below.

Pancontinental Uranium Corporation
Notes to Interim Consolidated Financial Statements
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4. TRANSITION TO IFRS (Cont'd)

Estimates

Hindsight was not used to create or revise estimates. The estimates previously made by the Company under GAAP were not revised for IFRS except where necessary to reflect differences in accounting policies.

Summary of Exceptions and Exemptions

(a) Share-based payments

IFRS 2 permits the application of IFRS 1 only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. As permitted the Company has applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by January 1, 2010.

Reconciliation of assets, liabilities and equity as of January 1, 2010

January 1, 2010	Canadian GAAP	Effect to Transition to IFRS	IFRS
Assets			
Cash	\$ 279,377	\$ -	\$ 279,377
Term deposits	3,004,027	-	3,004,027
Receivables	37,611	-	37,611
Prepaid expenses	14,286	-	14,286
Mineral properties (a) (b)	5,406,801	(59,014)	5,347,787
Equipment (a)	4,796	268	5,064
Total assets	\$ 8,746,898	\$ (58,746)	\$ 8,688,152
Liabilities and shareholders' equity			
Accounts payable and accrued liabilities	\$ 544,370	\$ -	\$ 544,370
Shareholders' equity			
Capital Stock	12,918,448	-	12,918,448
Contributed surplus	2,006,806	-	2,006,806
Deficit (b)	(6,722,726)	(56,226)	(6,778,952)
Accumulated other comprehensive loss (a)	-	(2,520)	(2,520)
Total liabilities and shareholders' equity	\$ 8,746,898	\$ (58,746)	\$ 8,688,152

Pancontinental Uranium Corporation
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4. TRANSITION TO IFRS (Cont'd)

Reconciliation of accumulated other comprehensive loss at January 1, 2010

	Canadian GAAP	Effect to Transition to IFRS	IFRS
Accumulated other comprehensive loss			
Translation adjustment of foreign operations (a)	\$ -	\$ (2,520)	\$ (2,520)
Total accumulated other comprehensive loss at January 1, 2010	\$ -	\$ (2,520)	\$ (2,520)

Reconciliation of deficit at January 1, 2010

Deficit - Canadian GAAP			(6,722,726)
Mineral property write-off (b)			(56,226)
Total deficit at January 1, 2010			\$ (6,778,952)

Reconciliation of assets, liabilities and equity as of March 31, 2010

March 31, 2010	Canadian GAAP	Effect to Transition to IFRS	IFRS
Assets			
Cash	\$ 233,642	\$ -	\$ 233,642
Term deposits	2,305,923	-	2,305,923
Receivables	62,118	-	62,118
Prepaid expenses	41,099	-	41,099
Mineral properties (a)	5,886,412	(65,029)	5,821,383
Equipment (a)	4,528	221	4,749
Total assets	\$ 8,533,722	\$ (64,808)	\$ 8,468,914
Liabilities and shareholders' equity			
Accounts payable and accrued liabilities	\$ 410,899	\$ -	\$ 410,899
Shareholders' equity			
Capital Stock	12,918,448	-	12,918,448
Contributed surplus	2,007,526	-	2,007,526
Deficit (b)	(6,803,151)	(89,842)	(6,892,993)
Accumulated other comprehensive income (a) (b)	-	25,034	25,034
Total liabilities and shareholders' equity	\$ 8,533,722	\$ (64,808)	\$ 8,468,914

Pancontinental Uranium Corporation
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4. TRANSITION TO IFRS (Cont'd)

Reconciliation of other accumulated comprehensive income at March 31, 2010

	Canadian GAAP	Effect to Transition to IFRS	IFRS
Accumulated other comprehensive loss			
Translation adjustment of foreign operations (a)	\$ -	\$ 25,034	\$ 25,034
Total accumulated other comprehensive income at March 31, 2010	\$ -	\$ 25,034	\$ 25,034

Reconciliation of deficit at March 31, 2010

Deficit - Canadian GAAP		(6,803,151)
Translation adjustment of foreign operations (a)		(32,972)
Mineral property write-off (b)		(56,870)
Total deficit at March 31, 2010		\$ (6,892,993)

Reconciliation of assets, liabilities and equity as of December 31, 2010

December 31, 2010	Canadian GAAP	Effect to Transition to IFRS	IFRS
Assets			
Cash	\$ 626,049	\$ -	\$ 626,049
Receivables	83,953	-	83,953
Prepaid expenses	2,283	-	2,283
Mineral properties (a)	8,345,179	274,139	8,619,318
Equipment (a)	3,432	433	3,865
Total assets	\$ 9,060,896	\$ 274,572	\$ 9,335,468
Liabilities and shareholders' equity			
Accounts payable and accrued liabilities	\$ 845,972	\$ -	\$ 845,972
Shareholders' equity			
Capital Stock	13,383,952	-	13,383,952
Warrants	145,139	-	145,193
Contributed surplus	2,035,371	-	2,035,371
Deficit (b)	(7,349,592)	(12,590)	(7,362,182)
Accumulated other comprehensive income (a) (b)	-	287,162	287,162
Total liabilities and shareholders' equity	\$ 9,060,842	\$ 274,572	\$ 9,335,468

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4. TRANSITION TO IFRS (Cont'd)

Reconciliation of accumulated other comprehensive income at December 31, 2010

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Accumulated other comprehensive loss			
Translation adjustment of foreign operations (a)	-	287,162	287,162
Total accumulated other comprehensive income at December 31, 2010	\$ -	\$ 287,162	\$ 287,162

Reconciliation of deficit at December 31, 2010

Deficit - Canadian GAAP		(7,349,592)
Translation adjustment of foreign operations (a)		(12,590)
Total deficit at December 31, 2010		\$ (7,362,182)

Notes to the reconciliation of assets, liabilities, equity and accumulated other comprehensive income (loss) at January 1, March 31, and December 31, 2010

- (a) As per IAS 21, the functional currency of the Australian subsidiaries and joint ventures are the Australian dollar ("AUD"). As a result, the exchange differences originated by the translation from AUD to Canadian dollar ("CAD"), the presentation currency, of the assets and liabilities at the closing exchange rate and income at expenses at the average exchange rates, are recorded in the other comprehensive income account.
- (b) As per IFRS 6, pre-acquisition costs incurred before the Company has obtained legal rights to explore an area have been expensed which were previously capitalized. These amounts were written off under GAAP as of December 31, 2010

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4. TRANSITION TO IFRS (Cont'd)

Reconciliation of total comprehensive loss for the three months ended March 31, 2010

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Revenues			
Interest income	\$ 3,434	\$ -	\$ 3,434
	<u>3,434</u>	<u>-</u>	<u>3,434</u>
Expenses			
General and administration	69,045	-	69,045
Amortization (a)	268	14	282
Stock-based compensation	720	-	720
Write-off of mineral properties (b)	7,479	651	8,130
Foreign exchange (gain) (a)	6,347	32,951	39,298
	<u>83,859</u>	<u>33,616</u>	<u>117,475</u>
Net loss for the period	\$ (80,425)	\$ (33,616)	\$ (114,041)
Other comprehensive income (a)	\$ -	\$ 27,554	\$ 27,554
Total comprehensive loss for the period	\$ (80,425)	\$ (6,062)	\$ (86,487)

Reconciliation of total comprehensive loss for the year ended December 31, 2010

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Revenues			
Interest income	\$ 6,703	\$ -	\$ 6,703
	<u>6,703</u>	<u>-</u>	<u>6,703</u>
Expenses			
General and administration	389,888	-	389,888
Amortization (a)	1,364	54	1,418
Stock-based compensation	28,565	-	28,565
Exploration expenditures and evaluation	14,100	-	14,100
Write-off of mineral properties (a), (b), (c)	209,825	(79,018)	130,807
Foreign exchange (gain) (a)	(10,173)	35,328	25,155
	<u>633,569</u>	<u>(43,636)</u>	<u>589,933</u>
Net loss for the year	\$ (626,866)	\$ 43,636	\$ (583,230)
Other comprehensive income (a)	\$ -	\$ 289,682	\$ 289,682
Total comprehensive loss for the year	\$ (626,866)	\$ 333,318	\$ (293,548)

4. TRANSITION TO IFRS (Cont'd)

Notes to the reconciliation of total comprehensive loss for the three months ended March 31, 2010 and the year ended December 31, 2010

- (a) As per IAS 21, the functional currency of the Australian subsidiaries and joint ventures are the Australian dollar ("AUD"). As a result, the exchange differences originated by the translation from AUD to Canadian dollar ("CAD"), the presentation currency, of the assets and liabilities at the closing exchange rate and income at expenses at the average exchange rates, are recorded in the other comprehensive income account. The corresponding foreign exchange previously recorded is reversed out of the foreign exchange gain (loss).
- (b) As per IFRS 6, pre-acquisition costs incurred before the Company has obtained legal rights to explore an area have been expensed which were previously capitalized. These amounts were written off under GAAP as of December 31, 2010.
- (c) Included in the transition to IFRS is the reversal of the write-off of mineral properties of \$56,226 which were written off under GAAP as of December 31, 2010 and a foreign exchange translation on foreign operations of \$22,792

5. 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 fund the exploration and development of its mineral properties and acquisition of other mineral resource properties for the benefit of its shareholders.

As at March 31, 2011, the Company's capital consists of negative working capital in the amount of \$523,895 (2010 - \$(133,687)). Subsequent to March 31, 2011 the Company arranged additional financing as described in note 16.

There were no changes in the Company's management of its capital during the quarter ended March 31, 2011. The Company is not subject to any externally imposed capital requirements.

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, comprised of common shares and incentive stock options. The Company has not established quantitative targets for its capital structure and reviews its capital management methods and requirements on an ongoing basis and makes adjustments, accordingly.

Pancontinental Uranium Corporation
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6. MINERAL PROPERTIES

	December 31, 2010	Acquisition and Property	Exploration	Write-off	Translation Adjustment	March 31, 2011
Australia						
Charley Creek	\$ 4,476,411	\$ 65,764	\$ 228,885	\$ -	\$ (47,077)	\$ 4,723,983
Chilling	3,437,318	4,209	(19,385)	-	(19,272)	3,402,870
Kalabity	688,921	-	635	-	(4,980)	684,576
Crossland Creek	-	-	-	-	-	-
Other	16,668	164	259	-	(341)	16,750
	\$ 8,619,318	\$ 70,137	\$ 210,394	\$ -	\$ (71,670)	\$ 8,828,179

	January 1, 2010	Acquisition and Property	Exploration	Write-off	Translation Adjustment	December 31, 2010
Australia						
Charley Creek	\$ 1,957,763	\$ 616,559	\$ 1,703,667	\$ -	\$ 198,422	\$ 4,476,411
Chilling	2,793,000	35,100	550,525	-	58,693	3,437,318
Kalabity	488,582	1,548	182,918	-	15,873	688,921
Crossland Creek	-	25,097	11,718	(36,815)	-	-
Other	-	15,502	15	-	1,151	16,668
	5,239,345	693,806	2,448,843	(36,815)	274,139	8,619,318
Burkina Faso						
Oursi	108,442	-	54	(108,496)	-	-
Other	-	-	5,384	(5,384)	-	-
	108,442	-	5,438	(113,880)	-	-
	\$ 5,347,787	\$ 693,806	\$ 2,454,281	\$ (150,695)	\$ 274,139	\$ 8,619,318

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 were or subsequently available to, or known by Crossland. On June 30, 2008, the Company and Crossland finalized a joint venture agreement, see note 13 (b). During 2010, the Company satisfied its initial funding obligation to earn the interest by contributing AUD8 million over 4 years.

Funding of all expenditures are now shared on a proportionate basis. Crossland is the operator of the Joint Venture and is entitled to charge the Company operator costs comprised of a portion of its overhead and equipment usage costs (note 10).

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6. MINERAL PROPERTIES (Cont'd)

Charley Creek - Northern Territory

The Joint Venture has a 100% interest in seven tenements of the Charley Creek project, encompassing 3,970 square kilometres, one of which is subject to a 3% net smelter royalty ("NSR"). The Joint Venture is in the process of acquiring title to an additional seven tenements having a total area of 1,160 square kilometres.

The Joint Venture can earn a minimum 60% interest in a tenement granted to Western Desert Resources ("WDR"). The project area encompasses 398 square kilometres. The Joint Venture can earn an initial 60% interest in this title by spending a total of AUD500,000 over three years (AUD100,000 minimum expenditures in the first year). After the third year, WDR has the option to participate or reduce to a 20% free carried interest up to completion of a feasibility study. Thereafter, WDR can elect to participate at a 20% interest or receive a 2% NSR.

Chilling - Northern Territory

The Joint Venture has a 100% interest in the Chilling project. The project area encompasses 2,822 square kilometres and is comprised of eight 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 right to one of the 3% NSRs. The Joint Venture is in the process of acquiring title to an additional three tenements having a total area of 1,406 square kilometres.

Kalabity - South Australia

The Joint Venture earned a minimum 60% interest in the Kalabity project by spending AUD500,000 over 4 years. The project area encompasses 125 square kilometres and is comprised of one tenement subject to a 2% NSR. Other parties have the option to participate or reduce interest up to completion of a bankable feasibility study. Thereafter, these other parties can elect to participate or receive a 2% NSR.

Crossland Creek - Western Australia

During the year ended December 31, 2009 Crossland conducted exploration activities on a prospective uranium property referred to as Crossland Creek. It was determined that no further exploration work was warranted at Crossland Creek and all tenements were relinquished.

Other - Northern Australia

On July 1, 2010, the Joint Venture acquired, through the acquisition by Crossland, a subsidiary of Global Geoscience LTD. ("GSC") which holds the Bloodwood and Highland Rocks project, by reimbursing historic costs of AUD30,000. The project encompasses five tenements, consisting of one granted tenement encompassing 172 square kilometres and four tenements encompassing 2,705 square kilometres under application on aboriginal freehold land. GSC has the option to: reacquire a 20% interest in the tenements by paying 40% of historic expenditures, exercisable for two years from the date the subsidiary was acquired for the granted tenement, and two years from the date title is granted for each of the tenements under application; or, receive a 2% NSR.

In addition, the Joint Venture has a tenement under application, referred to as Mount Stafford.

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6. MINERAL PROPERTIES (Cont'd)

Burkina Faso

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.

As at March 31, 2011, 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 fund exploration activities in Burkina Faso, a West African nation. The exploration permits are in various stages of receiving government approval.

The Company's 50% proportionate share of the accounts is reported in these financial statements (note 13).

Oursi Project

On June 5, 2008 Crosscontinental entered into an 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 AUD100,000 by March 5, 2009. Crosscontinental satisfied the minimum expenditure commitment and has earned a 35% interest and can increase its interest to 50% by 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 venture.

During 2010, Crosscontinental withdrew from this agreement. As a result, mineral expenditures of \$108,496 were written off.

7. EQUIPMENT

Cost	December 31, 2010	Additions	Translation Adjustment	March 31, 2011
Computer equipment	\$ 2,158	\$ -	\$ -	\$ 2,158
Exploration equipment	5,628	-	(110)	5,518
Office equipment	2,307	-	-	2,307
Total Cost	\$ 10,093	\$ -	\$ (110)	\$ 9,983

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7. EQUIPMENT (Cont'd)

	December 31, 2010	Additions	Translation Adjustment	March 31, 2011
Accumulated amortization				
Computer equipment	\$ 2,158	\$ -	\$ -	\$ 2,158
Exploration equipment	2,826	135	(55)	2,906
Office equipment	1,244	53	-	1,297
Total accumulated amortization	\$ 6,228	\$ 188	\$ (55)	\$ 6,361
Total net cost	\$ 3,865	\$ (188)	\$ (55)	\$ 3,622

	January 1, 2010	Additions	Translation Adjustment	December 31, 2010
Cost				
Computer equipment	\$ 2,158	\$ -	\$ -	\$ 2,158
Exploration equipment	5,409	-	219	5,628
Office equipment	2,307	-	-	2,307
Total Cost	\$ 9,874	\$ -	\$ 219	\$ 10,093

	January 1, 2010	Additions	Translation Adjustment	December 31, 2010
Accumulated amortization				
Computer equipment	\$ 1,652	\$ 506	\$ -	\$ 2,158
Exploration equipment	2,180	592	54	2,826
Office equipment	978	266	-	1,244
Total accumulated amortization	\$ 4,810	\$ 1,364	\$ 54	\$ 6,228
Total net cost	\$ 5,064	\$ (1,364)	\$ 165	\$ 3,865

8. CAPITAL STOCK

Authorized

Unlimited common shares
Unlimited preferred shares

Issued

	Number of Common Shares	Amount
Balance, December 31, 2009	49,806,492	\$ 12,918,448
Shares issued by private placement (i)	5,000,000	625,000
Fair value attributed to warrants (i)	-	(145,193)
Share issuance costs	-	(14,303)
Balance, December 31, 2010 and March 31, 2011	54,806,492	\$ 13,383,952

Pancontinental Uranium Corporation
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8. CAPITAL STOCK (Cont'd)

- (i) On October 22, 2010, the Company issued 5,000,000 units at \$0.125 per unit for gross proceeds of \$625,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.25 expiring on October 22, 2012. The fair value of the warrants was estimated at \$145,193 using the relative fair value method. Under this method the proceeds were allocated to the warrants based on the estimated value of the warrants, using the Black-Scholes pricing model, as a percentage of this Black-Scholes value plus the value of the common shares, based on the market closing price on October 22, 2010.

Stock Option Plan

Under the terms of the Stock Option Plan, the Company is authorized to issue up to a maximum of 10% of the issued common shares. The options can be exercisable for up to five years from the date of grant, subject to vesting terms as determined by the Board.

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

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009	3,600,000	\$ 0.20
Options expired	(175,000)	0.20
Options granted	300,000	0.20
Balance, December 31, 2010 and March 31, 2011	3,725,000	\$ 0.20

In accordance with the terms of the Company's Stock Option Plan, the Company:

- (a) On May 27, 2010, 100,000 stock options previously granted to consultants of the Company expired due to the consultants' resignation.
- (b) On August 30, 2010, granted 300,000 stock options to an employee and consultants of the Company. The options were issued at an exercise price of \$0.20 and expire on August 30, 2015. The consultant options were valued using the Black-Scholes option pricing model as the fair value of the services received could not be reliably estimated.
- (c) On December 26, 2010, 75,000 of the stock options granted to a consultant of the Company expired due to the consultant's resignation.

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8. CAPITAL STOCK (Cont'd)

The following is a summary of stock options outstanding at March 31, 2011:

Expiry Date	Number	Exercise Price	Exercisable	Weighted Average Remaining Contractual Life
June 3, 2014	3,500,000	0.20	3,500,000	3.18
August 30, 2015	225,000	0.20	225,000	4.41
	3,725,000	0.20	3,725,000	3.24

9. WARRANTS

Expiry date	No. of Warrants	Exercise Price
October 22, 2012	5,000,000	\$ 0.25

10. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period ended March 31, 2011, the Company:

- (a) Paid management fees of \$36,000 (2010 - \$36,000) to an officer and to a company controlled and associated with an officer of the Company.
- (b) Paid rent of \$2,100 (2010 - \$2,100) to a company related by virtue of a common director.
- (c) Paid \$11,230 (2009 - \$29,091) to a company related by virtue of common directors to reimburse amounts it paid to a company controlled by a director. These amounts are included in mineral properties.
- (d) Paid operator costs comprising of overhead and equipment usage fees for the Joint Venture of \$66,158 (2010 - \$111,894) to a company related by virtue of common directors. These amounts are included in the mineral properties.

Included in accounts payable and accruals is \$949,451 (2010 - \$775,413) payable to companies controlled by or associated with directors/officers or companies related by virtue of common directors.

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

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11. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding. The weighted average number of shares outstanding for the period ended March 31, 2011 was 54,806,492 (2010 - 49,806,492) for the purpose of calculating the basic and diluted loss per share. The exercise of options and warrants has been excluded from the calculation of diluted loss per share given their anti dilutive nature.

12. SEGMENTED INFORMATION

	March 31, 2011	December 31, 2010
<hr/>		
Mineral properties by geographic area		
Australia	\$ 8,828,179	\$ 8,619,318
<hr/>		
Equipment by geographic area		
Canada	\$ 1,010	\$ 1,063
Burkina Faso	\$ 2,612	\$ 2,802
<hr/>		

13. JOINT VENTURES

(a) Australian Joint Venture

Pursuant to the Joint Venture agreement between the Company and Crossland which was finalized in June 30, 2008 to conduct exploration and development of the uranium prospects in Australia, the Company earned its 50% interest in the Joint Venture during the year ended December 31, 2010.

The consolidated financial statements include the Company's 50% proportionate share of the joint venture.

	March 31, 2011	December 31, 2010
<hr/>		
Assets		
Mineral properties	\$ 8,828,179	\$ 8,619,318
<hr/>		
	\$ 8,828,179	\$ 8,619,318
<hr/>		

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13. JOINT VENTURES (Cont'd)

(b) Crosscontinental Joint Venture

Crosscontinental commenced operations to conduct exploration and development of uranium prospects worldwide, outside of Australia. The consolidated financial statements include the Company's 50% proportionate share of joint venture activities as follows:

	March 31, 2011	December 31, 2010
<hr/>		
Assets		
Current assets (includes cash of \$82,320; 2010 - \$86,068)	\$ 82,383	\$ 86,118
Equipment	2,612	2,802
	<hr/>	<hr/>
	\$ 84,995	\$ 88,920
<hr/>		
Liabilities		
Current liabilities	\$ 1,631	\$ 5,757
	<hr/>	<hr/>
	\$ 1,631	\$ 5,757
<hr/>		
Expenses	\$ (1,775)	\$ 138,377
<hr/>		
Net income (loss)	\$ 1,775	\$ (138,377)
<hr/>		
Cash flows from operating activities	\$ (3,748)	\$ (19,324)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, term deposits and accounts payable and accrued liabilities approximates fair value due to the relatively 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 evidenced by a quoted market price, if one exists.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Fair Value (cont'd)

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and term deposits. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data.

As at March 31, 2011 and December 31, 2010, all items carried at fair value are considered level 1.

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 main risks the Company's financial instruments are exposed to are credit, liquidity, and market risk (including currency and interest rate) discussed below. The Company is also exposed to other risks discussed in note 15.

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 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 majority of its cash and term deposits are on deposit with a Canadian chartered bank. In addition, the Company's receivables are refunds due from the Canadian and Australian tax authorities.

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in note 5 to the consolidated financial statements. The Company has no income from operations and relies on 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. Subsequent to year end the Company arranged additional financing as described in note 16.

Accounts payable relating to mineral properties and other accounts payable and accrued liabilities are due within the current operating period. As at March 31, 2011, the Company had total cash of \$356,965 (2010 - \$626,049) to settle current liabilities of \$1,028,035 (2010 - \$845,972).

Market Risk

Market risk is the risk that may arise from changes in market factors, such as foreign exchange rates, interest rates and price risks.

(a) Foreign currency risk

The Company operates in Canada, Australia and Burkina Faso, giving rise to market risks from changes in foreign exchange rates. The Company has potential future financial commitments denominated in Australian dollars, Central African Francs and United States 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 March 31, 2011, the Company had the following foreign denominated balances:

	USD	CFA Franc	AUD
Cash	11,645	22,704,063	86,703
Receivables	-	-	115,006
Accounts payable and accrued liabilities	-	252,865	955,785

As at December 31, 2010, the Company had the following foreign denominated balances:

	USD	CFA Franc	AUD
Cash	11,673	24,232,713	203,131
Receivables	-	-	75,715
Accounts payable and accrued liabilities	-	908,700	752,587

A 10% change in the USD will impact profitability by approximately \$1,200, a 10% change in the CFA Franc will impact profitability by approximately \$4,700 and a 10% change in the AUD will impact net income and/or comprehensive loss by approximately \$75,100.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Market Risk (Cont'd)

(b) Interest Rate Risk

Excess cash is invested in financial instruments that provide safety and flexibility for early redemption. Term deposits generally consist of guaranteed investment certificates issued by Canadian banks. As of December 31, 2010, the Company is not exposed to any significant interest rate risk.

15. OTHER RISKS

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 and Other Risks

The Company's mineral properties are in Australia 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.

16. SUBSEQUENT EVENTS

On June 23, 2011, Pancontinental closed a non-brokered private placement consisting of 7,776,000 units at a price of \$0.26 per unit for gross proceeds of \$2,021,760. Each unit is comprised of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share for a period of two years at an exercise price of \$0.40 per share, provided that, if at any time, which is more than four months and one day after the closing date, the volume weighted average trading price of the Company's common shares, as traded on the TSX Venture Exchange, meets or exceeds \$0.60 for twenty (20) consecutive trading days, the Company reserves the right to accelerate the expiry date of the warrants to a date which is 30 days following the date of such notice.

PANCONTINENTAL URANIUM CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (for the three month period ended March 31, 2011)

June 28, 2011

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: unaudited interim consolidated financial statements and related notes for the three month period ended March 31, 2011; and, audited annual consolidated financial statements and related notes for the year ended December 31, 2010 and related MD&A, dated April 27, 2011. 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.

Basis of presentation

Pancontinental's consolidated financial statements for the three month period ended March 31, 2011 are the Company's first financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS"); previously, the Company's financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"). In the consolidated financial statements, Note 2 contains a summary of the Company's IFRS amended significant accounting policies and Note 4 includes reconciliations to assist the reader in understanding the effects that the transition to IFRS has had on the Company's 2010 CGAAP financial statements, beginning with a restated balance sheet (Statement of Financial Position) as of January 1, 2010. While the Company believes it has made informed decisions in selecting appropriate IFRS accounting policies, the reader is cautioned that IFRS will most likely continue to develop and evolve with respect to the junior mining sector in Canada and hence the Company may need to reconsider and amend its accounting policies. All amounts in the MD&A and in the Company's consolidated financial statements are presented 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 also include the accounts of Pancontinental's foreign controlled subsidiary Panconoz Pty Ltd ("Panconoz"), an Australian company, and its inactive subsidiary Maya Gold Corporation S.A. de C.V., a Honduras company.

This MD&A and the related unaudited interim 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; 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

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2011)

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.

OVERVIEW

Pancontinental is an exploration stage company, focused on the acquisition, exploration and development of uranium and rare earth element ("REE") properties. The Company is currently participating in REE and uranium exploration activities in Australia and uranium application activities in the West African nation of Burkina Faso, 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. On September 10, 2007, the Company began trading as a Tier 2 issuer on the TSX Venture Exchange, under the trading symbol PUC.

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% participating interest (the "Participating Interest") in a number of prospective uranium projects held by Crossland, in Australia, together with all uranium prospects that were or subsequently available to, or known by Crossland. On June 30, 2008, the Company and Crossland finalized a joint venture agreement. During 2010, the Company fulfilled its initial funding obligations to earn the Participating Interest by contributing AUD8 million for exploration purposes (exclusive of certain Joint Venture property acquisition costs) over four (4) years.

Crossland is, currently, in the process of transferring to Pancontinental a 50% interest in all granted tenements. Funding of expenditures is now shared on a proportionate basis. Crossland acts as operator of the Joint Venture and uses its internal resources to support Joint Venture exploration activities. Crossland's operator costs consist of overhead and equipment charges.

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 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.

Oursi Project - Burkina Faso

On June 5, 2008 Crosscontinental entered into a joint venture agreement with Southern Cross Exploration NL and Longreach Oil Limited (the "Optionors") 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 satisfied the AUD100,000 minimum expenditure commitment to earn a 35% interest. During 2010, Crosscontinental withdrew from the Oursi Project Joint Venture.

Pancontinental Uranium Corporation

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MINERAL EXPLORATION PROPERTIES

EXPLORATION STRATEGY

Pancontinental's and Crossland's exploration strategy is to pursue the discovery of major uranium and rare earth elements ("REE") deposits, primarily across the Northern Territory ("NT") of Australia and South Australia, utilizing the extensive experience of the management team at all stages of the mining process in these jurisdictions. 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 focus on factors favourable for uranium deposits has the unexpected consequence of selecting a region that also has exceptional REE potential, in the case of the Charley Creek Project.

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, Australia.

Central Australia, the area of the Northern Territory centred on Alice Springs, is a region of emerging importance for radioactive minerals and REE. The Pamela sandstone deposit in the Amadeus Basin 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. This project is in advanced exploration. There are other advanced uranium exploration projects in the Ngalia Basin, to the north west of our Charley Creek Project. The Nolan's Bore Rare Earth Project of Arafura Resources Ltd. is in advanced feasibility studies, and is located approximately 100 kilometres north of Alice Springs, and a similar distance from Charley Creek. Crossland has joined the Australian Uranium Association as an Associate Member to ensure it has a formal voice in the industry in Australia.

Exploration for 2009 and 2010 was focused on the core projects of Chilling and Charley Creek in the Northern Territory. Exploration to date for 2011 has been focused on the REE potential for Charley Creek.

Based on the positive results from the 2009 drilling activity, Pancontinental and Crossland approved an AUD 3.3 million exploration budget for the 2010 calendar year. This led to a drill program at the Cockroach Dam Prospect at Charley Creek for granite intrusive related (Rossing style) uranium mineralisation within the Teapot Granite, as well as advanced prospect development at Chilling. Drilling targets were selected at Chilling, but the early onset of rains prevented completion of this program in 2010.

In late 2009, Crossland realised that portions of the Teapot Granite also contain anomalous amounts of REE, and by late 2010 a major project was under way to rapidly evaluate the REE potential within the entire area of the Charley Creek Project, some 4,000 plus square kilometres. This new REE direction for the Joint Venture has already produced new prospects and areas where alluvial resources can be quickly evaluated with the aim of rapid exploration and permitting, and a simple path to production.

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.

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EXPLORATION PROJECTS

Australia

Charley Creek – Northern Territory

The Charley Creek project is located in central Australia, approximately 100 kilometres northwest of Alice Springs and is situated on the southern margin of the North Australian Craton, in a geological setting that is the core of an ancient mountain chain.

The Joint Venture has:

- a 100% interest in ten (10) granted tenements (4,176 sq. kms.), one of which is subject to a 3% net smelter royalty ("NSR"). Three of these tenements were granted subsequent to December 31, 2010;
- entered into a joint venture with Western Desert Resources ("WDR") to earn a 60% interest in one (1) granted tenement (398 sq. kms.) by expending AUD500,000 over three years (AUD100,000 minimum expenditure during the first year). Upon the Joint Venture earning a 60% interest, WDR has the option to participate or reduce to a 20% free carried interest up to completion of a feasibility study. Thereafter, WDR can elect to participate at a 20% interest or receive a 2% NSR; and,
- four (4) tenements under application (954 sq. kms.)

Recent tenement applications have consolidated the Joint Venture's land position to the east of the original Charley Creek Project area, and are considered to be prospective for rare earth deposits of the type sought elsewhere at Charley Creek.

The original Charley Creek property was selected in 2003 using proprietary targeting methods and was subsequently expanded to include extensive areas of the radioactive Teapot Granite, as well as drainages and sediment basins downstream. The project area had not been intensively explored, although outcropping secondary uranium mineralization was 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 and REE deposits.

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. Other areas within the project are considered prospective for REE deposits, as well as deposits of copper, nickel and platinoids. Known uranium occurrences associated with secondary uranium mineralization hosted in the granite returned values up to 0.193% uranium ("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 is believed to occur 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 and 2010, the Joint Venture exploration program focused on the Teapot Granite uranium occurrences, where outcropping uranium mineralization has now been observed at scores of localities. It is tempting to draw analogies with the alaskite uranium deposits of Namibia. Spectrometer surveys, rock sampling, and drilling in 2010 confirm that elevated uranium values are associated with particular zones within the major phase of the Teapot Granite.

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In addition, Crossland recognized that the Teapot Granite also contains phases that are enriched in REE. Preliminary indications are that these are upgraded upon breakdown of the granite by weathering into heavy mineral deposits in alluvium, and that the heavy minerals can be readily recovered by simple physical methods to produce a heavy mineral concentrate with enhanced REE contents. Crossland and Pancontinental are currently evaluating the potential of this deposit style. Recent work has established that, as well as a dominant Monazite heavy mineral species that contains the Light REE, there are high levels of Heavy REE, and these are present in a separate mineral species, Xenotime. This should have advantageous processing implications.

Further exploration in late 2010 has led to the identification of the Cattle Creek REE prospect, where grades of over 1% rare earth oxides were obtained across a 5m interval from 37m deep in a 2008 hole drilled for uranium exploration, CCA121. The mix of REE in this hole was particularly encouraging, with good representation of the heavy REE and Yttrium, commodities in short supply, which will be in demand for renewable energy applications. Work to evaluate this discovery is well under way and initial assay results began arriving in May 2011.

Pancontinental's and Crossland's commitment to exploration for uranium and associated elements, particularly at this time REE, in Central Australia makes further acquisitions of prospective ground in the region attractive. The companies' regional presence, logistic support and technical experience in this region allow cost-effective exploration from their existing facilities at Charley Creek.

Chilling – Northern Territory

The Chilling project, located in the uranium-rich Pine Creek Orogen geological region, approximately 150 kilometres south of Darwin, has the potential to host large unconformity-related uranium deposits.

The Joint Venture has:

- a 100% interest in eight (8) granted tenements (2,822 sq. kms.), 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); and,
- three (3) tenements under application (1,406 sq. kms.).

In January 2009, title to an exploration license (EL 22738), covering approximately 540 square kilometres on the southern end of the original Chilling project area was granted after a long period under application. This and adjacent areas contain 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.

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 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 channel ways for uranium-bearing fluids. The Depot Creek Sandstone of the Tolmer Group, which forms the cover rocks,

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is believed to be 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, covering an area in excess of 30 square kilometres. This influenced 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 mineralization and has been a focus area in the 2010 exploration program, with the development of eleven targets for drill testing. These targets were identified during the 2010 field season. But the onset of an early beginning to the wet season prevented drilling of the targets with vehicle mounted equipment, and it was not possible to identify suitable helicopter borne equipment to undertake the program.

Bloodwood/Highland Rocks – Northern Territory

The Bloodwood/Highland Rocks project is located approximately 300 kilometres to the northwest of the Joint Venture's flagship Charley Creek project and is prospective for uranium and gold mineralization.

The Joint Venture has acquired a 100% interest, through the acquisition by Crossland of a subsidiary of Global Geoscience Ltd. ("GSC), in one (1) granted tenement (172 sq. kms.) and four (4) tenements under application (2,705 sq. kms.), by reimbursing historic costs of AUD30,000. GSC retains an option: to reacquire a 20% interest in the tenements by paying 40% of historic expenditures, exercisable for two years beginning from the date the last of the tenements is granted; or, receive a 2% NSR.

The Joint Venture widened its Central Australia uranium focus with the acquisition of the Bloodwood/Highland Rocks Project. The addition of the Bloodwood/Highland Rocks Project complements the Joint Venture's Charley Creek Project.

Pancontinental and Crossland were attracted to the Bloodwood-Highland Rocks Project area because:

- The region is highly prospective for uranium mineralization, as demonstrated by the presence of uranium deposits at Napperby and Bigryli, and prospects such as Cockroach Dam, Crystal Creek, and Macallan
- Previous exploration on these areas has been almost exclusively for gold, however limited uranium exploration at Bloodwood has met with early success
- No uranium exploration has been conducted in the area since the 1970's
- Regional airborne surveys would have been ineffective because of thin sand cover over much of the area
- Full coverage using modern geophysical data (magnetics and gravity) allows for targeting of "potentially productive" structures in the underlying basement rocks

Bloodwood features:

- A granted exploration licence on pastoral leasehold land
- Ready for reconnaissance exploration
- An extensive airborne radiometric uranium anomaly which correlates with mapped NNW-trending structures
- Mostly thin residual cover which implies exploration is relatively straightforward.
- Assays up to 810ppm U₃O₈ in a shallow drill hole, with elevated radioactivity in outcropping granite porphyry
- No follow-up of these results has been done

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Highland Rocks features:

- Four exploration licence applications, located on Aboriginal Freehold Land of the Lake Mackay Land Trust.
- Mostly covered by a thin layer of sand, which implies almost no previous uranium exploration has been conducted
- Modern geophysical data suggests that parts of the area are underlain by granitoid cut by major structures
- Similar rocks and structures host the nearby Macallan uranium prospect held by Energy Metals
- Gold and base metal explorers have identified several zones of multi-element geochemical anomalism (Au, Ag, As, Bi, Cu, Ni, U) in areas of residual cover. These are considered favourable indicators for basement-hosted uranium mineralization.

Field work on the Bloodwood tenement in 2010 was postponed because of excessive rains. A reconnaissance trip will be made in the first half of 2011. A meeting of Traditional Owners to discuss our program on Highland Rocks is expected in June 2011.

Mount Stafford - Northern Territory

The Joint Venture has one tenement under application (848 sq. kms). This tenement covers radioactive granitoid rocks that may be prospective for uranium or REE.

Kalabity – South Australia

The Kalabity project is located in South Australia, 40 kilometres north of Olary and approximately 100 kilometres west of Broken Hill.

The Joint Venture has, pursuant to a joint venture with Platsearch NL ("Platsearch") and Eaglehawk Geological Consulting Pty Ltd ("Eaglehawk"), earned a minimum 60% interest by expending a minimum AUD500,000. The project area is comprised of one (1) granted tenement (125 sq. kms.). Platsearch and Eaglehawk have the option to participate or reduce their proportionate interest up to completion of a bankable feasibility study. Thereafter, each of these parties can elect to continue participating or convert to a 2% NSR.

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.

Burkina Faso

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

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the leading uranium producing nation in Africa. The Company continues to monitor the progress of its uranium permitting activities.

EXPLORATION ACTIVITIES

Australia

Charley Creek

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 exceeding 100ppm, 19 exceeded 300ppm, while three exceeded 1,000ppm, with a maximum of 2,530ppm, equivalent to approximately 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 25 metre line spacing over anomalous areas identified from airborne work. The detailed ground surveys commenced in January 2009, and extended to mid 2010 over priority areas. This survey of the original area is now complete, but has been extended in places to close gaps between original survey sections where this appears to be justified. Anomaly follow-up and sampling has continued in conjunction with the survey as manpower is available. Crossland has committed substantial resources to this discovery, which has been named the Cockroach Dam Prospect, after a local water point. On November 11, 2009, Pancontinental advised the market of the most recent results of this work. An additional 149 rock chip samples have now been collected to follow up the anomalies identified at the Cockroach Dam Prospect. Over 80% of these samples exceed 32ppm U, a threshold value for geochemical anomalies in the region. Six of the outcrop samples have returned values of over 2,000ppm U, with a maximum value of 4,550ppm U (5,364ppm U₃O₈). These values are supported by a strong spread of other elevated results, with a total of 15 samples exceeding 1,000ppm U, 47 exceeding 500ppm U, and 111 exceeding 100ppm U, which represents around 60% of the total sample population. The arithmetic average of all 186 rock chip samples collected from the Cockroach Dam prospect is 373ppm U, or 439ppm U₃O₈ (one pound is 453.6 grams).

The association with a particular major granite phase which outcrops over an area of many square kilometres raised the potential for large uranium deposits within the Joint Venture's holdings. The Joint Venture has since received regulatory approval and Aboriginal site clearances to permit evaluation of the Teapot Granite, and diamond core drilling commenced on July 27, 2010. During 2010, five diamond drill holes had been completed at the Cockroach East area, and a further ten holes had been completed at the Cockroach Central area. Unseasonal heavy and continual rains hampered access to the Cockroach Dam Prospect area. The rains also hampered core retrieval and processing for some weeks. Assay turnaround was also slower than expected. Drilling in 2010 showed that uranium content averaging around 40ppm (around ten times the average for granites) was present in extensive zones of the granite, but is only upgraded in the oxidised zone near the land surface and in thin zones of alteration associated with shearing at depth. It was concluded that these phases represent ideal source rocks for uranium deposits, but where the outcropping granites with surficial uranium were found, the rocks were too massive and unfractured to allow mobilisation of uranium into sizeable deposits. Since this realisation, work has been directed at the edges of the intrusions, and in a search for shear zones that intersect granite with high uranium background contents. These areas of more fractured and permeable granite will be located in areas of low relief and are probably soil covered. These will almost certainly have a structural control, which is likely to be important to enhancing the exceptional background uranium content to ore grades. The 2011 program will identify areas considered prospective given this new realization. These will be tested by percussion drilling.

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In 2008, the exploration program at Charley Creek included an air core drilling program into one of the shallow sedimentary basins in the project area. 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 were 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. Re-assay for REE of those intersections that had shown anomalous values in the few REE included in the original assay suite has shown that there are values of potential economic interest for REE in some intervals. This led to the identification of the Cattle Creek prospect. A program primarily intended to evaluate the REE potential of Cattle Creek commenced on March 31, 2011.

A Tempest airborne EM survey on broad line spacing has been completed to guide the exploration on five areas of additional exploration licences surrounding the original two Charley Creek exploration licences. 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. When sacred site clearances are obtained, traverses of air core holes are planned to be drilled to test channels indicated from the EM data. A detailed airborne radiometric and magnetic survey was completed in July 2010 over a portion of EL27283 that hosts poorly exposed Teapot Granite. Results indicate the presence of additional Teapot Granite, with a greater proportion of cover. Wet weather has hampered follow up of this prospective area.

Rare Earth Element Activity

The REE activity at Charley Creek consists of three programs:

- The Cockroach Dam alluvial REE resource assessment
- The regional stream sediment heavy mineral sampling program
- The drilling program at the Cattle Creek bedrock discovery

Cockroach Dam Alluvial REE Resource Assessment

The Cockroach Dam alluvial program is moving towards an initial Resource assessment during the third quarter of 2011. As of the end of April, over 1300 auger/soil samples of alluvium have been collected at sample sites on a 400m by 100m grid. A total area in excess of 50 square kilometres has now been covered and a further area of 17 square kilometres is currently being sampled. The Cockroach Dam program covers the alluvial drainages in close proximity to the Teapot Granite source of the REE and includes the samples used to produce the REE concentrate described in Pancontinental's announcement of November 1, 2010. This work will complete the field sampling component of the study. As of April 30, 2011 more than 520 samples had been processed on site and were at the laboratory, and 23 analyses of heavy mineral fractions had been received. This number increased substantially during May and June. Results received to date are in line with expectations. Aircore drilling to the alluvial basement, to follow up the auger drilling, commenced shortly after the Easter break. An initial Resource estimate is expected to be available in the third quarter of 2011. A recent initial mineralogy report has found that the critical Heavy REE at Cockroach Dam are present exclusively (except for Yttrium) in the mineral Xenotime, the preferred material for extraction of these elements. This new information provides additional encouragement that a REE mix containing significant amounts of Heavy REE could be extracted from Cockroach Dam heavy mineral concentrates.

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Regional Stream Sediment Heavy Mineral Program

Over 600 samples have been collected from the 4,000 square kilometre property held by Pancontinental and Crossland. Each sample represents an area of 2 to 4 square kilometres. The purpose of the program is to identify alluvial areas with the potential to contain high values of REE. In excess of 500 samples have been processed on site and submitted to the laboratory. So far, 203 assay results have been received and these results are still being interpreted and followed up. Some recent samples have been taken to follow up favourable results from the first pass survey. One initial result has been the confirmation of a strong stream anomaly coincident with the Cattle Creek bedrock discovery which may represent an important additional alluvial heavy mineral source. The field aspects of this regional program are drawing to a close.

Drilling proceeding smoothly at the Cattle Creek Bedrock Discovery

Re-assaying of a 2008 drill hole for REE values identified a 5 metre section below 37 metres which averaged 1.03% Total Rare Earth Oxides (not including Yttrium). Samples collected from the bedrock discovery intersection in hole CCA121 at Cattle Creek, reported on March 9, 2011 contained a significant Heavy REE with Yttrium percentage of 13.8% of Total REO with Yttrium. A 250 to 300 hole drilling program totalling approximately 8,500 metres started on March 31, 2011. The stream sediment sampling results seem to suggest that the area warranting further testing covers approximately 40 square kilometres. As of the end of April 2011, more than 75 aircore holes averaging 45 metres deep had been completed and 851 samples had been deposited at the laboratory. Results from these samples started arriving in May.

Future Plans

A mineralogy study will be done at Cattle Creek to determine if the Heavy REE occur as Xenotime, as has been determined at Cockroach Dam. Following completion of a portion of the scoping drilling at Cattle Creek, the drill rig was moved to the Cockroach Dam Prospect. The rig will collect samples from deeper alluvium than could be sampled using auger drills used earlier in the program. This drilling should finalize the field work required to produce an initial resource estimate from the Cockroach Dam Alluvial deposits. The rig will then move to test a selection of the large areas of alluvial fans that drain north from the MacDonnell Ranges, where the Joint Venture hopes to define viable volumes and grades of REE to support a long term sand mining operation producing heavy minerals containing REE and zircon. It is expected that by the time these three programs of drilling are completed, the results of the scoping drilling at Cattle Creek will have been received. After those results are received, the rig will return to Cattle Creek for more scoping drilling.

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 four drill holes was completed in the fourth quarter of 2009. A compilation of March Fly drill results has been posted on Crossland's website (www.crosslanduranium.com.au). Further assessment of the structure has been completed during 2010, and the controls on mineralisation are now understood, with the generation of additional targets for drilling. The prospect shows similarities with the style of mineralisation that has been intersected at the Thundelarra Thunderball discovery some 80km to the east, and warrants additional testing.

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

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Crossland rehabilitated over 100 kilometres of access track in cooperation with neighbouring exploration companies. Geological mapping, combined with soil and stream geochemistry was advanced during 2009, and around 35 square kilometres were covered by ground gamma spectrometer surveys. During 2010, additional regional and prospect-scale mapping has considerably refined the understanding of local geology, and this has enhanced the potential of some of the radiometric anomalies detected by the 2007 airborne survey.

A belt of strongly folded carbonate, as well as 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 confirms 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 and possibly other younger rocks 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 25 metre 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 2009. A total of 87 holes for 2,586 metres were drilled. 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 were received. These results have been used to plan the next phase of exploration in 2010.

Field work recommenced within the Buchanan Window during July 2010, with the resumption of mapping and sampling along the escarpment. This has led to almost complete coverage of the southern two thirds of the Buchanan Window, with the definition of eleven target settings for drill testing. Some of these contain hematite quartz breccia (HQB) juxtaposed with blocks of younger sediments, a setting that is often the site of uranium mineralisation elsewhere in the Pine Creek Basin. The setting has also been found to extend to the northern part of the Buchanan Window, and field work was continuing to identify favourable settings for uranium and base metal mineralisation when the season was brought to an early close in October by the onset of unseasonal heavy rains.

Results from the Geoscience Australia-sponsored, regional-scale airborne electro-magnetic ("AEM") survey, were received in June 2010. 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 has used the data to plan for the 2010 season.

The AEM data is providing 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. There are well-defined structures in the Allia Granite Window, some of which contain undrilled outcropping secondary uranium mineralization at the MEMA prospect, that appear to have responded to the detailed AEM survey. Part of this area was covered with a detailed ground prospecting program in the late stages of the 2009 field season, and this has been considerably expanded in 2010, with additional geological mapping, geochemical sampling and a detailed spectrometer survey. Preparations for drill access tracks within the property were delayed as site clearances applied for in March were not completed until November, too late for drilling before the onset of the wet season. An evaluation of previous work on the Fletcher's Gully gold field, that lies on the Joint Venture tenements, between the Allia and Buchanan Windows, was completed and additional sampling was commenced. Field work continued into the fourth quarter of 2010 as weather conditions permitted; however it was realized in October

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that it would not be feasible to drill the Buchanan targets in 2010 unless helicopter demountable drilling equipment could be sourced, to cover the possibility of loss of road access though the continuation of early heavy rains. The Joint Venture was unable to source such equipment in Australia

Future Plans

Drilling targets were defined in 2010 in the Buchanan Window, on extensions to mineralized structures at March Fly, at The Eccles prospect, and in the Allia Window. Drilling was scheduled to begin in June 2011, however, this program is now under review due to market sentiment as a result of the problems in Japan.

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 newly identified Tabita prospect. 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 carnotite. Its presence near surface suggests 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 warranted deeper drilling and trenching to appraise the extent and dimensions of this mineralization, which is now known to extend over several hectares. This work commenced in April 2010, and was concluded within the second quarter (*please refer to Pancontinental's news release of April 6, 2010*). The drilling component of the program had 93 holes completed for 2303m of drilling. Some 381 samples were collected from radiometrically anomalous zones for chemical analysis. Of these, 33 samples returned values of over 100ppmU, with a highest of 250ppmU. This work has been followed with a trenching program that is also now complete.

Trenching

Results from trenching were more positive than drilling. Anomalous uranium values peaked at 1010ppm with 45 of the 1 metre-long samples returning >200ppmU. Five samples returned >800ppmV peaking at 1304ppm. There were two copper values >400ppm (412 and 417ppm). Gypsum was found in abundance within the shallow subsurface.

Alternating bands high in gypsum and kaolinite are reflected in the assay results, showing an inverse relationship between Al and Ca, S. There is a positive correlation between U, V and Fe values associated most likely with the oxide zone. Other heavy metals also correlate positively. There is some tonnage potential in the gypsiferous/ferruginous zones, and the control on their distribution can be cheaply established with excavator trenching. A program of metallurgical testing of trench samples from Tabita was completed in late 2010 to determine if there might be a means to physically separate gypsum, thereby upgrading the uranium-vanadium enriched ferruginous material. Metallurgical testing of the concept was performed on composite samples of mineralized material from the trench sampling. Assay results of sizing fractions did not produce conclusive results, but provided justification for further work which was undertaken in early April 2011, under the supervision of a consulting metallurgist.

Future Plans

Depending on the results of metallurgical test work, a program of resource appraisal trenching and shallow drilling will be evaluated.

Burkina Faso

Based on a familiarity with local conditions and what we believe is excellent untested prospectivity, Crosscontinental has applied for several permits for uranium exploration. 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

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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.

Future Plans

All further exploration activities in Burkina Faso have been 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 PROPERTIES EXPENDITURES

Mineral properties expenditures attributable to the Joint Venture are capitalized and for the current three month period amounted to \$280,531, prior to giving effect to a negative \$71,670 foreign exchange translation. The Company's Australian activities are conducted through Panconoz and pursuant to IFRS (IAS 21) the Company is required to translate its mineral properties using the foreign exchange rate at the close of the fiscal period. Capitalized Joint Venture expenditures include a foreign exchange translation balance of \$202,469. For 2011, the Company is only obligated to pay its portion (50%) of Joint Venture expenditures. Weather conditions in Australia have a significant impact on when field work can be conducted, thus impacting the flow of expenditures.

Included in mineral properties are recoveries of \$78,770 related to 2009 Joint Venture exploration expenditures. These recoveries were made through a research and development program established by the Australian government. Operator costs for the Joint Venture were \$66,158 for the current quarter.

The Company considers expenditures related to Crosscontinental's activities in Burkina Faso to be pre-exploration until such time Crosscontinental is granted a legal right to explore a property. These expenditures are expensed in the period incurred pursuant to IFRS 6. These expenditures are incurred to support Crosscontinental's on-going efforts in obtaining uranium permits. For the current three month period the Company incurred field office and administration expenditures of \$1,833. Though Crosscontinental has not been granted any uranium permits, Crosscontinental continues to believe that the potential opportunity justifies the minimal costs to maintain office facilities in Burkina Faso. These expenditures are included in the exploration expenditures and evaluation account.

For further information with respect to Joint Venture expenditures, please refer to Schedule "A" of the MD&A and Note 6 in Pancontinental's unaudited interim consolidated financial statements for the three month period ended March 31, 2011.

RESULTS OF OPERATIONS

For further information, please refer to the Consolidated Statement of Operations and Notes 2 and 4 included in Pancontinental's unaudited interim consolidated financial statements for the three month period ended March 31, 2011.

Net loss for the three month period ended March 31, 2011, was \$117,764 compared to a net loss of \$114,041 for the three month period ended March 31, 2010.

General and administrative expenses experienced an increase of \$50,503 (2011 - \$119,548 vs 2010- \$69,045). The primary contributors to the increase were: travel costs, as the Company's Canadian officers and directors travelled to Australia for Joint Venture meetings; and, shareholder relations and communications, as the Company participated in an industry trade show, media publication and issued expansive news releases. To a much lesser extent, rent increased as the Company now rents office facilities in Richmond Hill, ON for administration purposes, in addition to its corporate offices in North Vancouver, B.C.

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General and administration	Three months ended March 31,	
	2011	2010
Filing and transfer agent fees	\$ 3,651	\$ 2,347
Management fees	36,000	36,000
Office	3,473	3,608
Professional fees	7,662	6,429
Rent	3,600	2,100
Salaries and benefits	3,554	7,461
Shareholder relations and promotion	19,065	10,720
Travel	42,543	380
	<u>\$ 119,548</u>	<u>\$ 69,045</u>

Exploration expenditures and evaluation increased by \$1,833 (2011 - \$1,833 vs 2010 - \$nil) representing the Company's portion of Crosscontinental's field office and administration expenditures in Burkina Faso.

A foreign exchange gain of \$3,783 (2010 - \$39,298 loss) resulting from translation adjustments on the Company's foreign subsidiaries.

Accumulated other comprehensive loss of \$223,336 was created primarily through the foreign exchange translation of the foreign subsidiaries

SUMMARY OF QUARTERLY RESULTS

	IFRS			CGAAP		
	Interest revenue	Net loss	Net loss per share	Interest revenue	Net loss	Net loss per share
<u>Fiscal 2011</u>	\$	\$	\$	\$	\$	\$
Q1 March 31, 2011	22	117,764	0.002			
<u>Fiscal 2010</u>						
Q4 December 31, 2010	-	-	-	24	311,250	0.006
Q3 September 30, 2010	-	-	-	623	71,742	0.001
Q2 June 30, 2010	-	-	-	2,622	163,449	0.003
Q1 March 31, 2010	3,434	114,041	0.002	3,434	80,425	0.002
<u>Fiscal 2009</u>						
Q4 December 31, 2009				4,240	239,490	0.005
Q3 September 30, 2009				23,007	45,759	0.001
Q2 June 30, 2009				24,001	262,398	0.005

Variances in losses between the quarters for fiscal 2010 were primarily influenced by the amount of: professional fees accrued for 2010 audit fees in Q4; filing and transfer agent fees, professional fees (legal) and shareholder relations and promotion costs related to the Company holding its Annual and Special Meeting of Shareholders (the "ASM") in Q2; professional fees attributable to the under-accrual of fiscal 2009 audit costs in Q2; consulting and

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exploration expenditures and evaluation costs related to the evaluation of prospective uranium properties by Crosscontinental in Q2; stock based compensation recognized in Q3, as 300,000 stock options were granted; the write-off of the Joint Venture's Crossland Creek mineral property in Q1 and Q2; the write-off of expenditures related to Crosscontinental's exploration activities in Burkina Faso in Q4; and, foreign exchange gains or losses related to the Australian dollar and the Central African franc.

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, professional 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; professional fees attributable to an under-accrual of fiscal 2008 audit costs in Q2 and the accrual of 2009 audit costs in Q4; fluctuations in foreign exchange gains or losses related to the Australian dollar and the Central African franc; interest income earned in Q4 as the Company's fixed rate guaranteed investment certificate matured and was reinvested at a substantially lower interest rate; a gain on sale of exploration equipment to Crossland in Q3; and, the write-off of the Joint Venture's Crossland Creek mineral property in Q4.

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 remains somewhat constrained.

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

Cash flows used in operating activities for the quarter were \$247,397 (2010 - \$139,139). Cash flows used by operations before changes in non-cash working capital were \$109,677 (2010 - \$72,743). Removing foreign exchange, cash flows used in operating activities before changes in non-cash working capital would be \$121,359 (2010 - \$65,611). Changes in non-cash working capital items were significantly impacted by: the expected recovery of Joint Venture expenditures through an Australian government research and development program and the refund of sales taxes from the Canadian and Australian governments; and, the accrual of mineral property expenditures.

Cash flows used in investing activities for the quarter were \$21,687 (2010 - \$93,404 provided) representing funds deployed to finance mineral property expenditures.

As at March 31, 2011, Pancontinental's cash balance was \$356,965. Cash of: \$188,942 was held on deposit with a Canadian chartered bank; \$85,703 was held on deposit with an Australian bank; and, \$82,320 represents Pancontinental's portion of the \$164,640 of cash held in Burkina Faso.

Working Capital

As at March 31, 2011, Pancontinental has a consolidated working capital deficiency of \$523,895. The working capital deficiency originated in the fourth quarter of 2010 due to unbudgeted exploration expenditures, primarily related to the Joint Venture's unanticipated REE discovery in Australia, which resulted in an expanded exploration program on the Charley Creek tenements.

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To rectify its working capital deficiency, on June 23, 2011, Pancontinental closed a private placement for proceeds of \$2,021,760. The proceeds from this private placement will replenish the Company's working capital and fund a significant portion of the Joint Venture's 2011 exploration program for Australia. As of the date of this MDA, the Joint Venture's 2011 exploration budget has not been finalized, as the Joint Venture continues to reconsider the deployment of exploration funds given the Joint Venture's REE discovery, combined with the recent negative sentiment in the uranium markets. Based on on-going exploration discussions to date, the Company may need to raise additional funds, during the later portion of 2011, to fund the balance of its portion of the 2011 exploration program. In addition, the Company will need to raise capital to fund its portion of the 2012 Joint Venture exploration program and operating overheads. The Company will also need to raise capital when its uranium permit applications are granted by the Burkina Faso government, thereby accelerating exploration activities in Burkina Faso.

SHARE CAPITAL

Common Shares

As of the date of this MD&A, Pancontinental has 62,582,492 common shares and 8,888,000 common share purchase warrants outstanding.

On June 23, 2011, Pancontinental closed a non-brokered private placement consisting of 7,776,000 units at a price of \$0.26 per unit for gross proceeds of \$2,021,760. Each unit is comprised of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share for a period of two years at an exercise price of \$0.40 per share, provided that, if at any time, which is more than four months and one day after the closing date, the volume weighted average trading price of the Company's common shares, as traded on the TSX Venture Exchange, meets or exceeds \$0.60 for twenty (20) consecutive trading days, the Company reserves the right to accelerate the expiry date of the warrants to a date which is 30 days following the date of such notice. Proceeds from the private placement will be used to fund 2011 Joint Venture expenditures and for general working capital.

Options

As of the date of this MD&A, Pancontinental has 3,725,000 exercisable incentive stock options outstanding. Currently, all of the exercisable options are "in the money" representing \$745,000 in potential capital.

For further information on share capital and contributed surplus, please refer to Notes 8 and 9 of the unaudited interim consolidated financial statements for the three month period ended March 31, 2011.

RELATED PARTY TRANSACTIONS

Management fees of \$15,000 (2010 – \$15,000) for the current quarter were paid to the Company's President and Chief Executive Officer, Mr. Rick Mark. Management fees of \$21,000 (2010 – \$21,000) for the current quarter were paid 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 \$5,000 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. Mr. Mark holds 550,000 stock options and Mr. McMurdie holds 350,000 stock options, each exercisable at \$0.20, expiring on June 3, 2014.

Eupene Exploration Enterprises Pty. Ltd. ("Eupene Exploration"), a company controlled by Mr. Geoff Eupene, a director of the Company and Crossland, 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

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Crosscontinental. These costs are recorded in mineral properties, unless otherwise noted. The Company paid Crossland \$11,230 (2010 – \$29,091) for the current quarter for:

- consulting fees for services rendered by Mr. Eupene of \$10,250 (2010 - \$24,990) for the current quarter..
- equipment usage fees of \$980 (2010 - \$4,101 for the current quarter.

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 quarter were \$66,158 (2010 - \$111,894). Operator costs may include amounts paid to Mr. Eupene and Mr. Walker for their services not directly designated to a Joint Venture property or Crosscontinental.

Pancontinental subleases its office premises in North Vancouver, B.C. from VMS Ventures Inc. ("VMS") on a monthly basis at a cost of \$700 per month. The Company paid rent of \$2,100 (2010 - \$2,100) for the current quarter. The Company's President and Chief Executive Officer, Mr. Mark, also acts as Chief Executive Officer for VMS. In addition, Company director, Mr. Donald Whalen, is a director of VMS.

Included in accounts payable and accrued liabilities at March 31, 2011 is \$944,666 (2010 - \$359,731) payable to: 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 \$944,170 (2009 - \$359,683).

OUTLOOK

Through their 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 until very recently, has received little uranium exploration effort since the mid-1980s. 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. The evaluation of radioactive granites for melt-related bulk lower grade mineralisation such as that in Namibia is also in its infancy.

In Australia, all of Pancontinental's uranium 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. The Joint Venture is also evaluating additional new directions for REE at Charley Creek that have evolved directly from our uranium exploration program in this unusual and highly differentiated granitic terrain.

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, as can be seen in the variation in policy from state to state within Australia, and the recent proposals for a resource super profits tax at the national level. Pancontinental'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.

Pancontinental believes that the demand for uranium is likely to continue increase as the world copes with the issues of energy security, 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, while a few countries have confirmed their phase-out plan. All of these factors are contributing to predictions of supply shortages and strong prices for uranium into the future.

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While the damage to the Fukushima reactor complex in Japan, as a result of the March 11, 2011 tsunami, may temporarily slow the growth of nuclear power, the lessons learned are expected to ultimately strengthen the nuclear power industry.

Pancontinental's emerging REE projects at Charley Creek have the potential to provide additional commodities that are of increasing importance to the renewable energy sector, as well as other aspects of modern technology. These recently discovered REE opportunities are being pursued at a rapid pace. Much remains to be determined about the REE's grade, extent, recovery and marketability.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported results. Pancontinental bases its assumptions and estimates on historical experience, current conditions, future expectations, practices within the mineral exploration industry and on various other assumptions that the Company believes to be reasonable. On a quarterly basis, Pancontinental considers whether events or changes in circumstances affect these estimates or assumptions. Critical accounting estimates, as described in Note 3 of the Company's unaudited interim consolidated financial statements for the three month period ended March 31, 2011, involve a significant degree of judgement and actual results could differ from these estimates. The Company's significant accounting policies are described in Note 2 of the unaudited interim consolidated financial statements for the three month period ended March 31, 2011.

Significant areas requiring the use of estimates and assumptions include:

Mineral Properties

Pancontinental capitalizes its Joint Venture exploration expenditures, unless the related mineral property is impaired or the property will not be retained. The 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.

Equipment

Costs related to the acquisition of equipment are capitalized and amortized over their its estimated useful life, using the declining balance method. 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.

Share-based Compensation

Considerations affecting the fair value of share-based compensation include estimates of when stock options may be exercised and stock price volatility. Management assumes it is more likely that stock options will be exercised in advance of their expiry date. 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. Estimates concerning volatility are primarily based on the Company's historical share prices.

NEW ACCOUNTING POLICIES

The Company has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010 (the "Transition Date"). Note 2 of the Company's unaudited interim consolidated financial statements for the three month period ended March 31, 2011 includes the accounting policies applied in the transition to IFRS. Also, to transition the comparative information to IFRS (three month period ended March 31, 2010, the year ended December 31, 2010 and the opening balance sheet as at January 1, 2010) these same accounting policies were

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applied. Note 4 of the unaudited interim consolidated financial statements for the three month period ended March 31, 2011 provides reconciliations of the effects of transitioning from CGAAP to IFRS.

SUMMARY OF IFRS IMPLEMENTATION

The Company's IFRS conversion plan consisted of three steps: scoping; assessment and design; and, implementation. The Company identified and assessed the major areas impacted by the conversion to IFRS, being accounting policies, restatement of comparative periods, internal controls and business processes.

The conversion plan is essentially complete with only post-implementation review outstanding. The Company believes its accounting system is sufficient for now, though the Company may require a system to track share-based payment activity. The Company will continue to monitor the evolution of IFRS with respect to its application within the mineral exploration and development sector.

The Company's guiding objective was to minimize the effect of transitioning to IFRS, unless there was a compelling reason to change its practices. Where CGAAP was consistent with IFRS, the Company generally maintained its accounting policies. With the conversion to IFRS, revenues and expenses have been reclassified to conform to the presentation now used for the consolidated statements of operations. The adoption of IFRS had no significant impact on the net cash flows of the Company and therefore, reconciliations were not provided.

IFRS I "First time Adoption of International Accounting Standards" provides guidance for the initial adoption of IFRS. Under IFRS I the standards are applied retrospectively at the Transition Date with all adjustments to assets and liabilities taken to retained earnings, unless certain exemptions are applied. Under IFRS I, the Company elected:

- to not to re-measure its equipment at its fair value; and
- to not apply IFRS on share-based payments vested prior to the Transition Date

The major areas impacted by the transition to IFRS are:

Mineral properties

IFRS 6 requires an exploration entity to establish an accounting policy specifying which exploration and evaluation expenditures will be recorded as assets once the legal right to explore a specific area has been obtained. Any costs incurred prior to obtaining such legal right are to be expensed.

The Company will continue its policy of capitalizing exploration and evaluation expenditures, where applicable. Under IFRS, the Company wrote off all capitalized exploration and evaluation expenditures related to general (non-joint venture) exploration activities in Burkina Faso. The Transition Date write-off was \$56,226.

Foreign currency transactions

IFRS (IAS 21) requires that the functional currency of the Company and each of its subsidiaries be determined separately and that the subsidiary's financial statements be translated for consolidation purposes using the closing rate for all assets and liabilities and average rates for the period for revenues and expenses. All resulting exchange differences are recognized in other comprehensive income as foreign currency translation adjustments.

The Company's functional and presentation currency is the Canadian dollar. The functional currency of Panconoz and Crosscontinental is the Australian dollar. The Companies exploration activities are conducted through Panconoz and Crosscontinental, therefore giving rise to foreign currency translation adjustments.

Share-based payments

Under IFRS, stock options that vest in installments must be accounted for as though each installment is a separate award, with its own vesting period and grant date fair value. In addition, IFRS requires the Company to estimate

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the number of stock options that are expected to vest based on expected forfeitures, and subsequently, make adjustments to the estimate to reflect the actual number of awards that vest.

IFRS 1 provides an exemption for the retrospective application of IFRS on share-based payments provided the share-based payments vested prior to the transition to IFRS. All of the Company's 3,725,000 outstanding stock options had vested prior to January 1, 2011.

Property, plant and equipment

IFRS requires the components of property, plant and equipment be segmented on a broader basis than required under Canadian GAAP.

The Company will continue to account for its equipment using the cost model.

Related Parties

Under IFRS, compensation of key management requires disclosure in total and for each of the following categories: (a) short-term employee benefits; (b) post-employment benefits; (c) other long-term benefits; (d) termination benefits; and, (e) share-based payments.

Compensation of the Company's key management is disclosed in the Related Party Transaction section of this MD&A.

FUTURE ACCOUNTING CHANGES

For further information on future accounting change, please refer to Note 2 of the unaudited interim consolidated financial statements for the three month period ended March 31, 2011.

The following standards have been issued and are effective for annual periods beginning on or after January 1, 2013. As of the date of this MD&A, the Company is evaluating the impact of these new standards on its financial performance, position and financial statement disclosures.

IFRS 9 – Financial Instruments: Classification and Measurement

This standard introduces new requirements for the classification and measurement of financial instruments.

IFRS 10 – Consolidated Financial Statements

This standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities.

IFRS 11 – Joint Arrangements

This standard determines the type of joint arrangement by assessing the rights and obligations of the arrangement, rather than its legal form.

IFRS 12 – Disclosure of Interests in Other Entities

This standard requires the disclosure of information that enables users of the financial statements to evaluate the nature of and risks associated with its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 – Fair Value Measurement

This standard provides guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

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IAS 28 – Investments in Associates and Joint Ventures

This standard prescribes the accounting for investments in associates and joint ventures and defines the requirements for the application of the equity method. This standard applies to all entities with joint control of, or significant influence over, an associate or joint venture.

FINANCIAL INSTRUMENTS

Fair value

The carrying values for cash, term deposits and accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturity of these financial instruments.

The Company does not have a risk management committee or written risk management policies. Management believes Pancontinental is not exposed to any significant credit or interest risks arising from these financial instruments. The Company has not entered into any specialized financial agreements to minimize its credit or market risks. There are no off-balance sheet arrangements.

Disclosure on the Company's financial instruments and related risks may be found in Note 14 of Pancontinental's unaudited interim consolidated financial statements for the three month period ended March 31, 2011.

Foreign Exchange Risk

Pancontinental operates in Canadian and international markets, giving rise to exposure to market risks from changes in foreign exchange rates. The Company has significant exposure to fluctuations in the Australian dollar, and to a much lesser extent, the Central African franc for Burkina Faso 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 holdings, receivables, 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, approximately 3% is denominated in United States dollars, approximately 24% in Australian dollars and approximately 13% in Central African francs. Approximately 87% of receivables and 93% of accounts payables and accrued liabilities 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.

Price Risk

The ability of Pancontinental to finance the exploration and develop its properties and the future profitability of the Company is strongly related to: the market price of its primary minerals (uranium and REE); the economics of its projects: 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

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sustained, significant decline in either the prices of its 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 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.

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.

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 and has 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, 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, taxation and legal environments. The Company's ability to raise and deploy capital

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may be adversely affected by changes in political and social conditions and by changes in government policies, taxes, 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 PROPERTIES

Australia

	Charley Creek	Chilling	Kalabity	Bloodwood/ MT Stafford	March 31, 2011
	\$	\$	\$	\$	\$
Acquisition and property					
Balance, December 31, 2010	749,968	168,960	44,488	15,502	978,918
Land access and sacred sites	63,463	-	-	-	63,463
Permits and tenements	2,301	4,209	-	164	6,674
	65,764	4,209	-	164	70,137
	815,732	173,169	44,488	15,666	1,049,055
Exploration					
Balance, December 31, 2010	3,528,021	3,209,665	628,560	15	7,366,261
Assays, laboratory, metallurgy	14,433	2,371	-	-	16,804
Drilling	6,400	-	-	-	6,400
Equipment	980	-	-	-	980
Field expenses	30,190	975	-	-	31,165
Field office and administration	10,562	2,038	3	-	12,603
Geologist/field consulting/wages	59,528	8,393	520	173	68,614
Geological/technical consulting	53,060	281	-	-	53,341
Operator costs	54,595	5,364	112	86	60,157
Transportation	28,912	2,311	-	-	31,223
Recoveries	(29,775)	(41,118)	-	-	(70,893)
	228,885	(19,385)	635	259	210,394
	3,756,906	3,190,280	629,195	274	7,576,655
Foreign exchange translation					
Balance, December 31, 2010	198,422	58,693	15,873	1,151	274,139
Change in period	(47,077)	(19,272)	(4,980)	(341)	(71,670)
	151,345	39,421	10,893	810	202,469
Balance, March 31, 2011	4,723,983	3,402,870	684,576	16,750	8,828,179