

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 23, 2011

OVERVIEW

The following discussion is management's assessment and analysis ("MD&A") of the results of operations and financial conditions of Tournigan Energy Ltd. (the "Company" or "Tournigan") for the three months ended December 31, 2010 and subsequent activity up to February 23, 2011 and should be read in conjunction with the consolidated financial statements and related notes thereto for the year ended September 30, 2010 which are available on the SEDAR website.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

SUMMARY DESCRIPTION OF TOURNIGAN'S BUSINESS

Tournigan is a reporting issuer in most of the provinces of Canada and trades as a Tier 1 issuer on the TSX Venture Exchange under the trading symbol "TVC" and on the Frankfurt Stock Exchange under the trading symbol "TGP".

Tournigan is a mineral resource exploration company focused on the exploration and development of its uranium properties in Slovakia. Tournigan's flagship property is the Kuriskova project, which is being advanced to the pre-feasibility stage. Tournigan's principal objective is to advance the Kuriskova project to the feasibility stage and, if justified, to production.

OPERATIONS IN THE THREE MONTHS ENDED DECEMBER 31, 2010 AND TO THE DATE OF THIS MD&A:

- On December 30, 2010 Tournigan completed a public offering of units to raise gross proceeds of \$12,000,000;
- Tournigan sold its portfolio of marketable securities for gross proceeds of \$2,169,267 for a gain of \$784,167;
- The 2010 drill program was completed in October at Kuriskova and the results of final 12 holes drilled on Zone 45 significantly increased the extent of Zone 45 mineralization;
- Metallurgical test work results on representative samples from Kuriskova, which were announced in January 2011, indicate uranium and molybdenum recoveries of 94% and 98% respectively, and confirm the use of alkaline leaching for the Kuriskova resource;
- Drilling resumed at Kuriskova on January 14, 2011 with the objective of upgrading resources from Inferred to Indicated; and
- Drill rig mobilized at Novoveska Huta uranium deposit to resume exploration drilling.

Kuriskova

In October 2010 the Company completed its drill program for the year and received and reported on final assays. Drilling was focused on extending high-grade uranium mineralization in Zone 45, with the objective of increasing the size of the uranium resource. The program has been successful in showing a significant increase in the extent of Zone 45 uranium mineralization. The strike length of Zone 45 mineralization has increased by 100 metres to now total approximately 165 metres and the results are expected to add to the uranium resource at Zone 45. Preliminary structural analysis of drill results has identified a possible downward plunge orientation to the high-grade uranium mineralization in Zone 45, which remains open to depth. Downward extensions along this orientation may be tested by future drilling.

Metallurgical test work was completed in the quarter by Hazen Research, Golden, Colorado ("Hazen"),

MANAGEMENT'S DISCUSSION AND ANALYSIS

and was announced on January 6, 2011. The results indicate uranium and molybdenum recoveries of 94% and 98% respectively, and confirm the use of alkaline leaching for the Kuriskova deposit resources. The metallurgical test work was performed on a Zone 45 composite, grading 0.404% U₃O₈ and 0.278% Mo. The test work used the same alkaline-pressure oxidation leaching parameters used for test work on the Kuriskova Main Zone uranium mineralization. This test work is ongoing and is part of the Prefeasibility Study for the Kuriskova project. The metallurgical program at Hazen will continue in 2011 as Tournigan progresses in defining the process plant flow sheet for the Prefeasibility Study.

On January 18, 2011 the Company announced that a drill rig had arrived at site and had begun drilling on January 14, 2011. This rig will focus initially on infill drilling in the Main Zone of the Kuriskova deposit with the objective of upgrading resources from the Inferred to the Indicated category. A second drill rig will arrive at site when weather conditions allow and will begin drilling hydrogeological and geotechnical test holes as part of the ongoing Prefeasibility Study being undertaken by Tetra Tech. A third drill rig was mobilized to begin step-out drilling at the Novoveska Huta uranium deposit and began drilling during the third week of January.

Tetra Tech has begun working on an update to the Kuriskova resource estimate that will incorporate drilling and geologic work completed since the last resource estimate was published in May 2010. It is expected that this updated resource estimate will be completed late in the first calendar quarter or early in the second calendar quarter of 2011.

As part of completing the Kuriskova Prefeasibility Study, Tournigan will continue its surface water sampling program, meteorological and air quality data collection, and undertake geotechnical drilling and test work, soil sampling/analysis and environmental data collection for completion by the fourth calendar quarter of 2011.

In addition to advancing the Kuriskova Prefeasibility Study, Tournigan plans to:

- Resume exploration drilling with the objective of increasing the Kuriskova uranium resource. This will include drilling targets identified adjacent to Zone 45 and other high grade zones;
- Begin exploration on satellite exploration targets within the Kuriskova license;
- Commission Tetra Tech to prepare an NI 43-101 compliant resource estimate for the Novoveska Huta uranium deposit. This is expected to be completed and published during the third calendar quarter of 2011; and
- Continue exploration on its other prospective uranium licenses in Slovakia, following up on targets identified during initial work.

QUALIFIED PERSON

The Company's President and Chief Executive Officer, Dorian L. (Dusty) Nicol, B.Sc. Geo, MA Geo, a Qualified Person as defined by NI 43-101, has reviewed and approved the exploration information and resource disclosures contained in this MD&A.

REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

Results of Continuing Operations for the three months ended December 31, 2010

For the periods presented, the Company had no revenues, no long term debt and did not declare or pay any dividends. For the three months ended December 31, 2010 the Company incurred a loss from continuing operations of \$667,825 or \$0.004 per share, a decrease of \$2,238,529 compared to the loss from continuing operations of \$2,906,354 or \$0.02 per share at December 31, 2009.

Expenses

Mineral exploration costs on the Slovakian uranium properties in the three months ended December 31, 2010 were \$591,953 compared to \$1,828,956 in the comparative period. The most significant component in both periods was drilling and assays at Kuriskova of \$255,028 in the current period and \$1,689,402 in

MANAGEMENT'S DISCUSSION AND ANALYSIS

the comparative period.

Expenses totalled \$761,548 in the three month period ended December 31, 2010 compared to \$1,028,371 in the comparative period or \$707,715 compared to \$848,945 when non-cash stock based compensation and amortization are excluded from the totals. Administrative activity levels in the current period have been lower than the comparative period as evidenced by the cost reductions in administration, employee salaries and contractor fees, public, government, and investor relations totalling approximately \$107,000 period over period. Legal fees in the current period are about half of what they were in the comparative period due to the increased expenses incurred for the disposition of discontinued operations experienced in late 2009.

Other Income (expense)

The Company sold its shares of Ortac, in the first quarter of 2011 for a net gain of \$784,167.

The foreign exchange loss was \$100,906 in the three months ended December 31, 2010 compared to a loss of \$53,112 in the comparative period. This increased loss reflects the rising relative strength of the Canadian dollar vis-à-vis the US dollar and the Euro, period over period.

Results of Discontinued Operations for the three months ended December 31, 2009

In the comparative period there was a loss from discontinued operations arising from the operations of Kremnica totalling \$5,707, all of which was amortization which was not funded by Ortac.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	December 31 2010 \$	September 30 2010 \$	June 30 2010 \$	March 31 2010 \$	December 31 2009 \$	September 30 2009 ⁽¹⁾ \$	June 30 2009 ⁽¹⁾ \$	March 31 2009 ⁽¹⁾ \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit (loss) for the period	(667,825)	(1,986,730)	738,345	(2,900,002)	(2,912,061)	(481,026)	(2,237,201)	(1,564,503)
Basic and diluted profit (loss) per share	(0.00)	(0.01)	0.01	(0.02)	(0.02)	(0.00)	(0.02)	(0.01)

(1) These quarterly results have been revised for the change in accounting policy discussed in the annual consolidated financial statements and the management discussion and analysis for the year ended September 30, 2010.

The Company is an exploration company. At this time, any issues of seasonality or market fluctuations have no impact. The Company now expenses its exploration and project investigation and general and administration costs and these amounts are included in the net loss for each quarter. The Company's treasury in part determines the levels of exploration.

LIQUIDITY AND CAPITAL RESOURCES

Management believes that the Company's cash and cash equivalents on hand at December 31, 2010 are more than sufficient to finance exploration activities and operations through the next twelve months. As a development stage company, the Company's liquidity position decreases as expenses are incurred. To mitigate this liquidity risk, the Company budgets both exploration and administration expenditures and closely monitors its rolling cash forecast and liquidity position.

The Company's expenditure commitments on its mineral properties are primarily at the Company's discretion. License fees and minimum work commitments are currently expected to be approximately \$120,000 (€89,500) for the fiscal 2011 year, although the Company expects to fund considerably more than that amount as it moves to the pre-feasibility study as the next step on its Kuriskova project.

MANAGEMENT'S DISCUSSION AND ANALYSIS

To date, the Company's ongoing operations have been almost entirely financed by equity issues combined with proceeds from the exercise of warrants and stock options. While the Company has been successful in raising the necessary funds in the past, there can be no assurance that it can continue to do so in the future.

The Company began the three month interim period with cash and cash equivalents of \$4,316,263. During the three month period ended December 31, 2010 the Company expended \$1,341,045 on operations net of working capital changes. The Company realized \$2,169,267 proceeds on the sale of marketable securities and expended \$3,728 to purchase equipment, for net investing activities of \$2,165,539. The Company received net proceeds of \$11,247,779 on the issue of securities pursuant to a short form prospectus offering and from the exercise of warrants, to end with cash and cash equivalents of \$16,388,536 on December 31, 2010.

On December 30, 2010, Tournigan completed a public offering of 40,000,000 units at a price of \$0.30 per unit to raise gross proceeds of \$12,000,000 pursuant to a short form prospectus dated December 22, 2010 (the "Offering"). Each unit was comprised of one common share and one-half of one common share purchase warrant. As commission to the agent Tournigan paid \$720,000 and issued 2,400,000 agent's warrants. Each whole warrant and each agent warrant entitles the holder to purchase one common share of Tournigan up to and including December 30, 2012, at an exercise price of \$0.40.

As of the date of this MD&A, 3,550,000 of the Company's outstanding and exercisable stock options and 14,985,250 of the share purchase warrants are exercisable and "in-the-money" based on a closing share price of \$0.355 on the TSX.V.

The Company's bank accounts are with high credit quality financial institutions. The Company has no risk exposure to asset backed commercial paper or auction rate securities.

TRANSACTIONS WITH RELATED PARTIES

In the three month period ended December 31, 2010 Golden Oak Corporate Services Ltd., a corporation wholly owned by Doris Meyer, the Company's Chief Financial Officer and Secretary, was paid a bonus of \$10,000 and fees of \$26,167, compared to \$25,500 in the comparative three month period, to perform the financial reporting and regulatory compliance functions for the Company. These amounts are presented within salaries and fees to directors and contractors.

The Company's solicitors are Stikeman Elliott LLP. Mr. Poulus, a director of the Company, is a partner in the firm. Stikeman Elliott's fees are billed based on time spent by other Stikeman Elliott personnel in providing services to the Company. During the three month period ended December 31, 2010 these fees amounted to \$104,716, including \$102,847 presented as share issue costs pursuant to the closing of the short form prospectus offering, compared with \$33,033 in the comparative period.

Fischer-Watt Gold Company, Inc. ("Fisher-Watt") is a Nevada-incorporated mineral exploration and development company. As at December 31, 2010, Fischer-Watt owes the Company \$596,760 (US\$600,000) consideration for the purchase of Tournigan USA Inc. in 2009. During the three month period ended December 31, 2010, Fischer-Watt paid the Company \$132,275 (US\$130,000) against the amount owed. The Chairman, President and CEO of Fischer-Watt is Mr. Peter Bojtos, who is a director of the Company. The TSX-V approved this related party transaction.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Accounts receivable, due from related parties and accounts payable and accrued liabilities balances include the following related party balances. Due from related parties are unsecured and are without interest.

	December 31, 2010	September 30, 2010
Accounts receivable from directors and officers	\$ 59,676	\$ -
Accounts receivable from Ortac	-	32,627
Due from Fischer-Watt	596,760	751,170
	\$ 656,436	\$ 783,797
Accounts payable and accrued liabilities - due to related parties	\$ 11,292	\$ 9,617

OUTSTANDING SHARE DATA as at the date of this MD&A

Authorized: an unlimited number of common shares without par value.

	Common Shares Outstanding	Warrants Outstanding	Stock Options Outstanding	Share Capital
Balance, December 31, 2010	193,688,484	37,429,000	5,575,000	\$ 119,199,341
Exercise of warrants	43,750	(43,750)		8,750
Fair value of warrants exercised				2,042
Balance, date of this MD&A	193,732,234	37,385,250	5,575,000	\$ 119,210,133

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, due from related party and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents with high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. The Company believes that credit risk associated with cash and cash equivalents is remote.

In conducting business, the principal risks and uncertainties faced by the Company centre on exploration and development, resource and commodity prices and market sentiment.

The prices of resource and commodity markets can fluctuate significantly and are affected by many factors outside of the Company's control. The relative prices of uranium and future expectations for such prices have a significant impact on the market sentiment for investment in mining and resource exploration companies. The Company relies on equity financing for its working capital requirements and to fund its exploration programs. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUTURE CANADIAN ACCOUNTING STANDARDS

Business combinations, non-controlling interest and consolidated financial statements- In January 2009, the CICA issued Handbook Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-controlling Interests*, which replace CICA Handbook Sections 1581, *Business Combinations*, and 1600, *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning October 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

International Financial Reporting Standards ("IFRS") – The Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. Under IFRS, there is significantly more disclosure required. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that must be addressed. The impact of these new standards on the Company's financial statements is currently being evaluated by management.

Due to the size of the Company, the convergence to IFRS is being led by the Company's Chief Financial Officer, a Certified General Accountant, who along with other members of the Company's management group will design and execute the conversion project and will report to the Audit Committee on the progress accomplished.

Item 1 - Accounting policies, including choices among policies permitted under IFRS, and implementation decisions such as whether certain changes will be applied on a retrospective or a prospective basis

The significant differences identified to date between Canadian GAAP and IFRS that affect the Company and the impacts on the Company's financial statements has been completed on a high-level basis and are discussed below.

The Company must investigate accounting and reporting for foreign exchange treatment under IFRS to determine if there is a difference between Canadian GAAP and IFRS.

The Company will next complete an assessment of the IFRS estimates of the quantified effects of the anticipated changes to the Company's IFRS opening balance sheet if any, and identifying business processes and resources that may require modification as a result of these changes.

Property, Plant and Equipment ("PP&E")

Canadian GAAP does not permit the revaluation of PP&E. Historical cost is used. IFRS permits the revaluation of PP&E but does not require it. Depreciation is calculated by individual asset for IFRS and this is the method currently used by the Company.

With respect to the Company's accounting for PP&E, there is no difference between Canadian GAAP and IFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Mineral interests

Canadian GAAP requires acquisition costs to be capitalized and allows exploration costs to be expensed as incurred or capitalized. IFRS allows the same treatment as Canada however the exploration costs must be classified as either tangible or intangible assets, according to their nature.

The Company's policy has been changed to capitalize acquisition costs and to expense exploration costs, therefore, there is no difference between Canadian GAAP and IFRS.

Stock based compensation

Canadian GAAP allows graded or straight-line recognition of the fair value of stock option grants as the options vest. IFRS requires that graded vesting be used with each instalment accounted for as a separate arrangement. Under IFRS, forfeitures must be estimated on the grant date, whereas under Canadian GAAP, forfeitures are recorded as they occur.

As the Company's stock options will have fully vested by the time of convergence to IFRS, and the options granted in March 2010 allow for immediate vesting, there is no significant difference expected between Canadian GAAP and IFRS.

Item 2 - Information technology and data systems

The accounting processes of the Company are relatively simple and no major challenges are expected at this point to operate the accounting system under IFRS.

Item 3 - Internal control over financial reporting

Since the Company trades on the TSX Venture Exchange, management does not make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109.

Management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support their certification of the financial statements and MD&A, more specifically, assessing that the filings are free from misrepresentations and present fairly the results of the Company. Management will ensure that once the convergence is completed, it will be in a position to continue to certify the Company's filings.

The audit committee of the Company reviews the financial reporting and control matters and recommends approval of the annual financial statements and MD&A to the board of directors who are then responsible for approving the filings.

Item 4 - Disclosure controls and procedures, including investor relations and external communications plans

The Company will update its disclosure controls and procedures to ensure they are appropriate for reporting under IFRS. At this time, no changes have been discovered as being necessary.

The Company will continue to maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to National Instrument 52-109 is recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company.

Item 5 - Financial reporting expertise, including training requirements

The Chief Financial Officer and the Controller of the Company have participated in ongoing training sessions provided by external advisors. Training and research are ongoing and the development of standards issued by the International Accounting Standards Boards are monitored and evaluated for any impact on the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Item 6 - Business activities, such as foreign currency and hedging activities, as well as matters that may be influenced by GAAP measures such as debt covenants, capital requirements and compensation arrangements

The Company does not expect the convergence to IFRS will have a significant impact on its risk management or other business activities.

Currently there are no matters that would be influenced by GAAP measures, such as debt covenants, capital requirements and compensation arrangements that would be impacted by the convergence to IFRS.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

RISK FACTORS

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of exploration costs are described in Schedule 1 to the interim consolidated financial statements for the three month period ended December 31, 2010.

OTHER INFORMATION

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.tournigan.com.