UCORE URANIUM INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2010

This Management's Discussion and Analysis of Ucore Uranium Inc. ("Ucore" or the "Company"), prepared as of May 18, 2010, provides analysis of the Company's financial results for the three months ended March 31, 2010. The following information should be read in conjunction with the unaudited financial statements and notes thereto for the three months ended March 31, 2010 which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are expressed in Canadian dollars unless otherwise noted.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address anticipated operating costs, possible future resource property expenditures, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects, are considered forward-looking because we have used what we know and expect today to make a statement about the future. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements usually include words such as may, expect, plan, anticipate, budget, believe or similar words. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Additional details of the specific risks associated with the operations of the Company and such forward-looking statements are set out below under "Risks and Uncertainties". Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Overview

Ucore Uranium Inc. ("Ucore" or the "Company") is a junior exploration company listed on the TSX Venture Exchange (the "Exchange"), whose corporate strategy is to build shareholder value through the exploration and development of economically viable rare earth element ("REE") and uranium properties. Ucore is currently focusing its exploration activities on its Bokan Mountain/Dotson Ridge property in Alaska, while allowing its Lost Pond property in the Province of Newfoundland and Labrador to be advanced pursuant to a property option agreement.

Until a decision is made to proceed with the commercial development of one of its properties, the annual level of exploration expenditures of the Company is dependent on the Company's ability to either raise capital through the sale of shares or to attract project financing to continue to finance its exploration programs.

Resource Property Interests

Ucore's primary focus continues to be the Bokan Mountain/Dotson Ridge REE and uranium property in Alaska, where the Company expects to incur the majority of its exploration expenditures in 2010. Ucore's strategy continues to be, to the extent possible, to progress its properties, to seek strategic opportunities for the advancement of its properties or to release the properties. A detail of the Company's deferred exploration costs for the three month period ended March 31, 2010 is included in Schedule "A".

Bokan Mountain/Dotson Ridge, Alaska

Ucore owns a 100% interest in 422 claims at Bokan Mountain/Dotson Ridge and has the option to purchase a 100% interest in an additional 90 claims by making payments of US$ 240,000, subject to certain net Smelter Royalties ("NSRs").

During 2009, the Company completed a drill program at Bokan Mountain/Dotson Ridge resulting in the completion of approximately 2,800 metres of diamond drilling in 27 drill holes. Drilling was completed at four geologically distinct areas; Dotson Trend, Geoduck Trend, Cheri Trend and Sunday Lake. The 2009 exploration program also included an extensive ground mapping, surface sampling and mineral characterization initiative, as well as a low level aeromagnetic survey to better understand the REE-prospective area.

The Company incurred exploration expenditures of approximately $154,000 on the property during the first quarter of fiscal 2010. Drilling is being planned for 2010 and the Company expects to complete approximately 5,000 metres of diamond drilling during the second and third quarters of the year. It is anticipated that the Bokan Mountain / Dotson Ridge Property will continue to be the focus of the Company's exploration activities.

Lost Pond, Newfoundland and Labrador

The Lost Pond uranium and REE property is Ucore's largest Newfoundland property, located near the province's west coast.

Ucore entered into a Letter Agreement with Kirrin Resources Inc. ("Kirrin") (formerly Monroe Minerals Inc.) on September 15, 2008, granting Kirrin an option to earn up to a 50% interest in the Lost Pond property by completing work commitments of $2.6 million over a four year period, including a minimum expenditure of $0.7 million by December 31, 2009, and issuing 300,000 Kirrin common shares (split adjusted), including 50,000 common shares (split adjusted) that were received by Ucore upon signing of the Letter Agreement.

Upon Kirrin fulfilling its earn-in obligations, the parties will form a 50/50 joint venture, with each partner contributing its pro-rata share of future expenditures, or alternatively, Ucore may elect to convert to a 35% interest, which will be carried through to completion of a pre-feasibility study. If either party dilutes its interest to less than 10% in the joint venture, its interest shall be converted to a royalty of 1.0% or 1.5% of gross sales, depending on underlying royalties, of which 0.5% may be purchased by the other party for $500,000.

Kirrin has fulfilled its expenditure obligation for the period ended December 31, 2009. During the three months ended March 31, 2010, a further 50,000 shares of Kirrin were delivered to the Company pursuant to the agreement.

As a result of the Letter Agreement with Kirrin, Ucore does not expect to incur significant expenditures on the Lost Pond property during fiscal 2010.

Sandybeach Lake, Nunavut

Ucore holds a 100% interest in the Sandybeach Lake property, located in southwestern Nunavut. The 18-square kilometre property is centered on Sandybeach Lake, located five kilometres northeast of the northern extents of Neultin Lake in Manitoba. Subsequent to Ucore's staking of the property, Cameco Corporation blanket staked the area and completed both a detailed airborne radiometric survey and a drill program in close proximity to Ucore's claims. The Company intends to maintain the claims in good standing and will continue to consider alternatives for the advancement of this property.

Greater Newfoundland and Labrador

In addition to the Lost Pond property, Ucore holds a portfolio of uranium properties spanning current and prospective uranium districts in Newfoundland and Labrador.

During fiscal 2007, the Company entered into a Letter Agreement with Bayswater Uranium Corporation to provide for, on a 50/50 basis, the joint ownership and exploration of their mutual uranium properties in the Central Mineral Belt, now referred to as the Makkovik River Project.

Ucore also maintains a 100% interest in, subject to certain NSR's, the Deer Lake, Grommet Lake and Notakwanon River properties located in Newfoundland and Labrador.

The Company, and its partner, will continue to seek alternatives for the advancement of its properties in Newfoundland and Labrador.

Other Property Interests

As of the date of this report, the Company holds 100% interests in several properties located in Ontario and Quebec, although no amounts are carried on the balance sheet in respect of these properties. The Company plans to re-evaluate future exploration activity on the properties when either market conditions change or the underlying concessions are due for renewal.

Selected Annual Information

The following annual information is prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reported in thousands of Canadian dollars, except for per share amounts.

	For the year ended December 31, 2009 $	**For the year ended December 31, 2008 $**	**For the year ended December 31, 2007 $**
Net loss	1,338	2,956	922
Loss per share – basic and diluted	0.02	0.05	0.02
Total assets	20,408	17,150	18,859

Results of Operations

The Company has no operating revenues and is dependent on equity financings and/or project financing alternatives to fund its operations. As a result, the Company expects to incur operating losses until such time as an economic resource is identified, developed and exploited on one or more of the Company's properties.

During the three months ended March 31, 2010, the Company incurred a net loss before income taxes of $0.4 million compared to a net loss before income taxes of $0.3 million for the three months ended March 31, 2009. The increase in the net loss before income taxes is the result of increased activity in the first quarter of 2010 as compared to 2009, when the Company had cut back on operations significantly as a result of difficult market conditions.

The Company earned approximately $6,000 less interest income during the three months ended March 31, 2010 than during the same period in fiscal 2009. The decline is mainly a result of the relatively low interest rate environment currently prevailing in Canada.

Operating expenses for the first quarter of 2010 totalled $0.4 million, compared with $0.3 million for the same period in the prior year. This increase is generally a result of the fact that operations had been cut back significantly in early 2009 as a result of the difficult market conditions being experienced at the time. Operations returned to a normal level in the third quarter of 2009 and continue to be at a similar level in 2010. Expenditures on Investor Relations and Marketing have increased by approximately $49,000 resulting from an increased focus on these activities. Office and premises and professional services expenditures have both increased by approximately $5,000 over the same period of 2009 as a result of operations returning to a normal level. Salaries and consultants' expenditures of approximately $200,000 were incurred during the period, an increase of approximately $86,000 compared to the same period in 2009 as a result of increased staffing levels. Travel expense increased by approximately $34,000 to $40,000 as a result of the aforementioned increased focus on investor relations and marketing activities, including the attending of trade shows in both Canada and the United States.

The Company recorded non-cash stock-based compensation expense of approximately $58,000 attributable to the estimated value of stock options earned during the period, a decrease of approximately $8,000 as compared to the prior year, as well as non-cash amortization expense of approximately $5,000, representing depreciation of the Company's capital assets. In addition, the Company capitalized approximately $8,000 of non-cash stock-based compensation expense during the period to resource properties, attributable to the value of stock options earned by the Company's exploration personnel.

Ucore will continue to review its portfolio of resource properties and write-down the carrying costs of any properties considered to be impaired in value, which could have a material impact on the Company's net loss in future periods.

The Company recognized no future income tax recovery during the current period as the benefit of non-capital losses carried forward was offset by a valuation allowance. This compares to a $60,000 recovery in the first quarter of 2009. The Company realised a currency exchange loss of approximately $66 during the period relating to its foreign currency translation, as compared to a loss of approximately $1,000 for the first quarter of the prior year. As the Company continues to deal in both the Canadian and United States currencies, the Company may continue to incur foreign exchange gains and losses arising from changes in the value of the United States dollar relative to the Canadian dollar.

Summary of Quarterly Results

Expressed in thousands of dollars, except per share amounts	3/31/10 $	12/31/09 $	9/30/09 $	6/30/09 $	3/31/09 $	12/31/08 $	9/30/08 $	6/30/08 $
Net loss before provision for taxes	430	413	375	297	253	2,172	667	495
Loss per share – basic and diluted	0.00	0.01	0.00	0.00	0.00	0.02	0.01	0.01
Total Assets	20,281	20,408	21,053	17,111	16,955	17,150	19,698	20,306

For the first three quarters of fiscal 2008, the Company had been increasing its corporate infrastructure to support its expanded exploration activities. Commensurate with the economic downturn in the third quarter of fiscal 2008, the Company began to aggressively reduce its level of activity. This reduced level of activity carried through the first half of 2009. As a result of the $3,700,000 financing completed in July, 2009 and the drill program undertaken on the Bokan Mountain / Dotson Ridge property, the level of activity increased during the third quarter of 2009. This increased level of activity continued through the fourth quarter of 2009 and is expected to continue through 2010.

Liquidity and Capital Resources

At March 31, 2010, the Company had working capital of $1.6 million, with a cash and short-term deposit balance of $1.8 million. Short-term deposits consist of Guaranteed Investment Certificates that are cashable at any time with no penalty or loss of interest.

The Company used approximately $367,000 of working capital to fund operating expenses for the first quarter of 2010. Net cash expenditures on resource properties and related deferred costs totalled $173,000 during the quarter. This was funded from working capital and proceeds from the issuance of common shares on the exercise of warrants. It is expected that these expenditures will increase in the second and third quarters of the year, commensurate with the start of the 2010 exploration season.

The Company generated approximately $193,000 from the exercise of warrants during the quarter ended March 31, 2010.

The Company does not generate any revenue and consequently, in the future, the Company plans to rely on additional equity financings and/or entering into joint venture arrangements in order to continue exploration on its properties. There can be no assurance that the Company will be able to obtain the required financing, and the failure to do so could result in the loss of its interest in certain resource properties, delay exploration activities on its properties and limit the Company's ability to acquire additional properties. There can be no assurance of continued access to capital, including equity funding, in the future.

Off-Balance Sheet Arrangements

At March 31, 2010, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of recoverable value of its mineral properties and related deferred expenditures, non-cash stock-based compensation and future income tax assets and liabilities.

The Company's recoverability of the recorded value of its resource properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company operates in an industry that is subject to a number of risk factors, including legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof.

The factors affecting non-cash stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend on a variety of factors including the market value of the Company's shares and the financial objectives of the stock-based instrument holders.

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values. Future income tax assets also result from unused losses carried forward and other deductions. The valuation of future income tax assets is adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

Recently Issued Accounting Pronouncements

In February 2008, the Canadian Accounting Standards Board announced that accounting standards in Canada are to converge with International Financial Reporting Standards ("IFRS") and companies will begin reporting, with comparative data, under IFRS for fiscal years beginning on or after January 1, 2011. While IFRS is based on a conceptual framework similar to Canadian GAAP, there are significant differences with respect to recognition, measurement and disclosure. The Company has not yet completed a detailed assessment of the impact of these differences on the financial statements. Management expects to complete a detailed assessment of the impact of the adoption of IFRS and to finalize a conversion process during the third quarter of 2010. This conversion process is expected to be complete by the end of 2010. The Company will commence reporting under the new standards in the first quarter of fiscal year 2011.

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 section 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 acquiree, 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 fiscal 2011.

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 a 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 fiscal 2011 in connection with the conversion to IFRS.

Related Party Transactions

As at March 31, 2010 the Company has recorded an advance, for corporate expenses, to an Officer of the Company in the amount of $12,056 as a prepaid expense (December 31, 2009 - $12,056), which is non-interest bearing with no fixed terms of repayment.

During the quarter ended March 31, 2010, the Company paid geological consulting fees of $2,000 to a company owned by a Director of the Company.

All related party transactions were in the normal course of operations and were valued at the exchange amount agreed to between the parties.

Outstanding Share Data

The following is the Company's issued and outstanding share data as of the date of this report. Each stock option and warrant is exercisable for one common share of the Company.

Securities	Number	Weighted average exercise price $	Weighted average remaining life (years)
Common shares	87,228,698	n/a	n/a
Stock options under plans approved by shareholders	4,252,420	0.57	2.9
Warrants	17,810,250	0.30	0.89

Between March 31, 2010 and the date of this report, 25,000 shares were issued pursuant to the exercise of option agreements, resulting in cash proceeds to the company of $2,500.

Risks and Uncertainties

The Company's financial instruments consist of cash, short-term deposits, marketable securities, accounts receivable, and accounts payable and accrued liabilities. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks arising from these financial instruments. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

In conducting its business, the principal risks and uncertainties faced by the Company relate to exploration and development success of the Company's mineral properties as well as metal prices and market sentiment to a lesser extent.

Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, including the possibility that resource properties may not in fact contain mineral deposits that can be exploited on an economical basis, the Company may be required to work in remote locations that lack the benefit of infrastructure and easy access.

The Company's exploration projects in Newfoundland and Labrador are subject to joint ventures by third party companies, specifically Kirrin Resources Inc. and Bayswater Uranium Corporation. The termination of either or both of these joint ventures could potentially have an impact on the Company. The Company is currently relying on these joint venture partners to advance these projects and there is no assurance that either of these exploration projects will continue.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. The Company will be reliant on equity financing for its long-term working capital requirements and to fund its exploration programs. The Company does not generate any revenue and does not have sufficient funds to put any of its resources interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture-listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

Management Changes

Effective February 2, 2010, Mr. Nick Vermeulen was appointed Vice President of Corporate Development.

Other Information

Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.ucoreuranium.com.

UCORE URANIUM INC. Schedule "A"

Schedule of Resource Properties

For the period ended March 31, 2010

Details of Resource Properties and Related Deferred Costs

	Bokan Mountain/ Dotson Ridge	Lost Pond	Other	Total March 31, 2010
Mineral Properties				
Balance, beginning of period	$ 3,659,401	$ 2,520,944	$ 40,575	$ 6,220,920
Expenditures during period	-	-	-	-
Costs written off	-	-	-	-
Balance, end of period	3,659,401	2,520,944	40,575	6,220,920
Deferred Exploration expenditures:				
Recovery of Expenditures	-	(6,250)	-	(6,250)
Geology	118,110	4,000	-	122,110
Drilling	-	-	-	-
Supervision	36,242	-	-	36,242
	154,352	(2,250)	-	152,102
Balance, beginning of period	9,199,835	2,170,549	498,384	11,868,768
	9,354,187	2,168,299	498,384	12,020,870
Costs written off	-	-	-	-
Balance, end of period	9,354,187	2,168,299	498,384	12,020,870
Mineral properties and deferred exploration expenditures, end of period	$ 13,013,588	$ 4,689,243	$ 538,959	$ 18,241,790