

Pitchstone Exploration Ltd.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2009

Pitchstone Exploration Ltd.
Management's Discussion and Analysis of Financial Results
For the Three Months Ended March 31, 2009
Containing information up to and including May 22, 2009

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Management's Discussion and Analysis ("MD&A") is intended to help the readers understand Pitchstone Exploration Ltd.'s ("Pitchstone" or the "Company") consolidated financial statements. The information provided herein should be read in conjunction with the unaudited consolidated financial statements for the three months ended March 31, 2009 and the audited consolidated financial statements for the year ended December 31, 2008. The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management's control.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management quarterly to review the consolidated financial statements and the MD&A, and to discuss other financial, operating and internal control matters.

The readers are encouraged to review the Company's statutory filings on www.sedar.com and to review general information.

DESCRIPTION OF BUSINESS AND OVERVIEW

Pitchstone was incorporated under the British Columbia's Company Act on April 24, 2003. Since that time, the Company has been involved in the acquisition and exploration of mineral resource properties with the potential to host mineral deposits. On October 14, 2005, Pitchstone's shares began trading on the TSX Venture Exchange as a Tier One Issuer under the symbol "PXP".

The recovery of the Company's investment in its mineral properties is dependent upon the discovery and development of Mineral Resources or Mineral Reserves, and the ability to raise sufficient capital to finance exploration and any potential development and operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters. The Company does not currently have any producing mineral properties.

The Company has seven groups of mineral properties with the potential to host uranium mineralization. The first group is comprised of five properties in the Athabasca Basin region of Saskatchewan (**Uranium One Joint Venture**). These properties had been under an Option Agreement with Uranium One Inc. ("Uranium One") since September 3, 2004. In January 2007, Uranium One completed all the earn-in requirements and acquired 50% of the Company's interest in these properties. The Company and Uranium One have formed a joint venture to explore and develop these Athabasca Basin properties. In 2008, Uranium One stopped funding their share of exploration expenditures and their interest was diluted. At March 31, 2009, the participating interests of the Company and Uranium One were 54.50% and 45.50%, respectively.

The second group is comprised of four 100% owned properties which are located in the Athabasca Basin region of Saskatchewan (**100% Owned Properties**). These include Gumboot, Fireweed, Fisher and a recently acquired claim referred to as Weasel. Two of the properties previously listed as 100% owned properties (Wolverine and Marten) were recently optioned to Japan Oil, Gas and Metals National Corporation ("JOGMEC").

The third group is comprised of the Wolverine and Marten properties in the Athabasca Basin, Saskatchewan recently optioned to JOGMEC (**Wolverine & Marten Properties, JOGMEC Option**). JOGMEC can earn a 50% interest in the properties.

The fourth group is the Johnston Lake property. On March 18, 2009, the Company entered into a Letter Option Agreement with Denison Mines Corp. ("Denison") to acquire up to a 75% interest in Denison's Johnston Lake property in the Athabasca Basin, Saskatchewan (**Johnston Lake Property – Denison Option**).

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The fifth group is comprised of four properties in the Hornby Bay Basin region of Nunavut (**Triex Joint Venture**). These properties are held in a 50:50 Joint Venture with Triex Minerals Corporation ("Triex"). One of these properties, the Mountain Lake property, has an Inferred Mineral Resource of 8.2 million pounds of uranium oxide grading 0.23% U₃O₈ contained in 1.6 million tonnes of rock.

The sixth group of mineral properties is located in Gabon, Africa (**Gabon Optioned Properties**). On February 26, 2006, the Company, together with Cameco Corporation ("Cameco"), entered into a Letter Agreement with Motapa Diamonds Inc. ("Motapa") to jointly explore Motapa's uranium-gold-manganese exploration licenses in Gabon. The Company and Cameco have options to earn up to an 80% (40% each) interest in the licenses by 2013.

The seventh group of mineral properties is located in Namibia, Africa (**Namibia Optioned Properties**). In January 2007, the Company entered into an agreement with Manica Minerals Ltd. ("Manica") to explore three uranium properties in Namibia. The Company had an option to earn up to a 71% interest in these properties and a further option to earn an additional 9%, for a total of 80%. The Company intentionally allowed one of the three properties (Nakop) to lapse in 2008. The Company has exercised the initial option and earned a 51% interest in the two remaining properties (Dome and Kaoko). The Company also elected not to exercise the second option of the Letter Agreement and, combined with the Company sole funding additional exploration in 2009, the participating interests are 55.1% for the Company and 44.9% for Manica.

For additional information on mineral properties see "Mineral Properties" section.

RESULTS OF OPERATIONS

Selected Annual Information

	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
	\$	\$	\$
Total revenues	655,384	2,751,279	2,575,556
Income (loss) for the year	(2,431,698)	604,863	1,378,359
Income (loss) per share – basic	(0.08)	0.02	0.05
Income (loss) per share – diluted	(0.08)	0.02	0.05
Total assets	24,458,268	24,222,699	14,157,541
Total long-term liabilities	4,591,392	3,686,608	898,270
Cash dividends declared – per share	Nil	Nil	Nil

Summary of Quarterly Results

The following table has selected results of operations for each of the eight most recently completed quarters:

	For the Quarter Ended							
	Mar. 31 2009	Dec. 31 2008	Sept. 30 2008	June 30 2008	Mar. 31 2008	Dec. 31 2007	Sept. 30 2007	June 30 2007
Total Revenues	59,021	47,382	244,426	164,826	198,750	197,467	226,113	87,708
Income (Loss) for the period	(146,373)	(1,011,032)	(309,708)	(73,528)	(1,037,430)	(493,715)	25,800	(162,593)
Income (loss) Per Share (Basic)	0.00	(0.03)	(0.01)	0.00	(0.03)	(0.02)	0.00	(0.01)
Income (loss) per Share (Diluted)	0.00	(0.03)	(0.01)	0.00	(0.03)	(0.02)	0.00	0.00

**Results of Operations for the three months ended March 31, 2009
compared to the three months ended March 31, 2008**

In the three months ended March 31, 2009, the Company's net loss was \$146,373 compared to a net loss of \$1,037,430 in the three months ended March 31, 2008. The basic loss per share was \$nil (diluted loss per share - \$nil) in the first quarter of 2009 and basic loss per share was \$0.03 (diluted loss per share - \$0.03) in the same period of 2008.

In the three months ended March 31, 2009, the Company's revenue totaled \$59,021 compared to \$198,750 in the same period of 2008. The revenue decrease was mainly due to interest income and a decrease in overhead recoveries.

During the three month period ended March 31, 2009, the Company's interest income decreased significantly by \$71,524 compared to the same period last year due to a decrease in interest rates and a decrease in cash investments in Canadian financial institutions - \$6 million in the first quarter of 2009 compared to \$8 million in the same period of 2008.

Overhead recoveries decreased by \$71,038 in the first quarter of 2009 compared to the same period last year. This was due to Uranium One's decision not to fund on-going exploration activities.

Filing and transfer agent fees decreased by \$7,832 as a result of fewer activities in stock transactions and SEDAR filings. Stock based compensation of \$12,281 was recorded for stock options vested in the first quarter of 2009 and \$765,963 was recorded for the same period in 2008. Excluding the non-cash stock-based compensation, the administrative costs for the three months ended March 31, 2009 and 2008, totaled \$193,113 and \$267,844 respectively. The decrease of \$74,731 in administrative costs was due to one less employee in the first quarter of 2009 comparing to the same period last year and a decrease in amortization expenses.

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MINERAL PROPERTIES

Summary of Mineral Property Expenditures and Exploration Activities

	Athabasca Basin Properties, Saskatchewan Uranium One Joint Venture	Athabasca Basin Properties, Saskatchewan 100% Owned Properties	Hornby Bay Basin Properties, Nunavut Trix Joint Venture	Gabon Optioned Properties Africa	Namibia Optioned Properties Africa	Total
Balance at December 31, 2007	\$ 6,207,210	\$ 1,869,429	\$ 3,402,939	\$ 266,339	\$ 427,313	\$ 12,173,230
Aircraft charter	266,164	61,475	-	-	-	327,639
Camp and general	492,760	37,911	25,334	48,213	320	604,538
Drilling	1,134,169	119,135	1,379,884	-	97,479	2,730,667
Geological	154,614	26,153	31,346	99,489	223,549	535,151
Geochemical	5,693	11,124	-	98,020	41,937	156,774
Geophysical	4,632	207,256	39,879	115,058	-	366,825
Linecutting and chaining	1,877	-	-	-	-	1,877
Mineral claims expenses	990	488	15,894	-	25,000	42,372
Overhead	-	-	124,774	903	-	125,677
Sampling and analysis	67,440	8,321	(9,935)	264	3,069	69,159
Travel	30,582	5,162	3,041	32,770	1,653	73,208
Community relations	1,001	619	5,996	-	-	7,616
Recovery from JV partner	(315,348)	-	-	-	-	(315,348)
Total expenditures for the year	1,844,574	477,644	1,616,213	394,717	393,007	4,726,155
Mineral property write-downs	-	-	(377,044)	-	(184,032)	(561,076)
Balance at December 31, 2008	\$ 8,051,784	\$ 2,347,073	\$ 4,642,108	\$ 661,056	\$ 636,288	\$ 16,338,309
Aircraft charter	51,499	-	-	-	-	51,499
Camp and general	212,024	171,631	-	-	-	383,655
Drilling	430,124	497,645	-	-	87,951	1,015,720
Geological	42,310	39,932	-	(5,567)	95,282	171,957
Geochemical	479	-	-	-	-	479
Geophysical	15,473	29,800	-	-	-	45,273
Linecutting and chaining	6,842	-	-	-	-	6,842
Mineral claims expenses	1,179	1,207	-	-	35,000	37,386
Overhead	-	-	-	-	-	-
Sampling and analysis	22,287	15,466	-	-	-	37,753
Travel	8,272	7,889	-	-	5,655	21,816
Community relations	84	-	-	-	-	84
Recovery from partners	(109,488)	(200,000)	-	-	-	(309,488)
Total expenditures for the year	681,085	563,570	-	(5,567)	223,888	1,462,976
Mineral property write-downs	-	-	-	-	-	-
Balance at March 31, 2009	\$ 8,732,869	\$ 2,910,643	\$ 4,642,108	\$ 655,489	\$ 860,176	\$ 17,801,285

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Cumulative totals as of March 31, 2009:

	Athabasca Basin Properties, Saskatchewan Uranium One Joint Venture	Athabasca Basin Properties, Saskatchewan 100% Owned Properties	Hornby Bay Basin Properties, Nunavut Triex Joint Venture	Gabon Optioned Properties Africa	Namibia Optioned Properties Africa	Total
Cumulative totals as of March 31, 2009:						
Aircraft charter	\$ 663,673	\$ 359,256	\$ -	\$ -	\$ -	\$ 1,022,929
Camp and general	1,235,868	426,047	58,814	52,464	678	1,773,871
Drilling	2,633,188	1,234,022	2,972,846	-	185,431	7,025,487
Geological	398,743	101,753	382,191	166,517	476,134	1,525,338
Geochemical	6,172	11,124	-	98,020	58,280	173,596
Geophysical	135,426	716,637	482,838	266,934	126,671	1,728,506
Linecutting and chaining	88,168	117,235	-	-	-	205,403
Mineral claims expenses	3,063	122,096	276,491	3,254	148,833	553,737
Overhead	-	-	391,799	903	-	392,702
Sampling and analysis	126,114	44,530	436,412	264	3,069	610,389
Travel	68,466	26,294	11,765	67,133	45,112	218,770
Community relations	1,085	619	5,996	-	-	7,700
Recovery from partners	(595,613)	(200,000)	-	-	-	(795,613)
Government assistance	(31,484)	(48,970)	-	-	-	(80,454)
Deemed value in joint venture	4,000,000	-	-	-	-	4,000,000
Total expenditures before write-downs	8,732,869	2,910,643	5,019,152	655,489	1,044,208	18,362,361
Mineral property write-downs	-	-	(377,044)	-	(184,032)	(561,076)
Balance at March 31, 2009	\$ 8,732,869	\$ 2,910,643	\$ 4,642,108	\$ 655,489	\$ 860,176	\$ 17,801,285

Athabasca Basin Properties, Saskatchewan – Uranium One Joint Venture

In January 2007, the Company and Uranium One, a TSX listed company, entered into a 50:50 joint venture to explore five Athabasca Basin properties. To exercise its 50% option and earn a 50% interest, Uranium One made total cash payments of \$350,000, issued an aggregate of 200,000 common shares and 300,000 share purchase warrants to the Company. In addition, Uranium One funded \$4,000,000 of aggregate exploration expenditures on the five Athabasca Basin properties.

The Company recognized its 50% interest in the joint venture at a deemed value of \$4,000,000, equivalent to the \$4,000,000 spent by Uranium One.

In the last quarter of 2008, Uranium One's participating interest was diluted when Uranium One stopped funding their share of exploration expenditures. When the exploration programs started in early 2009, Uranium One's participant interest was further diluted. The participating interests in Darby, Waterfound, Moon Lake, and Lynx Lake properties for the Company and Uranium one are 54.50% and 45.50%, respectively. Participating interests in the Candle property for the Company, Uranium One, and JCU are 40.87%, 34.13%, and 25%, respectively.

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The Company is the operator of these five joint venture properties. As of March 31, 2009, the Company's share of exploration expenditures on these five properties totalled \$8,732,869 (December 31, 2008: \$8,051,784). This total includes the deemed value of the properties at the time of Uranium One's earn in to the Joint Venture.

Athabasca Basin Properties, Saskatchewan - Uranium One Joint Venture			
	March 31, 2009		December 31, 2008
50% interest in joint venture	\$	4,000,000	\$ 4,000,000
Darby Property		2,656,954	2,301,147
Waterfound Property		320,850	295,792
Lynx Lake Property		40,720	37,544
Moon Lake Property		317,653	292,988
Candle Property		1,428,176	1,155,797
Unallocated assistance received		(31,484)	(31,484)
	\$	8,732,869	\$ 8,051,784

During 2007, Uranium One and the Company drilled approximately 11,615 meters at Darby-Candle and Waterfound, and electromagnetic surveying was completed on Darby-Candle and Lynx Lake properties.

A contract was signed on March 13, 2007 with Bryson Drilling Ltd. ("Bryson") whereby the Company bought a diamond drill and Bryson provided other drilling equipment and performed drilling exclusively for the Company. Bryson then bought the drill from the Company in October 2007 after having drilled 10,000 meters on the Company's properties. In November 2007 the Company signed a new contract with Bryson to complete a minimum of 14,000 meters of drilling on the Company's Saskatchewan properties during 2008. The contract with Bryson also provided the Company with options for Bryson to complete an additional 20,000 meters of diamond drilling in 2009 and 20,000 meters of diamond drilling in 2010. In 2008, a total of 13,463 meters was drilled on Uranium One Joint Venture properties. Most of this drilling was completed on Darby and Candle, with a minor amount of drilling also completed on the at Moon Lake property. In the first quarter of 2009, a total of 2,726 meters was drilled on Uranium One Joint Venture properties.

In October 2008, Uranium One has elected not to contribute to the 2009 approved programs. As a result, the Company has funded 100% of the Uranium One Joint Venture exploration expenditures, except for the Candle property (JCU has funded its 25% share).

Darby & Candle Properties

The Darby and Candle properties are contiguous and comprise 19,316 hectares.

On April 3, 2004 the Company signed an option agreement with JCU in respect of the Candle property whereby the Company could acquire a 75% undivided interest in the property. In March 2007, the Company and Uranium One jointly earned a 75% interest in the property. The remaining 25% interest is held by JCU and the parties were proceeding on a 37.5%/37.5%/25% joint venture basis. In October 2008, Uranium One's participating interest was diluted when it stopped funding its share of the exploration expenditures. Its participating interest was further diluted when it elected not to contribute to the 2009 approved programs. The joint venture interests at the three months ended March 31, 2009 was 54.50% and 45.50% the Company and Uranium One, respectively. The joint venture interests on the Candle property for the Company, Uranium One, and JCU were 40.87%, 34.13%, and 25% respectively.

A total of 55 kilometers of conductive zones have been outlined on the Darby-Candle properties. During February and March 2006, a total of 2,032 meters of drilling in three holes was completed as an initial test of three separate conductors. Two of the three holes, both on the Candle Property, encountered zones of anomalous radioactivity. The most significant radioactivity was in hole CD02, which intersected 2.6 meters that averaged 169 parts per million ("ppm") uranium ("U"), including 0.5 meter that contained 422 ppm U

(0.05% U_3O_8). During November 2006, 1,968 meters of core drilling had been completed in three holes on the Darby property.

Core drilling on Darby-Candle during 2007 totalled 8,535 meters in 15 holes. In July 2007, drill hole CD14 on the Candle property intersected a 3.2 meter interval of uranium mineralization from 647.1 to 650.3 meters that assayed 0.31% U_3O_8 , including 0.9 meter that contained 0.76% U_3O_8 . The mineralization in drill hole CD14 was considered significant by management. In August 2007, CD14D1, which is a daughter hole wedged off of CD14 to the west, was completed. CD14D1 intersected a 0.8 meter radioactive zone, from 672.7 to 673.5 meters, that averaged 850 ppm U (0.10% U_3O_8), including 0.15 meter that contains 1,810 ppm U (0.21% U_3O_8). Numerous other anomalous pathfinder metals are present in CD14D1 including an average of 21.3 g/t silver and 0.39% molybdenum over the 0.8 meter radioactive interval. Mineralization intersected in CD14 and CD14D1 has been designated the 97G zone. A 25 line-kilometer fixed-loop electromagnetic survey was also completed on Darby during March 2007.

Drilling during 2008 totalled 8,167 meters in 12 drill holes at Candle and 3,974 meters in 8 drill holes at Darby. Drill hole CD25, 100 meters north of CD14 and CD14D1, intersected strong alteration in the upper part of the Athabasca Group sandstone and a narrow, strongly radioactive zone in basement rocks. This radioactive interval has a 0.5 meter core length in altered pelitic gneiss, from 655.3 to 655.8 meters, that averaged 1.91% U_3O_8 , including a 0.2 meter core length from 655.5 to 655.7 meters that averaged 4.18% U_3O_8 . The mineralization is associated with a black, pyritic vein cutting the core at an acute angle, with a true thickness of approximately 5 centimeters; the vein orientation is interpreted to be almost vertical with a northerly strike.

Follow up drilling to CD25 in the summer did not intersect significant radioactivity, but the zone is still considered to be open along strike to the north.

The prospectivity of the east end of the 97H conductor, in proximity to the 97G zone, was improved with drill hole CD33. This hole intersected weak but anomalous uranium throughout most of the Athabasca Group sandstone column.

Diamond drilling at Darby in 2008 was successful in advancing two other target areas; the 95B conductor, and the east end of the 95D conductor. At 95B in the central part of the Darby property, drill hole DB30R contributed to the interpretation of structure and stratigraphy. Also, the prospectivity of the east end of the 95D conductor, in the northeast part of the Darby property, has been upgraded by drill hole DB27, which intersected anomalous geochemistry in basal sandstone above graphitic pelitic gneiss in the basement, and a 0.3 m interval in the basement that assayed 0.12% U_3O_8 .

A total of 2,726 meters of drilling was completed on Darby and Candle in four drill holes during the first quarter of 2009. No significant mineralization was observed in the core, however, weakly anomalous radioactivity and graphitic pelitic gneisses in the basement were intersected and require follow-up exploration.

Waterfound Property

In 2003 and 2005 the Company staked the 4,124 hectare Waterfound Property. This property is located 55 kilometres north of the Darby-Candle properties.

A fall 2005 diamond drilling program at the Waterfound property was originally planned to be 2,000 meters and was expanded to 2,714 meters in 5 holes after encouraging initial results from the first three drill holes were encountered. Strong metal enrichment and favorable alteration have been intersected over a large area on the Waterfound Property.

In May to June 2006, a second phase of drilling was completed with a total of 2,275 meters drilled in four holes. All four holes encountered anomalous radioactivity in proximity to the Athabasca Group unconformity. Hole WF07 intersected a 0.85 meter mineralized core interval, immediately below the unconformity, that assayed 0.07% U_3O_8 , including a 0.2 meter interval of 0.18% U_3O_8 . These are the highest uranium values

obtained at Waterfound to date. Also in October 2006, a 26 line kilometer resistivity survey was completed at Waterfound with the purpose of helping to refine drill targets.

In October 2007, a total of 3,080 meters of diamond drilling was completed in six holes at Waterfound. Five holes were completed to target depths and each intersected anomalous uranium in proximity to the Athabasca Group unconformity. The most significant intersections included 1.6 meters (450.6-452.2 meters) of 100 ppm U, including 0.1 meters (451.5-451.6 meters) of 598 ppm U, in drill hole WF12, and 1.2 meters (435.6-436.8 meters) of 173 ppm U in drill hole WF13. The primary objective of the October 2007 diamond drill holes was to test several ground geophysical (DC-resistivity) anomalies. At least one hole (WF10R) intersected significant sandstone alteration, consistent with the position of a DC-resistivity anomaly. This hole's location on the far north end of the drilling pattern suggests that prospective geology may exist beyond the limits of the present drilling.

Lynx Lake Property

In 2004, the Company acquired the Lynx Lake mineral claim totaling approximately 1,274 hectares by way of staking. The property is located 35 kilometers southwest of the Company's Darby-Candle properties.

An airborne magnetic-electromagnetic MEGATEM survey that totaled 102 line-kilometers was completed over the property in 2005. A 26 line-kilometer fixed-loop electromagnetic survey was completed at Lynx Lake in March 2007. Additional geophysical surveys are being contemplated.

Moon Lake Property

In 2003 and 2004 the Company acquired contiguous mineral claims of approximately 1,637 and 2,953 hectares, respectively, by way of staking. The 4,590 hectare Moon Lake property is 55 kilometers southwest of the Darby-Candle properties and one kilometer east of Cameco's Millennium deposit.

An airborne magnetic-electromagnetic MEGATEM survey that totaled 334 line-kilometers was completed over the property in 2005. In March 2006, the Company completed three lines of moving loop electromagnetic surveying totaling 10.2 line kilometers. Two weak conductive zones were identified from a preliminary interpretation. A 1,323 meter program of diamond drilling in two drill holes was completed at Moon Lake in August, 2008. No significant radioactivity, mineralization or alteration was intersected in either of the two drill holes.

The Company also holds a 3% net smelter royalty on two claims, S-107557 and S-107558, adjacent to the Moon Lake property. CanAlaska Ventures Ltd., the owner of the claims, can purchase 1% of the net smelter royalty for \$1,500,000. Uranium One has a 45.5% interest in the NSR on that portion of the two claims within one kilometer of the Moon Lake Property.

Athabasca Basin Properties, Saskatchewan - 100% Owned Properties

The Company has four 100% owned exploration properties in the eastern Athabasca Basin, Saskatchewan, that are prospective for uranium. The four properties, Fireweed, Gumboot, Fisher and Weasel, total approximately 19,309 hectares, and were acquired by way of staking.

The Fireweed property (10,921 hectares) is located 15 kilometers northwest of the Company's Darby-Candle properties and was acquired in October 2004. The Gumboot property (4,196 hectares) is located 20 kilometers north of the Company's Darby-Candle properties and was acquired in November 2004.

In February 2006, the Company completed moving loop electromagnetic surveys on the Fireweed and Gumboot properties to help define conductors reported to exist on the properties. A total of 178 kilometers of grid lines were cut and 35.2 kilometers of electromagnetic surveying completed. An airborne magnetic gradiometer survey that totalled 1,634 line kilometers was also completed over the properties in February 2006.

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In November 2005, the Company acquired the 3,349 hectare Fisher property by way of staking. Fisher is located 40 kilometers north of the Company's Darby-Candle properties. In September 2006, a 473 line kilometer airborne magnetic survey was completed over the property and a ground fixed loop electromagnetic survey was completed in February 2007.

In 2007 a total of 2,892 meters was drilled in four holes at Gumboot and a total of 1,706 meters in two holes was drilled at Fireweed. Anomalous uranium was intersected in proximity to the Athabasca Group unconformity in two holes at Gumboot. Hole GB01 intersected a 1.75 meter interval in sandstone that averages 0.04% U₃O₈, including 0.3 meter of 0.10% U₃O₈. Hole GB02 intersected a 2.2 meter interval, also in sandstone, that averages 0.03% U₃O₈, including 0.3 meter of 0.07% U₃O₈. Anomalous quantities of numerous other metals are associated with these intersections at Gumboot including nickel to 0.43%, cobalt to 0.13% and arsenic to 1.01%. These metals are often associated with high grade Athabasca deposits. Narrow intervals of weakly anomalous uranium values in basement units were recorded at Fireweed (to 36 ppm U) and Gumboot (to 21 ppm U).

In 2008, one hole (GB04) was drilled to a depth of 800 meters at Gumboot. A zone of 0.09% U₃O₈ over 0.2 meter was intersected in GB04 between 668.3 and 668.5 meters, however, much of the core in a 35 meter interval of anomalous radioactivity immediately above the unconformity was not recovered.

In 2009, 2,981 meters of drilling was completed in four holes on the Gumboot property. Significant zones of strong fracturing and alteration in proximity to the unconformity were intersected in all holes. Uranium mineralization to 0.11% U₃O₈ over 4.2 meters, including 2.06% U₃O₈ over 0.1 meter, was intersected in hole GB07. High assays for other metals, including nickel to 10.8%, cobalt to 4.60%, and silver to 52 g/t, were also encountered. A gravity survey over the conductive zone was also completed. A further 3,000 meters of drilling at Gumboot is scheduled to begin in June 2009.

The Company recently acquired the 843 hectare Weasel property by staking. Weasel is contiguous with the southwest part of the Company's Darby property.

As of March 31, 2009 and December 31 2008, the Company spent a total of \$3,110,643 and \$2,347,073, respectively, on its 100% owned properties. These totals include exploration completed on the Wolverine and Marten properties to March 31, 2009. These properties have now been optioned to JOGMEC and are described in the following section.

Athabasca Basin Properties, Saskatchewan - 100% Owned properties

	March 31, 2009	December 31, 2008
Fireweed	\$ 811,818	\$ 811,786
Gumboot	1,902,600	1,139,094
Fisher	116,817	116,785
Marten	35,705	135,705
Wolverine	43,703	143,703
	\$ 2,910,643	\$ 2,347,073

Athabasca Basin Properties, Saskatchewan – Wolverine & Marten Properties, JOGMEC Option

In June 2007, the Company acquired the Marten and Wolverine properties in the Athabasca Basin, Saskatchewan by way of staking. Marten (2,768 hectares) is located 40 kilometers east-southeast of the Company's Darby-Candle properties. Wolverine (3,632 hectares) is located 30 kilometers southeast of the Company's Darby-Candle properties.

A helicopter-borne electromagnetic and magnetic survey consisting of 1,097 line kilometers was completed on the Marten and Wolverine properties in September 2008. The survey was designed to help map basement lithology and structure and to test for conductors.

On March 11, 2009, Wolverine and Marten properties were optioned to JOGMEC. JOGMEC can acquire an undivided 50% interest in the properties by paying Pitchstone \$200,000 (paid) as an initial contribution for prior expenditures and spending \$1,800,000 in exploration on the properties by March 31, 2012. Pitchstone will be the initial operator with respect to the work to be carried out on the property.

Athabasca Basin Properties, Saskatchewan - Johnston Lake Property, Denison Option

On March 18, 2009, the Company entered into a Letter Agreement with Denison to acquire up to a 75% interest in the Johnston Lake property in the Athabasca Basin, Saskatchewan. Johnston Lake comprises 15,666 hectares in four claims. Three of the claims are contiguous to the east and north with the Company's Gumboot property, and the fourth claim is about two kilometers further north.

Terms of the Letter Agreement provide the Company with the option to earn an initial 49% interest in the licences by incurring exploration expenditures of \$1,000,000 by February 28, 2012. In addition, the Company will have a second option to acquire a further 26% interest, for a total interest of 75%, by spending an additional \$1,000,000 on exploration by February 28, 2014. The Company will act as initial operator with respect to the work to be carried out on the property.

Hornby Bay Basin Properties, Nunavut and – Triex Joint Venture

On May 9, 2005, the Company entered into a 50:50 joint venture with Triex to explore the Mountain Lake, West Dismal, and Leith properties, located in the Hornby Bay Basin of Nunavut and Northwest Territories. The Mountain Lake uranium deposit contains a 43-101 compliant Inferred Mineral Resource of 8.2 million pounds of U₃O₈ with an average grade of 0.23% U₃O₈, contained in 1.6 million tonnes of rock.

In April 2006, two claim blocks totaling 59,760 hectares were optioned by the Company and Triex. These claim blocks included the Dismal Lake property and additional claims contiguous with the Mountain Lake property. The Company and Triex have paid a total of \$35,000 in cash to the property vendors, Ur-Energy Inc. ("URE") and Patrician Diamonds Inc. ("Patrician"), and in addition a cumulative \$1,225,000 was spent on the two properties by September 30, 2007. At the end of 2007, the earn-in requirements were met and the Company and Triex have completed the purchase of these properties subject to a 5% net smelter return royalty retained by the property vendors. The Company and Triex have the right to purchase one half of the retained royalty for \$5,000,000 for each property.

In July 2006, the Company and Triex acquired 100% of the Kendall River property from Aramis Ventures Inc. ("Aramis"). The purchase terms included a cash payment of \$25,000 (paid) and completion of \$50,000 (requirement met) of assessment work on the property. The vendor will retain a 5% net smelter return royalty half of which the Company and Triex have the right to purchase for \$2.5 million.

An exploration program of geochemistry, geophysical surveys, prospecting and diamond drilling on the Hornby Bay Basin properties, with a total budget of \$2.3 million, was initiated in May 2007 and was completed by the end of August, 2007. Work was performed on the Mountain Lake, Dismal Lake, West Dismal and Kendall River properties. During the third quarter of 2007, the drill program was completed with 2,818 meters drilled in 11 holes of which 3 holes were at Mountain Lake and 8 holes were at Dismal Lake.

A \$3.1 million budget was approved by the Joint Venture for 2008. The program included 5,000 meters of diamond drilling in eighteen holes to evaluate untested targets at Dismal Lakes, Helmut, Jenny Lake and Kendall River, and Ohm Mapper resistivity surveying. A total of 3,172 meters in 13 drill holes was completed in the 2008 exploration program that ended in early August, 2008. Seven of these drill holes were located on the Mountain Lake property, three on the Dismal Lake property and three on the Kendall River property. No significant radioactivity was observed in any of the drill holes. Ohm Mapper geophysical surveying was completed on the Mountain Lake and Dismal Lakes properties.

No exploration has been conducted on the Hornby Bay Basin properties in the first Quarter of 2009.

As a result of the expiration of permits at Leith and West Dismal, and claims at Dease River, the Joint Venture no longer holds any mineral property in the Northwest Territories and wrote down \$377,044 in exploration expenditures during 2008.

Mountain Lake Property

In 2004, the Company acquired a 50% interest in the Mountain Lake uranium property located in the Hornby Bay Basin, Nunavut. The property is situated approximately 550 kilometers north of Yellowknife, 100 kilometers south of Kugluktuk (formerly Coppermine), and comprises 8 mineral claims totaling 6,647 hectares. In 2006, the Company and Triex acquired an additional 41 claims (38,544 hectares) contiguous with the original Mountain Lake property from URE.

On the Mountain Lake property, the Mountain Lake deposit contains an estimated Inferred Mineral Resource of 8.2 million pounds U_3O_8 , with an average grade of 0.23% U_3O_8 , contained in 1.6 million tonnes of rock, at depths between 28 and 136 meters (see the NI 43-101 compliant Mineral Resource estimate report filed on www.sedar.com for more details). Two types of mineralization have been recognized to date; dominantly stratabound sandstone-hosted and minor discordant fracture filling mineralization. Fracture controlled mineralization included an intersection of 5.19% U_3O_8 over a 0.9 meter core interval.

During April to June 2006, a total of 3,101 meters in 20 diamond drill holes was completed on the Mountain Lake property. Drilling confirmed the mineralization within the main deposit and extended it at shallow depth to the southwest under Fran Lake. Seven of the holes returned significant mineralization. The better intersections included 0.11% U_3O_8 over 4.5 meters, including 0.33% U_3O_8 over 1.5 meters, under Fran Lake, and 0.17% U_3O_8 over 4.5 meters, including 0.32% U_3O_8 over 2.0 meters, in the main deposit. Also, a new zone of anomalous radioactivity was identified at Jenny Lake about one kilometer northwest of the Mountain Lake deposit.

During July to August 2006, a 1,310 line kilometer airborne radiometric survey at 200 meter line spacing was completed over that portion of the Mountain Lake property optioned from URE.

During the summer of 2007, three additional drill holes that totalled 477 meters were completed at Mountain Lake. Thin zones of weak radioactivity were intersected. Additional drilling was planned for other targets on the Mountain Lake property but was not completed due to poor drilling performance. Soil sampling and Ohm Mapper surveying were also completed on the property in 2007.

Seven holes totaling 1,654 meters were drilled in 2008 at the Mountain Lake property. Four of these were drilled at the Helmut Lake target north of the Mountain Lake deposit, three of which were completed to designed depths. The other three were drilled at the Jenny Lake target area northwest of the Mountain Lake deposit. No significant radioactivity was observed.

West Dismal Property

In 2005, Triex was granted seven prospecting permits comprising 105,097 hectares (West Dismal property) in the Northwest Territories and Nunavut for uranium exploration. These permits were situated approximately 70 kilometers west of the Mountain Lake property, 570 kilometers north of Yellowknife, Northwest Territories and 150 kilometers southwest of Kugluktuk, Nunavut. These permits expired early in 2008.

In May 2005, Triex staked two strategic areas contiguous to the West Dismal permits, designated as the Sandy Creek claims (10,451 hectares) and Dease River claims (2,090 hectares). These claims are also jointly owned by Triex and the Company and comprise part of the West Dismal property. During 2005, an 81 line-kilometer GEOTEM survey, conducted by Fugro Airborne Surveys at 300 meters line spacing, was completed over a test area of the West Dismal property. Other exploration work on the property included ground and airborne radiometric surveying, geological mapping and prospecting.

In early 2008, as a result of the expiration of prospecting permits and lapse of some claims, a large portion of the West Dismal lands are no longer held by the Joint Venture. The only portion of the West Dismal property that remains is located in Nunavut and is called the Sandy Creek property. During 2008, the Company wrote down \$307,616 on West Dismal properties.

Leith Property

In 2005, Triex was granted two prospecting permits for uranium exploration, the Leith property, comprising 32,722 hectares in the Northwest Territories. These permits were situated approximately 400 kilometers northwest of Yellowknife.

In September 2006, a 700 line kilometer GEOTEM (magnetic and electromagnetics) survey was flown at 400 meters line spacing by Fugro Airborne Surveys over the property. These permits expired early in 2008. As a result, \$70,487 of the mineral property costs were written-off in the first quarter of 2008.

Dismal Lake Property

In 2006, the Company and Triex acquired 17 claims (13,921 hectares) from URE and 10 claims (7,295 hectares) from Patrician. These contiguous claims are prospective for uranium and are situated 40 kilometers northwest of the Mountain Lake property in the Hornby Bay Basin, Nunavut.

During July and August 2006 exploration included a 730 line kilometer airborne radiometric survey at 200 meter line spacing, 100 line kilometers of ground magnetic surveying, and 400 soil samples on the Dismal Lake property. This data was compiled and used to help locate drill targets.

During the summer of 2007, a total of 2,341 meters were drilled in eight holes at the Dismal Lake Property; no significant radioactivity was encountered. Ohm Mapper surveying and additional soil sampling were also completed.

In 2008, a total of 752.9 meters in three drill holes was completed at Dismal Lakes. No significant radioactivity was observed in any of the drill holes.

Kendall River Property

In 2006 the Company and Triex acquired 4 claims (4,180 hectares) from Aramis. The Kendall River property is prospective for uranium and is situated 15 kilometers southeast of the Mountain Lake property in the Hornby Bay Basin, Nunavut. A discrete dispersion train of radioactive boulders on the property had never been investigated by drilling.

During July to August 2006 exploration completed included a 388 line kilometer airborne radiometric survey at 200 meter line spacing, 124 line kilometers of ground magnetic surveying, and 1,200 soil samples. During 2007 exploration on the Kendall River property included Ohm Mapper surveying and soil sampling. A total of 762.3 meters was completed in 3 drill holes on the property in 2008. No significant radioactivity was observed in any of the drill holes.

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Triex is the operator of these properties. As of March 31, 2009, the Company spent a total of \$5,019,152 on the joint venture properties and wrote down \$377,044 of the mineral property costs as a result of the expiration of certain prospecting permits and claims.

Hornby Bay Basin Properties, Nunavut - Triex Joint Venture

	March 31, 2009		December 31, 2008	
Mountain Lake Property	\$	1,930,808	\$	1,930,808
Mountain Lake – URE		675,636		675,636
West Dismal Property		418,675		418,675
Leith Property		70,487		70,487
Dismal Lake - Patrician		510,075		510,075
Dismal Lake - URE		853,749		853,749
Kendall River Property		559,722		559,722
		5,019,152		5,019,152
Mineral property write-downs		(377,044)		(377,044)
	\$	4,642,108	\$	4,642,108

Gabon Optioned Properties, Africa

On February 26, 2006, the Company and Cameco signed a Letter Agreement with Motapa to jointly explore Motapa's exploration licenses in Gabon, Africa. Motapa holds the exclusive rights to explore for uranium, gold and manganese on approximately 600,000 hectares of the Franceville Basin in central Gabon. The Company, Cameco and Motapa finalized the Letter Agreement on June 12, 2006, and the licenses were ratified by the president of Gabon on September 12, 2006.

Terms of the Letter Agreement provide Cameco and the Company with the option to earn a 56% (28% each) interest in the licenses by incurring exploration expenditures of \$3,500,000 (\$1,750,000 each) over a four year period. In addition, the parties will have a second option to acquire an additional 24% interest (12% each) by expending a further \$8,500,000 (\$4,250,000 each) within three years following the completion of initial vesting. The Company's obligation is a cumulative expenditure of \$500,000 during the first two years of exploration, which began January 1, 2007.

A 13,352 line kilometer airborne magnetic and radiometric survey of approximately 170,000 hectares of the property was completed in July, 2007. Reconnaissance geochemical surveying, two Transient Audio Magneto-Telluric test lines that totalled 75 line kilometers, stream sediment sampling and prospecting were also completed in 2007.

During 2008 a sampling, geological mapping and prospecting program was conducted to follow up anomalous areas within various parts of the licenses. A total of 338 stream sediment and 326 rock samples were collected and analyzed. Also in 2008, an 877 line kilometer, helicopter-borne electromagnetic survey was completed on part of the license area. The results have been integrated with other geophysical and geochemical data and targets worthy of follow up exploration have been generated.

No exploration on the Gabon properties was completed during the first Quarter of 2009. As at March 31, 2009 and December 31, 2008, the Company had spent \$655,489 and \$661,056, respectively, on the Gabon optioned properties.

Namibia Optioned Properties, Africa

The Company entered into a Letter Agreement on January 18, 2007 with Manica to acquire a 51% interest in three uranium exploration properties in Namibia, Africa. The initial option may be exercised by spending

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\$900,000 in exploration work on the properties by November 9, 2008 (the "Initial Option Date") and making the following cash payments to Manica:

\$15,000 on signing the Letter Agreement (paid),
\$25,000 by the first anniversary of the date of the Letter Agreement (paid),
\$35,000 by the second anniversary of the date of the Letter Agreement (paid).

Once the initial option had been exercised, the Company would have additional options to earn further interests in the properties, to a total of 80%,

In addition, on April 20, 2007, the Company issued 15,000 common shares to Manica, for a right of first refusal on any new uranium licenses acquired in Namibia by Manica.

On September 24, 2008, the Company and Manica signed an amendment to the Letter Agreement dated January 18, 2007 to extend the Initial Option Date by one year to November 9, 2009.

During 2007, magnetic and radiometric data covering Dome and Nakop were acquired and interpreted, satellite spectral data covering Nakop and Kaoko were acquired and interpreted, an initial prospecting and sampling program was completed at Nakop, and time domain electromagnetic depth soundings and radon gas surveys were completed at Dome and Kaoko. Radon anomalies were outlined on both the Kaoko and Dome properties.

In 2008, a program of geological mapping, prospecting and lithogeochemistry was completed at Kaoko, and a program of radon sampling was completed at the Dome property. During the period November, 2008 to February, 2009, an initial drill test of a Rössing style, granite-hosted uranium target on the Dome property, was completed. The program totaled 1,294 meters in eight drill holes. Several drill holes confirmed the presence of favourable stratigraphy. Weakly anomalous radioactivity was observed in several holes and one intersected leucogranite ("alaskite") similar to that which hosts uranium mineralization at Rössing. No significant uranium mineralization was observed.

A program of scintillometer prospecting was completed on the northern part of the Dome property in the first quarter of 2009. The program was successful in locating uranium mineralization exposed intermittently on surface along a 2.5 kilometer long dry drainage channel. A program of ground electromagnetic geophysics is being completed to help define drilling targets.

As of March 11, 2009, the Company has exercised the initial option and earned a 51% interest in the two properties (Dome and Kaoko) in Namibia. The Company elected not to exercise the second option of the Letter Agreement and a joint venture has been formed. The Company is sole funding 2009 exploration costs and the participating interests are currently 55.1% for the Company and 44.9% for Manica.

The anniversary date for the Nakop licences was July 18, 2008 and the licenses were not renewed. In 2008, the Company wrote off \$184,032 on the Namibia properties as a result of the expiration of the Nakop licenses. As of March 31, 2009 and December 31, 2008, the Company had spent \$1,044,208 (including the \$184,032 written-off) and \$820,320, respectively, on the Namibia optioned properties.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2009, the Company had \$6,176,548 in cash and cash equivalents and working capital of \$6,165,660 (December 31, 2008, \$7,956,118 and \$7,784,046, respectively).

During the first quarter 2009, the Company spent \$1,326,044 on exploration and \$13,463 on the purchase of equipment compared to \$1,044,806 and \$15,872 respectively in the same period of 2008.

The Company's authorized share capital consists of an unlimited number of common shares without par value. As the end of the first quarter 2009, the Company had 33,444,785 issued and outstanding common shares. As of the date of this MD&A the Company had 33,444,785 common shares issued and outstanding.

The Company has established a share purchase option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant. Options vest on the grant date unless determined otherwise by the Board of Directors.

In 2008, the Company granted 635,000 new stock options at exercise prices ranging from \$0.23 to \$1.35 per share to directors and employees. The Company also cancelled 790,000 options issued on January 2, 2007 with the exercise price of \$2.90. In addition, the Company re-priced 1,177,500 options that were granted at prices greater than \$1.00 to a new exercise price of \$0.23, subject to disinterested shareholders approval. In the first quarter of 2009, 80,000 options granted JNS Capital expired. Subsequent to the grants, cancellation, and expiration of options, the Company has 2,472,500 options outstanding at a weighted average price of \$1.27 per share. If all the remaining outstanding options with their new prices were exercised, it would increase the Company's available cash by \$892,175.

In the first quarter of 2009, 500,000 warrants with an exercise price of \$3.75 expired. The Company has no warrants outstanding.

As of the date of this MD&A the Company had 35,917,285 common shares outstanding on a fully diluted basis.

TRANSACTIONS WITH RELATED PARTIES

Except as noted elsewhere in these consolidated financial statements, related party transactions are as follows:

- a) During the three month period ended March 31, 2009, the Company paid fees of \$15,000 (2008: \$17,500) to a company of which the Chief Financial Officer is the President and a Director. As of March 31, 2009, \$5,250 (2008: \$Nil) was owed to that company.
- b) During the three months period ended March 31, 2009, the Company owed \$2,351 (2008: \$Nil) to an officer and director for expense reimbursement.

Related party transactions are measured at the fair value amount as determined by management. The amounts owed bear no interest and are unsecured with no repayment terms.

COMMITMENTS

The Company has a lease for its offices in Vancouver, British Columbia, for approximately \$2,400 monthly rent from May 1, 2006 until April 30, 2010.

SUBSEQUENT EVENTS

On April 1st, a new claim (S-111484) totalling 843 ha was staked adjacent to the Darby-Candle property. Pitchstone has a 100% interest in this claim, which is referred to as the Weasel property.

A contract extension letter has been signed with Bryson drilling, allowing the planned Gumboot drilling program to be completed under the terms of the previous contract. The extension covers a minimum of 3,000 meters of drilling that is scheduled to begin in June 2009.

A stock option price amendment was approved by a majority of disinterested shareholders at the Company's Annual General Meeting on May 14, 2009. The 1,177,500 stock options that were granted at prices greater than \$1.00 now have an exercise price of \$0.23.

OFF BALANCE SHEET ARRANGEMENTS

There are no off Balance Sheet arrangements this time.

PROPOSED TRANSACTIONS

There are no proposed transactions this time.

CHANGES IN ACCOUNTING POLICIES

(i) Goodwill and Intangible Assets

The CICA issued Section 3064 – Goodwill and Intangible Assets replacing Section 3450, Research and Development Costs. The new standard establishes guidelines for the recognition, measurement, presentation and disclosure of research and development costs. The Company adopted this policy during the first quarter of the 2009 fiscal year and this standard did not have a material impact on the Company's financials statements.

(ii) Credit Risk and the Fair Value of Financial Assets and Liabilities

In January 2009, the CICA issued the Emerging Issues Committee ("EIC") Abstract EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", effective for interim and annual financial statements ending on or after January 20, 2009. EIC-173 provides further information on the determination of the fair value of financial assets and liabilities under Section 3855, "Financial Instruments – Recognition and Measurement". It states that an entity's own credit and credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 should be applied retroactively, without restatement of prior periods, to all financial assets and liabilities measured at fair value. The Company adopted this abstract during the first quarter of the 2009 fiscal year and this standard did not have a material impact on the Company's financial statements.

(iii) New standards

On January 1, 2008, the Company adopted the following standards of the CICA Handbook Sections. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

- (a) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern (see Note 1).
- (b) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories (see Note 9).
- (c) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows (see Note 9).

(d) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed (see Note 10). Under this standard, the Company will be required to disclose the following:

- qualitative information about its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital;
- whether during the period it complied with any externally imposed capital requirement to which it is subject; and
- when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

(iv) *Consolidated Financial Statements and Non-controlling Interests*

In January 2009, the CICA issued the new handbook Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-controlling Interests", effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of these recommendations is permitted. These pronouncements further align Canadian GAAP with US GAAP and IFRS. Sections 1601 and 1602 change the accounting and reporting for ownership interest in subsidiaries held by parties other than the parent. Non-controlling interests are to be presented in the consolidated statement of financial position within equity but separate from the parent's equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is to be clearly identified and presented on the face of the consolidated statement of income. In addition, these pronouncements establish standards for a change in the parent's ownership interest in a subsidiary and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated.

They also establish reporting requirements for providing sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company is currently considering the impact of adopting these pronouncements on its consolidated financial statements in 2011 in connection with the conversion to IFRS.

(v) *Business Combinations*

In January 2009, the CICA issued the new handbook Section 1582, "Business Combinations" effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquire, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact of adopting this pronouncement on the consolidated financial statements, it will be limited to any future acquisitions beginning in 2011.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory changeover date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities (PAE's") such as the Company.

The AcSB requires that IFRS compliant financial statements be prepared for annual and interim financial statements commencing on or after January 1, 2011. For PAE's with a December 31 year-end, the first unaudited interim financial statements under IFRS will be the quarter ending March 31, 2011, with comparative financial information for the quarter ended March 31, 2010. The first audited annual financial statements will be for the year ending December 31, 2011, with comparative financial information for the year

ended December 31, 2010. This also means that all the opening balance sheet adjustments relating to the adoption of IFRS must be reflected in the January 1, 2010 opening balance sheet which will be issued as part of the comparative financial information in the March 31, 2011 unaudited interim financial statements. The Company intends to adopt these requirements as set out by the AcSB and other regulatory bodies. At this time, the impact of adopting IFRS cannot be reasonably quantified. During fiscal 2009, the Company will continue to evaluate the impact of IFRS on the Company and develop and put in place a plan for the conversion to IFRS. If the Company decides not to early adopt the standards, the actual conversion work will occur in late 2009 and 2010, in anticipation of the preparation of the January 1, 2010 balance sheet that will be required for comparative purposes for all periods ending in 2011.

FINANCIAL INSTRUMENTS

The fair values of the Company's cash and cash equivalents, short-term investments and accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities, and due to related parties/joint venture parties approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, and interest rate risk.

(a) Currency risk

The Company's property interests in Africa make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. For every \$0.01 change in the South African Rand to Canadian dollar exchange rate, the Company's costs will change by approximately \$27,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian financial institutions. Short-term investments are composed of financial instruments issued by Canadian banks. These investments mature at various dates over the current operation period. The Company does not have any asset-backed commercial paper in its short-term investments. The Company's GST receivable consists primarily of goods and services tax due from the federal government of Canada.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments is limited because these investments, although available for sale, are withdrawn with interest as needed. For every 1% change in interest rates, the Company's revenue will change by approximately \$58,000.

MANAGEMENT OF CAPITAL RISK

The Company manages its cash and cash equivalents, common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources to be sufficient to carry its exploration plans and operations through 2009 and beyond.

RISKS AND UNCERTAINTIES

The Company's financial success will be dependent upon the discovery or acquisition of Mineral Resources, and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration activities will be successful. The exploration of mineral properties involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the previous sections.

The following are some of the key risks and uncertainties identified, however, there may be other risks and uncertainties that have not been listed:

- the high degree of volatility in the price of uranium;
- the demand for uranium can be dependent on the public's acceptance of the use of nuclear power;
- the Company has a limited operating history and must be considered a start-up company;
- the performance of the Company will largely depend on the performance of certain key officers, consultants and employees;
- title to properties can be cancelled, challenged or impugned;
- the Company may be required to consult with First Nations Peoples in order to ensure necessary land use rights;
- certain officers and directors of the Company are associated with other natural resource companies which may give rise to conflicts of interest;
- the Company's exploration plans will require substantial additional financing and such financing may not be available on a timely and reasonable basis;
- the exploration business is highly speculative;
- the Company's ability to conduct exploration may be restricted by the unavailability of equipment and qualified personnel;
- geology is an inexact science subject to differing interpretations that could affect the success of any exploration or development program;

- access to the Company's properties may be restricted by weather conditions, forest fires, blockades, the inability to obtain land use permits on a timely basis, or other factors beyond the Company's control;
- substantial additional expenditures will be required to establish Mineral Resources or Mineral Reserves on mineral properties, if any Mineral Resources or Mineral Reserves exist;
- there are many potential barriers in developing a property prior to it becoming a commercial producing operation;
- the rights to the Company's mineral properties must be maintained in accordance with many regulations and agreements;
- there is increasing competition to acquire mineral properties throughout the world;
- the Company's joint venture or option agreements are subject to decisions made by its partners;
- exploration programs and budgets are subject to the concurrence of joint venture partners;
- various factors could impede the Company's ability to expend flow-through funding;
- the Company can not insure against all potential risks;
- there are many varied governmental and other regulations that must be followed which are constantly changing;
- there are many environmental regulations to comply with and such regulations are changing frequently;
- various regulations and interest groups may limit the Company's ability to conduct exploration and development activities, and
- the directors and officers own a control position of the shares that may allow them to affect certain corporate actions.

OUTLOOK

In the Athabasca Basin, Saskatchewan, exploration will continue on the most promising properties. A 3,000 meter drill program is scheduled for the Gumboot property during 2009.

In Namibia, exploration programs are being considered to follow up encouraging results obtained from target areas on the Dome and Kaoko properties. A ground electromagnetic survey is currently underway at Dome North and possible drilling will be contingent on that survey.

Exploration expenditures in 2009 on the properties in the Hornby Bay Basin are expected to be less than those incurred in 2008. It is also anticipated that due to the expiration of mineral claims and prioritization of exploration targets, joint venture land areas in the Hornby Bay Basin will be significantly reduced during 2009.

Exploration expenditures in Gabon in 2009 will be significantly less than those incurred in 2008 due to the company's focus on the Athabasca Basin and Namibia properties.

The Company's long term focus continues to be the discovery of economic uranium deposits and with its current cash position of approximately \$6.1 million, it is well positioned to continue to work towards this goal

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, management has concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim

filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under Multilateral Instrument 52-109 for the three months ended March 31, 2009. Based on this evaluation, management has concluded that the design of these internal controls and procedures over financial reporting was effective.

The internal controls have an inherent weakness in the area of management override and segregation of accounting duties, in that the accounting staff is small in number and it is not practical or cost effective to increase accounting personnel to enable the segregation of all accounting duties in a company of this size.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.sedar.com).

Steve Blower, P.Geo., President of Pitchstone, is the Qualified Person for the purposes of NI 43-101 with respect to the geological information in this document. Sample preparation and analyses on rock samples from Pitchstone operated properties in Saskatchewan were completed by SRC Geoanalytical Laboratories, (SRC) Saskatoon. A partial digestion with fluorimetric analysis was used for SRC's uranium determinations. All samples containing greater than 100 ppm U were re-analyzed with ICP. Pitchstone utilizes internally and externally submitted standard reference materials for quality assurance and quality control in the preparation and analyses of samples from Saskatchewan properties.

FORWARD LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates", "plans" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the markets for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.