URAVAN MINERALS INC.

*searching for the metals of the future*

# 2007
# ANNUAL REPORT

# Uravan Minerals Inc.

## CORPORATE CONTACTS & INFORMATION

| CORPORATE CONTACTS | GENERAL INFORMATION |
|---|---|
| ***Head Office:***<br>Suite 204, 2526 Battleford Avenue SW<br>Calgary, AB T3E 7J4<br>Tel: (403) 264-2630<br>Fax: (403) 264-2629<br>Email: llahusen@uravanminerals.com | ***Share Capitalization:***<br>Issued/Outstanding: 24,607,614<br>Options: 2,405,000 at $1.37 |
| ***Directors and Officers:***<br>Jim Marlatt (P.Eng, MBA)<br>President and Director<br><br>Larry Lahusen (B.Sc. Geol.)<br>Chief Executive Officer (CEO), Director<br><br>Mike Lavery (B.A. Econ)<br>Chief Financial Officer (CFO), Director<br><br>Allan Miller (Ph. D. Econ. Geol.)<br>Director<br><br>Theodore Renner (B. Sc. Eng., M.B.A)<br>Director<br><br>William Grafham<br>Director | Fully Diluted: 27,012614<br><br>Public Since: June 1999<br><br>Authorized Shares: Unlimited<br><br>52 Week Trade Range: $0.52 - $2.00<br><br>Current Price: $0.60<br><br>Management Holdings: 38%<br><br>Major Shareholders: 20% |
| ***Legal Counsel:***<br>Burnet, Duckworth & Palmer<br>1400, 350 – 7th Avenue SW<br>Calgary, AB T2P 3N4<br>Tel: (403) 260-0100 | ***Auditor's:***<br>Collins Barrow Calgary LLP<br>Suite 1400, 777 – 8th Avenue SW<br>Calgary, AB T2P 3R5<br>Tel: (403) 298-1500 |
| ***Transfer Agent and Registrar:***<br>Computershare Investor Services<br>Suite 600, 530 – 8th Avenue SW<br>Calgary, AB T2P 3S8<br>Tel: (403) 267-6500 | ***Bank:***<br>HSBC Bank Canada<br>407 – 8th Avenue SW<br>Calgary, AB T2P 1E5<br>Tel: (403) 261-8910 |
| ***Trading Symbol:*** UVN<br><br>***Website: www.uravanminerals.com*** | ***Exchange Listed:*** TSX Venture Exchange<br><br>***Other Information: www.sedar.com*** |

**URAVAN MINERALS INC.**

**MANAGEMENT DISCUSSIONS & ANALYSIS**

**Year Ended December 31, 2007**

## Introduction

The following Management Discussions and Analysis (the “MD&A”) for Uravan Minerals Inc. (the “Corporation” or “Uravan”) incorporates the results of operations and financial information for the year ended December 31, 2007 and any other information that may be available up to April 23, 2008. This MD&A should be read in conjunction with the Annual Audited Financial Statements and the related notes of the Corporation for the period ended December 31, 2007 (the “Financial Statements”). The reader is encouraged to review the Corporation’s statutory filings on www.sedar.com.

## Results of Operations and Revenue

The Corporation is a development stage mineral exploration Corporation and currently derives no revenues from operations. The Corporation receives some revenue from interest on cash balances, interest, dividends, other income from marketable securities and management fees. Over the last eight most recently completed quarters most of the Corporation’s operating capital has been generated from the sale of marketable securities, management fees and financing activities.

Although the sale of marketable securities is not the Corporation’s primary business, this activity has provided gains on sale which has provided the funds to offset the Corporation’s general administrative expenses and some mineral exploration activity.

In the year ended December 31, 2007, the Corporation incurred a net loss after tax of $655,867 (2006 – net loss after tax of $100,792). Total income amounting to $1,579,895 (2006 - $2,207,172) was received from the gain on disposal of marketable securities plus investment income and management fees. Total income was reduced by increases in general and administrative expenses, stock-based compensation expenses and unrealized losses on marketable securities.

The decrease in income from 2006 was offset by decreases in the accretion of long-term debt as the Corporation’s long-term debt was settled during the year ended December 31, 2006. The Corporation also incurred an unrealized loss on its portfolio of marketable securities of $199,720 (2006 - $367,495, loss on write-down of marketable securities) during the year ended December 31, 2007 as the carrying value of the Corporation’s marketable securities differed from the market value of the marketable securities at December 31, 2007.

*General and Administrative Expenses*

General and administrative (“G&A”) expenses increased overall as compared to the general and administrative expenses incurred during the year ended December 31, 2006. The increase in general and administrative expenses was driven by increased costs relating to regulatory compliance and due to the hiring of a new president and chief operating officer (“COO”).

The following table summarizes major categories of general and administrative expenses for the years ended December 31, 2007 and 2006. The Corporation did not capitalize any general and administrative expenses in the years ended December 31, 2007 and 2006.

| | 2007 | 2006 |
|---|---|---|
| Insurance | $ 2,000 | $ 2,000 |
| Interest and bank charges | 4,476 | 1,571 |
| Office | 20,307 | 11,268 |
| Professional fees | 178,118 | 93,704 |
| Signing bonus | 84,000 | - |
| Rent | 20,553 | 14,897 |
| Shareholder reporting | 43,004 | 24,911 |
| Stock exchange fees | 8,979 | 8,479 |
| Transfer agent fees | 9,081 | 11,320 |
| | $ 370,518 | $ 168,150 |

**Exploration Activity and Expenditures**

In the year ended December 31, 2007, the Corporation's exploration and property acquisition expenditures totaled $2,738,901 ($5,511,526 gross expenditures, net of $2,772,625 reimbursement by Cameco – see exploration operations below). The majority of the Corporation's net exploration, geological and consulting expenditures was incurred on the Garry Lake project.

For details on exploration and acquisition costs incurred during the year ended December 31, 2007 see note 5 and Schedule 1 of the Financial Statements. The expenditures made by the Corporation during the years ended December 31, 2007 and 2006 is as follows:

| | 2007 | 2006 |
|---|---|---|
| Property acquisition costs | $ 309,931 | $ 511,063 |
| Geological and consulting | 5,201,595 | 2,321,437 |
| | 5,511,526 | 2,832,500 |
| Less: Cameco recoveries | (2,772,625) | (2,198,237) |
| | $ 2,738,901 | $ 634,263 |

Included in property acquisition costs is $41,500 of shares issued to Claude Resources Inc. pursuant to an extension option agreement (see below).

See Schedule 1 of the Financial Statements for a breakdown of the costs incurred on a property by property basis. The Corporation did not capitalize any indirect general and administrative expenses during the years ended December 31, 2007 and 2006.

*Garry Lake Property*

The Corporation staked an additional 112 mining claims covering 262,139 acres effective June 23, 2007 and require that the Corporation incurs exploration and development expenditures amounting to $1,074,769 on or before June 23, 2009 and annual exploration and development expenditures of $550,492 each year thereafter over the remaining 20 year life of the mining claims.

*Rottenstone Property*

On October 5, 2007, the Corporation entered into an amendment to option to purchase with Claude Resources Inc. ("Claude") to extend the option agreement on the Rottenstone Property. On November 7, 2007, the Corporation received regulatory approval to issue 50,000 common shares valued at $41,500 to Claude as consideration for extending the period by which the Corporation is required to complete a bankable feasibility study required by the agreement with Claude. In addition to the common shares issued as consideration, the Corporation must incur a minimum of $150,000 of exploration expenditures by November 30, 2011 and upon the completion of the exploration expenditures, the Corporation must complete a bankable feasibility study by November 30, 2013.

Pursuant to an option agreement effective October 1, 2007 between the Corporation and Mantis Mineral Corporation ("Mantis"), the Corporation granted Mantis an exclusive and irrevocable option (the "Rottenstone First Option") to acquire a 50% interest in the Rottenstone property, as described above, by incurring $6,000,000 in cumulative exploration expenditures on the Rottenstone property over a five year period with cumulative minimum expenditures to be incurred by each anniversary of the effective date of $800,000 by October 1, 2008, $1,800,000 by October 1, 2009, $3,000,000 by October 1, 2010, $4,500,000 by October 1, 2011 and $6,000,000 by October 1, 2012.

Conditional upon Mantis fulfilling the Rottenstone First Option, the Corporation granted Mantis a second option (the "Rottenstone Second Option") to acquire an additional 10% interest in the Rottenstone property by incurring an additional $4,000,000 in exploration expenditures on the Rottenstone property by October 1, 2017.

### Historical Quarterly Results

The following table summarizes pertinent quarterly financial information for the eight most recently completed quarters. All balance sheet information is presented as at the quarter end date.

| | Quarter Ended | | | |
|---|---|---|---|---|
| | **December 31, 2007** | **September 30, 2007** | **June 30, 2007** | **March 31, 2007** |
| Total revenue (1) | $ 647,796 | $ 350,874 | $ 338,608 | $ 242,617 |
| General and administrative expenses (2) | 218,450 | 52,550 | 69,928 | 29,590 |
| Management fee recoveries (3) | 29,821 | 209,825 | 141,392 | 18,812 |
| Net income (loss) | 225,671 | 567,305 | (1,303,328) | (142,175) |
| Net income (loss) per share | 0.012 | 0.021 | (0.053) | (0.006) |
| Capital expenditures (net) | 247,622 | 1,321,313 | 860,768 | 309,198 |
| Total assets | 16,997,831 | 16,585,837 | 15,575,317 | 12,843,601 |
| Working capital | 10,572,738 | 10,439,659 | 11,057,179 | 9,158,157 |
| Total long term financial liabilities | - | - | - | - |
| Common shares outstanding | 26,607,614 | 26,557,614 | 26,557,614 | 24,557,614 |

| | Quarter Ended | | | |
|---|---|---|---|---|
| | **December 31, 2006** | **September 30, 2006** | **June 30, 2006** | **March 31, 2006** |
| Total revenue (1) | $ 621,714 | $ 469,436 | $ 725,016 | $ 391,006 |
| General and administrative expenses (2) | 65,148 | 21,117 | 52,668 | 29,217 |
| Management fee recoveries (3) | 21,566 | 142,693 | 69,773 | 10,553 |
| Net income (loss) | 368,219 | (7,228) | (845,026) | 383,243 |
| Net income (loss) per share | 0.011 | (0.000) | (0.037) | 0.022 |
| Capital expenditures (net) | 181,580 | 58,431 | 371,242 | 23,010 |
| Total assets | 13,853,561 | 12,459,225 | 12,447,546 | 11,724,686 |
| Working capital | 9,618,748 | 9,240,928 | 9,260,094 | 8,960,498 |
| Total long term financial liabilities | - | 749,474 | 731,009 | 712,543 |
| Common shares outstanding | 24,557,614 | 23,080,114 | 23,080,114 | 23,063,014 |

(1) Total revenue consists of investment income, management fees and gain on disposal of marketable securities.
(2) General & Administrative Expense before deducting management fees.

(3) Total management fees consist of management fees received from Cameco as operator of the Boomerang Uranium Projects pursuant to the Boomerang Option Agreement.

Total assets and working capital as at December 31, 2007, September 30, 2007, June 30, 2007 and March 31, 2007 include marketable securities carried at market value. Total assets and working capital as at the quarters ended March 31, 2006 to December 31, 2006 include marketable securities carried at the lower of cost and market.

**Financial Condition**

*Liquidity and Capital Resources*

As at December 31, 2007 the Corporation had $10,572,738 in working capital (December 31, 2006 - $9,618,748) obtained primarily from private placements that closed during the year ended December 31, 2005 and during the year ended December 31, 2007 (see below), the exercise of warrants, the sale of marketable securities, and interest and dividend income.

The Corporation's working capital is held as cash and cash equivalents amounting to $3,493,874 (December 31, 2006 - $4,821,669), marketable securities with a market value of $7,168,128 (December 31, 2006 cost of $5,390,638 and market value of $5,393,274), accounts receivable of $207,075 (December 31, 2006 - $300,378) and prepaids and deposits of $27,908 (December 31, 2006 - $20,081) less accounts payable and accrued liabilities of $324,247 (December 31, 2006 – $914,018).

The Corporation's short term investments and tradable securities can be liquidated on relatively short notice, if required.

The majority of the Corporation's working capital and its ability to fund exploration activities on its mineral properties are obtained either by joint venture arrangements and/or equity financings. One of the Corporation's primary objectives in 2007 and prior years has been to acquire mineral properties believed to have high exploration potential and, as a means to preserve working capital and defer exploration risk, seek and enter into joint venture arrangements with other third parties that can fund exploration to earn an interest on its existing projects or additional properties. As an exploration stage Corporation, with limited revenue stream, the Corporation carefully budgets exploration and administrative expenses, and closely monitors its cash 'burn rate' and cash position. The Corporation has also adopted a policy of utilizing funds to invest in marketable securities with a view to generating returns to assist in funding the Corporation's operating expenses.

*Capitalization*

On June 12, 2007, the Corporation granted 905,000 common share options under the Corporation's employee share option plan. The options granted vested immediately on issuance, have a term of five years from the date of grant and an exercise price of $1.63 per share.

On December 1, 2007, the Corporation granted 300,000 common share options to the new President and Chief Operating Officer. The options granted vested immediately on issuance, have a term of five years from the date of grant and an exercise price of $0.86 per share.

On June 19, 2007, the Corporation closed a non-brokered private placement of 2,000,000 common shares at $1.45 per share. Share issue costs of $126,923 were incurred on the non-brokered private placement.

Basic net loss per share for the year ended December 31, 2007 has been calculated using the weighted average number of common shares of 25,638,984 (2006 – 23,122,674) outstanding during the year. NIL (2006 – NIL) common shares have been added to the denominator in calculating diluted net loss per share for the dilutive effect of options and warrants outstanding in 2007 and 2006.

## Future Financial Conditions and Risk Factors

The Corporation believes the continuing increase in the cost of securities reporting, regulatory compliance and audit and accounting fees remains a significant factor that could affect the future financial condition of the Corporation. The Corporation believes that these costs will continue to rise in ensuing years due to the constant change to regulatory reporting, corporate governance and compliance, interim and annual financial documentation and reporting.

Another area of financial risk to the Corporation is the steep rise in the cost to perform exploration activities throughout Canada and particularly in Canada's northern territories (NT and NU). Over the last five years exploration costs have risen significantly as the mineral industry struggles with the increased cost associated with land use permitting, the increased price of fuel and materials, a shortage of equipment and trained people and delays that result from these conditions.

A growing concern of the Corporation is the ability of the Federal Government land use regulators to issue land use permits ("LUP") for mineral exploration on the Corporation's mining claims in the NT and NU due to native land claim issues and growing opposition by environmental and special interest groups.

Factors that may positively or negatively impact the future financial condition and performance of the Corporation is the overall health of the global economies as the Corporation usually derives a significant portion of its working capital from public financings and trading marketable securities.

Other factors' that may affect the performance of the Corporation is the positive or negative movement in metal prices, which is strongly related to the health of the global markets, which affects the overall demand for metals. A decline in the metal prices would affect the availability of equity funds and the Corporation's ability to obtain exploration financing. Currently the metal markets are at historic highs driven by rapidly expanding Asian economies. The Corporation believes the current high metal prices are sustainable and will continue to appreciate over the next several years due to the overall growth in the global economies and particularly in the developing nations such as China and India.

The uranium market is one area where the Corporation has been affected positively. Uranium spot prices have risen rapidly, going from $7.10 per pound $U_3O_8$ in 2000, reaching a high of $136 per pound $U_3O_8$ in mid-June 2007. Recently the spot uranium price has sold off to approximately $71.00 per pound. Uravan believes the current uranium spot market prices will stabilize in a narrow band of $85 to $95 per pound before resuming its upward trend sometime later in the year or early 2008. The key to stabilizing the uranium market will come from utility buyers seeking to backfill inventory needs. A positive trend in uranium prices will greatly assist the Corporation in any funding required for current and future exploration activity on its Boomerang and Garry Lake uranium projects and other newly acquired uranium properties or opportunities.

The Corporation plans to aggressively purse further exploration of its Boomerang Uranium Project with its joint venture partner Cameco, its Garry Lake Uranium Project and to evaluate and acquire other uranium opportunities. This planned activity is subject to the maintenance of the continuing rise in uranium prices, the availability of equipment and personnel and timely government land use permitting.

## Contractual Obligations

In addition to the mineral property exploration and development expenditures required, as described in note 5 to the financial statements and below, the Corporation has entered into a lease for office space requiring minimum annual lease payments, including estimated occupancy costs, of $41,820 until expiry on October 31, 2011.

Other mineral property obligations the Corporation has are the Boomerang lease fees (Boom 1-5 Leases) amounting to $10,055 due annually plus minimum work commitments on the adjoining claims (collectively the "Boomerang Project") of $1,305,743 for 2008 and annually each year thereafter through the remaining life of the claims. To December 31, 2007, the necessary minimum work commitments had been completed on these properties. The annual lease fees and the 2008 work commitments on the adjoining claims are expected to be majority funded through the Cameco Option Agreement.

Other mineral property obligations the Corporation has are its minimum work commitments on its Garry Lake claims amounting to $2,262,582 due in 2008, $2,233,653 due in 2009, and $1,709,376 due annually each year thereafter for the remaining life of the claims. To December 31, 2007, the Corporation has made exploration expenditures of $2,529,966 on the Garry Lake claims.

The Corporation also must make minimum work commitments on its Thelon SW basin claims staked effective July 11, 2006, amounting to $931,766 due by July 2008 and $465,883 annually each year thereafter over the remaining life of the claims.

The Corporation is also required to make $161,213 of annual minimum expenditures on its Rottenstone property. The Corporation has excess expenditures of $1,083,888 remaining to the credit of the mineral dispositions on the Rottenstone property which may be used towards future exploration and development work requirements.

**Transactions with Related Parties**

Mineral properties and deferred costs includes $62,338 (2006 - $18,093) of consulting and other fees paid to corporations controlled by officers and directors. Of this amount, $37,649 (2006 – $NIL) is included in accounts payable and accrued liabilities at December 31, 2007 and is due under normal credit terms.

General and administrative expenses includes $50,688 (2006 - $8,983) of consulting fees paid to corporations controlled by directors and officers. Of this amount, $13,772 (2006 – $3,000) is included in accounts payable and accrued liabilities at December 31, 2007 and is due under normal credit terms.

General and administrative expenses also includes $84,000 which relates to a signing bonus payable to the Company's new President and Chief Operating Officer ("COO"), which is included in accounts payable and accrued liabilities at December 31, 2007 (see below) and is due under normal credit terms.

Mineral properties and deferred costs includes $123,800 (2006 – $92,103) of consulting and other fees paid to corporations controlled by officers and directors. Of these amounts, $12,720 (2006 – $11,660) is included in accounts payable and accrued liabilities at December 31, 2007 and is due under normal credit terms. These consulting and other fees relate to geological expenditures that are fully recoverable under the Cameco First Option agreement.

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

**Subsequent Events**

The following events occurred subsequent to December 31, 2007:

a. On October 9, 2007 the Corporation announced the hiring of a new President and COO who became fully active with the Corporation on December 1, 2007. As part of the terms of employment, the new President and COO was to receive a signing bonus equal to 100,000 common shares of the Corporation. The Corporation valued the signing bonus at $84,000, being the fair value of the shares on October 9, 2007; however, the Corporation had not received regulatory approval to issue the shares by December 31, 2007. As a result, $84,000 has been included in accounts payable and accrued liabilities at December 31, 2007 relating to the signing bonus.

b. Subsequent to December 31, 2007, 150,000 stock options with an exercise price of $1.63 expired unexercised.

**Contingency**

At December 31, 2007, the Corporation is in dispute with one of its vendors for over-billing for services to the Corporation in the amount of $93,564. It is management's position that the services were not agreed upon or provided for and is currently seeking clarification from the vendor. It is management's opinion that there is no basis for the claim and consequently no provision has been provided in the financial statements. Any liability resulting from the negotiations will be recorded in the period of settlement.

## Off-Balance Sheet Arrangements

The Corporation has no “off-balance sheet arrangements”.

## Proposed Transactions

In the normal course of business, the Corporation from time to time conducts geological reconnaissance and property evaluation for possible acquisition and considers proposals from other companies for optioning its own properties. These potential acquisitions and proposals, which are generally subject to Board, regulatory and possibly shareholder approvals, may involve future payments, share issuance and property work commitments or the reduction of its existing mineral interest. These future obligations or option proposals are usually contingent in nature and generally the Corporation controls the obligations it wants to incur or proposals it wished to continue with.

## Critical Accounting Estimates

Critical accounting estimates are assumptions made by the Corporation about matters that are highly uncertain at the time the accounting assumption is made. Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, the fair value of certain assets; recoverability of mineral properties and deferred costs; environmental and asset retirement obligations; stock-based compensation; and income taxes. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

## Management Report on Financial Statements

The accompanying Financial Statements and related financial information are the responsibility of Uravan management and have been prepared in accordance with accounting principles generally accepted in Canada and include amounts based on estimates and judgments. Financial information included elsewhere in this report is consistent with the financial statements.

Our independent registered chartered accountants, Collins Barrow Calgary LLP, provided an audit of the annual Financial Statements, as reflected in their report for the years ended December 31, 2007 and 2006.

The Financial Statements are approved by the Board of Directors as a whole acting as the audit committee. The interim Financial Statements and MD&A are also analyzed by the Board of Directors together with management and the independent registered chartered accountants and are approved by the Board of Directors. In addition, the Board of Directors as audit committee has the duty to review critical accounting policies and significant estimates and judgments underlying the Financial Statements as presented by management, and to approve the fees of the independent registered chartered accountants.

Collins Barrow Calgary LLP has full and independent access to the audit committee to discuss their audit and related matters.

## Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Corporation is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Corporation’s Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of December 31, 2007, that the Corporation’s disclosure controls and procedures are effective to provide reasonable assurance that material information related to Uravan, is made known to them by employees or third party consultants working for the Corporation.

It should be noted that while the Corporation's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.

**Internal Control over Financial Reporting**

The Chief Executive Officer and Chief Financial Officer of the Corporation are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian Generally Accepted Accounting Principles. We assessed the design of our internal control over financial reporting as of December 31, 2007.

During this process, management identified certain material weaknesses in internal controls over financial reporting which are as follows:

- Due to the limited number of staff of Uravan, it is not possible to achieve a complete segregation of duties for incompatible duties;

- Due to the limited number of staff, Uravan does not have technical accounting expertise and knowledge to address all complex and non-routine accounting transactions that may arise; and

- Many of Uravan's information systems are subject to general control deficiencies including a lack of effective controls over spreadsheets, access and documentation.

These weaknesses in Uravan's internal controls over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the Board of Directors work to mitigate the risk of a material misstatement in financial reporting by segregating duties as much as possible under the current circumstances. In addition, when complex accounting and technical issues arise during preparation of monthly and quarterly financial statements, outside consulting expertise is engaged. In spite of management's best efforts, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

**Changes in Accounting Policies Including Initial Adoption**

The following new accounting policies were adopted during the year ended December 31, 2007 by the Corporation:

*Comprehensive Income, Equity, Financial Instruments and Hedges*

Effective January 1, 2007, the Corporation adopted CICA Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments — Recognition and Measurement" and Section 3865, "Hedges". Under the standards:

- Financial assets are classified as loans and receivables, held-to-maturity, held-for-trading or available-for-sale. Loans and receivables include all loans and receivables except debt securities and are accounted for at amortized cost. Held-to-maturity classification is restricted to fixed maturity instruments that the Corporation intends and is able to hold to maturity and is accounted for at amortized cost. Held-for-trading instruments are recorded at fair value on the balance sheet with realized and unrealized gains and losses reported in net loss. The remaining financial assets are classified as available-for-sale. These are recorded at fair value with unrealized gains and losses reported in a new category of the balance sheet under shareholders' equity called accumulated other comprehensive income ("AOCI"). Realized gains and losses on available-for-sale financial assets are recognized in net loss. For any decline in the fair value of available-for-sale financial assets considered by the Corporation to be other than temporary, the cumulative loss is transferred from AOCI to net loss;

- Financial liabilities are classified as either held-for-trading or other financial liabilities. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net loss. Other financial liabilities are accounted for at amortized cost with gains and losses reported in net loss in the period that the liability is derecognized; and

- Derivative instruments ("derivatives") are classified as held-for-trading unless designated as hedging instruments. All derivatives are recorded at fair value on the balance sheet. For derivatives that hedge the changes in fair value of an asset or liability, changes in the derivatives' fair value are reported in net loss and are substantially offset by changes in the fair value of the hedged asset or liability attributable to the risk being hedged. For derivatives that hedge variability in cash flows, the effective portion of the changes in the derivatives' fair value are initially recognized in other comprehensive income ("OCI") and the ineffective portion are recorded in net loss. Amounts temporarily recorded in AOCI will subsequently be reclassified to net loss in the periods when net income is affected by the variability in the cash flows of the hedged item.

These standards have been applied prospectively; accordingly comparative amounts for prior periods have not been restated. The adoption of these standards resulted in the following adjustments as of January 1, 2007 in accordance with the transition provisions:

- The Corporation's investments in marketable securities have been classified as held-for-trading and are recorded at fair value on the balance sheet, resulting in an increase in marketable securities of $2,636, an increase in future income tax liability of $658, and a decrease in opening accumulated deficit of $1,978;

- Commencing January 1, 2007, transaction costs related to financial assets and liabilities classified as held-for-trading are included in net loss as incurred. During the year ended December 31, 2007, the Corporation incurred transaction costs of $72,188 on its marketable securities portfolio;

- The Corporation's cash and cash equivalents have been classified as held-for-trading and are recorded at fair value on the balance sheet;

- The Corporation's accounts receivable and deposits have been classified as loans and receivables and are recorded at amortized cost on the balance sheet; and

- The Corporation's accounts payable and accrued liabilities have been classified as other financial liabilities and are recorded at amortized cost on the balance sheet.

There was no financial statement impact on the adoption of these standards for the Company's cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities.

*Accounting Changes*

In July 2006, the CICA revised Section 1506, "Accounting Changes", which requires that: (1) voluntary changes in accounting policy are made only if they result in the financial statements providing reliable and more relevant information; (2) changes in accounting policy are generally applied retrospectively; and (3) prior period errors are corrected retrospectively. Section 1506 is effective for fiscal years beginning on or after January 1, 2007. The implementation of this section did not have a material impact on the Corporation's financial statements.

*Stripping Costs Incurred in the Production Phase of a Mining Operation*

In March 2006, the Emerging Issues Committee issued Abstract No. 160, "Stripping Costs Incurred in the Production Phase of a Mining Operation" ("EIC-160"). EIC-160 discusses the treatment of costs associated with the activity of removing overburden and other mine waste minerals in the production phase of a mining operation. It concludes that such stripping costs should be accounted for according to the benefit received by the entity and recorded as either a component of inventory or a betterment to the mineral property, depending on the benefit received. The implementation of EIC-160, effective January 1, 2007, did not have an impact on the Corporation's financial statements.

*Stock-Based Compensation for Employees Eligible to Retire Before the Vesting Date*

In July 2006, the Emerging Issues Committee issued Abstract No. 162, "Stock-Based Compensation for Employees Eligible to Retire Before the Vesting Date" ("EIC-162"). EIC-162 discusses how compensation cost attributable to a stock-based award for a compensation plan containing provisions which allow an employee's stock-based award to continue vesting after the employee has retired from the entity should be accounted for in the case of an employee who is eligible to retire at the grant date, or who will become eligible to retire during the vesting period. In the case of an employee who is eligible to retire at the grant date, EIC-162 concludes that compensation cost should be recognized on the grant date. In the case of an employee who will become eligible to retire during the vesting period, the compensation cost should be recognized over the period from the grant date to the date the employee becomes eligible to retire. The Corporation adopted the recommendations of EIC-162 on January 1, 2007, and the implementation did not have an impact on the Corporation's financial statements.

**Recent Accounting Pronouncements**

*Determining the Variability to be Considered in Applying the Variable Interest Entity Standards*

In September 2006, the Emerging Issues Committee issued Abstract No. 163, "Determining the Variability to be Considered in Applying AcG-15" ("EIC-163"). This guidance provides additional clarification on how to analyze and consolidate a variable interest entity ("VIE"). EIC-163 concludes that the "by-design" approach should be the method used to assess variability (that is created by risks the entity is designed to create and pass along to its interest holders) when applying the VIE standards. The "by-design" approach focuses on the substance of the risks created over the form of the relationship. The guidance may be applied to all entities (including newly created entities) with which an enterprise first becomes involved, and to all entities previously required to be analyzed under the VIE standards when a reconsideration event has occurred, effective January 1, 2007. The implementation of this guidance did not have any impact on the Corporation's financial statements.

*Capital Disclosures*

In December 2006, the Canadian Institute of Chartered Accountants ("CICA") issued Section 1535, "Capital Disclosures". This Section establishes standards for disclosing information about an entity's capital and how it is managed. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and is not expected to have a material impact on the Corporation's financial statements.

*Financial Instruments*

Effective January 1, 2007, the Corporation adopted CICA Section 3861, "Financial Instruments — Disclosure and Presentation", which requires entities to provide disclosures in their financial statements that enable users to evaluate: (1) the significance of financial instruments for the entity's financial position and performance; and (2) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The applicable disclosures required under this standard are included in note 4.

In March 2007, the CICA issued Section 3862, "Financial Instruments —Disclosures", which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories. This standard harmonizes disclosures with International Financial Reporting Standards. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and is not expected to have a material impact on the Corporation's financial statements.

In March 2007, the CICA issued 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. This Section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This standard harmonizes disclosures with International Financial Reporting Standards. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and is not expected to have a material impact on the Corporation's financial statements.

*International Financial Reporting Standards*

In May 2007, the CICA published an updated version of its "Implementation Plan for Incorporating International Financial Reporting Standards ("IFRS") into Canadian GAAP". This plan includes an outline of the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian generally accepted accounting principles with IFRS. The changeover date from Canadian GAAP to IFRS is for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011. The Corporation is continuing to assess the potential impact of the conversion to IFRS.

*Goodwill and Intangible Assets*

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". The purpose of these sections is to provide more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The sections harmonize Canadian standards with International Financial Reporting Standards and applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The sections are not expected to have an impact on the Corporation's financial statements.

## Financial Assets and Liabilities

The Corporation designated its portfolio of marketable securities as held-for-trading. The Corporation's portfolio of marketable securities is held with the objective of generating a profit from short term fluctuations in the market prices of the securities. The Corporation's marketable securities are carried at fair value on the balance sheet, with any changes in the fair value of held-for-trading financial assets recognized in the statement of loss.

The Corporation's portfolio of marketable securities is exposed to risks relating to fluctuations in market price and interest rate price risk as a portion of the Corporation's marketable securities bear interest at fixed interest rates. A portion of the Corporation's portfolio of marketable securities is denominated in U.S. dollars and is exposed to foreign currency price risk. The Corporation's accounts receivable due under normal credit terms and are exposed to credit risk relating to the non-payment of the amounts owing to the Company.

The fair value of marketable securities which are investments in equity securities and other investments designated as held-for-trading, is based on the closing price of the securities as of the balance sheet date. The fair values of accounts receivable, deposits, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

## Risks and Uncertainties - Environmental, Regulatory, Capital Markets, Investment Activities and Others

The Corporation operates as a mineral explorer in the mining industry that is Canada wide in scope. Mineral exploration involves considerable financial and technical risk. Substantial time and expenditures are usually required to make a discovery and to establish economic ore reserves. It is impossible to assure that the current exploration properties and programs planned by the Corporation will result in an economic mineral discovery and development. Accordingly, success in achieving the objectives of the Corporation is affected by many circumstances over which the Corporation has no control. There is inherent risk in the exploration for mineral resources that is unavoidable. Also, there are risks associated with political instability, the impact of commodity prices on the valuation of mineral properties and share prices and general changes in economic conditions and the ability of the Corporation to obtain Land Use Permits (LUP) on its mineral properties.

The Corporation's mineral exploration activities have to be financed either through joint ventures or in the capital markets through the sale of its Common Shares. The ability of the Corporation to raise exploration funds in the capital markets is highly dependent on the value the market places on the Corporation's mineral properties and the strength of the metal markets. The value the market places on the Corporation's mineral exploration properties is directly related to the grade and thickness of the contain mineralization being reported and the potential to develop these mineral values into an economic deposit.

The Corporation has adopted a policy of investing in marketable securities with a view to generating returns to assist in funding the Corporation's operating expenses. There is no guarantee that such investments will generate positive returns. There is a risk that the Corporation may, from time to time, incur losses on these investments, which could compromise the Corporation's funding plans.

**Management and Corporate Matters**

The Corporation is dependent on a small number of key personnel. The loss of any of these people could have an adverse affect on the Corporation. A new director and a vice president of exploration were added to the Corporation's management team effective January 1, 2007. A second new director was added at the Corporation's annual general meeting on May 25, 2007.

One of the Corporation's directors resigned effective October 29, 2007. On December 1, 2007 the Corporation's new President and Chief Operating Officer, Mr. James Marlatt became active with the Corporation.

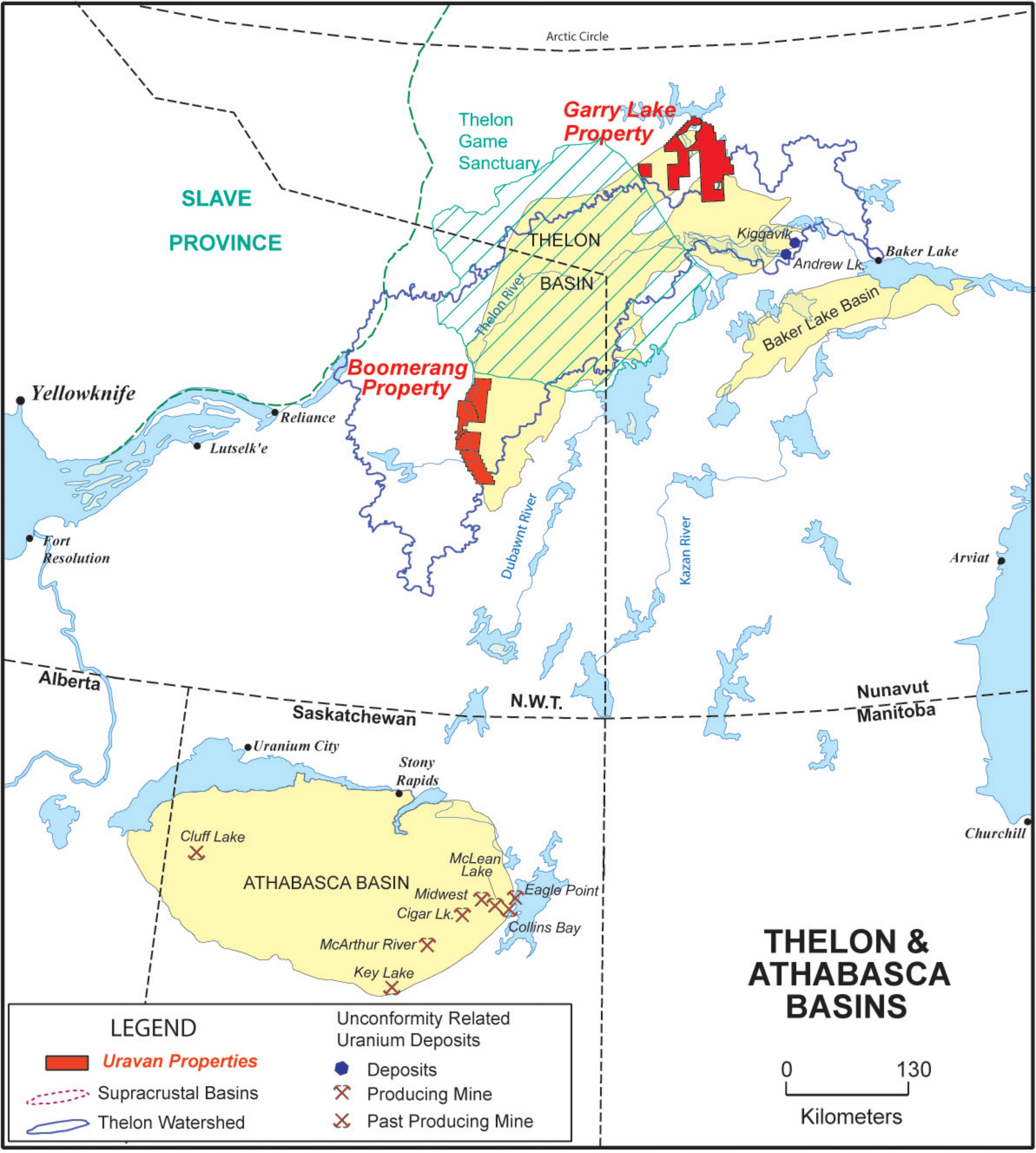
**Nature of Operations**

The Corporation is a mineral exploration company specializing in uranium, base metal (nickel, copper) and precious metal (platinum, palladium) exploration. The Corporation's principal assets are its Boomerang Uranium Project, Garry Lake Uranium Project and Rottenstone Nickel-Copper-PGM Project (Figure 1). The Corporation's mineral exploration and property acquisition activity has been directed toward the geological reconnaissance and interpretation of historical data for the evaluation of new areas for possible acquisition, primarily for uranium with lesser focus on nickel-copper-platinum group element (Ni-Cu-PGM) occurrences. Due to the increase in the spot uranium prices, going from a low of $US 7.10 per pound $U_3O_8$ in December 2000 to $71.00 per pound $U_3O_8$ recently, the Corporation has been persistent in planning and carrying out further exploration on its Boomerang and Garry Lake uranium projects and pursuing potential uranium property acquisitions or opportunities. All of the mineral properties the Corporation owns are considered to be in the exploration stage in which no known body of commercial ore has been developed yet.

**Property Summary and Exploration Update**

In 2007 the Corporation, acting as operator for Cameco Corporation ("Cameco"), has focused on evaluating, interpreting and organizing exploration data collected in 2006 and 2005 on the Boomerang Uranium Project and planning and implementing a multidisciplinary exploration program, including diamond drilling, in 2007. In April 2007 Uravan applied for a new Land Use Permit (LUP) that would allow for further drilling on prospective targets along the northern extension of the G Trend. In August 2007, after standard review of the LUP application by the Mackenzie Valley Land and Water Board (MVLWB), the Akaitcho First Nations and other NGOs; the Mackenzie Valley Environmental Impact Review Board (the "Review Board") referred the Corporation's Boomerang LUP applications for Environmental Assessment (EA) base on "public concern" expressed by aboriginal communities. In 2008 the Corporation is preceding through the EA, however, the Corporation has no control over the scheduling of these procedures and corresponding activities and, therefore, cannot be certain its 2008 exploration plans and objectives on the Boomerang uranium project can be met in the time frame required. Although the timing for completing the EA and obtaining an approved LUP on the Boomerang project is uncertain, the Corporation is confident that an LUP will be granted in the near future.

In 2006 and 2007, as a result of the compilation and interpretation of an extensive regional historical database, the Corporation carried out an aggressive claim staking program in the northern Thelon Basin, Nunavut (NU) resulting in the



Arctic Circle
Garry Lake Property
Thelon Game Sanctuary
SLAVE PROVINCE
THELON BASIN
Thelon River
Kiggavik
Andrew Lk.
Baker Lake
Baker Lake Basin
Boomerang Property
Yellowknife
Reliance
Lutselk'e
Fort Resolution
Dubawnt River
Kazan River
Arviat
Alberta
N.W.T.
Saskatchewan
Nunavut
Manitoba
Uranium City
Stony Rapids
Cluff Lake
ATHABASCA BASIN
McLean Lake
Midwest
Eagle Point
Cigar Lk.
Collins Bay
McArthur River
Key Lake
Churchill
THELON & ATHABASCA BASINS
LEGEND
Uravan Properties
Supracrustal Basins
Thelon Watershed
Unconformity Related Uranium Deposits
Deposits
Producing Mine
Past Producing Mine
0
130
Kilometers

acquisition of its Garry Lake uranium project area. In the spring and summer 2007 Uravan completed two airborne geophysical surveys and a GIS database on the Garry Lake property in preparation for diamond drilling a number of prospective EM conductive targets in the summer of 2008.

In 2007 Uravan and Mantis Mineral Corporation (“Mantis”) entered into the Rottenstone Option Agreement (the “Option”) whereby Mantis was granted an option to earn an aggregate 60% interest in the Rottenstone property by funding a cumulative ten million dollars ($10,000,000) in exploration expenditures. The first phase of exploration that Mantis proposes to complete in 2008 on the Rottenstone property is a deep penetrating high-resolution VTEM B-field electromagnetic (EM) +Magnetic airborne geophysical survey with a follow-up drill program.

The following is a summary description of the Corporations existing mineral properties and planned activity:

## ***BOOMERANG URANIUM PROJECT***

### Boomerang Uranium Property

The Boomerang uranium property (the “Boomerang Property” or “Boomerang Project”) is located about 478 kilometers east of Yellowknife, NT and consists of 5 mineral leases and 253 contiguous mining claims covering about 647,003 acres located along the southwestern margin of the Thelon Basin, NT (Figure 1). The Boomerang Property is accessed by ski/wheeled- and float-equipped fixed wing aircraft during winter and summer exploration programs, respectively. The Boomerang Property straddles the southwestern edge of the Thelon Basin edge for about 90 kilometers in a North-South direction and extends into the basin from the basin edge for distances between 7 and 25 kilometers. Uravan’s land position is unparalleled when compared to land ownership in either the Thelon or Athabasca basins.

In July 2006 Cameco and Uravan jointly acquired (on a 50-50 basis) an additional 88 contiguous mining claims consisting of 227,260 acres covering the basement geology adjacent to the most southwestern Boomerang Property claim block described above (the “Thelon SW” property). This staking effort was part of a larger land acquisition program designed to cover prospective basement geology adjacent and adjoining Boomerang Property.

### Cameco – Uravan Joint Venture

The Boomerang Project is a joint exploration effort between Cameco and Uravan. Effective January 1, 2005 Uravan and Cameco entered into the Boomerang Option Agreement (the “Option”) whereby Cameco was granted an Option to earn an aggregate 60% interest in Uravan’s 100% owned Boomerang Property (the “Boomerang Project”) by funding a cumulative ten million dollars ($10,000,000) in exploration expenditures. The agreement consists of two options: (1) the first option grants Cameco the exclusive right to earn a 51% interest in the Boomerang Project properties by funding $6,000,000 in exploration expenditures over six years and (2) the second option grants Cameco the exclusive right to earn an additional 9% interest in the Boomerang Project properties by funding an additional $4,000,000 in exploration expenditures. Upon Cameco earning either a 51% or 60% interest a joint venture will be formed between Cameco and Uravan (collectively the “Parties) with the Parties funding their pro-rata share of future exploration expenditures. Uravan is currently the operator for the first two years of the Option, with the responsibility to plan, organize and carry out Annual Exploration Programs on behalf of Cameco. Cameco is expected to fund 100% of the exploration expenditures to the extent of its minimum earn-in amount. After two years Cameco may elect to become the operator. In 2005 Cameco funded $1,003,540 in exploration expenditures and in 2006 a further $2,198,237 was incurred. Through the twelve months ended in December 31, 2007 Cameco has funded additional exploration expenditure amounting to $2,772,625 resulting in an aggregated expenditure of $5,974,402 incurred on the Boomerang Project pursuant to the Option.

### Regional Geology and Uranium Potential

The Thelon Basin is a Paleoproterozoic intracratonic basin that is coeval with the Paleoproterozoic Athabasca Basin, Saskatchewan. The Thelon Basin and particularly the southwestern Thelon Basin was filled by Paleoproterozoic unmetamorphosed arenceous sedimentary rocks (the “Thelon sandstone or Thelon Formation”), which have sustained high-grade diagenesis and vary in dip from flat lying to moderately tilted. These siliciclastic rocks which are dominated by fine- to coarse-grained sandstones with coarser equivalents, granulestone to conglomerate, unconformably overlie an ortho- and paragneiss-bearing older basement complex inferred to be comprised of rocks belonging to the Archean and Early Proterozoic. The high-grade paragneisses were derived from pelitic to psammitic protoliths, some of which are graphite-bearing. Numerous northeast-trending crustal-scale high strain zones which subdivide the basement gneiss complex into panels continue to the northeast beneath the Thelon Basin. The rich structural metamorphic history in these metasedimentary belts includes an episode of post-Thelon brittle reactivation.

The Boomerang Property straddles the western margin of the southwest (SW) Thelon Basin and extends eastward covering Paleoproterozoic basement domains described above and where the Thelon sandstone – basement contact is considered to be highly prospective for high-grade unconformity-related uranium deposits. The primary area of interest on the Boomerang Property is a NE trending belt of supracrustal rocks, sometimes referred to as the Elk River Belt of Archean or Proterozoic Age. This belt or corridor of supracrustal rocks consists of a suite of psammitic to pelitic metasedimentary rocks with accompanying intermediate to felsic volcanic rocks. This older sequence of meta-volcano-meta-sedimentary sequence is overlain unconformably by the flat-lying un-metamorphosed Paleoproterozoic Thelon Formation consisting of basal fluvial non-marine conglomerates and quartose sandstones.

## SW Thelon Basin Historical Exploration

The exploration history in the southwestern Thelon Basin was episodic. The initial exploration was conducted by Urangesellschaft Canada Ltd. (UG), Pacific Nuclear Corp. (PNC), Gulf Minerals and Hudson Bay Oil and Gas. These companies left behind a rich data legacy in the form of regional and detailed geological mapping, soil, lake sediment and water geochemical surveys and airborne and ground geophysical surveys which have been captured and utilized for Uravan's ongoing exploration.

Previous exploration on lands now covered by the Boomerang Property was conducted by Urangesellschaft Canada Ltd ("UG") between 1976 and 1984 and PNC (Canada) Exploration Co. Ltd. ("PNC") in 1990 and 1992. At the time these exploration companies focused on a narrow corridor of graphitic conductors within pelitic gneisses that are overlain unconformably by 80 to 100 meters of Thelon sandstone. Both UG and PNC drill tested these conductors in 1983 and 1991-1992 respectively, with 51 vertical BQ-size diamond drill holes totaling 6,536.7 meters. Significant results were obtained from drill hole BL-83-21, which intersected 0.5 meter grading 0.50% U3O8, 22.4 g/t Au, and 12.3 g/t Ag in strongly altered Thelon sandstone at the faulted unconformity contact. Drilling along the conductive corridor also intersected anomalous uranium and precious metal mineralization, a feature that conclusively demonstrated the high potential of this graphitic metasedimentary belt which had been comparable to the Wollaston Group graphitic metasedimentary rocks beneath the Athabasca Basin.

Other historic exploration work conducted on the Boomerang Property area was performed by UG, PNC, Gulf Mineral and Hudson Bay Oil & Gas between 1976 -1984 and 1990 - 1992 consisting of regional geological mapping, surficial geology mapping, lake sediment and soil sampling/geochemistry and airborne and ground geophysical surveys.

In June 1998, Uravan assumed control of the five Boomerang mineral leases and completed 10 vertical NQ-diamond drill holes totaling 1322.4 meters. This drill program was designed to confirm the continuity and orientation of the discovery mineralization in BL-83-21 and to test this mineralized conductor and surrounding conductors for larger mineralized zones. Drill hole BL-98-52 intersected mineralization immediately beneath the unconformity: 1.0 meter (83.5-84.5 meters) grading 595 ppm U, 10.17 g/t Au, 5.7 g/t Ag, 358 ppb Pt and 497 ppb Pd. Within the former interval, there is a subunit, 84.0-85.0 meters grading +1.0% As, 0.36% Ni, 0.61% Co and 419.5 ppm Cu. These intersections conclusively demonstrated that the unconformity-related mineralizing processes were operative along the conductive corridor and that more drilling was warranted. The structural and alteration style associated with the Boomerang discovery mineralization and the metallic expression of that mineralization, U+Au+Ag+Ni+Cu+Co+As, is comparable to the Cigar Lake deposit, eastern Athabasca Basin.

## 2005 Exploration Programs

In July 2005 Fugro Airborne Surveys ("Fugro") completed an airborne MEGATEM geophysical survey for Uravan over the Boomerang Property. The MEGATEM survey covered all of the Boomerang Property area (400,429 acres) amounting to

1540 square kilometers (prior to recent additional land acquisitions). A total of 7596 line-kilometers of data were collected by flying 243 traverse lines on 250-meter line spacing using a modified Dash 7 aircraft.

Fugro's MEGATEM system has the capability of imaging the Archean-Paleoproterozoic basement beneath the younger sedimentary rocks of the Thelon basin. The Thelon sandstone – basement contact is considered to be highly prospective for unconformity-related uranium deposits. The objective of the survey was to identify strong basement electromagnetic (EM) conductors indicative of reactivated basement structures, some of which exploit graphite-bearing pelitic metasedimentary basement rocks.

Between September and November 2005, Uravan compiled the historical exploration work conducted by other operators in the late 1970's and early 1980's and 1990's into a comprehensive GIS-database that includes all historic geological-geochemical-geophysical exploration results (the "GIS-Database").

In October 2005 Fugro completed the final compilation and processing of the MEGATEM survey data and provided Uravan with an interpretation of the EM and magnetic surveys. Based on this interpretation six EM conductors/anomalies were identified. Further processing and modeling of the survey, in conjunction with the compilation of historical exploration data, identified two high priority basement-hosted EM conductive trends (the "G" and "F" conductive trends) that have characteristics of reactivated basement structures. The G and F anomalies are considered major conductive trends that have substantial strike lengths (+20 kilometers) and occur in part within a broad corridor of favorable graphite-bearing pelitic metasedimentary basement rocks that underlie the Thelon sandstone cover. Based on the projection of these strong basement hosted EM anomalies, Cameco - Uravan acquired an additional 174,087 acres of mineral claims (BN 1-100 claims) that adjoined the existing Boom Property to the north and east to cover the extension of these favourable trends.

Based on the completion and interpretation of an airborne MEGATEM geophysical survey conducted over the Boomerang Project in 2005 and integrating this data with the compilation of historical exploration data, two high priority basement-hosted EM conductive corridors (the "G" and "F" conductive corridors) have been identified as having the potential to host unconformity-related uranium deposits. As a result of this positive coincident data base a 6 to 10 reconnaissance diamond drill hole program was planned for 2006.

**2006 Exploration Program**

In May 2006, to provide for specific drill targeting within the favourable F- and G-conductive trends, a follow-up ground Transient Electromagnetic (TEM) geophysical survey was performed on two grids (the "G" and "F" grids) utilizing 400 meter spaced grid lines. The TEM geophysical survey consisted of approximately 168 line-kilometers of conventional Fixed Loop and Stepping Moving Loop surveys employing 500x800 meter Fixed and 200x400 meter Stepwise Moving Transmitter Loop lay-outs. Because of the magnitude of the F- and G-conductive trends, the ground TEM geophysical survey was only conducted over several segments of the EM anomalies. The preliminary results of the survey confirm the existence of several significant and substantial EM conductors at 200 – 300 meter depths throughout the "G" and "F" grid areas. The strongest individual conductors occur at or near the unconformity between the Thelon sandstone and underlying graphite-bearing pelitic metasedimentary basement rocks. The conductors display significant shifting in strike and depth and in some areas the depth of the conductive response changes drastically from grid line to grid line suggesting either a significant plunge in the conductor or perhaps a significant down stepping of the basement or projection upward into the overlying Thelon sandstone. The apparent complexity of these conductors is suggestive of reactivated basement structures a key component necessary for the development of unconformity-type uranium deposits.

In July 2006, Uravan and Cameco commenced reconnaissance diamond drilling on the Boomerang Uranium Project, Thelon Basin, NT. The reconnaissance diamond drill holes were located on pre-selected geophysical cross sections through the F- and G-conductive trends based on a follow-up ground Time Domain Electromagnetic (TDEM) geophysical survey. By mid-August, six (6) NQ widely-spaced incline diamond drill holes (BL06-60 thru -65 inclusive) were completed; three drill holes in each trend, totaling 1558.7 meters drilled. These inclined reconnaissance drill holes were positioned to intersect conductive geophysical structures in the basement and interpreted structural zones in the Thelon sandstone, both critical elements in the search for high-grade uranium deposits positioned at the unconformity and within the basement beneath the unconformity. All drill holes were sampled intensively and submitted for major oxides and trace element analysis and clay mineralogy.

In July 2006 Fugro completed a new airborne MEGATEM + magnetic geophysical survey, extending the 2005 survey to the northeast (BN claim group) covering the projection of the G and F conductors. In this new survey a total of 2992 line-kilometers of geophysical data were collected by flying 400 m spaced traverse lines.

Based on interpretive work from the merged 2005 and 2006 MEGATEM geophysical data, the new 2006 MEGATEM survey confirmed the substantial extension to the northeast of both the G- and F- conductive trends thereby adding the G-extension and H1 to 8 series of EM anomalies respectively.

**2007 Exploration Program**

In 2007 Uravan and Cameco completed a multidisciplinary exploration program consisting of:

- The completion of multiple Fixed-Loop TDEM (Time Domain Electromagnetic) surveys over individual EM (electromagnetic) conductive 'peaks' located along the F, G, G extension and H conductive trend. In total 120.4 line kilometers were complete on 22 individual 'peak' EM targets; each target was profiled using 500 meter X 800 meter grids. These conductive trends and EM 'peak' anomalies were interpreted based on a previously completed MEGATEM airborne geophysical survey.
- The completion of 5 reconnaissance diamond drill holes (BL07-67, 68, 69, 70, 72) amounting to 1882.40 meters drilled. Specific drill targets were selected based on the results of the multiple Fixed-Loop ground TDEM geophysical survey technique as noted above.
- A 2000 square kilometer surface geochemical sampling program covering the southern part of the Boomerang property. Lake water and surface vegetation samples were collected on a 1 kilometer x 1 kilometer pre-established GPS grid resulting in the collection of 605 lake water samples and 985 vegetation samples over the area noted above. All samples (water and vegetation) are being analyzed by Acme Analytical Laboratories Ltd, Vancouver, B.C. using a specified trace element analytical package designed to determine uranium pathfinder geochemical anomalies and trends.
- A reconnaissance soil sampling program resulting in the collection of 100 soil samples.
- Geological and structural mapping program over two basement domains on the property.

The F- and G- conductive trends (including the G-extension and H series conductors) are two major subparallel basement-hosted EM conductive anomalies that were identified from a 2005 and 2006 airborne MEGATEM geophysical survey. Based on the interpretive work from the merged 2005 and 2006 MEGATEM geophysical data, both anomalous conductive trends have substantial strike lengths, individually measuring >50 kilometers and striking in a northeast direction across the entire northern Boomerang uranium property. The F- and G-conductive trends (including their extensions) are 2 to 3 kilometers wide and lie within broader structural corridors that are comprised in part of prospective graphite-bearing pelitic metasedimentary basement rocks that underlie sandstones of the Thelon Basin. The F- and G-conductive trends (including their extensions) are interpreted to be major basement-hosted conductive anomalies that have the potential to host unconformity-type uranium deposits analogous to the high-grade unconformity uranium deposits of the Athabasca Basin.

The 2007 drill program focused on the G-conductive trend with individual drill holes located on 'peak' conductive images using widely-spaced drill patterns (~2000m). All 2007 drill holes were gamma probed subsequent to completion and all cored intervals were extensively sampled through the Thelon sandstone and basement rock sections and submitted for major oxides and trace elements analysis. The analytical work is currently in process, the results of which will be used for interpretive work to refine future drill-hole targets. Based on field spectrometer measurements no major uranium mineralization was intersected in the 2007 drill program, however, drill data collected continues to expand Uravan's and Cameco's technical understanding and uranium bearing potential of the G- and F-Tend corridors.

The 2006 and 2007 drill programs have explored about eight (8) kilometers of the > 50 kilometer long corridor that includes the G-Trend and its laterally continuous G-Extension to the northeast. These drilling programs have confirmed that the Thelon sandstone - basement unconformity contact comprising the area associated with the G-Trend, G-Trend

Extension and F-Trend has been significantly faulted thus providing a conduit for post-Thelon hydrothermal fluids along reactivated structures. Evidence of these events is observed in the intense sandstone 'bleaching', and importantly, the identification in the 2006 and 2007 drill results of illite-enriched clay alteration hosted in the basal Thelon sandstone-conglomerate section at the unconformity along the G- and F-Trends. The illite-enriched sections associated with reactivated structures at the unconformity contact are 'key' alteration and structural components associated with uranium mineralization in the Athabasca Basin. The recognition in 2007 that a pervasively illitized sandstone section is present in the G-Trend conclusively upgrades the potential of the G-Trend structural corridor. This illitic sandstone sequence remains open along trend to the northeast.

**2008 Planned Exploration Program and Budget**

Exploration planning for 2008 will focus on additional reconnaissance drilling to the northeast on the G-Trend, G-Extension and H series conductors using the same drill targeting procedure as noted above. Given this objective, Uravan's greatest challenge for 2008 will be to: (1) increase the number of drill holes in the available season and (2) gain access to the most technically favorable land areas with approved land use permits (LUP). Details of the 2008 Boomerang Technical Program will be discussed more by Uravan in future press releases.

It is Uravan's objective to increase the drilling season on the Boomerang project from the current 2 to 3 months to 6 months (April – September), reduce the use of aircraft by developing a land-based operation and to increase the efficiency of the drilling operation with the use of owner operated drilling equipment and personnel. This strategy will be developed over the next year with the objective to increase the meters drilled per season, cost effectively, from the current 1700 meter average to +5000 meter average.

**2008 Land Use Permit Issues**

In the Northwest Territories (NT) and specifically the upper Thelon River watershed region, where Uravan is actively exploring its Boomerang Uranium Project, the LUP approval process has become more arduous and difficult to complete due to 'public concern' issues raised by the Aboriginal communities and other non-government organizations (NGOs). Therefore, Uravan's efforts to gain access to land areas covered by its Boomerang property that provides potential for uranium discovery has become more challenging. Although Uravan holds an approved Land Use Permit (LUP) for its Boomerang project, this permit expires in May 2008 and does not cover a number of favorable areas that require drill testing. To obtain drilling access to favorable un-permitted areas, Uravan submitted two new LUP applications in late April 2007 to the Mackenzie Valley Land and Water Board (MVLWB) that would provide LUP coverage over the northerly extension of the F- and G-conductive trends (i.e. G-extension and H series conductors).

In August 2007 the MVLWB determined there was cause for 'potential public concern', based on comments received from the Aboriginal communities regarding Uravan's LUP applications. Based on 'public concern' issues the MVLWB referred the Uravan LUPs to the Mackenzie Valley Environmental Impact Review Board (the "Review Board") for an environmental assessment (EA), pursuant to the *Mackenzie Valley Resource Management Act*. The scope and work plan of the EA is presently being determined by consultation with Uravan, Aboriginal community interests, and the Review Board. However, Uravan has no control over the scheduling of these procedures and corresponding activities and, therefore, cannot be certain its 2008 exploration plans and objectives on the Boomerang uranium project can be met in the time frame required. Although the timing for completing the EA and obtaining an approved LUP on the Boomerang project is uncertain, the Corporation is confident that an LUP will be granted in the near future.

## ***GARRY LAKE URANIUM PROJECT***

**Garry Lake Uranium Property**

The Garry Lake property consists of a predominantly continuous block of 355 mining claims covering 829,171 acres along the northern margin of the Thelon Basin as well as extending southward into the basin (Figure 1). The property is located in the Garry Lake area, northern Thelon Basin, approximately 245 kilometers NW of Baker Lake, Nunavut. This newly acquired land package is owned 100% by Uravan and compliments Uravan's highly prospective Boomerang Lake uranium land holdings in the southwestern Thelon Basin.

**Regional Geology**

The Thelon Basin is a Paleoproterozoic intracratonic basin that is coeval with the Paleoproterozoic Athabasca Basin, SK and the Kombolgie Basin in northern Australia. The Thelon sandstone – basement contact is considered to be highly prospective for unconformity-type uranium deposits. The comparison of the geology of the Thelon Basin and its uranium deposits and occurrences to the Athabasca Basin and its high-grade unconformity-type uranium deposits implies that the Thelon Basin possesses a high potential for additional uranium discoveries. Uranium mineralizations occurring at the unconformity (Boomerang Lake prospect) and within the basement proximal to the unconformity (the five deposits that form the Kiggavik-Andrews Lake uranium district) remain the preferred high priority target for exploration in the under-explored Thelon Basin.

The Garry Lake property covers a structurally disrupted basement-sandstone domain that has similarities to major structural corridors in the eastern and central segments in the Athabasca Basin. The Thelon sandstone – basement contact remains highly prospective for unconformity-type uranium mineralization and the discovery of high-grade uranium deposits. The high potential for additional uranium discoveries within the Thelon Basin is supported and strengthened by striking similarities in sedimentology, diagenesis and pro- and retrograde evolution of the basement complexes when compared to similar features for the Athabasca Basin. Uranium mineralization occurring at the unconformity on Uravan's Boomerang Lake property and the Kiggavik-Andrews Lake basement-hosted mineralization which is near and beneath the sub-Thelon paleosurface remain the preferred high priority targets for exploration in the Thelon Basin.

The Garry Lake land package covers the interpreted up-ice terminus of a high-grade uraniferous boulder train and several extensive NW-SE trending highly-anomalous surface geochemical 'lineaments' defined by previous operators in the early 1980's. The surface mineralization is hosted in favourable basement metasedimentary rocks belonging to the lower Proterozoic Amer Group, overlying coarse-grained clastic sedimentary rocks of the Thelon Formation.

**Exploration History**

In the early 1980's the most significant results from the initial exploration on the Garry Lake uranium property by Kidd Creek Minerals was the discovery of 19 uraniferous boulders that define a 3 kilometer long dispersal train. The 19 uraniferous boulders yielded assays ranging from 0.87% $U_3O_8$ to 27.12% $U_3O_8$ with an average of 7.19% $U_3O_8$. Uranium soil anomalies collected in the area define the geometry of this train, and also suggest the presence of a second uraniferous boulder train located several hundred meters to the west of the original train. This uraniferous boulder train is oriented parallel to the interpreted ice flow direction of $330^o$ and located near the erosional edge of the northern Thelon Basin. The elemental signature of individual mineralized boulders is U-Pb-Se-Te-Ag-Cu-As-S. This polymetallic elemental signature along with the carbonate gangue and clay alteration composition of the boulders indicates that this mineralization belongs to the fracture-controlled basement hosted unconformity-related uranium deposit type (Miller, 1996). This surface polymetallic unconformity-type mineralization is hosted in favourable basement metasedimentary rocks belonging to the lower Proterozoic Amer Group, which is in part overlain by coarse-grained fluvial clastic rocks of the Thelon Formation.

**2007 Exploration Program**

In 2007 Uravan completed a multi-phased airborne geophysical survey plus created a GIS database by compiling all historic geological, structural and surface geochemical data over the Garry Lake uranium property, northern Thelon Basin, Nunavut (NU). The interpretation and integration of these multiple data sets have identified a number of uranium anomalies and trends that highlights specific drill targets to be tested in 2008. The work completed is summarized below:

- Helicopter borne high-resolution electromagnetic (EM) survey using Aeroquest Limited proprietary Aerotem III system consisting of controlled traverses on 400 meter line-spacing resulting in a 7,325 line-kilometer survey.

- Fixed-wing high-resolution airborne survey by Terraquest Ltd consisting of Aeromagnetic, Horizontal Gradiometer and Radiometric geophysical surveys. A total of 10,446.3 line-kilometers were surveyed using controlled traverses on 400 meter line-spacing.
- The creation of a GIS database based on the research and compilation of all historical geological, structural and surface geochemical data over about 7000 square kilometers in the Garry Lake area. The historical geochemical data base consists of approximately 6800 geochemical sample points, consisting of uranium in lake water and lake sediment sample data.

The multi-phased airborne geophysical surveys as noted above have identified certain basement hosted conductors and structures coincident with a number of surface geochemical trends, radiometric anomalies, basin and basement geology and other alteration features that seem to occur in the overlying Thelon sandstone. The interpretation and integration of the geophysical survey data and the geological-structural-geochemical database has provided Uravan's technical team with a number of coincident anomalies and trends for selecting drill targets that appear favourable for sandstone and basement-hosted unconformity-related uranium mineralization.

In 2008 Uravan plans a multi-phase exploration program consisting of further surface geochemical sampling, structure-geological mapping and to ground-truth specific anomalies and trends, additional ground geophysics followed by diamond drilling. In preparation for the drill program on the Garry Lake property, Uravan purchased a helicopter-flyable Boyles A25 diamond drill and auxiliary equipment, which is currently in storage in Baker Lake, NU. It is Uravan's plan to position the diamond drill plus camp to the Garry Lake property in late winter early spring 2008 in preparation for the multi-phased exploration program in the summer of 2008. This drill program will represent the first exploration on this prospective property since its discovery in the 1980s.

## ***ROTTENSTONE NI-CU-PGM PROJECT***

### Rottenstone Ni-Cu-PGM Property

The Rottenstone property is located approximately 130 kilometres NNE of the town of La Ronge, northern Saskatchewan consisting of 8 contiguous mineral dispositions covering 33,009 acres. Uravan owns 100% of the mineral interest covered by the mineral dispositions as described below. Claude Resources Inc. ("Claude") retains a 2% net smelter return (NSR) on one mineral claim, S-106565, and a 0.5% NSR on the adjoining mineral claims within a 3 kilometre distance from S-106565. Uravan has the option to purchase one-half (1% NSR) of the 2% NSR by paying Claude $1,000,000. By November 30, 2008, Uravan must complete a 'bankable feasibility study' on S-106565 or return the mineral disposition to Claude.

The Rottenstone Ni-Cu-PGE Property had been the primary focus of Uravan's exploration efforts consisting of geophysical, geochemical and diamond drilling activity. The Cu-Ni-PGE target being pursued is that of the previously exploited Rottenstone deposit. The Rottenstone deposit was mined in the mid-late 1960's, producing approximately 40,000 tons of high-grade ore grading 3.28% Ni, 1.83% Cu and 9.63 g/t PGE. The extremely high Ni-Cu-PGE grades in association with high contained sulphides (40% to 60%) hosted in a small ultramafic body strongly indicates that the Rottenstone deposit is an extension of a much larger ultramafic intrusive body hosting a much larger high-grade Ni-Cu-PGE deposit in the area or at depth.

The most significant exploration work completed by Uravan from 1998 to present consists of: (1) a 2,776 line Km airborne Magnetic and VLF-EM geophysical survey, (2) a 130 square kilometre helicopter-borne treetop biogeochemical survey, (3) several ground geophysical surveys consisting of TEM, Magnetic, MaxMin, IP and gravity surveys, (4) several local area B-horizon soil geochemical surveys and, (5) several drill programs resulting in forty (40) BQ-size diamond drill holes completed totaling 5242.7 metres drilled. This exploration work is equally divided between reconnaissance work on a property wide basis and more focused exploration activity conducted within a one-square kilometre area around the previously mined Rottenstone deposit.

To date, exploration efforts conducted by Uravan have not been successful in finding the extension or source of the high-grade Ni-Cu-PGE mineralization associated with the previously exploited Rottenstone deposit. This less than successful result of Uravan's cumulative exploration efforts is discouraging and a geological conundrum that has required Uravan's management over this last year to step back in an effort to review the cumulative exploration database in a different manner.

On October 1, 2007 Uravan and Mantis Mineral Corporation ("Mantis" CNQ: MINT)) entered into the Rottenstone Option Agreement (the "Option") whereby Mantis was granted an option to earn an aggregate 60% interest in the Rottenstone property by funding a cumulative ten million dollars ($10,000,000) in exploration expenditures. The Option consists of two options: (1) the first option grants Mantis the exclusive right to earn a 50% interest in the Rottenstone Property by funding $6,000,000 in exploration expenditures over five year and (2) the second option grants Mantis the exclusive right to earn an additional 10% interest in the Rottenstone Property by funding an additional $4,000,000 in exploration expenditures and completing a bankable feasibility report. Upon Mantis earning either a 50% or 60% interest a joint venture will be formed between Uravan and Mantis (collectively the "Parties) with the Parties funding their pro-rata share of future exploration expenditures. At its election, Mantis shall be the operator during the earn-in period of the Option.

The first phase of exploration that Mantis proposes to complete on the Rottenstone property is a deep penetrating high-resolution VTEM B-field electromagnetic (EM) +Magnetic airborne geophysical survey with a follow-up drill program.

## Forward Looking Statements

The year end financial report and the foregoing MD&A for the year ended December 31, 2007 may contain forward looking statements including those describing the Corporation's future plans and including the expectations of management that a stated result or condition will occur. Any statement addressing future events or conditions necessarily involves inherent risk and uncertainty. Actual results can differ materially from those anticipated by management at the time of writing due to many factors, the majority of which are beyond the control of the Corporation and its management. Uravan does not undertake any obligation to publicly update forward looking information except as required by applicable securities law.

**URAVAN MINERALS INC.**

**Signed *"Larry Lahusen"***
**CEO and Director**

# URAVAN MINERALS INC.

## FINANCIAL STATEMENTS

***December 31, 2007 and 2006***

## Management's Responsibility for Financial Reporting

The accompanying Financial Statements and related financial information are the responsibility of Uravan management and have been prepared in accordance with accounting principles generally accepted in Canada and include amounts based on estimates and judgments. Financial information included elsewhere in this report is consistent with the financial statements.

Our independent registered chartered accountants, Collins Barrow Calgary LLP, provided an audit of the annual Financial Statements, as reflected in their report for the years ended December 31, 2007 and 2006.

The Financial Statements are approved by the Board of Directors as a whole acting as the audit committee. The interim Financial Statements and MD&A are also analyzed by the Board of Directors together with management and the independent registered chartered accountants and are approved by the Board of Directors. In addition, the Board of Directors as audit committee has the duty to review critical accounting policies and significant estimates and judgments underlying the Financial Statements as presented by management, and to approve the fees of the independent registered chartered accountants.

Collins Barrow Calgary LLP has full and independent access to the audit committee to discuss their audit and related matters.

***Signed: "Larry Lahusen"***

Larry Lahusen, CEO and Director
Uravan Minerals Inc.

April 21, 2008

Collins Barrow
Chartered Accountants & Consultants

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## Auditors' Report

To the Shareholders
Uravan Minerals Inc.

We have audited the balance sheets of Uravan Minerals Inc. as at December 31, 2007 and 2006 and the statements of loss, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Alberta
March 7, 2008

**Uravan Minerals Inc.**
**Balance Sheets**
**December 31, 2007 and 2006**

| | 2007 | 2006 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 3,493,874 | $ 4,821,669 |
| Marketable securities (2006 market value $5,393,274) (note 4) | 7,168,128 | 5,390,638 |
| Accounts receivable | 207,075 | 300,378 |
| Prepaids and deposits | 27,908 | 20,081 |
| | 10,896,985 | 10,532,766 |
| Mineral properties and deferred costs (Schedule 1 and note 5) | 6,059,696 | 3,320,795 |
| Property and equipment (note 6) | 41,150 | - |
| | $ 16,997,831 | $ 13,853,561 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 324,247 | $ 914,018 |
| Future income taxes (note 7) | 391,277 | 314,894 |
| | 715,524 | 1,228,912 |
| **Shareholders' Equity** | | |
| Share capital (note 8) | $ 15,140,138 | $ 12,293,831 |
| Contributed surplus (note 9) | 3,443,629 | 1,981,729 |
| Deficit | (2,301,460) | (1,650,911) |
| | 16,282,307 | 12,624,649 |
| | $ 16,997,831 | $ 13,853,561 |

Commitments - notes 5 and 14

Contingency - note 15

Subsequent events - note 16

The accompanying notes are an integral part of the financial statements

Approved by the Board:

(signed) “Larry Lahusen”, Director

(signed) “Michael Lavery”, Director

**Uravan Minerals Inc.**
**Statements of Loss, Comprehensive Loss and Deficit**
**Years Ended December 31, 2007 and 2006**

| | 2007 | 2006 |
|---|---|---|
| Revenues | | |
| Investment income | $ 335,272 | $ 260,623 |
| Management fees (note 13) | 399,850 | 244,585 |
| | 735,122 | 505,208 |
| Expenses | | |
| General and administrative (Schedule 2) | 370,518 | 168,150 |
| Stock-based compensation | 1,461,900 | 1,392,000 |
| Transaction costs | 72,188 | - |
| Accretion of long-term debt | - | 73,862 |
| | 1,904,606 | 1,634,012 |
| Loss before the following | (1,169,484) | (1,128,804) |
| Realized gain on disposal of marketable securities | 824,132 | 1,701,964 |
| Unrealized loss on marketable securities (note 4) | (199,720) | - |
| Writedown of marketable securities | - | (367,495) |
| Loss on early retirement of long-term debt (note 9) | - | (5,039) |
| Foreign exchange loss | - | (3,285) |
| | 624,412 | 1,326,145 |
| Income (loss) before income taxes | (545,072) | 197,341 |
| Future income taxes (note 7) | 107,455 | 298,133 |
| Net loss and comprehensive loss | (652,527) | (100,792) |
| Deficit, beginning of year | (1,650,911) | (1,550,119) |
| Change in accounting policy (note 3) | 1,978 | - |
| Deficit, end of year | $ (2,301,460) | $ (1,650,911) |
| Net loss per share (note 10) | | |
| Basic and diluted | $ (0.025) | $ (0.004) |

The accompanying notes are an integral part of the financial statements

**Uravan Minerals Inc.**
**Statements of Cash Flows**
**Years Ended December 31, 2007 and 2006**

| | 2007 | 2006 |
|---|---|---|
| **Operating activities** | | |
| Net loss | $ (652,527) | $ (100,792) |
| Items not affecting cash | | |
| Stock-based compensation | 1,461,900 | 1,392,000 |
| Gain on disposal of marketable securities | (824,132) | (1,701,964) |
| Unrealized loss on marketable securities | 199,720 | - |
| Future taxes | 107,455 | 298,133 |
| Amortization | 698 | - |
| Writedown of marketable securities | - | 367,495 |
| Loss on early retirement of long-term debt | - | 5,039 |
| Accretion of long-term debt | - | 73,862 |
| | 293,114 | 333,773 |
| Changes in non-cash working capital balances (note 11) | 120,505 | (14,979) |
| | 413,619 | 318,794 |
| **Financing activities** | | |
| Issuance of share capital | 2,900,000 | 866,125 |
| Share issue costs | (126,923) | (2,214) |
| Repayment of long-term debt | - | (800,000) |
| Changes in non-cash working capital balances (note 11) | (687,060) | 712,500 |
| | 2,086,017 | 776,411 |
| **Investing activities** | | |
| Purchases of marketable securities | (13,192,076) | (15,629,147) |
| Proceeds on disposal of marketable securities | 12,041,634 | 14,444,929 |
| Additions to mineral properties and deferred costs (net) | (2,697,401) | (634,263) |
| Additions to property and equipment | (41,848) | - |
| Changes in non-cash working capital balances (note 11) | 62,260 | (226,060) |
| | (3,827,431) | (2,044,541) |
| Decrease in cash | (1,327,795) | (949,336) |
| Cash and cash equivalents, beginning of year | 4,821,669 | 5,771,005 |
| Cash and cash equivalents, end of year | $ 3,493,874 | $ 4,821,669 |
| Cash and cash equivalents consist of: | | |
| Deposits with bank and broker | $ 994,764 | $ 3,325,419 |
| Short-term investments | 2,499,110 | 1,496,250 |
| | $ 3,493,874 | $ 4,821,669 |
| Supplemental cash flows information | | |
| Interest paid | $ 75 | $ 839 |
| Shares issued for mineral properties | $ 41,500 | $ - |

The accompanying notes are an integral part of the financial statements

## 1. NATURE OF ENTITY AND FUTURE OPERATIONS

Since inception, Uravan Minerals Inc. (the "Company") has been devoted to the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the development stage. It has not yet been determined whether these properties contain ore reserves that are economically recoverable. Accordingly, costs related to the exploration of minerals have been considered as costs related to the pre-operating stage. Once the Company completes preliminary testing and commences field activity, it will be considered to be in the commercial operations phase.

The recoverability of amounts shown for mineral properties and deferred costs is dependent upon the discovery of economically recoverable mineral reserves, continued confirmation of the Company's interest in the underlying concessions, the ability of the Company to obtain necessary financing to complete the development of the properties, and the generation of sufficient income through future production from or disposition or farm-out of existing mining interests.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

### *Basis of presentation*

The Company's accounting policies are in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, the fair value of certain assets; recoverability of mineral properties and deferred costs; environmental and asset retirement obligations; stock-based compensation; and income taxes. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

The following accounting policies are considered to be significant:

*Cash and Cash Equivalents*

Cash and cash equivalents consist of cash and short-term investments with original maturities of three months or less.

*Fair Value*

Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors.

*Mineral Properties and Deferred Costs*

The amount shown for mineral properties and deferred costs includes the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of general and administrative expenses based on time spent, and other costs directly related to specific properties. Mineral properties acquired for share consideration are recorded at the fair value of the shares at the date of acquisition. Any income and recoveries earned in the pre-operating phase are credited to mineral properties and deferred costs.

When properties are developed to the stage of commercial production, mineral properties and deferred costs will be amortized on a unit-of-production basis over economically recoverable reserves.

If a mineral property is abandoned or it is determined that its carrying value exceeds net realizable value, the costs thereon will be charged to operations in the year of abandonment or determination of impairment of value.

*Government Assistance*

Government assistance received or receivable in respect of mineral properties and deferred costs is reflected as a reduction of the cost of the property and the related deferred exploration costs when the related qualifying expenditures are incurred.

*Property and Equipment*

Office furniture and equipment and leasehold improvements are amortized as follows:

| | |
|---|---|
| • Office furniture and equipment | 20% per annum on a declining basis |
| • Leasehold improvements | Straight line over the term of the lease |

*Asset Retirement Obligations*

The Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of fair value can be determined. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Company's credit-adjusted risk-free interest rate. The obligation is reviewed regularly by the Company's management based on current regulations, costs, technologies and industry standards. The discounted obligation is initially capitalized as part of the carrying amount of mineral properties and deferred costs, and a corresponding liability is recognized. The increase in mineral properties and deferred costs is amortized on the same basis as the remainder of these assets, while the liability is accrued to income until it is settled or sold.

The Company has not incurred any significant asset retirement obligations to December 31, 2007 and as such, no asset retirement obligations have been recorded.

*Conditional Asset Retirement Obligations*

In April 2006, the Company adopted the recommendations of the Emerging Issues Committee (“EIC”) on conditional asset retirement obligations in EIC 159. EIC 159 clarifies the accounting treatment for a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Under EIC 159, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated.

*Income Taxes*

Income taxes are accounted for using the liability method of income tax allocation. Under the liability method, income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at their carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization.

*Flow-through Shares*

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada) (the "Act"). The Act provides that, where share issuance proceeds are used for exploration and development expenditures, the related income tax deductions may be renounced to subscribers. Accordingly, these expenditures provide no income tax deduction to the Company. Share capital is reduced and a future income tax liability is recorded equal to the estimated amount of future income taxes payable by the Company when the expenditures are renounced.

*Stock-based Compensation*

The Company has a stock option plan as described in note 8(g).

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. Under this method, compensation expense is measured based on the estimated fair value of the stock options at the grant date using the Black-Scholes option pricing model and is recognized as an expense over the vesting period of the options granted, with a corresponding increase in contributed surplus. When stock options are exercised, the cash proceeds together with the amount previously recorded as contributed surplus, is recorded as share capital.

*Foreign Currency Translation*

Foreign currency denominated monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date and at the transaction date for non-monetary assets and liabilities. Revenues and expenses are translated at the average exchange rate for the year. Gains and losses on translation are taken to income.

*Diluted Income per Share*

Diluted income per share is calculated using the treasury stock method, whereby it is assumed that proceeds from the exercise of in-the-money stock options and warrants and the unamortized portion of stock-based compensation are used to repurchase Company shares at the weighted average market price during the year.

*Revenue Recognition*

Investment income is recognized using the accrual method. Interest income is recognized when it is earned and dividends and other distributions are recognized when declared. Management fees are recognized as the services are provided.

***Recent Accounting Pronouncements***

*Capital Disclosures*

In December 2006, the Canadian Institute of Chartered Accountants ("CICA") issued Section 1535, "Capital Disclosures". This Section establishes standards for disclosing information about an entity's capital and how it is managed. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and is not expected to have a material impact on the Company's financial statements.

*Financial Instruments*

Effective January 1, 2007, the Company adopted CICA Section 3861, "Financial Instruments — Disclosure and Presentation", which requires entities to provide disclosures in their financial statements that enable users to evaluate: (1) the significance of financial instruments for the entity's financial position and performance; and (2) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The applicable disclosures required under this standard are included in note 4.

In March 2007, the CICA issued Section 3862, "Financial Instruments —Disclosures", which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories. This standard harmonizes disclosures with International Financial Reporting Standards. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and is not expected to have a material impact on the Company's financial statements.

In March 2007, the CICA issued 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. This Section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This standard harmonizes disclosures with International Financial Reporting Standards. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and is not expected to have a material impact on the Company's financial statements.

*International Financial Reporting Standards*

In May 2007, the CICA published an updated version of its "Implementation Plan for Incorporating International Financial Reporting Standards ("IFRS") into Canadian GAAP". This plan includes an outline of the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian generally accepted accounting principles with IFRS. The changeover date from Canadian GAAP to IFRS is for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is continuing to assess the potential impact of the conversion to IFRS.

*Goodwill and Intangible Assets*

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". The purpose of these sections is to provide more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The sections harmonize Canadian standards with International Financial Reporting Standards and applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The sections are not expected to have an impact on the Company's financial statements.

## 3. CHANGES IN ACCOUNTING POLICIES

The following new accounting policies were adopted during the year ended December 31, 2007 by the Company:

*Comprehensive Income, Equity, Financial Instruments and Hedges*

Effective January 1, 2007, the Company adopted CICA Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments — Recognition and Measurement" and Section 3865, "Hedges". Under the standards:

- Financial assets are classified as loans and receivables, held-to-maturity, held-for-trading or available-for-sale. Loans and receivables include all loans and receivables except debt securities and are accounted for at amortized cost. Held-to-maturity classification is restricted to fixed maturity instruments that the Company intends and is able to hold to maturity and is accounted for at amortized cost. Held-for-trading instruments are recorded at fair value on the balance sheet with realized and unrealized gains and losses reported in net loss. The remaining financial assets are classified as available-for-sale. These are recorded at fair value with unrealized gains and losses reported in a new category of the balance sheet under shareholders' equity called accumulated other comprehensive income ("AOCI"). Realized gains and losses on available-for-sale financial assets are recognized in net loss. For any decline in the fair value of available-for-sale financial assets considered by the Company to be other than temporary, the cumulative loss is transferred from AOCI to net loss;

- Financial liabilities are classified as either held-for-trading or other financial liabilities. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net loss. Other financial liabilities are accounted for at amortized cost with gains and losses reported in net loss in the period that the liability is derecognized; and

- Derivative instruments ("derivatives") are classified as held-for-trading unless designated as hedging instruments. All derivatives are recorded at fair value on the balance sheet. For derivatives that hedge the changes in fair value of an asset or liability, changes in the derivatives' fair value are reported in net loss and are substantially offset by changes in the fair value of the hedged asset or liability attributable to the risk being hedged. For derivatives that hedge variability in cash flows, the effective portion of the changes in the derivatives' fair value are initially recognized in other comprehensive income ("OCI") and the ineffective portion are recorded in net loss. Amounts temporarily recorded in AOCI will subsequently be reclassified to net loss in the periods when net loss is affected by the variability in the cash flows of the hedged item.

These standards have been applied prospectively; accordingly comparative amounts for prior periods have not been restated. The adoption of these standards resulted in the following adjustments as of January 1, 2007 in accordance with the transition provisions:

- The Company's investments in marketable securities have been classified as held-for-trading and are recorded at fair value on the balance sheet, resulting in an increase in marketable securities of $2,636, an increase in future income tax liability of $658, and a decrease in opening accumulated deficit of $1,978;

- Commencing January 1, 2007, transaction costs related to financial assets and liabilities classified as held-for-trading are included in net loss as incurred. During the year ended December 31, 2007, the Company incurred transaction costs of $72,188 on its marketable securities portfolio;

- The Company's cash and cash equivalents have been classified as held-for-trading and are recorded at fair value on the balance sheet;

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- The Company's accounts receivable and deposits have been classified as loans and receivables and are recorded at amortized cost on the balance sheet; and

- The Company's accounts payable and accrued liabilities have been classified as other financial liabilities and are recorded at amortized cost on the balance sheet.

There was no financial statement impact on the adoption of these standards for the Company's cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities.

*Accounting Changes*

In July 2006, the CICA revised Section 1506, “Accounting Changes”, which requires that: (1) voluntary changes in accounting policy are made only if they result in the financial statements providing reliable and more relevant information; (2) changes in accounting policy are generally applied retrospectively; and (3) prior period errors are corrected retrospectively. Section 1506 is effective for fiscal years beginning on or after January 1, 2007. The implementation of this section did not have a material impact on the Company’s financial statements.

*Stripping Costs Incurred in the Production Phase of a Mining Operation*

In March 2006, the Emerging Issues Committee issued Abstract No. 160, “Stripping Costs Incurred in the Production Phase of a Mining Operation” (“EIC-160”). EIC-160 discusses the treatment of costs associated with the activity of removing overburden and other mine waste minerals in the production phase of a mining operation. It concludes that such stripping costs should be accounted for according to the benefit received by the entity and recorded as either a component of inventory or a betterment to the mineral property, depending on the benefit received. The implementation of EIC-160, effective January 1, 2007, did not have an impact on the Company’s financial statements.

*Stock-Based Compensation for Employees Eligible to Retire Before the Vesting Date*

In July 2006, the Emerging Issues Committee issued Abstract No. 162, “Stock-Based Compensation for Employees Eligible to Retire Before the Vesting Date” (“EIC-162”). EIC-162 discusses how compensation costs attributable to a stock-based award for a compensation plan containing provisions which allow an employee’s stock-based award to continue vesting after the employee has retired from the entity should be accounted for in the case of an employee who is eligible to retire at the grant date, or who will become eligible to retire during the vesting period. In the case of an employee who is eligible to retire at the grant date, EIC-162 concludes that compensation cost should be recognized on the grant date. In the case of an employee who will become eligible to retire during the vesting period, the compensation cost should be recognized over the period from the grant date to the date the employee becomes eligible to retire. The Company adopted the recommendations of EIC-162 on January 1, 2007, and the implementation did not have an impact on the Company’s financial statements.

*Determining the Variability to be Considered in Applying the Variable Interest Entity Standards*

In September 2006, the Emerging Issues Committee issued Abstract No. 163, “Determining the Variability to be Considered in Applying AcG-15” (“EIC-163”). This guidance provides additional clarification on how to analyze and consolidate a variable interest entity (“VIE”). EIC-163 concludes that the “by-design” approach should be the method used to assess variability (that is created by risks the entity is designed to create and pass along to its interest holders) when applying the VIE standards. The “by-design” approach focuses on the substance of the risks created over the form of the relationship. The guidance may be applied to all entities (including newly created entities) with which an enterprise first becomes involved, and to all entities previously required to be analyzed under the VIE standards when a reconsideration event has occurred, effective January 1, 2007. The implementation of this guidance did not have any impact on the Company’s financial statements.

## 4. FINANCIAL INSTRUMENTS

The Company designated its portfolio of marketable securities as held-for-trading. The Company's portfolio of marketable securities is held with the objective of generating a profit from short term fluctuations in the market prices of the securities. The Company's marketable securities are carried at fair value on the balance sheet, with any changes in the fair value of held-for-trading financial assets recognized in the statement of loss.

The Company's portfolio of marketable securities is exposed to risks relating to fluctuations in market price and interest rate price risk as a portion of the Company's marketable securities bear interest at fixed interest rates.

A portion of the Company's portfolio of marketable securities is denominated in U.S. dollars and is exposed to foreign currency price risk.

The Company's accounts receivable due under normal credit terms and are exposed to credit risk relating to the non-payment of the amounts owing to the Company.

The fair value of marketable securities which are investments in equity securities and other investments designated as held-for-trading, is based on the closing price of the securities as of the balance sheet date. The fair values of accounts receivable, deposits, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Regular way purchases and sales of financial assets are recognized on the settlement date, the date on which the Company receives or delivers the asset.

## 5. MINERAL PROPERTIES AND DEFERRED COSTS

a. Rottenstone

The Rottenstone property is located approximately 130 kilometres NNE of La Ronge, Saskatchewan (NTS 74A-7) and consists of a 100% interest in 8 contiguous mineral dispositions covering 33,009 acres.

Claude Resources Inc. ("Claude") retains a 2% net smelter return ("NSR") on one mineral disposition amounting to 65 hectares, S-106565, and a 0.5% NSR on the adjoining mineral dispositions within a 3 kilometre radius of S-106565. The Company has the option to purchase one-half of the 2% NSR (1% NSR) by paying Claude $1,000,000. By November 30, 2008 the Company must complete a bankable feasibility on S-106565 or return the mineral disposition back to Claude.

On October 5, 2007, the Company entered into an amendment to option to purchase agreement with Claude to extend the option agreement on the Rottenstone Property. On November 7, 2007, the Company received regulatory approval to issue 50,000 common shares valued at $41,500 to Claude as consideration for extending the period by which the Company is required to complete a bankable feasibility study required by the agreement with Claude. In addition to the common shares issued as consideration, the Company must incur a minimum of $150,000 of exploration expenditures by November 30, 2011 and upon the completion of the exploration expenditures, the Company must complete a bankable feasibility study by November 30, 2013.

Pursuant to an option agreement effective October 1, 2007 between the Company and Mantis Mineral Corporation ("Mantis"), the Company granted Mantis an exclusive and irrevocable option (the "Rottenstone First Option") to acquire a 50% interest in the Rottenstone property by incurring $6,000,000 in cumulative exploration expenditures on the Rottenstone property over a five year period with cumulative minimum expenditures to be incurred by each anniversary of the effective date of $800,000 by October 1, 2008, $1,800,000 by October 1, 2009, $3,000,000 by October 1, 2010, $4,500,000 by October 1, 2011 and $6,000,000 by October 1, 2012.

Conditional upon Mantis fulfilling the Rottenstone First Option, the Company granted Mantis a second option (the "Rottenstone Second Option") to acquire an additional 10% interest in the Rottenstone property by incurring an additional $4,000,000 in exploration expenditures on the Rottenstone property by October 1, 2017.

On an annual basis the Company must incur $161,213 of exploration and development work on the Rottenstone property to keep the entire group of mineral dispositions, as described above, in good standing. At December 31, 2007, the Company has excess expenditures of $1,083,888 remaining to the credit of the mineral dispositions which may be used towards future exploration and development work requirements.

b. Boomerang and Thelon Basin

The Boomerang property is located approximately 478 kilometres east of Yellowknife, Northwest Territories ("NT") and consists of a 100% interest in 5 contiguous mineral leases covering 10,055 acres located in the Southwest Thelon Basin, NT. The mineral leases require an annual lease rental of $10,055.

On July 11, 2006, the Company staked an additional 88 claims covering 227,260 acres contiguous to the Boomerang property. The additional claims staked are not subject to the earn-in by Cameco Corporation ("Cameco") pursuant to the First Option – see below. The claims staked on July 11, 2006 require that the Company incur exploration and development expenditures amounting to $931,766 on or before July 11, 2008 and an annual exploration and development expenditure of $465,883 each year thereafter over the remaining 19 year life of the mining claims.

The Company has not made any exploration and development expenditures on the 88 claims contiguous to the Boomerang property. The Company has applied for relief under Section 81 of the Canada Mining Regulations for its exploration and development expenditures due on or before July 11, 2008 while the Company conducts an environmental assessment on these claims. Results of the application are pending.

The Thelon Basin property is contiguous to the Boomerang property and consists of a 100% interest (subject to the earn-in by Cameco pursuant to the First Option – see below) in 253 mining claims covering 636,948 acres.

Of the 253 mining claims comprising the Thelon Basin property, the Company staked 153 of the mining claims covering 390,371 acres effective December 31, 2004. The 153 mining claims staked on December 31, 2004 require that the Company incur exploration and development expenditures amounting to $1,600,520 on or before December 31, 2006 and an annual exploration and development expenditure of $800,260 each year thereafter over the remaining 17 year life of the mining claims.

The remaining 100 mining claims comprising the Thelon Basin property, covering 246,577 acres, were staked effective October 25, 2005. The 100 mining claims staked on October 25, 2005 require that the Company incur exploration and development expenditures amounting to $1,010,967 on or before December 31, 2007 and an annual exploration and development expenditure of $505,483 each year thereafter over the remaining 18 year life of the mining claims.

Pursuant to a letter of intent option agreement between the Company and Cameco dated June 14, 2005, the Company granted Cameco an exclusive and irrevocable option (the “First Option”) to acquire 51% in the Boomerang and Thelon Basin properties as described above (the “Property”) by incurring cumulative exploration expenditures in relation to the Property as follows:

| Fiscal Year Ended December 31, | Earn-in Year | Cameco Minimum Annual Exploration Expenditures | Annual Exploration Expenditures Made | Cumulative Annual Exploration Expenditures Made |
|---|---|---|---|---|
| 2005 | 1 | $ 800,000 | $ 1,003,540 | $ 1,003,540 |
| 2006 | 2 | 800,000 | 2,198,237 | 3,201,777 |
| 2007 | 3 | 1,000,000 | 2,772,625 | 5,974,402 |
| 2008 | 4 | 1,000,000 | | |
| 2009 | 5 | 1,200,000 | | |
| 2010 | 6 | 1,200,000 | | |

Of the $2,772,625 of exploration expenditures incurred during the year ended December 31, 2007, and are reimbursable to the Company, $101,294 are included in accounts receivable (2006 - $156,208).

Conditional upon Cameco fulfilling the First Option, the Company granted Cameco a second option (the “Second Option”) to acquire an additional 9% interest in the Property by incurring an additional $4,000,000 in exploration expenditures in relation to the Property by the 10th anniversary of the effective date of the Option.

c. Garry Lake

The Garry Lake property is located in the northeastern Thelon Basin, approximately 245 kilometers northwest of Baker Lake, Nunavut and consists of a 100% interest in 355 contiguous mining claims covering 829,171 acres.

Of the 355 mining claims comprising the property, 6 claims covering 15,182 acres were staked effective February 26, 1998 and require no exploration and development expenditures until February 26, 2012.

Of the 355 mining claims comprising the property, 163 mining claims covering 378,768 acres were staked effective May 25, 2006 and require that the Company incur exploration and development expenditures amounting to $1,552,948 on or before May 25, 2008 and an annual exploration and development expenditure of $795,413 each year thereafter over the remaining 19 year life of the mining claims.

The Company staked an additional 74 mining claims covering 173,082 acres effective November 14, 2006 and require that the Company incur exploration and development expenditures amounting to $709,634 on or before November 14, 2008 and annual exploration and development expenditure of $363,471 each year thereafter over the remaining 19 year life of the mining claims.

The Company staked an additional 112 mining claims covering 262,139 acres effective June 23, 2007 and require that the Company incur exploration and development expenditures amounting to $1,074,769 on or before June 23, 2009 and annual exploration and development expenditure of $550,492 each year thereafter over the remaining 20 year life of the mining claims.

To December 31, 2007, the Company had incurred exploration and development expenditures on the 355 mineral claims amounting to $2,529,966.

d. Other Properties

The Company has incurred exploration and claim costs for other properties in the Northwest Territories and Saskatchewan.

## 6. PROPERTY AND EQUIPMENT

| | Cost | Accumulated Amortization | Net Book Value |
|---|---|---|---|
| Office furniture and equipment | $ 10,717 | $ 179 | $ 10,538 |
| Leasehold improvements | 31,131 | 519 | 30,612 |
| | $ 41,848 | $ 698 | $ 41,150 |

## 7. FUTURE INCOME TAXES

a. The components of the future income tax liability at December 31, 2007 and 2006 are as follows:

| | 2007 | 2006 |
|---|---|---|
| Temporary differences related to marketable securities | $ (76,551) | $ (68,978) |
| Temporary differences related to mineral properties and deferred costs | 557,651 | 496,016 |
| Share issue costs | (87,525) | (109,846) |
| Attributed Canadian Royalty Income | (2,298) | (2,298) |
| | $ 391,277 | $ 314,894 |

b. Future income taxes differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 32.12% (2006 – 34.12%) to income (loss) before income taxes. The difference results from the following:

| | 2007 | 2006 |
|---|---|---|
| Expected income taxes (recovery) | $ (175,077) | $ 67,333 |
| Stock-based compensation | 469,562 | 474,950 |
| Non-taxable portion of capital gains | (138,273) | (294,383) |
| Non-taxable portion of unrealized loss | 43,669 | - |
| Effect of change in tax rates | (100,350) | 942 |
| Other | 7,924 | 17,350 |
| Accretion of long-term debt | - | 25,202 |
| Resource loss | - | 5,020 |
| Loss on early retirement of long-term debt | - | 1,719 |
| | $ 107,455 | $ 298,133 |

## 8. SHARE CAPITAL

a. Authorized

Unlimited number of Class A Common shares

b. Issued – Common shares

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | **Number** | **Stated Value** | **Number** | **Stated Value** |
| Balance, beginning of year | 24,557,614 | $ 12,293,831 | 22,920,114 | $ 11,396,973 |
| Pursuant to private placements (note 8[c]) | 2,000,000 | 2,900,000 | - | - |
| Issued for property (note 8[d]) | 50,000 | 41,500 | | |
| Exercise of warrants (note 8[f]) | - | - | 1,637,500 | 898,430 |
| | 26,607,614 | 15,235,331 | 24,557,614 | 12,295,403 |
| Less: share issue costs (net of tax benefits of $31,730; 2006 - $642) | | (95,193) | | (1,572) |
| Balance, end of year | | $ 15,140,138 | | $ 12,293,831 |

c. On June 19, 2007, the Company closed a non-brokered private placement of 2,000,000 common shares at $1.45 per share. Share issue costs of $126,923 were incurred on the non-brokered private placement.

d. The Company issued 50,000 common shares to Claude as consideration for the extension on the Company's earn-in period on the Rottenstone property as described in note 5(a).

e. Normal course issuer bid

On March 31, 2006, the Company filed a Notice of Intent to acquire up to 1,145,000 common shares through the facilities of the TSX Venture Exchange Inc. via a normal course issuer bid. The normal course issuer bid represented approximately 5% of the issued and outstanding common shares of the Company at the time of the Notice of Intent. The normal course issuer bid covered the period April 15, 2006 to April 17, 2007. The Company did not make any share repurchases under the normal course issuer bid.

f. Share purchase warrants

A summary of the status of common share purchase warrants outstanding at December 31, 2007 and 2006 and changes during the years ending on those dates is as follows:

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | Number Outstanding | Weighted Average Exercise Price | Number Outstanding | Weighted Average Exercise Price |
| Balance, beginning of year | 2,707,500 | $ 1.94 | 5,630,000 | $ 1.29 |
| Expired | (2,707,500) | 1.94 | (1,285,000) | 0.88 |
| Exercised | - | - | (1,637,500) | 0.53 |
| Balance, end of year | - | $ - | 2,707,500 | $ 1.94 |

g. Stock based compensation

i. The Company has a share option plan for the benefit of its directors, officers and employees of the Company. The total number of common shares issuable under the plan may not exceed 10% of the common shares issued and outstanding. Options shall vest as determined by the Board of Directors at the time of grant. The exercise price shall be determined by the Board of Directors at the time of grant, but may not be less than the current trading price of the Company's common shares on the stock exchange the Company's shares are trading on the date prior of grant. Options granted will expire as determined by the Board of Directors, but may not extend beyond five years from the date of grant.

ii. A summary of the status of the Company's stock option plan as at December 31, 2007 and 2006 and changes during the years ending on those dates is as follows:

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | Number | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| Outstanding and exercisable, beginning of year | 1,200,000 | $ 1.30 | - | $ - |
| Granted | 1,205,000 | 1.44 | 1,200,000 | 1.30 |
| Outstanding and exercisable, end of year | 2,405,000 | $ 1.37 | 1,200,000 | $ 1.30 |

A summary of the outstanding and exercisable stock-options as at December 31, 2007 is as follows:

| Exercise Price | Number | Weighted Average Remaining Contractual Life (Years) |
|---|---|---|
| $ 0.86 | 300,000 | 4.92 |
| $ 1.30 | 1,200,000 | 3.26 |
| $ 1.63 | 905,000 | 4.46 |
| | 2,405,000 | 3.92 |

iii. The Company used the Black-Scholes option pricing model to determine the fair value of stock options issued during years ended December 31, 2007 and 2006 using the following weighted average assumptions:

| | 2007 | 2006 |
|---|---|---|
| Expected life (years) | 5 | 5 |
| Risk free interest rate (%) | 4.49 | 4.20 |
| Expected volatility (%) | 121 | 138 |
| Expected dividends ($/share) | - | - |
| Fair value of grants ($/share) | 1.21 | 1.16 |

## 9. CONTRIBUTED SURPLUS

A summary of the changes in contributed surplus for the years ended December 31, 2007 and 2006 is as follows:

| | 2007 | 2006 |
|---|---|---|
| Balance, beginning of year | $ 1,981,729 | $ 331,555 |
| Fair value of stock options | 1,461,900 | 1,392,000 |
| Exercise of broker warrants | - | (32,305) |
| Early retirement of long-term debt | - | 290,479 |
| Balance, end of year | $ 3,443,629 | $ 1,981,729 |

On December 29, 2006, the Company settled its outstanding long-term debt for cash of $800,000 which is included in accounts payable and accrued liabilities at December 31, 2006.

The fair value of the debt component was initially calculated on the date of issuance using the prevailing market interest rates for a debt instrument without a conversion privilege estimated at 10.64% per annum. The fair value of the debt component was determined to be $482,500, resulting in an equity component of $317,500.

The Company accounted for the early retirement of the long-term debt in accordance with the recommendations of EIC 96 *Accounting for the Early Extinguishment of Convertible Securities Through (1) Early Redemption or Repurchase and (2) Induced Early Conversion*. In accordance with the recommendations of the EIC, the Company calculated the fair value of the debt component of the settlement payment on the date of retirement using the prevailing market interest rates for a debt instrument without a conversion privilege estimated at 8.66% per annum. The fair value of the debt component of the settlement payment was determined to be $772,979, resulting in an equity component of the settlement payment of $27,021.

The difference between the debt component at December 31, 2006, of $767,940 and the fair value of $772,979 at the settlement date was recorded as a loss on retirement of $5,039 during the year ended December 31, 2006. The difference between the initial equity component of $317,500 and the equity component of $27,021 at the settlement date has been credited to contributed surplus in the amount of $290,479 during the year ended December 31, 2006.

## 10. NET LOSS PER SHARE

Basic net loss per share has been calculated using the weighted average number of common shares of 25,638,984 (2006 – 23,122,674) outstanding during the year. NIL (2006 – NIL) common shares have been added to the denominator in calculating diluted net loss per share for the dilutive effect of options and warrants outstanding in 2007 and 2006.

## 11. CHANGES IN NON-CASH WORKING CAPITAL

Changes in non-cash working capital for the years ended December 31, 2007 and 2006 is comprised of:

| | 2007 | 2006 |
|---|---|---|
| Decrease (increase) in accounts receivable | $ 93,303 | $ (292,668) |
| Increase in prepaids and deposits | (7,827) | (19,000) |
| Increase (decrease) in accounts payable and accrued liabilities | (589,771) | 783,129 |
| | $ (504,295) | $ 471,461 |
| Changes in non-cash working capital related to: | | |
| Operating activities | $ 120,505 | $ (14,979) |
| Financing activities | (687,060) | 712,500 |
| Investing activities | 62,260 | (226,060) |
| | $ (504,295) | $ 471,461 |

## 12. RELATED PARTY TRANSACTIONS

a. Mineral properties and deferred costs includes $62,338 (2006 - $18,093) of consulting and other fees paid to corporations controlled by officers and directors. Of this amount, $37,649 (2006 – $NIL) is included in accounts payable and accrued liabilities at December 31, 2007 and is due under normal credit terms.

b. Mineral properties and deferred costs includes $123,800 (2006 – $92,103) of consulting and other fees paid to corporations controlled by officers and directors. Of these amounts, $12,720 (2006 – $11,660) is included in accounts payable and accrued liabilities at December 31, 2007 and is due under normal credit terms. These consulting and other fees relate to geological expenditures that are fully recoverable under the Cameco First Option agreement.

c. General and administrative expenses includes $134,688 (2006 - $8,983) of consulting and other fees paid to corporations controlled by directors and officers. Of this amount, $84,000 relates to a signing bonus payable to the Company's new President and Chief Operating Officer ("COO"), which is included in accounts payable and accrued liabilities at December 31, 2007 (see note 16[a]) and is due as outlined in note 16(a). Of the remaining $50,688 included in general and administrative expenses, $13,772 (2006 – $3,000) is included in accounts payable and accrued liabilities at December 31, 2007 and is due under normal credit terms.

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

**13. SIGNIFICANT CUSTOMER**

The Company derived 100% of its management fee revenue for the years ended December 31, 2007 and 2006 from management fees earned on the Cameco First Option agreement. Management fees are earned based on the annual exploration expenditures required under the terms of the Cameco First Option agreement as described in note 5(b).

**14. COMMITMENTS**

In addition to the mineral property exploration and development expenditures required, as described in note 5, the Company has entered into a lease for office space requiring minimum annual lease payments, including estimated occupancy costs, of $41,820 until expiry on October 31, 2011.

**15. CONTINGENCY**

At December 31, 2007, the Company is in dispute with one of its vendors for over-billing for services to the Company in the amount of $93,564. It is management's position that the services were not agreed upon or provided for and is currently seeking clarification from the vendor. It is management's opinion that there is no basis for the claim and consequently no provision has been provided in the financial statements. Any liability resulting from the negotiations will be recorded in the period of settlement.

**16. SUBSEQUENT EVENTS**

a. On October 9, 2007 the Company announced the hiring of a new President and COO who became fully active with the Company on December 1, 2007. As part of the terms of employment, the new President and COO was to receive a signing bonus equal to 100,000 common shares of the Company. The Company valued the signing bonus at $84,000, being the fair value of the shares on October 9, 2007; however, the Company had not received regulatory approval to issue the shares by December 31, 2007. As a result, $84,000 has been included in accounts payable and accrued liabilities at December 31, 2007 relating to the signing bonus. Regulatory approval was received on January 23, 2008 and 100,000 common shares were subsequently issued from treasury as payment of the liability recorded at December 31, 2007.

b. Subsequent to December 31, 2007, 150,000 stock options with an exercise price of $1.63 expired unexercised.

# Uravan Minerals Inc.
# Schedule 1 – Mineral Properties and Deferred Costs
# Years Ended December 31, 2007 and 2006

| | 2007 | Net Additions | 2006 | Net Additions | 2005 |
|---|---|---|---|---|---|
| Rottenstone project | | | | | |
| Property acquisition costs | $ 132,482 | $ 41,500 | $ 90,982 | $ - | $ 90,982 |
| Geological and consulting | 1,408,697 | 4,799 | 1,403,898 | 11,892 | 1,392,006 |
| Drilling | 479,751 | - | 479,751 | - | 479,751 |
| Government assistance | (112,927) | - | (112,927) | - | (112,927) |
| | 1,908,003 | 46,299 | 1,861,704 | 11,892 | 1,849,812 |
| Boomerang project | | | | | |
| Property acquisition costs | 159,703 | - | 159,703 | 129,538 | 30,165 |
| Geological and consulting | 17,853 | 118 | 17,735 | 5,301 | 12,434 |
| | 177,556 | 118 | 177,438 | 134,839 | 42,599 |
| Thelon Basin project | | | | | |
| Property acquisition costs | 461,697 | 129,771 | 331,926 | 10,055 | 321,871 |
| Geological and consulting | 6,340,305 | 2,712,034 | 3,628,271 | 2,256,094 | 1,372,177 |
| Recovery on earn-in agreement | (5,974,402) | (2,772,625) | (3,201,777) | (2,198,237) | (1,003,540) |
| | 827,600 | 69,180 | 758,420 | 67,912 | 690,508 |
| Garry Lake project | | | | | |
| Property acquisition costs | 510,130 | 138,660 | 371,470 | 371,470 | - |
| Geological and consulting | 2,529,966 | 2,481,816 | 48,150 | 48,150 | - |
| | 3,040,096 | 2,620,476 | 419,620 | 419,620 | - |
| Other projects | | | | | |
| Property acquisition costs | 1,460 | - | 1,460 | - | 1,460 |
| Geological and consulting | 115,737 | 2,828 | 112,909 | - | 112,909 |
| | 117,197 | 2,828 | 114,369 | - | 114,369 |
| Less: mineral properties abandoned | (10,756) | - | (10,756) | - | (10,756) |
| | 106,441 | 2,828 | 103,613 | - | 103,613 |
| Total mineral properties and deferred costs | $ 6,059,696 | $ 2,738,901 | $ 3,320,795 | $ 634,263 | $ 2,686,532 |

**Uravan Minerals Inc.**
**Schedule 2 – General and Administrative Expenses**
**Years Ended December 31, 2007 and 2006**

| | 2007 | 2006 |
|---|---|---|
| Insurance | $ 2,000 | $ 2,000 |
| Interest and bank charges | 4,476 | 1,571 |
| Office | 20,307 | 11,268 |
| Professional fees | 178,118 | 93,704 |
| Signing bonus (note 16[a]) | 84,000 | - |
| Rent | 20,553 | 14,897 |
| Shareholder reporting | 43,004 | 24,911 |
| Stock exchange fees | 8,979 | 8,479 |
| Transfer agent fees | 9,081 | 11,320 |
| | $ 370,518 | $ 168,150 |