

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PANCONTINENTAL URANIUM CORPORATION

(an exploration stage company)

For the nine months ended September 30, 2010

(unaudited)

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Pancontinental Uranium Corporation

PANCONTINENTAL URANIUM CORPORATION

(an exploration stage company)

CONSOLIDATED BALANCE SHEETS

As at	September 30 2010	December 31 2009
ASSETS	(unaudited)	(audited)
Current		
Cash	\$ 441,422	\$ 279,377
Term deposits	-	3,004,027
Receivables	131,706	37,611
Prepays	18,801	14,286
	591,929	3,335,301
Mineral properties (note 3)	7,836,506	5,406,801
Equipment (note 5)	3,984	4,796
	\$ 8,432,419	\$ 8,746,898
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	\$ 517,595	\$ 544,370
SHAREHOLDERS' EQUITY		
Capital stock (note 6)	12,918,448	12,918,448
Contributed surplus (note 7)	2,034,718	2,006,806
Deficit	(7,038,342)	(6,722,726)
	7,914,824	8,202,528
	\$ 8,432,419	\$ 8,746,898

Commitments (note 3)

See accompanying notes.

PANCONTINENTAL URANIUM CORPORATION

(an exploration stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Expenses				
Amortization	\$ 273	\$ 374	\$ 812	\$ 1,111
Consulting (note 8)	-	-	3,645	-
Filing and transfer agent fees	3,165	3,169	17,570	15,354
General and administrative	4,039	3,718	11,913	17,228
Management fees (note 8)	36,000	31,500	108,000	94,500
Professional fees (note 8)	4,850	4,708	28,442	22,945
Property investigation costs	-	-	14,100	-
Rent (note 8)	2,100	2,100	6,300	6,600
Salaries and benefits	6,930	6,399	21,853	19,197
Shareholder relations and promotion	17,538	12,677	64,256	73,117
Stock-based compensation (notes 6,7)	26,613	11,932	27,912	215,819
Travel	-	-	891	14,049
Loss before other items	101,508	76,577	305,694	479,920
Other items				
Interest income	(623)	(23,007)	(6,679)	(75,470)
Foreign exchange loss (gain)	(29,414)	1,467	(20,214)	(761)
Write-off of mineral properties (note 3)	271	-	36,815	-
Gain on sale of equipment	-	(9,278)	-	(9,278)
Loss for the period	71,742	45,759	315,616	394,411
Deficit, beginning of period	6,966,600	6,437,477	6,722,726	6,088,825
Deficit, end of period	\$ 7,038,342	\$ 6,483,236	\$ 7,038,342	\$ 6,483,236
Basic and diluted loss per share (note 10)	\$ 0.001	\$ 0.001	\$ 0.006	\$ 0.008

See accompanying notes.

PANCONTINENTAL URANIUM CORPORATION

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Cash provided by (used in):				
Operating activities				
Loss for the period	\$ (71,742)	\$ (45,759)	\$ (315,616)	\$ (394,411)
Items not involving cash:				
Amortization	273	374	812	1,111
Stock-based compensation	26,613	11,932	27,912	215,819
Write-off of mineral properties	271	-	36,815	-
Gain on sale of equipment	-	(9,278)	-	(9,278)
	(44,585)	(42,731)	(250,077)	(186,759)
Changes in non-cash working capital items				
Accrued interest on term deposits	5,428	90,849	4,027	54,269
Receivables	(24,667)	(32,610)	(94,095)	(36,518)
Prepays	4,515	4,490	(4,515)	(18,776)
Accounts payable and accrued liabilities	(1,661)	(25,888)	(38,235)	(26,821)
	(60,970)	(5,890)	(382,895)	(214,605)
Investing activities				
Mineral properties	(1,578,511)	(771,677)	(2,455,060)	(1,865,461)
Redemption of term deposit	1,350,000	3,850,000	3,000,000	5,100,000
Purchase of term deposit	-	(3,000,000)	-	(3,000,000)
Proceeds from sale of equipment	-	33,134	-	33,134
	(228,511)	111,457	544,940	267,673
Net change in cash	(289,481)	105,567	162,045	53,068
Cash, beginning of period	730,903	202,977	279,377	255,476
Cash, end of period	\$ 441,422	\$ 308,544	\$ 441,422	\$ 308,544

See accompanying notes.

PANCONTINENTAL URANIUM CORPORATION

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

1. NATURE OF OPERATIONS

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

The Company has not yet established whether its mineral 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 viable mineral deposits and the ability of the Company to obtain necessary financing, if and when required. To date, there has been no revenue from exploration activities.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are stated in Canadian dollars and have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as those used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2009.

Under GAAP, additional disclosure is required in annual financial statements and accordingly, the unaudited interim period consolidated financial statements should be read together with the audited annual consolidated financial statements and related notes for the year ended December 31, 2009. In the opinion of management, all adjustments considered necessary for fair presentation have been included. These interim results are not necessarily indicative of the results that may be anticipated for the entire fiscal year.

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

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

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

(a) Estimates and assumptions

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

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Mineral properties

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

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

(c) Stock-based compensation

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

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

(d) Long-lived assets

The net carrying value of long-lived assets, which consist of equipment, is reviewed to determine if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is measured by the amount in which the carrying value of the long-lived asset exceeds its fair value.

(e) Foreign currency translation

The Company's functional currency is the Canadian dollar. The accounts of its subsidiaries and its proportionate share of the accounts of its joint venture, which are integrated operations, are translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities resulting from foreign currency transactions are translated in Canadian dollars at period-end exchange rates and non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the rates of exchange prevailing on the dates such items are recognized in the statement of operations, except for amortization which is translated at the same rate as the assets to which it relates. Gains or losses on translation are included in the statement of operations.

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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3. MINERAL PROPERTIES

	December 31 2009	Acquisition and Property	Exploration	Write-off	September 30 2010
Australia	\$	\$	\$	\$	\$
Charley Creek	1,957,763	552,142	1,334,156	-	3,844,061
Chilling	2,793,000	23,240	336,673	-	3,152,913
Kalabity	488,582	1,548	180,622	-	670,752
Crossland Creek	-	25,097	11,718	(36,815)	-
	5,239,345	602,027	1,863,169	(36,815)	7,667,726
Burkina Faso, West Africa					
Oursi	111,230	-	59	-	111,289
Other	56,226	-	1,265	-	57,491
	167,456	-	1,324	-	168,780
	5,406,801	602,027	1,864,493	(36,815)	7,836,506

	December 31 2008	Acquisition and Property	Exploration	Write-off	December 31 2009
Australia	\$	\$	\$	\$	\$
Charley Creek	908,011	112,557	937,195	-	1,957,763
Chilling	1,401,769	26,487	1,364,744	-	2,793,000
Kalabity	444,787	1,217	42,578	-	488,582
Crossland Creek	-	40,898	55,319	(96,217)	-
	2,754,567	181,159	2,399,836	(96,217)	5,239,345
Burkina Faso, West Africa					
Oursi	74,525	3,417	33,288	-	111,230
Other	51,619	1,198	3,409	-	56,226
	126,144	4,615	36,697	-	167,456
	2,880,711	185,774	2,436,533	(96,217)	5,406,801

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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MINERAL PROPERTIES (continued)

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% participating interest (the "Participating Interest") in a number of prospective uranium projects held by Crossland, in Australia, together with all uranium prospects that are currently or subsequently available to, or known by Crossland. On June 30, 2008 the Company and Crossland finalized a joint venture agreement. From the formation date of the Joint Venture, the Company was required to contribute AUD8 million for exploration purposes (excluding certain Joint Venture property acquisition costs) over four (4) years to earn the Participating Interest.

During 2010, the Company paid Crossland AUD2,208,741 to complete the AUD8 million contribution and has earned the Participating Interest. Funding of all expenditures are now shared on a proportionate basis. Crossland acts as operator of the Joint Venture and is entitled to charge operator costs comprised of overheads and equipment usage costs.

Charley Creek

The project area, located in central Australia, encompasses or is expected to encompass 7,914 square kilometres and is comprised of nine granted tenements (4,540 sq. km.) and ten tenements under application. Of these tenements, the Company and Crossland have:

- a combined 100% interest in thirteen tenements. Seven of these tenements (3,970 sq. km.) have been granted, one of which is subject to a 3% net smelter royalty ("NSR");
- entered into a joint venture to earn a 60% interest in a granted tenement (398 sq. km.) by expending AUD500,000 over three years (AUD100,000 minimum expenditure during the first year). After the third year the vendor has the option to participate or reduce to a 20% free carried interest up to completion of a feasibility study. Thereafter the vendor can elect to participate at a 20% interest or receive a 2% NSR; and,
- agreed to acquire a company holding one granted tenement (172 sq. km.) and four tenements under application, encompassing 2,876 square kilometres, by reimbursing historic costs of AUD30,000. The vendor has the option: to reacquire a 20% interest in the tenements by paying 40% of historic expenditures, exercisable for two years from the date of the agreement to acquire the company 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.

Chilling

The Company and Crossland have a combined 100% interest in the Chilling project, located in the Northern Territory of Australia. The project area encompasses or is expected to encompass 4,590 square kilometres and is comprised of eight granted tenements (2,901 sq. km.), two of which are subject to a 3% NSR and one of which is subject to a 2% NSR, and three tenements under application. Two directors of the Company are part of a group that hold the rights to one of the 3% NSRs.

Kalabity

Crossland has earned a minimum 60% interest in the Kalabity project located in South Australia by expending a minimum AUD500,000 over four (4) years (extended an additional year on December 21, 2009 from the initial period of three (3) years). The project area encompasses 125 square kilometres and is comprised of one tenement.

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MINERAL PROPERTIES (continued)

Crossland Creek

Crossland had a 100% interest in the Crossland Creek project, located in Western Australia. During 2009, Crossland conducted exploration activities on the two (2) tenements and determined that no further work was warranted and the tenements were relinquished. As at September 30, 2010, mineral property expenditures of \$133,032 have been written off with \$36,815 written off in 2010.

Burkina Faso, West Africa

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

As at September 30, 2010, the Company and Crossland have each provided Crosscontinental with advances of AUD350,000 (CAD319,025). Crosscontinental is currently using its funds to finance the acquisition of uranium exploration permits and exploration activities in Burkina Faso, West Africa. The exploration permits are in various stages of receiving government approval.

Oursi Project

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

During March 2010, a representation was made by a third party asserting that they hold a legitimate claim to the Oursi project tenements, contesting the optionors' rights to joint venture the Oursi project tenements. The Company is assessing the merits of the third party's assertion. No specific claim has been filed against the Company or Crosscontinental, and therefore the validity of the representation is currently undeterminable.

4. ADVANCES TO CROSSCONTINENTAL URANIUM LIMITED

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

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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5. EQUIPMENT

		Cost	Accumulated Amortization	September 30 2010
Computer	\$	2,158	\$ 1,822	\$ 336
Exploration		5,141	2,623	2,518
Office		2,307	1,177	1,130
	\$	9,606	\$ 5,622	\$ 3,984

		Cost	Accumulated Amortization	December 31 2009
Computer	\$	2,158	\$ 1,652	\$ 506
Exploration		5,141	2,180	2,961
Office		2,307	978	1,329
	\$	9,606	\$ 4,810	\$ 4,796

6. CAPITAL STOCK

Authorized

Unlimited common shares

Issued

	Number	Amount
Balance, December 31, 2008, 2009 and September 30, 2010	49,806,492	\$ 12,918,448

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

CAPITAL STOCK (continued)

Stock options

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

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

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2008	3,600,000	\$0.61
2009:		
Granted *	3,600,000	0.20
Cancelled/repriced *	(3,550,000)	0.61
Expired **	(50,000)	0.95
Balance, December 31, 2009	3,600,000	\$0.20
2010:		
Granted ***	300,000	0.20
Expired *	(100,000)	0.20
Balance, September 30, 2010	3,800,000	\$0.20

* On June 3, 2009, previously granted stock options of 3,550,000 were re-priced and the expiry date of each option was extended. Vesting of the re-priced stock options began on the date the options were originally granted. In addition, 50,000 stock options were granted to an officer of the Company and vest one-third immediately, one-third twelve months from the date of grant and one-third twenty-four months from the date of grant. Each of these 3,600,000 options is exercisable at \$0.20 and expires on June 3, 2014. Of these options, 100,000 granted to consultants have been cancelled.

** On February 28, 2009, a total of 50,000 stock options granted to an officer expired, due to the officer's resignation.

*** On August 30, 2010, granted 300,000 stock options to an employee and to consultants of the Company, vesting immediately. Each of these options is exercisable at \$0.20 and expires on August 30, 2015.

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

CAPITAL STOCK (continued)

The fair value of the options granted in 2010 and 2009 were estimated using the Black-Scholes option pricing model with the following assumptions:

	September 30	December 31
	2010	2009
Fair Value	\$ 26,367	\$ 177,339
Dividend yield	Nil	Nil
Expected volatility	143.00%	142.00%
Risk free rate of return	1.53%	2.25%
Expected life of options (years)	3	3.76

During the nine month period ended September 30, 2010, the Company recognized stock-based compensation expense of \$27,912 (2009 - \$215,819). The offsetting credit was charged to contributed surplus.

The following table summarizes information on the outstanding options:

Expiry Date	Outstanding	Exercise Price	Exercisable	Weighted Average Remaining Contractual Life (Years)	Unamortized Stock-based Compensation
June 3, 2014	3,500,000	\$0.20	3,483,333	3.67	\$ 653
August 30, 2015	300,000	\$0.20	300,000	4.91	-
	3,800,000	\$0.20	3,783,333	3.77	\$ 653

7. CONTRIBUTED SURPLUS

	September 30	December 31
	2010	2009
Balance, opening	\$ 2,006,806	\$ 1,790,251
Stock-based compensation	27,912	216,555
Balance, ending	\$ 2,034,718	\$ 2,006,806

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8. RELATED PARTY TRANSACTIONS

During the nine month period ended September 30, 2010, the Company:

- (a) paid management fees of \$108,000 (2009 - \$94,500) to an officer and to a company associated with an officer of the Company.
- (b) paid \$118,052 (2009 - \$123,764) to a company related by virtue of common directors to reimburse consulting fees and equipment usage costs it paid to a company controlled by a director. These amounts are included in mineral properties and consulting.
- (c) paid operator costs comprised of overheads and equipment usage fees for the Joint Venture of \$334,398 (2009 - \$441,352) to a company related by virtue of common directors. These amounts are included in mineral exploration properties.
- (d) paid \$589 (2009 - \$1,209) to a company related by virtue of directors to reimburse legal fees it paid to a company controlled by a director. These amounts are included in professional fees.
- (e) paid rent of \$6,300 (2009 - \$6,600) to companies related by virtue of common directors.
- (f) paid legal fees of \$14,344 (2009 - \$11,253) to a law firm in which an officer of the Company is a partner. These amounts are included in professional fees.

Included in accounts payable and accruals is \$507,483 (2009 - \$225,990) payable to companies controlled by or associated with directors/officers or companies related by virtue of common directors.

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

9. SUPPLEMENTARY INFORMATION

(a) Weighted average number of common shares

As at September 30,	2010	2009
Basic	49,806,492	49,806,492
Diluted	49,806,492	49,806,492

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

(b) Cash flows

- (i) Cash received for interest was \$10,706 (2009 - \$129,739).
- (ii) The Company accrued expenses of \$493,470 (2009 - \$220,745) for mineral exploration.

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10. CROSSCONTINENTAL JOINT VENTURE

Pursuant to the Joint Venture (note 3), 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 Crosscontinental's joint venture activities as follows:

	2010	2009
Assets		
Current (includes cash of \$80,427; 2009 - \$79,941)	\$ 94,740	\$ 127,376
Mineral properties	168,780	160,175
Equipment	2,518	3,148
	\$ 266,038	\$ 290,699
Liabilities		
Current	\$ 2,959	\$ 1,119
Revenue		
	\$ -	\$ 9,278
Expenses		
	23,398	2,959
Net income (loss)		
	\$ (23,398)	\$ 6,319
Cash flows from operating activities		
	\$ (23,632)	\$ (67,048)
Cash flows from investing activities		
	\$ (1,333)	\$ (898)

11. FUTURE ACCOUNTING CHANGES

(a) Business Combinations

In January 2009, the CICA issued three new accounting standards which will be effective January 1, 2011:

- o Section 1582 "Business Combinations" which replaces Section 1581 and establishes standards to harmonize GAAP with International Financial Reporting Standards ("IFRS 3") for business combinations.
- o Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-controlling Interests" which together replace Section 1600. Section 1601 establishes standards for preparation of consolidated financial statements. Section 1602 establishes standards for accounting for non-controlling interests in a subsidiary's consolidated financial statements subsequent to a business combination.

The Company is evaluating the impact that these new accounting standards may have on its consolidated financial statements.

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FUTURE ACCOUNTING CHANGES (continued)

(b) International Financial Reporting Standards (“IFRS”)

The Canadian Accounting Standards Board confirmed plans to converge GAAP with International Financial Reporting Standards, effective January 1, 2011. As a result, the Company will be required to prepare its interim and annual financial statements in accordance with IFRS standards for the fiscal year beginning January 1, 2011. The Company has commenced the process to determine the impact of the transition to IFRS on its financial reporting.

12. CAPITAL MANAGEMENT

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

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

The Company’s capital consists of working capital:

	September 30	December 31
	2010	2009
Current assets	\$ 591,929	\$ 3,335,301
Current liabilities	(517,595)	(544,370)
Working capital	\$ 74,334	\$ 2,790,931

There were no changes in the Company’s management of its capital during the nine month period ended September 30, 2010. The Company is not subject to any externally imposed capital requirements.

13. 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 relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm’s length transaction between willing parties and is best evidence by a quoted market price.

The Company’s financial instruments are classified as follows:

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

PANCONTINENTAL URANIUM CORPORATION
(an exploration stage company)

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair Value Hierarchy and Liquidity Risk Disclosure

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. 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 judgement.

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.

	Level One	Level Two	Level Three
Cash	\$ 441,422	\$ -	\$ -

Risk Management

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge or fulfill their obligations. Financial instruments that potentially expose the Company to this risk consist of cash, term deposits and receivables. The Company's risk is minimal, since the vast majority of its cash is on deposit with a Canadian chartered bank and receivables represent the recovery of sales taxes from the Canadian and Australian governments.

Liquidity Risk

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

The Company has sufficient funds to discharge its current and anticipated liabilities for 2010. Subsequent to September 30, 2010, to meet its expected working capital needs for the remainder of 2010, the Company completed a \$625,000 equity funding as further described in note 14. The Company will need to raise additional funds to meet its 2011 operating expenditures and joint venture commitments as described in note 3.

PANCONTINENTAL URANIUM CORPORATION
(an exploration stage company)

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk

Foreign Currency Risk

The Company operates in Canada, Australia and Burkina Faso, West Africa and evaluates opportunities in other foreign countries, giving rise to market risks from changes in foreign exchange rates. The Company has potential future financial commitments denominated in Australian dollars. The Company periodically monitors foreign exchange rates, though it has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates.

As at September 30, 2010 the Company had the following foreign denominated balances:

	USD	AUD	CFA Franc
Cash	12,029	77,732	20,331,062
Receivables	-	121,998	-
Accounts payable and accrued liabilities	-	498,778	885,000

A 10% change in the USD foreign exchange rates will impact profitability by approximately \$1,200; a 10% change in the CFA Franc will impact profitability by approximately \$4,100; and, a 10% change in the AUD foreign exchange rates will impact profitability by approximately \$29,600.

Interest Rate Risk

The Company's does not expect to hold significant balances of excess cash to give rise to interest rate risk over the coming three month period.

Price Risk

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

Political Risk

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

PANCONTINENTAL URANIUM CORPORATION
(an exploration stage company)

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2010

14. SUBSEQUENT EVENT

On October 22, 2010 the Company completed a private placement consisting of 5 million units at a price of \$0.125 per unit for gross proceeds of \$625,000. Each unit is comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional common share for a period of two years at an exercise price of \$0.25 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 \$0.40 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 nine month period ended September 30, 2010)

November 25, 2010

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 nine month period ended September 30, 2010; and, audited annual consolidated financial statements and related notes for the year ended December 31, 2009 and related MD&A, dated April 27, 2010. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at www.sedar.com.

Pancontinental's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts in the MD&A and in the Company's consolidated financial statements are expressed in Canadian dollars, unless otherwise noted. The Company's investment in Crosscontinental Uranium Limited ("Crosscontinental"), a company under joint control, is accounted for using proportionate consolidation. The consolidated financial statements also include the accounts of Pancontinental's wholly-owned 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 audited annual consolidated financial statements and related notes have been reviewed by Pancontinental's audit committee and approved by its Board of Directors.

FORWARD-LOOKING STATEMENTS

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

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

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

OVERVIEW

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

On September 7, 2007, the name of the Company was changed to Pancontinental Uranium Corporation and the Company was continued under the Canada Business Corporations Act (CBCA). The Company was formerly known as Centram Exploration Ltd. 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. From the formation date of the Joint Venture, the Company was required to contribute AUD8 million for exploration purposes (exclusive of certain Joint Venture property acquisition costs) over four (4) years to earn the Participating Interest.

During 2010, Pancontinental paid Crossland AUD2,208,741 to complete the AUD8 million contribution and has earned the Participating Interest. 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 is entitled to charge operator costs to the Company.

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, West Africa.

Oursi Project - Burkina Faso, West Africa

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

During March 2010, a representation was made by a third party asserting that they hold a legitimate claim to the Oursi Project tenements and contesting the Optionors' rights to joint venture the Oursi Project. The Company is

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

assessing the merits of the third party's assertion. No specific claim has been filed against the Company or Crosscontinental.

MINERAL EXPLORATION PROPERTIES

EXPLORATION STRATEGY

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

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

Central Australia, the area of the Northern Territory centred on Alice Springs, is a region of emerging importance for radioactive minerals. 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. 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. Crossland has joined the Australian Uranium Association as an Associate Member to ensure it has a formal voice in the industry in Australia.

The onset of the global financial crisis resulted in adjustments to the strategy of the Joint Venture. One result of the collapse in exploration activity was the increased availability of skilled personnel and exploration services on more favourable terms than were previously available. This had the effect of lowering unit exploration costs. Additionally, as less committed uranium explorers relinquish ground, it has been possible to considerably expand land holdings. Crossland has acquired and applied for additional exploration licences around both Chilling and Charley Creek. Conversely, until the crisis has passed, it will be more difficult to source funds for mineral exploration and development on attractive terms. The Joint Venture has developed strategies to deal with this as prudently as possible. Exploration for 2009 was focused on the core projects of Chilling and Charley Creek in the Northern Territory while, with limited exceptions, exploration was postponed to the levels necessary to preserve titles on other projects. This resulted in a more thorough assessment of the core areas and a more cautious drill program than might have been the case in a stronger market.

Based on the positive results from the 2009 drilling activity, Pancontinental and Crossland approved a record AUD 3.3 million exploration budget for the 2010 calendar year.

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.

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

EXPLORATION PROJECTS

Australia

Chilling

The Chilling project, located in the uranium-rich Pine Creek Orogen of the Northern Territory in Australia, approximately 150 kilometres south of Darwin, has the potential to host large unconformity-related uranium deposits. As of the date of the MD&A, the project area now encompasses 2,901 square kilometres and is comprised of eight (8) granted tenements, two of which are subject to a 3% net smelter royalty ("NSR") and one of which is subject to a 2% NSR (two directors of Pancontinental and Crossland - Geoff Eupene and Peter Walker - are part of a group that holds the rights to a 3% NSR on one of the tenements). In addition, Crossland has applied for three (3) additional tenements, encompassing 1,689 square kilometres. Pancontinental and Crossland have a combined 100% interest in Chilling. The project area will then encompass 4,590 square kilometres, if all of the applications are granted.

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, is stratigraphically equivalent in age to the Kombolgie Sandstone in the Alligator Rivers Uranium Field, and favourable structures at the unconformity surface may form sites for uranium deposition within Chilling. Uranium occurrences are known to outcrop within the project area.

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

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

Charley Creek

The Charley Creek project is located in central Australia, approximately 100 kilometres northwest of Alice Springs in the Northern Territory and is situated on the southern margin of the North Australian Craton. The project area encompasses or is expected to encompass 5,038 square kilometres and is comprised of:

- Thirteen (13) tenements encompassing 4,640 square kilometres. Seven (7) of these tenements (3,970 sq. km.) have been granted, one of which is subject to a 3% NSR, and six (6) tenements (670 sq.km.) under application. Pancontinental and Crossland have or will have a combined 100% interest in these tenements.
- One (1) tenement acquired through a Joint Venture with Western Desert Resources Ltd ("WDR") on their Clough's Dam exploration licence, encompassing 398 square kilometres. This area abuts the eastern edge of the Charley Creek Project. Crossland and Pancontinental 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.

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

The 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 has not been intensively explored, although outcropping secondary uranium mineralization is recorded from the property. Pancontinental and Crossland believe the area also contains the elements necessary for the formation of sediment-hosted uranium deposits and has additional potential for nickel-platinum and rare earth deposits that will be evaluated concurrently with uranium exploration.

Targets in the Charley Creek project area include uranium-enriched phases of the Teapot Granite, as well as sediment-hosted uranium deposits, specifically calcrete and redox-related uranium targets. Past exploration has identified uranium occurrences in the Teapot Granite. Other areas within the project are considered prospective for copper, nickel and platinoid deposits, as well as deposits of rare earth elements. 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 occurs elsewhere in the region.

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

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

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

In addition, Crossland recognized that the Teapot Granite also contains phases that are enriched in rare earth elements (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.

Pancontinental's and Crossland's commitment to exploration for uranium and associated elements 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.

Bloodwood-Highland Rocks

Pancontinental and Crossland have recently widened their Central Australia uranium focus with the acquisition of an additional exploration project near their flagship Charley Creek project in the Northern Territory, through the acquisition of the Bloodwood-Highland Rocks Project. The addition of this Bloodwood-Highland Rocks Project will complement the companies' Charley Creek Project.

The Bloodwood-Highland Rocks Project is located approximately 300 kilometres to the northwest of the Charley Creek Project and covers rocks that are prospective for uranium and gold. The project area encompasses or is expected to encompass 2,876 square kilometres and is comprised of:

- Five (5) tenements, consisting of one granted tenement (172 sq. km.) and four tenements (2,704 sq. km.) under application on aboriginal freehold land. These tenements were acquired through the acquisition of a subsidiary of Global Geoscience LTD. ("GSC") by reimbursing historic costs of AUD30,000. 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.

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 Biglyi, 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 U_3O_8 in a shallow drill hole, with elevated radioactivity in outcropping granite porphyry
- No follow-up of these results has been done

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

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.

Kalabity

The Kalabity project is located in South Australia, 40 kilometres north of Olary and approximately 100 kilometres west of Broken Hill. The project area encompasses 125 square kilometres and is comprised of one (1) tenement. Crossland entered into a joint venture on Kalabity in late 2006 with Platsearch NL ("Platsearch") and Eaglehawk Geological Consulting Pty Ltd. ("Eaglehawk"). Crossland earned a 60% interest in Kalabity through the expenditure of AUD500,000 over four years.

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, West Africa

Crosscontinental has applied for a number of uranium exploration permits in Burkina Faso, West Africa. The permits cover a significant portion of zones that rated well for uranium prospectivity in a 2003 study funded by the European Development Fund. Processing of Crosscontinental's applications is expected to proceed when the Government of Burkina Faso has formulated its policy on uranium mining. Burkina Faso borders Niger, the leading uranium producing nation in Africa.

Oursi Project Joint Venture

Crosscontinental has a 35% interest in the Oursi Project Joint Venture consisting of two (2) tenements in north-east Burkina Faso granted for uranium exploration, referred to as "Tin Dioulaf" and "Agalsa". These tenements cover a combined area of 500 square kilometres and include a 50 kilometre strike length of an unconformity structure that is considered to be prospective for uranium deposits. A known uranium mineralization occurrence is located 50 kilometres along strike and west of the tenements.

Pancontinental Uranium Corporation

Management's Discussion & Analysis (for the nine month period ended September 30, 2010)

EXPLORATION ACTIVITIES

Australia

Chilling

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

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

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.

Pancontinental Uranium Corporation

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Field work recommenced within the Buchanan Window during July, 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.

Future Plans

Field work is continuing into the fourth quarter of 2010 as weather conditions permit; however it was realized in October 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. Crossland was unable to source such equipment in Australia. Drilling targets have been defined in 2010 in the Buchanan Window, on extensions to mineralized structures at March Fly, and in the Allia Window. Drilling of these will now proceed in early 2011.

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 U_3O_8 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 spacings 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, Pancon advised the market of the most recent results

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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 U_3O_8). 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 U_3O_8 (one pound is 453.6 grams).

The association with a particular major granite phase which outcrops over an area of many square kilometres raises the potential for large uranium deposits within Crossland's holdings. Crossland has now received regulatory approval and Aboriginal site clearances to permit evaluation of the Teapot Granite, and diamond core drilling commenced on July 27. At the time of writing this report, five diamond drill holes had been completed at the Cockroach East area, and a further six holes had been completed at the Cockroach Central area. Unseasonal heavy and continual rains have hampered access to the Cockroach Dam Prospect area. The rains also hampered core retrieval and processing for some weeks. Assay turnaround has also been slower than expected. Crossland had estimated a turnaround of around 4 weeks for processing, splitting and assaying for each hole, but initial weather and access issues and laboratory overload have extended this period considerably. A report on the initial results and their interpretation can be expected within the coming weeks.

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. Presently, Crossland is awaiting final site clearance of the lines proposed for this additional drilling work.

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.

Future Plans

Work at Charley Creek has been continuous since January 2009, with a break only over the Christmas – New Year period of 2009-2010. The program will continue to focus on the outstanding prospect at Cockroach Dam, where a core drill program of at least 1500m is nearing completion. Results are awaited before planning the next phase of drilling at the Cockroach Dam Prospect. Following a review of the drill results, additional holes, targeting the areas identified from the 2008 program, are planned to explore for channel deposits. These await site clearances.

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Crossland has recently announced the identification of high REE values in heavy mineral concentrate collected from alluvium draining from the Teapot Granite, and has announced plans to follow this up with an intensive program in December and January, to determine if a further assessment of the extensive alluvial sediment accumulations for heavy mineral deposits containing REE is warranted. It is expected that this first pass assessment will be completed by late January.

A substantial reconnaissance program will continue at the Cockroach Dam prospect and other anomalous areas. Exploration programs over the newly granted exploration licences have been developed for commencement upon approval of program proposals by local Aboriginal groups which are expected once meetings and inspections, also delayed by rainy weather, are conducted.

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.

Future Plans

A program of metallurgical testing of trench samples from Tabita is in progress 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 is being performed on composite samples of mineralized material from the trench sampling. Assay results of sizing fractions are awaited to determine the next step in the process.

Burkina Faso, West Africa

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

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Oursi Project Joint Venture

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

Future Plans

All further exploration activities in Burkina Faso 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

Acquisition and property costs and exploration expenditures totalled \$1,160,953 for the current three month period and \$2,466,520 for the nine month period. Expenditures attributable to the Joint Venture in Australia were \$1,160,911 for the current quarter and \$2,465,196 for the nine month period. As a result of the decision to relinquish the Joint Venture in Australia's Crossland Creek tenements in 2009, an additional \$271 of mineral exploration costs were written-off during the current quarter and \$36,815 for the nine month period.

Joint Venture operator costs for the current quarter were \$115,102 and \$334,398 for the nine month period. Crossland uses its internal resources to support Joint Venture exploration activities.

In addition, the Company continues to monitor the progress of its activities in Burkina Faso, West Africa and failing the evidence of any favourable developments during fiscal 2010, the Company may determine that the write-off of related expenditures, in whole or in part, is appropriate.

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

RESULTS OF OPERATIONS

For further information with respect to the components of expenses and other items, please refer to the Statements of Operations and Deficit included in Pancontinental's unaudited interim consolidated financial statements for the nine month period ended September 30, 2010.

Three month period

For the current quarter, Pancontinental's operations revolved around exploration activities in Australia. The net loss for the three month period ended September 30, 2010, was \$71,742 compared to a net loss of \$45,759 for the comparable three month period ended September 30, 2009. Expenses experienced an increase (2010 - \$101,508 vs 2009 - \$76,577) primarily as a result of higher stock-based compensation, shareholder relations and promotion costs and management fees.

The primary factors contributing to the net loss and variance in the loss between the comparable quarters were:

- an increase in stock-based compensation (2010 - \$26,613 vs 2009 - \$11,932) due to recognition of the fair value attributable to 300,000 stock options granted during the quarter.

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- an increase in shareholder relations and promotion costs (2010 - \$17,538 vs 2009 - \$12,677) as the Company participated in an industry trade show and issued several news releases. The account includes \$6,000 (2009 - \$6,000) for the services of a consultant to support the Company's internal investor relations activities.
- an increase in management fees (2010 - \$36,000 vs 2009 - \$31,500) as compensation for the services of the Company's President and Chief Executive Officer was increased in October 2009, *please refer to the Related Party Transactions section for further details.*
- a moderate increase in salaries and benefits (2010 - \$6,930 vs 2009 - \$6,399) attributable to benefit costs related to the compensation of the Company's President and Chief Executive Officer.
- a nominal increase in professional fees (2010 - \$4,850 vs 2009 - \$4,708) as the Company incurred legal costs attributable to general corporate activities, *please refer to the Related Party Transactions section for further details.*
- a foreign exchange gain (2010 - \$29,414 vs 2009 - \$1,467 loss) primarily due to a favourable change in the Australian dollar.
- a decrease in interest income (2010 - \$623 vs 2009 - \$23,007) as the amount of funds available for investing declined.
- the absence of a gain on sale of equipment (2010 - \$nil vs 2009 - \$9,278) as the Company did not dispose of any equipment.

Nine month period

The net loss for the nine month period ended September 30, 2010, was \$315,616 compared to a net loss of \$394,411 for the comparable nine month period ended September 30, 2009. Expenses decreased significantly (2010 - \$305,694 vs 2009 - \$479,920) primarily as a result of lower stock-based compensation.

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

- a significant decrease in stock-based compensation (2010 - \$27,912 vs 2009 - \$215,819) due to the diminishing fair value related to incentive stock options granted in prior years.
- a decrease in travel costs (2010 - \$891 vs 2009 - \$14,049) as general corporate travel was curtailed.
- a decrease in shareholder relations and promotion costs (2010 - \$64,256 vs 2009 - \$73,117) as the Company reduced its marketing efforts by reducing its participation in industry trade shows. The account includes \$18,000 (2009 - \$18,000) for the services of a consultant to support the Company's internal investor relations activities.
- a decrease in general and administration costs (2010 - \$11,913 vs 2009 - \$17,228) primarily due to the cancellation of an industry publication.
- an increase in property investigation costs (2010 - \$14,100 vs 2009 - \$nil) as Crosscontinental evaluated prospective uranium properties.
- an increase in management fees (2010 - \$108,000 vs 2009 - \$94,500) as compensation for the services of the Company's President and Chief Executive Officer was increased in October 2009, *please refer to the Related Party Transactions section for further details.*
- an increase in professional fees (2010 - \$28,442 vs 2009 - \$22,945) due to additional 2009 year-end accounting costs and additional legal fees resulting from an increase in corporate activity, *please refer to the Related Party Transactions section for further details.*
- a significant decrease in interest income (2010 - \$6,679 vs 2009 - \$75,470) as the amount of funds available for investing declined.
- the write-off of the Joint Venture's Crossland Creek mineral exploration property 2010 expenditures (2010 - \$36,815 vs 2009 - \$nil).
- a foreign exchange gain (2010 - \$20,214 vs 2009 - \$761) primarily due to favourable changes in the Australian dollar and Central African franc.

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SUMMARY OF QUARTERLY RESULTS

	Revenue	Loss before other items	Other items	Net loss	Net loss per share
	\$	\$	\$	\$	\$
<u>Fiscal 2010</u>					
Q3 September 30, 2010	-	101,508	(29,766)	71,742	0.001
Q2 June 30, 2010	-	134,153	29,296	163,449	0.003
Q1 March 31, 2010	-	70,033	10,392	80,425	0.002
<u>Fiscal 2009</u>					
Q4 December 31, 2009	-	127,593	111,896	239,489	0.005
Q3 September 30, 2009	-	76,577	(30,818)	45,759	0.001
Q2 June 30, 2009	-	270,985	(8,587)	262,398	0.005
Q1 March 31, 2009	-	132,358	(46,104)	86,254	0.002
<u>Fiscal 2008</u>					
Q4 December 31, 2008	-	175,921	(76,566)	99,355	0.002

Variances in losses between the quarters for fiscal 2010 were primarily influenced by the amount of: stock based compensation recognized due to the grant of 300,000 options in Q3; 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; and, consulting and property investigation costs related to the evaluation of prospective uranium properties by Crosscontinental in Q2. Variations in "other items" were primarily attributable to the write-off of the Joint Venture's Crossland Creek mineral property in Q1 and Q2 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; and, professional fees attributable to an under-accrual of fiscal 2008 audit costs in Q2 and the accrual of 2009 audit costs in Q4. Variations in "other items" in each of the periods were primarily attributable to: fluctuations in foreign exchange gains or losses related to the Australian dollar and the 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.

Losses in Q4 of fiscal 2008 were influenced by the amount of: stock-based compensation recognized; professional fees attributable to the Company accruing its fiscal year-end audit costs; interest income; and, foreign exchange gains or losses.

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

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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

Three month period

Cash flows consumed in operating activities for the current three month period were \$60,970 compared to \$5,890 consumed in the comparable three month period ended September 30, 2009. Cash flows consumed by operations before changes in non-cash working capital were \$44,585 (2009 - \$42,731). The marginal increase in the amount of cash consumed by operations before changes in non-cash working capital resulted from an increase in cash operating expenses (2010 - \$74,622 vs 2009 - \$64,271) combined with lower interest income, which was primarily offset by a foreign exchange gain. Changes in non-cash working capital items were significantly impacted by: the expected recovery from the Canadian and Australian governments of goods and services taxes; and, the accrual of mineral property expenditures of \$493,470.

Cash flows used by investing activities for the current quarter were \$228,511 compared to \$111,457 provided during the comparable quarter of 2009. Term deposits of \$1,350,000 were redeemed to fund \$1,578,511 of mineral property expenditures.

There were no financing activities during the current quarter.

Nine month period

Cash flows consumed in operating activities for the nine month period were \$382,895 compared to \$214,605 consumed in the comparable nine month period ended September 30, 2009. Cash flows consumed by operations before changes in non-cash working capital were \$250,077 (2009 - \$186,759). The increase in the amount of cash consumed by operations before changes in non-cash working capital resulted from a moderate increase in cash operating expenses (2010 - \$276,970 vs 2009 - \$262,990), substantially lower interest income and mitigated, somewhat, by a foreign exchange gain. Changes in non-cash working capital items were significantly impacted by: the expected recovery from the Canadian and Australian governments of goods and services taxes; and, the accrual of mineral property expenditures.

Cash flows provided by investing activities for the nine month period were \$544,940 compared to \$267,673 provided during the comparable nine month period of 2009. Term deposits of \$3,000,000 were redeemed to fund \$2,455,060 of mineral property expenditures.

There were no financing activities during the nine month period.

As at September 30, 2010, Pancontinental's cash balance was \$441,422. Cash of: \$284,041 was held on deposit with a Canadian chartered bank; \$76,954 was held on deposit with an Australian bank; and, \$80,427 represents Pancontinental's portion of the \$160,853 of cash held in Burkina Faso, West Africa. During 2010, the Company redeemed all of its GICs.

Pancontinental's consolidated working capital, as at September 30, 2010, was \$74,334. Since December 31, 2009 working capital decreased by \$2,790,931. The decrease was primarily related to the deployment of capital to fund mineral property expenditures.

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Pancontinental has earned its 50% interest in the Joint Venture in Australia and, subsequent to September 30, 2010, raised \$625,000 in additional capital to fund its portion of the balance of the AUD3.3 million Joint Venture exploration budget for Australia and Crosscontinental, *please refer to Pancontinental's news release of March 8, 2010*, as well its operating overheads for the remainder of 2010. In addition, Pancontinental may be required to raise additional funds: to finance its share of any cost overruns related to the 2010 exploration program in Australia; and, if the uranium permits waiting for approval from the Burkina Faso, West Africa Government are granted, thereby accelerating exploration activities. The Company will be required to raise additional capital to fund acquisition and exploration activities and general working capital needs for 2011.

SHARE CAPITAL

Common Shares

As at September 30, 2010, Pancontinental had 49,806,492 common shares outstanding. There was no common share activity for the nine month period ended September 30, 2010 or for fiscal 2009.

On October 22, 2010, Pancontinental completed a private placement consisting of 5 million units at a price of \$0.125 per unit for gross proceeds of \$625,000. Each unit is comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional common share for a period of two years at an exercise price of \$0.25 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 \$0.40 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 2010 Joint Venture expenditures and for general working capital.

As of the date of this MD&A, Pancontinental has 54,806,492 common shares and 5,000,000 common share purchase warrants outstanding.

Options

On August 30, 2010, Pancontinental granted 300,000 stock options to an employee and to consultants of the Company. These options vested immediately. Each of these options is exercisable at \$0.20 and expires on August 30, 2015.

As of the date of this MD&A, Pancontinental has 3,800,000 incentive stock options outstanding of which 3,783,333 are exercisable. Currently, all of the exercisable options are "in the money" representing \$756,667 in potential capital. During the current nine month period, 100,000 stock options previously granted to consultants were cancelled.

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

For further information on share capital and contributed surplus, please refer to notes 6 and 7 of the unaudited interim consolidated financial statements for the nine month period ended September 30, 2010.

RELATED PARTY TRANSACTIONS

Management fees of \$15,000 (2009 – \$10,500) for the current three month period and \$45,000 (2009 – \$31,500) for the nine month period were paid to the Company's President and Chief Executive Officer, Mr. Rick Mark. Management fees of \$21,000 (2009 – \$21,000) for the current three month period and \$63,000 (2009 – \$63,000)

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for the nine month period were paid or became payable to Rustle Woods Capital Inc., a company controlled by an associate of the Company's Chief Financial Officer, Mr. Mark McMurdie. Mr. Mark's agreement provides for monthly remuneration of \$5,000 (increased from \$3,500 per month, effective October 1, 2009) and Mr. McMurdie's agreement provides for monthly remuneration of \$7,000. Each of these agreements is automatically renewed on a monthly basis and continues from year to year. In addition, each agreement may be terminated by the Company upon 30 days written notice and making a lump-sum payment equivalent to one month's remuneration. 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 Crosscontinental. These costs are recorded in the mineral properties account, unless otherwise noted. The Company paid Crossland \$40,835 (2009 - \$51,907) for the three month period and \$118,052 (2009 - \$123,764) for the nine month period for:

- consulting fees for services rendered by Mr. Eupene of \$34,976 (2009 - \$44,788) for the current three month period and \$100,608 (2009 - \$112,394) for the nine month period. Included are consulting fees of \$3,645 (2009 - \$nil) for the three and nine month periods for Mr. Eupene's services in evaluating opportunities for Crosscontinental, these amounts are recorded in the consulting fees account.
- equipment usage fees of \$5,859 (2009 - \$7,119) for the current three month period and \$17,444 (2009 - \$11,370) for the nine month period.

Mr. Peter Walker, a director of the Company and Crossland, provides legal services to the Joint Venture and Crosscontinental. For the services of Mr. Walker, the Company paid Crossland \$nil (2009 - \$495) for the current three period and \$589 (2009 - \$1,209) for the nine month period. Fees for 2010 are recorded in the professional fees account and fees for 2009 are recorded in the mineral properties account.

Crossland acts as operator of the Joint Venture and is entitled to charge operator costs to Pancontinental, comprised of a portion of its overhead and equipment usage costs. Operator costs for the current three month period were \$115,102 (2009 - \$112,094) and \$334,398 (2009 - \$441,352) for the nine month period. Operator costs may include amounts paid to Mr. Eupene and Mr. Walker for consulting 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 (2009 - \$2,100) for the current quarter and \$6,300 (2009 - \$6,300) for the nine month period. The Company's President and Chief Executive Officer, Mr. Mark, also acts as Chief Executive Officer for VMS. In addition, effective July 1, 2010, Company director, Mr. Donald Whalen, became a director of VMS.

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

Mr. Chris Irwin acts as the Company's Corporate Secretary and is a partner in Irwin Lowy LLP (Irwin), the Company's current legal counsel. During the current quarter, legal costs incurred by the Company in relation to Irwin's services amounted to \$5,050 (2009 - \$4,265) and \$14,344 (2009 - \$11,253) for the nine month period.

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Included in accounts payable and accrued liabilities at September 30, 2010 is \$507,483 (2009 - \$225,990) 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 \$491,612 (2009 - \$220,726).

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

OUTLOOK

Through 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 has received little uranium exploration effort since the mid-1980s until very recently. The recent election of pro-uranium development governments in Australia has resulted in increased exploration activity in Australia. In particular, the search for unconformity-related deposits of the type that have contributed significantly to Canada's inventory during that period, including McArthur River, Cigar Lake and Millenium deposits, buried deeply beneath younger basin cover, has been very restricted in Australia and received very little attention. 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 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.

Even though the world oil price has declined from 2008 levels, Pancontinental believes that the demand for uranium is likely to continue to 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. All of these factors are contributing to predictions of supply shortages and strong prices for uranium into the future.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP 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 involve a significant degree of judgement and actual results could differ from these estimates. The Company's accounting policies are described in note 3 of the annual consolidated financial statements for the year ended December 31, 2009.

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Significant areas requiring the use of estimates and assumptions include:

Functional Currency

The determination of functional currency under Canadian GAAP requires a significant degree of judgement. Pancontinental reports its consolidated financial statements using the Canadian dollar as its functional currency. The majority of the Company's expenditures are outside of Canada, primarily in Australia. The transition to a different currency may result in significant changes to reported results from period to period. The Company will continue to review its functional currency, as the Company continues to define its exploration profile.

Mineral Properties

Pancontinental capitalizes its 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 estimated useful lives 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.

Stock-based Compensation

Considerations affecting the fair value of stock-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.

FUTURE ACCOUNTING CHANGES

Business Combinations and related sections

In January 2009, the CICA issued three new standards which will be effective January 1, 2011. These standards are described in:

- Section 1582 "Business Combinations" which replaces Section 1581 and establishes standards to harmonize GAAP with International Financial Reporting Standards ("IFRS") for business combinations.
- Sections 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which together replace Section 1600. Section 1601 establishes standards for preparation of consolidated financial statements. Section 1602 establishes standards for accounting for non-controlling interests in a subsidiary's consolidated financial statements subsequent to a business combination.

The Company is evaluating the impact that these new accounting standards may have on its consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed plans to converge GAAP with IFRS for Canadian entities with public accountability for fiscal years commencing on or after January 1, 2011. Accordingly, the Company will be required to adopt IFRS for its interim and annual consolidated financial statements effective January 1, 2011.

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IFRS I "First-time Adoption of IFRS" provides guidance for the transition to IFRS. Generally, IFRS I requires the application of IFRS to be on a retrospective basis, though IFRS I provides certain exemptions to this retrospective application. For fiscal 2011, the transition to IFRS will require the restatement of all interim financial statements for fiscal 2010 and an opening balance sheet as of January 1, 2010 for comparative purposes.

The Company has developed an IFRS conversion plan which consists of three steps: scoping; assessment and design; and, implementation. The Company has identified the major areas which will be impacted and has assessed, or is currently assessing the various accounting policy and transition election choices available and the changes the conversion to IFRS will have on its financial reporting and business processes. The major areas expected to be impacted by the transition to IFRS are:

Mineral properties (Impact: High)

IFRS 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. Currently, IFRS permits the Company to retain its accounting policies and practices it has applied previously under Canadian GAAP.

The Company anticipates that it will retain the current policy of capitalizing exploration and evaluation expenditures. Under IFRS, the Company expects to write off \$57,491 of capitalized exploration and evaluation expenditures related to its exploration activities in Burkina Faso, West Africa.

Impairment of assets (Impact: High)

Under IFRS, impairment charges for long-lived assets may be more frequent than under Canadian GAAP as IFRS assesses the value of long-lived assets using discounted cash flows, while Canadian GAAP uses undiscounted cash flows. In addition, the reversal of impairment charges is permitted under IFRS, while under Canadian GAAP such reversals are not permitted.

The Company will need to consider such discounting in its impairment analysis when preparing its January 1, 2010 opening balance sheet.

Foreign currency transactions (Impact: High)

IFRS 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; actual rates for revenues and expenses; and, historical rates for equity components. All resulting exchange differences are recognized in other comprehensive income.

The Company is assessing the appropriate functional currency for the Company and its subsidiaries. The transition to a different currency may result in significant changes to line items within its financial statements.

Accounting for joint ventures (Impact: High)

Under IFRS, an exposure draft "Joint Arrangements" proposes that an entity should recognize an interest in a joint venture using the equity method and disallows the use of proportionate consolidation.

The Company currently accounts for its interest in Crosscontinental using proportionate consolidation and as a result of changing to the equity method the values reported for fiscal 2010 will need to be reclassified. The accounts affected by proportionate consolidation are summarized in note 10 of the Company's unaudited interim consolidated financial statements for the nine month period ended September 30, 2010. The resulting equity method investment in Crosscontinental will be \$263,029.

Share-based payments (Impact: High)

Under IFRS, stock options that vest in installments must be accounted for as though each installment is a separate award. In addition, IFRS requires the Company to estimate the number of stock options that are expected to vest

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

IFRS I 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. For the existing share-based payments the impact is immaterial as 3,783,333 (99.5%) of the Company's 3,800,000 outstanding stock options will have vested prior to January 1, 2011.

Provision and contingencies (Impact: Moderate)

Under IFRS, liabilities, including constructive obligations, are recognized if they are probable (defined as 'more likely than not') which is a lower threshold than under Canadian GAAP.

The Company is reviewing all provisions in context with IFRS, though it currently does not expect any significant changes to the line items within its financial statements.

Income taxes (Impact: Moderate)

The primary differences between IFRS and Canadian GAAP revolve around the measurement and recognition of deferred taxes. Under IFRS the assessment of deferred taxes is based on 'probable' criteria.

The Company will need to consider the impact of accounting for income taxes under IFRS when preparing its January 1, 2010 opening balance sheet.

Property, plant and equipment (Impact: Moderate)

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

The Company does not expect any changes to its accounting policies that would result in a significant change to line items within its financial statements.

Related Parties (Impact: Moderate)

Under IFRS, compensation of key management requires disclosure in total and for each of the following categories: (a) short-term employee benefits; (b) post-employee 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.

Financial statement presentation and disclosure (Impact: Moderate)

The presentation and disclosure in the Company's financial statements will change under IFRS which may result in significant differences from the financial statements prepared under Canadian GAAP.

The Company is reviewing its information and technology systems to identify and evaluate areas that may be significantly impacted by the transition to IFRS. The Company may require a system to track share-based payment activity.

During 2010 the Company plans to: make final accounting policy and transition elections; prepare the opening balance sheet as of January 1, 2010; draft financial statement presentation and note disclosure; assess internal controls and risks; and, use external resources to educate the Company's management.

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FINANCIAL INSTRUMENTS

Fair value

The carrying values of the following financial instruments, approximate fair value due to their short-term maturity: cash and, accounts payable and accrued liabilities.

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 13 of Pancontinental's unaudited interim consolidated financial statements for the nine month period ended September 30, 2010.

Foreign Exchange Risk

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

Pancontinental's Australian dollar 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 and term deposits, less than 3% is denominated in United States dollars, approximately 18% in Australian dollars and approximately 10% in Central African francs. Approximately 92% of receivables and 95% 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.

Commodity Price Risk

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

Competition Risk

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

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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 and/or the Company may not earn its interest in the Joint Venture.

Environmental Risk

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

Exploration and Risk

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

Financing and Liquidity Risk

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

Political and Other Risks

Pancontinental's mineral exploration properties, in Australia and Burkina Faso, West Africa, expose the Company to different considerations and other risks not typically associated with companies in North America. Such risks are associated with the political, economic, taxation and legal environments. The Company's ability to raise and deploy capital may be adversely affected by changes in political and social conditions and by changes in government policies, 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					Burkina Faso, West Africa			As at Sept. 30, 2010
	Charley Creek	Chilling	Kalabity	Crossland Creek	Total	Oursi	Other	Total	
Acquisition and property	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2009	133,409	133,860	42,940	-	310,209	27,657	37,328	64,985	375,194
Acquisition costs	-	-	-	-	-	-	-	-	-
Land access and sacred sites	542,656	3,083	-	-	545,739	-	-	-	545,739
Permits and tenements	9,486	20,157	1,548	25,097	56,288	-	-	-	56,288
	552,142	23,240	1,548	25,097	602,027	-	-	-	602,027
Write down	-	-	-	(25,097)	(25,097)	-	-	-	(25,097)
Balance, September 30, 2010	685,551	157,100	44,488	-	887,139	27,657	37,328	64,985	952,124
Exploration									
Balance, December 31, 2009	1,824,354	2,659,140	445,642	-	4,929,136	83,573	18,898	102,471	5,031,607
Assays, laboratory, metallurgy	7,310	60,046	22,867	-	90,223	-	-	-	90,223
Drilling	142,295	-	49,451	-	191,746	-	-	-	191,746
Equipment	118,377	12,783	12,816	-	143,976	-	-	-	143,976
Field expenses	89,062	19,454	4,120	-	112,636	(630)	-	(630)	112,006
Field office and administration	76,023	10,697	1,806	11	88,537	820	1,265	2,085	90,622
Geologist/field consulting/wages	319,362	93,059	38,413	2,411	453,245	59	-	59	453,304
Geological/technical consulting	204,886	50,083	9,877	3,241	268,087	-	-	-	268,087
Geophysics and surveys	10,914	-	-	-	10,914	-	-	-	10,914
Operator costs	243,896	60,650	23,797	6,055	334,398	-	-	-	334,398
Reports and maps	1,439	469	-	-	1,908	-	-	-	1,908
Road maintenance	36,971	1,742	-	-	38,713	-	-	-	38,713
Travel	83,621	27,690	17,475	-	128,786	(190)	-	(190)	128,596
	1,334,156	336,673	180,622	11,718	1,863,169	59	1,265	1,324	1,864,493
Write down	-	-	-	(11,718)	(11,718)	-	-	-	(11,718)
Balance, September 30, 2010	3,158,510	2,995,813	626,264	-	6,780,587	83,632	20,163	103,795	6,884,382
Total	3,844,061	3,152,913	670,752	-	7,667,726	111,289	57,491	168,780	7,836,506