# URAVAN MINERALS INC.
# MANAGEMENT DISCUSSIONS & ANALYSIS

**Year Ended December 31, 2009**

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## 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, 2009 and any other information that may be available up to April 22, 2010. This MD&A should be read in conjunction with the Annual Audited Financial Statements and the related notes of the Corporation for the year ended December 31, 2009 (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 company 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 and management fees received in 2008.

Although the sale of marketable securities is not the Corporation's primary business, this activity has provided proceeds from sale that has provided the funds to offset the Corporation's general administrative expenses and some mineral exploration activity.

In the year ended December 31, 2009, the Corporation incurred a net loss after tax of $2,669,715 (2008 – $976,325). Total income (loss) amounting to $(418,063) (2008 - $2,653,534) was received from the realized loss on disposal of marketable securities less investment income and management fees.

The Corporation also incurred an unrealized loss on its portfolio of marketable securities of $1,420,732 (2008 - $3,029,392) during the year ended December 31, 2009 as the carrying value of the Corporation's marketable securities differed from the market value of the marketable securities at December 31, 2009 and 2008.

The Corporation holds a broad portfolio of marketable securities that will continue to be affected by the current market conditions. The Corporation believes that there is and will continue to be opportunities to gain from short-term fluctuations in prices in the near term despite the current market conditions.

The Corporation also assessed the mineral properties and deferred costs for impairment. Based on this assessment, the Company concluded that certain costs related to its other properties were not recoverable. A total of $511,933 (2008 - $NIL) of deferred costs were considered to be impaired. The loss on impairment is included in the loss before income taxes amount above.

*General and Administrative Expenses*

General and administrative ("G&A") expenses during the year ended December 31, 2009 were slightly higher as compared to the G&A expenses incurred during year ended December 31, 2008. The increase in general and administrative expenses was driven by increased costs relating to shareholder reporting.

The following table summarizes major categories of general and administrative expenses for the years ended December 31, 2009 and 2008. The Corporation did not capitalize any indirect general and administrative expenses in the years ended December 31, 2009 and 2008.

| | 2009 | 2008 |
|---|---|---|
| Professional and consulting fees | $ 196,221 | $ 189,757 |
| Shareholder reporting | 55,624 | 16,772 |
| Office | 45,793 | 54,449 |
| Rent | 43,643 | 42,374 |
| Insurance | 19,075 | 19,208 |
| Interest and bank charges | 8,883 | 27,185 |
| Stock exchange fees | 7,675 | 9,275 |
| Transfer agent fees | - | 2,776 |
| | $ 376,914 | $ 361,796 |

## Exploration Activity and Expenditures

In the year ended December 31, 2009, the Corporation's exploration and property acquisition expenditures totaled $1,113,894 (2008 - $1,595,732 ($2,856,393 gross expenditures, net of $1,260,661 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, the Boomerang project and Athabasca projects.

For details on exploration and acquisition costs incurred during the year ended December 31, 2009 see note 5 and Schedule 1 of the Financial Statements. The expenditures made by the Corporation during the years ended December 31, 2009 and 2008 is as follows:

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| Property acquisition costs | $ 45,195 | $ 30,205 |
| Geological and consulting | 1,068,699 | 2,826,188 |
| | 1,113,894 | 2,856,393 |
| Less: Cameco recoveries | - | (1,260,661) |
| | $ 1,113,894 | $ 1,595,732 |

See Schedule 1 of the Financial Statements for a breakdown of the costs incurred on a property by property basis.

## 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.

**Year Ended December 31, 2009**

| | Quarter Ended | | | |
|---|---|---|---|---|
| | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 |
| Total revenue (1) | $ 1,108,320 | $ (1,474,137) | $ 72,999 | $ (125,245) |
| General and administrative expenses (2) | 126,940 | 76,584 | 84,426 | 88,964 |
| Management fee recoveries (3) | 9,557 | 4,497 | - | - |
| Net income (loss) | (898,524) | (1,169,903) | (77,103) | (524,185) |
| Net income (loss) per share | (0.033) | (0.044) | (0.003) | (0.020) |
| Capital expenditures (net) | 393,657 | 314,264 | 257,807 | 148,166 |
| Total assets | 13,244,349 | 13,965,680 | 15,224,797 | 15,352,761 |
| Working capital | 4,473,512 | 5,267,551 | 6,903,084 | 7,231,568 |
| Common shares outstanding | 26,707,614 | 26,707,614 | 26,707,614 | 26,707,614 |

| | Quarter Ended | | | |
|---|---|---|---|---|
| | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 |
| Total revenue (1) | $ 138,954 | $ 730,703 | $ 587,871 | $ 1,196,006 |
| General and administrative expenses (2) | 141,223 | 71,618 | 90,225 | 58,730 |
| Management fee recoveries (3) | 34,985 | 93,678 | 42,304 | 14,477 |
| Net income (loss) | (954,753) | (687,437) | (24,377) | 690,242 |
| Net income (loss) per share | (0.036) | (0.026) | (0.001) | 0.026 |
| Capital expenditures (net) | 208,483 | 374,667 | 990,908 | 185,569 |
| Total assets | 16,431,428 | 17,224,538 | 18,144,599 | 17,873,228 |
| Working capital | 7,963,993 | 9,421,314 | 10,565,127 | 11,265,414 |
| Common shares outstanding | 26,707,614 | 26,707,614 | 26,707,614 | 26,707,614 |

(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.

## Financial Condition

*Liquidity and Capital Resources*

As at December 31, 2009 the Corporation had $4,473,512 in working capital (2008 - $7,963,993) obtained primarily from private placements that closed during the year ended December 31, 2005 and during the year ended December 31, 2007, the sale of marketable securities, and interest and dividend income.

The Corporation's working capital is held as cash and cash equivalents amounting to $286,363 (2008 - $12,257), marketable securities with a market value of $4,427,052 (2008 - $8,228,771), accounts receivable of $38,105 (2008 - $303,745) and prepaids and deposits of $30,800 (2008 - $22,610) less accounts payable and accrued liabilities of $308,808 (2008 – $317,999) and bank indebtedness of $NIL (2008 - $285,391).

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 2009 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 company, 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*

The Corporation did not issue any common shares or common share stock options during the year ended December 31, 2009.

On January 23, 2008, the Corporation received regulatory approval to issue 100,000 common shares in accordance with the employment agreement entered into on October 9, 2007 for payment of the signing bonus payable to the Corporation's new president and chief operating officer, in the amount of $84,000 which was included in accounts payable and accrued liabilities at December 31, 2007.

On April 18, 2008 the Corporation cancelled 1,605,000 stock options outstanding as described in note 10(d) to the financial statements. On May 23, 2008, the Corporation received shareholder approval to re-issue 1,430,000 of the stock options previously cancelled with an exercise price of $0.62 per share. The terms to maturity of the reissued options remained unchanged. The reissued options vest as to 1/3 on the first anniversary of the original date of grant, 1/3 on the second anniversary of the original date of grant and 1/3 on the third anniversary of the original date of grant.

On April 20, 2008 the Corporation issued 270,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of $0.60, a term of five years to expiry and vest as to 1/3 on the first anniversary of grant, 1/3 on the second anniversary of grant and 1/3 on the third anniversary of grant.

On July 2, 2008 the Company issued 150,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of $0.60, a term of five years to expiry and vest as to 1/3 on the first anniversary of grant, 1/3 on the second anniversary of grant and 1/3 on the third anniversary of grant.

During the year ended December 31, 2009, 300,000 of the Corporation's previously issued stock options were forfeited on the departure of certain of the Corporation's executives and board members. An additional 20,000 of the Corporation's previously issued stock options were cancelled.

Subsequent to December 31, 2009, the Corporation granted 520,000 stock options pursuant to the common share option plan described in note 10(d) to the financial statements. The options have a five year life from the date of grant, an exercise price of $0.16 and vest as to 1/3 on the first anniversary of grant, 1/3 on the second anniversary of grant and 1/3 on the third anniversary of grant.

Basic net loss per share for the year ended December 31, 2009 has been calculated using the weighted average number of common shares of 26,707,614 (2008 – 26,701,603) outstanding during the year. NIL (2008 – NIL) common shares have been added to the denominator in calculating diluted net loss per share for the dilutive effect of options outstanding in 2009 and 2008.

**Current Financial Market Conditions and Risk Factors**

The recent global financial crisis has tightened liquidity in the financial markets and has damaged investor confidence in global equity markets, leading to significant declines in global market indices and negatively impacting the value of publicly-traded securities of many companies. The Corporation has evaluated and summarized selected aspects of the Corporation's business and financial condition that could be affected by these macro-economic conditions, as they currently exist.

While the market values of our investments in marketable securities, which consist primarily of investments in the common shares of publicly traded companies and exchange traded funds, have decreased from previous highs during the year, these investments have continued to generate earnings and/or dividends to the Corporation, as applicable. The Corporation believes that even with the current market conditions that the opportunity still exists to profit from the short-term fluctuations in market prices.

The current global financial crisis could adversely affect the Corporation's ability to raise capital if the need arose. We believe that internally generated cash flow and current cash and marketable securities balances will be sufficient to meet our anticipated capital expenditures and other cash requirements in 2010, exclusive of any possible acquisitions. With the exception of current constraints in the commercial paper market at this time, we do not reasonably expect any presently known trend or uncertainty to affect our ability to access our historical sources of cash. The Corporation does not currently hold any investments in commercial paper.

**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 exploration 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 commodity 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. During 2008 and 2009 the metal markets have contracted substantially due to depressed global economies. The Corporation believes the currently depressed metal prices could continue over the next several years although some recovery has occurred in through 2009 an in early 2010.

The uranium market is one area where the Corporation could be negatively affected by the depressed global markets. Uranium spot prices have previously increased, 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. In 2008 the spot uranium price has sold off to approximately $42.00 per pound recently. Uravan believes the current uranium spot market prices will remain in balance from 2010 to 2016 due to a shortfall in global uranium production. . The key to stabilizing the uranium market will come from utility buyers seeking to backfill inventory needs. From 2017 forward there is potential for a server and growing deficit. The Corporation believes the uranium spot price needs to improve markedly to ensure new exploration and development. 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 and opportunities.

Factors that may present risks to the future rise in uranium spot prices are: (1) any major mishap with a nuclear reactor could curtail new reactor builds and reduce demand, (2) any technical or regulatory problems could reduce exploration and development and (3) uranium material previously stockpiled by speculators and investors could temporarily flood the market.

The Corporation plans to pursue 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 recovery in uranium prices, the availability of equipment and personnel and, most importantly, the timely government approval of LUPs.

**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 2009 and annually each year thereafter through the remaining life of the claims, which have been deferred, as discussed later in this report. The annual lease fees and future work commitments on the adjoining claims are expected to be funded through the Boomerang Joint Venture on a 51%/49% basis between Cameco and Uravan, respectively.

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.

Other mineral property obligations the Corporation has are its minimum work commitments on its Garry Lake claims amounting to $2,262,312 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, 2009, the Corporation has made exploration expenditures of $3,723,871 on the Garry Lake claims.

The Corporation’s Boomerang, Thelon Basin and Garry Lake claims are currently without an approved LUP. Without an approved LUP, the Corporation is prohibited from conducting mineral exploration activities, such as diamond drilling, on these claims to fulfill its assessment work requirements. Therefore, the Corporation has requested relief from its assessment work requirements on the mining claims and leases making up the Boomerang, Thelon Basin and Garry Lake properties pursuant to the Canadian Mining Act Section 81 – *Prohibitions and Reservations of the Northwest Territories and Nunavut Mining Regulations.* This relief is necessary to maintain the mining claims in good standing for the period within which fulfillment of the assessment work requirements are prevented. In February and July 2008, respectively, the Mining Recorder of the Northwest Territories and Nunavut granted relief under Section 81 thereby lengthening the work period on the Boomerang, Thelon Basin and Garry Lake claims by two years so that work may be done and filed with the Mining Recorder. Pending the length of time the Corporation continues to be prohibited from carrying out work on its Boomerang, Thelon Basin and Garry Lake claims, further relief under Section 81 will be requested.

The Corporation is also required to make $245,356 of annual minimum expenditures on its Rottenstone property. The Corporation has excess expenditures of $662,343 remaining to the credit of the mineral dispositions on the Rottenstone property which may be used towards future exploration and development work requirements. Under the terms of the now terminated earn-in agreement with Mantis Minerals Corporation (“Mantis”), Mantis made exploration expenditures of $1,167,429 on the Rottenstone Property. The Corporation has applied to have the Mantis expenditures be considered towards future exploration and development work requirements on the claims. Results of the application are pending.

The Corporation expects that the claims staked in 2009 on the Corporation’s Athabasca property, covering 38,658 acres in the Athabasca Basin in northeast Saskatchewan will become effect in 2010. The claims will have a 20 year life and will require that the Corporation make exploration and development expenditures amounting to $187,812 on or before the second anniversary of the claims being approved and an annual exploration and development expenditure of $187,812 each year thereafter over the remaining life of the mining claims.

On March 1, 2008, the Corporation executed a collaborative applied research grant with the Queen’s Facility for Isotope Research (“QFIR”) at Queen’s University, Ontario (the “Research Grant”). The Research Grant is payable by the Corporation to QFIR amounting to $205,000 annually for a term of three years. The Research Grant can be extended or terminated with notice from either party. In 2009 QFIR waived the second $205,000 payment as funds from the original contribution were sufficient to cover two years. The second contribution is due in October 2010. The funds contributed by the Corporation to QFIR are for direct support for the QFIR research group and consumables used in specialized analyses provided by QFIR for isotope research in support of specific Corporation-QFIR research projects.

**Transactions with Related Parties**

Mineral properties and deferred costs includes $151,750 (2008 - $300,687) of consulting and other fees paid to corporations controlled by officers and directors. Of this amount, $10,500 (2008 – $58,650) is included in accounts payable and accrued liabilities and is due under normal credit terms.

General and administrative expenses includes $90,000 (2008 - $73,655) of consulting and other fees paid to corporations controlled by directors and officers. Of these of the amounts, $28,275 (2008 – $23,425) is included in accounts payable and accrued liabilities and is due under normal credit terms.

Mineral properties and deferred costs includes $NIL (2008 – $62,113) of consulting and other fees paid to corporations controlled by officers and directors. Of these amounts, $NIL (2008 – $NIL) is included in accounts payable and accrued liabilities and is due under normal credit terms. These consulting and other fees relate to geological expenditures that were recovered 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.

**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, 2009 and 2008.

The Financial Statements are approved by the Board of Directors as a whole acting as the audit committee. The Financial Statements and MD&A are also analyzed by the Board of Directors together with management 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.

**Changes in Accounting Policies Including Initial Adoption**

The following new accounting policies were adopted during the year ended December 31, 2009 by the Corporation:

*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 IFRS and apply to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The adoption of this section did not have any impact on the Corporation's financial statements.

Also in February 2008, the CICA amended portions of Section 1000, "Financial Statement Concepts", which the CICA concluded permitted deferral of costs that did not meet the definition of an asset. The amendments apply to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Upon adoption of Section 3064 and the amendments to Section 1000, capitalized amounts that no longer meet the definition of an asset will be expensed retrospectively. The Corporation adopted this standard on January 1, 2009 without material impact on its results of operations or financial position.

*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*

In January 2009, the Emerging Issues Committee of the CICA approved an abstract EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" which provides further information on the determination of the fair value of financial assets and financial liabilities under Section 3855, entitled "Financial Instruments - Recognition and Measurement". This EIC states that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC 173 is to be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after the date of issuance of this abstract. The Corporation adopted this standard on January 1, 2009 without material impact on its results of operations or financial position.

*Mineral Exploration Costs*

On March 27, 2009, the Emerging Issues Committee has amended EIC-126 *Accounting by Mining Enterprises for Exploration Costs* to provide additional guidance in light of the potential adverse impact of the current economic and financial turmoil on the carrying value of the deferred exploration costs. Management assessed the mineral properties and deferred exploration costs based on the criteria and recommendations of EIC-126 and EIC-174 and Accounting Guideline 11. Based on this information, management concluded that some of its properties were impaired. Refer to note 5 to the financial statements.

## Recent Accounting Pronouncements

*International Financial Reporting Standards*

In April 2008, March 2009 and October 2009, the Canadian Accounting Standards Board ("AcSB") published exposure drafts on "Adopting IFRSs in Canada". IFRSs have now been incorporated into the CICA Accounting Handbook effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. At this date, publicly accountable enterprises in Canada will be required to prepare financial statements in accordance with IFRSs. Incorporation of IFRSs into the CICA Accounting Handbook makes possible the early adoption of IFRSs by Canadian entities. Also, in October 2009, the AcSB issued the exposure draft "Improvements to IFRSs" to incorporate into Canadian GAAP the amendments to IFRSs that result from an exposure draft issued by the International Accounting Standards Board ("IASB"). The IASB's exposure draft deals with minor amendments and focuses on areas of inconsistency in standards or where clarification of wording is required. It is expected that the amendments will be effective January 1, 2011. The Corporation is currently reviewing the standards to determine the potential impact on its financial statements.

*Business Combinations*

In January 2009, the AcSB issued revised accounting standards in regards to business combinations with the intent of harmonizing those standards with IFRSs. The revised standards require the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establish the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination. The Corporation is unable to determine the impact of these new standards, since they apply prospectively to business combinations for which the acquisition date is after the beginning of the first annual reporting period beginning on or after January 1, 2011.

*Non-controlling Interests in Consolidated Financial Statements*

In January 2009, the AcSB issued accounting standards to require all entities to report non-controlling (minority) interests as equity in consolidated financial statements. The standards eliminate the disparate treatment that currently exists in accounting for transactions between an entity and non-controlling interests by requiring they be treated as equity transactions. These standards will be retrospectively applied on January 1, 2011. The Corporation is currently reviewing the standards to determine the impact, if any, on its financial statements.

*Financial Instrument Disclosures*

In June 2009, the AcSB amended certain requirements related to financial instrument disclosures in response to amendments issued by the IASB. The AcSB's amendments are consistent with its strategy to adopt IFRSs and to ensure the existing disclosure requirements for financial instruments are converged to IFRSs to the extent possible. The standards require disclosure of fair values based on a fair value hierarchy as well as enhanced discussion and quantitative disclosure related to liquidity risk. The amended disclosure requirements are effective for annual financial statements relating to fiscal years ending after September 30, 2009; the Corporation has included the required disclosure in Note 4 to the financial statements.

## International Financial Reporting Standards

In April 2008, the CICA published the exposure draft "Adopting IFRSs in Canada". The exposure draft proposes to incorporate the IFRSs into the CICA Accounting Handbook effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. At this date, publicly accountable enterprises will be required to prepare financial statements in accordance with IFRSs. The exposure draft makes possible the early adoption of IFRSs by Canadian entities.

In June 2008, the Canadian Securities Administrators ("CSA") published a staff notice that stated it is prepared to recommend exemptive relief on a case by case basis to permit a domestic Canadian issuer to prepare its financial statements in accordance with IFRSs for a financial period beginning before January 1, 2011. We do not anticipate adopting IFRSs earlier than the mandatory adoption deadline of January 1, 2011.

The Corporation has commenced the process to transition from current Canadian GAAP to IFRSs. The transition will be lead by establishing a project team that will be led by finance management or outside consultants, and will include representatives from various areas of the organization as necessary to plan for and achieve a smooth transition to IFRSs. Regular progress reporting to the audit committee of the Board of Directors on the status of the IFRSs implementation project will be instituted.

The implementation project will consists of three primary phases, which in certain cases will be in process concurrently as IFRSs is applied to specific areas from start to finish:

- Scoping and diagnostic phase —This phase involves performing a high-level impact assessment to identify key areas that may be impacted by the transition to IFRSs. As a result of these procedures the potentially affected areas are ranked as high, medium or low priority.

- Impact analysis, evaluation and design phase — In this phase, each area identified from the scoping and diagnostic phase will be addressed in order of descending priority, with project teams or outside consultants established as deemed necessary. This phase involves specification of changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRSs and development of draft IFRSs financial statement content.

- Implementation and review phase — This phase includes execution of changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policy changes and training programs across the Corporation's staff, as necessary. It will culminate in the collection of financial information necessary to compile IFRSs-compliant financial statements, embedding IFRSs in business processes, elimination of any unnecessary data collection processes and audit committee approval of IFRSs financial statements. Implementation also involves delivery of further training to staff as revised systems begin to take effect.

The Corporation is currently completing the scoping and diagnostic phase. The Corporation's preliminary analysis of IFRSs and comparison with currently applied accounting principles has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position. However, there may be significant changes following from the IFRSs accounting principles and provisions for first time adoption of IFRSs on certain areas. The Corporation has not yet determined the full effects of adopting IFRSs.

Most adjustments required on transition to IFRSs will be made, retrospectively, against opening deficit as of the date of the first comparative balance sheet presented based on standards applicable at that time. Transitional adjustments relating to those standards where comparative figures are not required to be restated will only be made as of the first day of the year of adoption. IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRSs for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRSs. The Corporation is analyzing the various accounting policy choices available and will implement those determined to be most appropriate in the Corporation's circumstances.

Set out below are the key areas where changes in accounting policies are expected that may impact the Corporation's financial statements. The list and comments below should not be regarded as a complete list of changes that will result from transition to IFRSs. It is intended to highlight those areas we believe to be most significant; however, analysis of changes is still in process and not all decisions have been made where choices of accounting policies are available. We note that the regulatory bodies that promulgate Canadian GAAP and IFRSs have significant ongoing projects that could affect the ultimate differences between Canadian GAAP and IFRSs and their impact on the Corporation's financial statements in future years. The future impacts of IFRSs will also depend on the particular circumstances prevailing in those years. The differences described below are those existing based on Canadian GAAP and IFRSs today. At this stage, the Corporation is not able to reliably quantify the impacts expected on its financial statements for these differences.

*Impairment of Assets*

Canadian GAAP generally uses a two-step approach to impairment testing: firstly comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with fair values. International Accounting Standard ("IAS") 36, "Impairment of Assets", uses a one-step approach for both testing for and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in more write-downs where carrying values of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis. However, the extent of any new write-downs may be partially offset by the requirement under IAS 36 to reverse any previous impairment losses where circumstances have changed such that the impairments have reduced. Canadian GAAP prohibits reversal of impairment losses.

*Share-Based Payments*

IFRS 2, "Share-Based Payments", requires that cash-settled share-based payments to employees be measured (both initially and at each reporting date) based on fair values of the awards. Canadian GAAP on the other hand requires that such payments be measured based on intrinsic values of the awards.

*Provisions (Including Asset Retirement Obligations)*

IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", requires a provision to be recognized when: there is a present obligation as a result of a past transaction or event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the obligation. "Probable" in this context means more likely than not. Under Canadian GAAP, the criterion for recognition in the financial statements is "likely", which is a higher threshold than "probable". Therefore, it is possible that there may be some contingent liabilities which would meet the recognition criteria under IFRSs that were not recognized under Canadian GAAP.

Other differences between IFRSs and Canadian GAAP exist in relation to the measurement of provisions, such as the methodology for determining the best estimate where there is a range of equally possible outcomes (IFRSs uses the mid-point of the range, whereas Canadian GAAP uses the low-end of the range), and the requirement under IFRS for provisions to be discounted where material.

*Income Taxes*

IAS 12, "Income Taxes", currently requires income tax to be charged (or credited) directly to equity (Other Comprehensive Income) if the tax relates to items that are credited (or charged), in the same or a different period, directly to equity. Under Canadian GAAP, only the income tax relating to items credited (or charged) directly to equity in the same period is charged (or credited) directly to equity. This change may result in some income tax effects being recognized directly in equity rather than through net income or loss. This GAAP difference is currently being addressed as part of the International Accounting Standards Board's project on Income Tax.

**Financial Assets and Liabilities and Related Risk Management**

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 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.

The Corporation's cash and cash equivalents and bank indebtedness are also classified as held-for-trading. The Corporation's portfolio of marketable securities, cash and cash equivalents and bank indebtedness are carried at fair value on the balance sheet. The Corporation designated its accounts receivable and deposits as loans and other receivables and are recorded at amortized cost on the balance sheet. The Corporation's accounts payable and accrued liabilities are classified as other financial liabilities and are recorded at amortized cost on the balance sheet.

The Corporation is exposed in varying degrees to a variety of financial risks from its use of financial instruments: credit risk, liquidity risk and market risk. The source of risk exposure and how each is managed is outlined below.

***Credit Risk***

The Corporation is exposed to credit risk on its cash and cash equivalents, accounts receivable and deposits. At December 31, 2009, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

| | | |
|---|---|---|
| Cash | $ | 286,363 |
| Accounts receivable, excluding GST recoverable | | 23,375 |
| Deposits | | 19,000 |
| | $ | 328,738 |

Accounts receivable is comprised of both trade and non-trade accounts. Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost less allowance for doubtful accounts. An allowance for doubtful accounts is established when there is a reasonable expectation that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. The Corporation's invoices are due when rendered. The carrying amount of the trade accounts receivable is reduced through the use of the allowance account, and the amount of any increase in the allowance is recognized in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade accounts receivable relate to amounts due from Cameco Corporation of $23,375 (2008 - $281,627) for their share of costs pursuant to the Boomerang Property Option agreement described in note 5(b) to the financial statements. Non-trade accounts receivable relate to investment income accrued on the Corporation's portfolio of marketable securities. Deposits consist of assessment work prepayments made with the department of Indian and Northern Affairs Canada.

The Corporation does not hold any collateral as security. As at December 31, 2009, the Corporation did not have any past due or impaired accounts receivable.

***Liquidity Risk***

Liquidity risk arises from our general funding needs and in the management of the Corporation's assets, liabilities and mineral property expenditure requirements. The Corporation manages its liquidity risk to maintain sufficient liquid financial resources meet its commitments and obligations as they come due in a cost-effective manner. In managing its liquidity risk, the Corporation has access to its cash and equivalents and to the Corporation's portfolio of marketable securities.

All of the Corporation's financial liabilities, being the balance of accounts payable and accrued liabilities, are due within the current year. The Corporation does not have any contractual financial liabilities with payments required beyond the current year, other than the office lease and Queen's University research commitments.

***Market Risks***

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the Corporation is exposed are foreign currency exchange risk, interest rate risk and price risk (related to equity securities). The objective of market risk management is to manage and control risk exposure within acceptable limits to maximize returns.

*Foreign Exchange Risk*

The Corporation is exposed to foreign currency exchange risk relating to US dollar denominated equity securities that trade on US exchanges and are held in the Corporation's portfolio of marketable securities. The following table shows the Corporation's exposure to currency exchange risk and the pre-tax effects on income of reasonably possible changes in the relevant foreign currency. This analysis assumes all other variables remain constant.

| | | Foreign Exchange Risk Net income effect of | |
|---|---|---|---|
| | Carrying Amount of Asset at December 31, 2009 | 5% increase in US dollar | 5% decrease in US dollar |
| US Held-for-trading marketable securities denominated in Canadian dollars | $ 3,171,572 | $ 135,981 | $ (135,981) |

*Interest Rate Risk*

With respect to cash and cash equivalents, the Corporation's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving an acceptable return.

The Corporation did not hold any investments in interest bearing securities at December 31, 2009.

*Price Risk*

The Corporation is also exposed to equity securities price risk because of its exchange-traded held-for-trading marketable securities. These investments are held with the objective of generating a profit from short term fluctuations in the market prices of the securities.

The following table shows the Corporation's exposure to price risk and the after-tax effects on net income of reasonably possible changes in the relevant securities prices. This analysis assumes all other variables remain constant.

| | | Price Risk Net income effect of | |
|---|---|---|---|
| | Carrying Amount of Asset at December 31, 2009 | 10% decrease in prices | 10% increase in prices |
| Held-for-trading marketable securities | $ 4,427,052 | $ (379,620) | $ 379,620 |

The sensitivity analyses included in the tables above should be used with caution as the changes are hypothetical and are not predictive of future performance. The above sensitivities are calculated with reference to period-end balances and will change due to fluctuations in the balances throughout the year. In addition, for the purpose of the sensitivity analyses, the effect of a variation in a particular assumption on the fair value of the financial instrument was calculated independently of any change in another assumption. Actual changes in one factor may contribute to changes in another factor, which may magnify or counteract the effect on the fair value of the financial instrument.

***Fair Values***

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.

Financial assets are recognized initially at fair value, normally being the transaction price plus, other than for held-for-trading assets, directly attributable transaction costs.

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

**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 ensure 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 LUPs 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.

The Corporation holds a broad portfolio of marketable securities that will continue to be affected by the current market conditions. The Corporation believes that there is and will continue to be opportunities to gain from short-term fluctuations in prices in the near term despite the current market conditions. The current market conditions could adversely affect the Corporation's ability to raise capital if the need arose.

**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.

**Nature of Operations**

The Corporation is an R&D uranium exploration company. In 2008, the Corporation entered into a collaborative research grant with the Queen's Facility for Isotope Research (QFIR) at Queen's University, Ontario. Under the direction of Dr. Kurt Kyser, the QFIR research team is working collaboratively with the Corporation's technical group to develop new exploration technologies using applied research. QFIR and the Corporation are working together to develop innovative ways to better image buried uranium deposits in under-explored sandstone basin environments. By sampling and analyzing surface media (plants and soils), outcrops and drill core, the QFIR-Uravan research group is developing new geochemical and biogeochemical analytical protocols and systems that can better identify and vector exploration drilling toward bedrock sources of uranium mineralization ("Geosphere-Biosphere Interface Technology" (GBIT))

In 2009, the Corporation and QFIR embarked on two research projects, the Cigar West Survey and the Athabasca Core Review (as described below). To date, the results of these studies have been encouraging, providing significant data development for the GBIT. With the development of new innovative exploration technologies, the Corporation's goal is the discovery of an economic uranium mineralized intersection on at least one-in-three exploration projects explored and to reduce, by two-thirds, the number of drill holes required to get to discovery. The Corporation's exploration focus is in geological domains that have the potential to host uranium deposits of >100,000,000 pounds grading >1.0% $U_3O_8$. The Corporation's key strategy is the rapid assessment of under-explored frontier areas and to get to discovery quicker and more cost effectively with GBIT.

The Corporation's principal assets are its Outer Ring uranium project, Athabasca Basin, the Boomerang and Garry Lake uranium projects, Thelon Basin and the Rottenstone Nickel-Copper-Platinum Group Element (Ni-Cu-PGE) Project, Saskatchewan. It is the Corporation's goal to expand its land position in the Athabasca Basin, particularly in areas with significant bench-mark uranium mineralization. The Corporation's mineral exploration and property acquisition activity is directed toward the geological reconnaissance and interpretation of historical data for the evaluation of new areas for possible acquisition of new uranium exploration opportunities in under-explored frontier regions. All the Corporation's mineral properties are considered in the exploration stage, where no known body of commercial ore has been developed yet. The Corporation's objective is to create shareholder value through selective uranium property acquisitions in Canada and specific areas globally.

**Property Summary and Exploration Update**

In 2009, the Corporation focused on the interpretation and evaluation of exploration work completed on its Boomerang uranium project located in the southwest Thelon Basin, NT, the Garry Lake uranium project located in the northeast Thelon Basin, NU and its research projects, specifically the Cigar West Orientation Survey and Athabasca Core Review. From 2007 to 2009 exploration activity on both the Boomerang and Garry Lake projects in the Thelon Basin has been challenging due to land access delays and restrictions as a result of Aboriginal community and NGO public concerns. Given the challenging land access issues in these jurisdictions, the Boomerang and Garry Lake projects are on hold pending approval of Land Use Permits (LUP). In 2010, the Corporation will focus its efforts on the exploration of its Outer Ring uranium project and pursuing future land acquisition and opportunities in the Athabasca Basin. Beyond the Corporation's property acquisition efforts in Canada, the Corporation will continue evaluating other prospective basin-hosted uranium occurrences and other deposit models in specific areas globally.

**Athabasca and Thelon Basin Applied Research Projects**

*Athabasca and Thelon Basins*

The Athabasca and Thelon Basins are ancient (Paleoproterozoic) sandstone basins located in northern Saskatchewan and the Northwest/Nunavut Territories, respectively. The Athabasca Basin hosts high-grade unconformity-type uranium deposits that account for about 35 percent of the worlds natural uranium reserves. These unconformity-type uranium deposits occur in sandstones at the basement-sandstone unconformity contact (sandstone-hosted mineralization) and within the underlying structurally disrupted crystalline basement (basement-hosted mineralization). The ore grades are high, typically 5 to 20% U308.

The Athabasca and to a larger extent, the Thelon Basin, are vastly under-explored geological domains, albeit toward deeper terrain. Since the late 1970's most of the exploration and development work in the Athabasca Basin has occurred along the eastern margin of the basin with little exploration history throughout much of the basin interior. The lack of new discoveries in the Athabasca and Thelon Basins during the 2004 to 2008 uranium exploration period suggests future exploration capital needs to be directed to under-explored areas using more innovative remote sensing exploration methods to narrow and provide better resolution of meaningful drill targets.

*Geosphere – Biosphere Interface Technology*

Due to the high cost of drilling in frontier exploration areas, such as the Boomerang and Garry Lake projects in the Thelon Basin and the Outer Ring project and under-explored, deeper Athabasca Basin terrain, better drill-hole vectoring of buried uranium bedrock sources is essential. Given the more subtle signatures expressed by deeper buried geophysical anomalies, better remote sensing methods are required to narrow the exploration window in these favorable geological terrains. The Corporation is developing innovative exploration techniques using geochemistry and biogeochemistry commensurate with deep-penetrating geophysical techniques to prioritize and improve drill-hole vectoring methods. The Corporation believes that the integration of geochemical surveys with the existing geophysical database has the potential to generate high priority areas for further delineation and/or drill testing. The pioneering of innovative geochemical and biogeochemical surface sampling and analytical methods could potentially narrow the exploration window of prospective conductive and off-conductor corridors thereby providing rapid assessment of potential terrain and reducing the number of drill-holes to discovery.

*Cigar Lake Uranium Deposit Orientation Survey*

To help identify the surface expressions of deeply buried unconformity-type uranium deposits, in 2009 the Corporation and the QFIR entered into a collaborative research study with AREVA Resources Canada Inc. (AREVA). The proposal involves conducting a surface sampling geochemical survey (geochemical orientation survey) over part of the Cigar Lake uranium deposit (Cigar West Survey). The Cigar Lake deposit is on the Waterbury/Cigar uranium property (a joint venture partnership between Cameco Corporation, AREVA, Idemitsu Kosan Co. Ltd., and Tokyo Electric Power Co. [TEPCO]) located in the Athabasca Basin, Saskatchewan. The Cigar Lake uranium deposits has reported resource of 226.3 million pounds $U_3O_8$ grading 20.7%.

The Cigar West Survey consisted of a multi-faceted surface and drill core sampling program designed to develop new geochemical and biogeochemical analytical protocols and sampling techniques that can better identify and vector exploration drilling toward bedrock sources of uranium mineralization The field phase of the Cigar West Survey was completed in July 2009 and was carried out and funded by the Corporation. QFIR, under the direction of Dr. Kurt Kyser, is working collaboratively with the Corporation to provide high-resolution analytical work, guidance in the collation, compilation and interpretation of specific element arrays and isotope systems that are considered positive uranium markers of buried uranium mineralization. The compilation and interpretation of the analytical results of this program are anticipated to be completed in early 2010. The Corporation anticipates the results of this survey will provide new technologies for rapidly evaluating the explorability of under-explored areas within the Athabasca Basin and other frontier regions.

Although the interpretation and evaluation of the Cigar West Survey and Athabasca Core Review, described below, are on-going, preliminary results suggest specific sampling techniques and analytical protocols are providing surface anomalies that appear to image bedrock sources of uranium mineralization at depths >400 meters. In early summer 2010, some of these new technologies will be applied to Uravan's recently acquired Outer Ring property in the Athabasca Basin.

*Athabasca Core Review (ACR)*

In conjunction with of the Cigar Lake Survey, the Corporation recently completed an Athabasca Basin basin-wide core review program (Athabasca Core Review). The Athabasca Core Review was performed to better determine the prospectively and explorability of areas within the Athabasca Basin that are currently under-explored. The program consisted of reviewing 45 selected Athabasca Basin core holes from the archived core collection available at the Saskatchewan Subsurface Lab in Regina, SK. This program included lithological logging, infrared spectral clay analysis, alteration profile analysis, routine core sampling for multi-element ICP/MS analysis and other isotope analytical programs. The Athabasca Core Review will provide a comprehensive litho-geochemical and clay-alteration 3-D profile over the Athabasca Basin that will, among other things, help in the selection of favorable under-explored corridors for land acquisition purposes.

**Athabasca Basin Land Acquisition Strategy**

In late 2009 the Corporation started acquiring a land position in the Athabasca Basin with its Outer Ring project. This is a significant first step in obtaining a major position in this uranium endowed district. It is the Corporation's goal to have a land position in the Athabasca Basin in 2010. The terrain being evaluated is the under-explored and further basin ward corridors where historical data is scarce or lacking. Currently, a regional basin-wide compilation has been completed, corridors of interest identified and areas for specific land acquisition picked based on the recently completed Athabasca Core Review. It is anticipated that the results of the Cigar West Survey commensurate with high-resolution geophysical techniques will significantly narrow the window for vectoring drill targets.

**Outer Ring Uranium Project**

The Outer Ring property in the Athabasca Basin consists of 4 Mineral Dispositions totaling 16,651 hectares (38,675 acres). The Outer Ring property was acquired based on the ACR study, a basin wide geophysical compilation and its position along the Cable Bay Corridor. In June 2010, a summer surface sampling geochemical survey is planned whereby the Uravan technical team will be applying many of the sampling techniques and analytical protocols used on the Cigar West Study. Conditional on the timely completion of the analytical work associated with the surface geochemical survey and obtaining substantive geochemical anomalies, a drill program could commence in late fall 2010.

**Boomerang Lake Uranium Project**

The Boomerang uranium property 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. The property straddles the southwestern edge of the Thelon Basin 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.

Exploration is focused on the discovery of large, high-grade, unconformity related uranium deposits in the Thelon sandstone basin environment that represents a setting that is analogous to the prolific mineralized Athabasca sandstone basin environment in Saskatchewan.

Previous exploration on lands now covered by the Boomerang uranium property was conducted by Urangesellschaft Canada Ltd between 1976 and 1984, and PNC (Canada) Exploration Co. Ltd. in 1990 and 1992. Significant results were obtained with the intersection of 0.5 meter grading 0.50% $U_3O_8$, 22.4 g/t Au, and 12.3 g/t Ag at the faulted unconformity contact, at the base of the Thelon sandstone, coincident with a graphite hosting basement and geophysical conductive corridor, representing the target horizon for future drilling. These companies drilled a total of 51 drill holes for a total of 6336.7 m. on what is now called the F-Trend (EM conductive corridor)

In June 1998, the Corporation completed 10 vertical NQ-diamond drill holes totaling 1322.4 meters on the F-Trend. This drilling program was designed to confirm the continuity and orientation of the historical mineralized intersections and to test this mineralized conductor and surrounding conductors for the presence of 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.

With the abrupt rise in uranium prices in 2004, the Corporation, from 2005 through 2008, conducted a series of comprehensive exploration programs on the Boomerang property. These programs included the compilation of historical surface geochemical data, extensive airborne geophysical surveys, ground geophysical survey follow-up, regional geochemical sampling, geological mapping and reconnaissance diamond drilling, commensurate with the development of innovative applied exploration technologies.

The initial compilation of a vast amount of historical geochemical data collected in the 1980's by other operators resulted in the identification of 7 trends that displayed favorable enrichments of pathfinder elements in soils and lake waters. The 7 trends that emerged are coincident with and support other favorable geological and geophysical trends, thereby upgrading and prioritizing these trends for further investigation and/or drilling.

In 2005 and 2006 the Corporation completed a property wide fixed-wing, deep penetrating electromagnetic (EM) + magnetometer airborne surveys. The highlight of this airborne geophysical survey and subsequent ground geophysical follow-up work was the identification of the F- and G- conductive trends (including the G-extension and H series conductors). The F- and G-Tends are two major sub parallel basement-hosted EM conductive anomalies that are 2 to 3 kilometers wide and lie within a broader structural corridor that is comprised in part of prospective graphite-bearing pelitic metasedimentary basement rocks that underlie sandstones of the Thelon Basin. Based on the interpretive work from the merged 2005 and 2006 EM and magnetometer geophysical data, both the F- and G- Trends have substantial strike lengths, individually measuring >50 kilometers and striking in a northeast direction across the entire northern Boomerang property.

Based on the geophysical interpretation of the robust F-and G- conductive trends, reconnaissance diamond drilling was initiated on the Boomerang property during 2006 and 2007 summer field seasons. During this period, a total of eleven (11) reconnaissance diamond drill holes were completed. All drill holes were located on pre-selected geophysical sections through the F- and G-conductive trends based on detailed follow-up ground electromagnetic (EM) geophysical surveys (fixed loop and moving loop EM surveys). During the 2006 program, six (6) widely-spaced inclined drill holes were completed; three drill holes in each trend, totaling 1558.7 meters drilled. During 2007, five (5) drill holes totaling 1882.4 meters, tested ‘peak’ conductive EM anomalies on a widely-spaced drill patterns, located predominantly on the G-Trend. All reconnaissance drill holes were positioned to intersect conductive geophysical structures in the basement and interpreted structural zones in the Thelon sandstone. Both of these geological features are 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. No economic uranium mineralization was intersected in either drill program. Data synthesis, and applied research, is on-going in preparation for future drilling programs.

In the 2007 and 2008 summer field seasons, the Corporation completed two multi-faceted surface sampling programs covering the southern and northern Boomerang property, respectively. In 2007, on the southern Boomerang property, lake water and surface vegetation samples were collected on a 1 kilometer x 1 kilometer grid covering 2000 square kilometer. This surface geochemical sampling program resulting in the collection of 605 lake water samples and 985 vegetation samples over the area noted above. All samples (water and vegetation) were analyzed based on a specified 52 trace element ICPMS analytical package designed to determine ultra-low uranium pathfinder geochemical anomalies.

In 2008, on the northern Boomerang property, a 600 square kilometer soil and vegetation sampling program was conducted. Approximately 852 soil and 2433 vegetation samples were collected based on a pre-established grid, with grid spacing of 500 meters X 500 meters. All grids were designed to cover substantial surface corridors over the G-, F-, H4 & 5 series- and Edge-conductive trends plus over the T-grid; a new anomalous area identified in 2007 surface geochemical program. This surface sampling program was designed to determine and locate uranium pathfinder geochemical anomalies and trends that potentially could provide specific drill hole targeting through geochemical vectoring towards uranium mineralized bedrock sources. The geochemical analyses and interpretation of these samples are currently in progress.

The 2006 and 2007 drill programs explored only a small area on the Boomerang property, covering about eight (8) kilometers of the > 50 kilometer long corridor that includes the G-Trend and its laterally continuous G-Extension to the northeast. It is anticipated that reconnaissance diamond drilling on the Boomerang property will re-commence in 2010, although dependant on obtaining an approved Land Use Permit. It is anticipated that the combined new and historical surface geochemical data will provide a data base and vectoring technology that will enable specific drill targets on the F- and G-conductive trends.

## Boomerang Option Agreement

In July 2005 (Effective January 1, 2005), the Corporation entered into the Boomerang Option Agreement with Cameco Corporation (Cameco) whereby Cameco was granted an option to earn an aggregate 60% interest in the Corporation's 100% owned Boomerang uranium property by funding a cumulative ten million dollars ($10,000,000) in exploration expenditures. The agreement consists of two options: (1) the first option granted Cameco the exclusive right to earn a 51% interest in the Boomerang project property 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 property 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 the Corporation with the parties funding their pro-rata share of future exploration expenditures. The Corporation is currently the operator with the responsibility to plan, organize and carry out Annual Exploration Programs on behalf of Cameco.

From 2005 through December 31, 2007, Cameco funded and aggregate of $5,974,402 in exploration expenditures. During the three months ended March 31, 2008, Cameco fulfilled its expenditure obligations under the First Option to acquire 51% in the Boomerang uranium property. On May 27, 2008, Cameco committed to incur an additional $4,000,000 in exploration expenditures to earn an additional 9% interest in the Boomerang property pursuant to the Second Option of Boomerang Option Agreement.

On November 3, 2008, Cameco subsequently notified the Corporation that they would not pursue the Second Option based on current economic uncertainties and their own budgetary reasons. However, under the terms of the Boomerang Option Agreement, Cameco was responsible for funding the approved 2008 Program and Budget through December 31, 2008. Effective November 1, 2008, a Joint Venture was consummated between Cameco and the Corporation based on the parties (collectively Cameco and Uravan) respective cost share of 51% and 49%. It was agreed by Cameco that the Corporation will remain as Operator of the Boomerang Joint Venture. For the twelve months ending December 31, 2008 Cameco funded $1,260,661 in exploration expenditures resulting in an aggregate expenditure of $7,235,063 on the Boomerang project.

## Boomerang Land Use Permit Issues

In April 2007, the Corporation submitted LUP applications on the Boomerang project to the Mackenzie Valley Land and Water Board (MVLWB). The applications, if approved, would provide approval to conduct drilling operations over the northern extension of the F- and G-conductive trends (i.e. G-extension and H series conductors). In August 2007, the Mackenzie Valley Land and Water Board (MVLWB) determined there was cause for 'potential public concern', based on comments received from the Aboriginal communities and other non-government organizations (NGOs) regarding the Corporation's LUP applications. Based on 'public concern' issues the MVLWB referred the Corporation LUPs to the Mackenzie Valley Environmental Review Board (the "Review Board") for an environmental assessment (EA), pursuant to the *Mackenzie Valley Resource Management Act*. As determined through various submissions between the Corporation, the Aboriginal community interest, NGOs and the Review Board, the scope and work plan of the Boomerang EA was defined and commented on by various interested parties.

On September 11, 2008, the Review Board submitted the Report of Environmental Assessment and Reasons for Decision (the "Review Board Decision") on the Boomerang EA to the Honourable Chuck Strahl, Minister of Indian and Northern Affairs Canada (INAC). The Review Board Report recommended the project LUP be rejected based on the basis that : *".....in combination with the combined impacts of all other past, present and reasonably foreseeable industrial developments in the area are likely to have significant adverse cultural impacts on the Aboriginal peoples who value the Upper Thelon River Basin. It is the opinion of the Review Board, informed by the evidence on the public record, that the likely adverse cultural impacts are so significant that the development cannot be justified.*

## Withdrawal of Rejected LUP

As a first step to working collaboratively with the leadership of the Akaitcho First Nations (AKFN) and the local Aboriginal communities to resolve public concern issues involving uranium exploration in the Thelon Basin, on May 7, 2009 the

Corporation and its partner, Cameco, withdrew its Boomerang project LUP application. Uravan and its partner Cameco believe the withdrawal of the Boomerang project LUP application is in the best interest of all stakeholders and for the positive future development of the Boomerang project. Uravan's withdrawal of the Boomerang LUP does not mean the abandonment of the Boomerang project or the underlying mineral tenure. By withdrawing the rejected LUP application, a new permitting approach can be pursued.

Currently, Uravan and Cameco are working in a collaborative manner with the local AKFN communities, and with the help of Indian and Northern Affairs Canada (INAC), we hope future Boomerang LUP applications and exploration activities will be supported by the local communities. Direct community engagement is planned, consisting of a series of workshops to provide education on the health and safety of uranium development. It is unknown when a new Boomerang LUP will be approved; however, Cameco and Uravan now anticipate future exploration activity on the Boomerang project will not occur before 2011.

**Relief under Section 81**

During the Corporation's EA process and the subsequent withdrawal of the Boomerang project LUP no new LUP can be issued prior to resolving these key concerns, thereby prohibiting the Corporation access to the Boomerang property to fulfill assessment work requirements under *Section 41 of the Northwest Territories and Nunavut Mining Regulations*. Therefore, the Corporation requested relief from its assessment work requirements of its mining claims and leases making up the Boomerang property pursuant to *Section 81 – Prohibitions and Reservations of the Northwest Territories and Nunavut Mining Regulations.* This relief is necessary based on the circumstances described above to maintain the mining claims in good standing for the period within which fulfillment of the assessment work requirements are prevented. On February 28, 2008, the Mining Record of the Northwest Territories granted relief under Section 81 thereby lengthening the work period on the Boomerang claims by one or two years so that work may be done and filed with the Mining Recorder. Pending the length of time the Corporation continues to be prohibited from carrying out work on its Boomerang property further relief under Section 81 will be requested.

On August 19, 2009 the Corporation submitted an extension of the Section 81 on the Boomerang property for an additional two years. On September 22, 2009, INAC Mineral Resources granted relief under Section 81 on the claims making up the Boomerang property until December 2010.

**Garry Lake Uranium Property**

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

Exploration is focused on the discovery of large, high grade, unconformity related uranium deposits in the Thelon sandstone basin environment that represents a setting that is analogous to the prolific mineralized Athabasca sandstone basin environment in Saskatchewan.

The Garry Lake land package covers the interpreted up-ice terminus of a high-grade uraniferous boulder train defined by another exploration company in the early 1980's. Kidd Creek Minerals made 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% $U_3O_8$. The elemental signature of individual mineralized boulders is U-Pb-Se-Te-Ag-Cu-As-S. The surface mineralization is hosted in basement metasedimentary rocks belonging to the lower Proterozoic Amer Group, near overlying coarse-grained clastic sedimentary rocks of the Thelon Formation. This polymetallic elemental signature along with the carbonate gangue and clay alteration composition of the boulders indicates that this mineralization may belong to the fracture-controlled basement hosted unconformity-related uranium deposit type.

In the spring and summer of 2007, the Corporation completed two airborne geophysical surveys and compiled a GIS database on the Garry Lake property in preparation for conducting a diamond drill program on a number of prospective EM conductive targets in the summer of 2008. In May 2008, the Corporation mobilized a 20-man camp and Boyles A25 diamond drill and equipment to its Garry Lake uranium project. Pending approval of its LUP application, the Corporation had planned to carry out a 4 to 6 hole diamond drill program in July and August 2008 to test four (4) anomalous conductive geophysical targets, which are supported and coincidence with other historical surface geochemical anomalies.

**Garry Lake Project Land Use Permit Issues**

On January 25, 2008 the Corporation submitted a Land Use Permit (LUP) application to the Nunavut Impact Review Board ("NIRB") outlining its Garry Lake project proposal. On June 27, 2008, the NIRB submitted a "Screening Decision Report" to the Honourable Chuck Strahl, Minister of Indian and Northern Affairs Canada (INAC). The NIRB Screening Decision Report recommended an environmental impact statement (the "EIS Review") be completed on the Garry Lake project proposal as a precondition for determining approval of the Garry Lake LUP application. The EIS Review is in accordance with Part 5 of Article 12 of the *Nunavut Land Claim Agreement* ("NLCA"). On September 25, 2008, the Honourable Chuck Strahl determined that the Garry Lake project proposal shall be subject to an EIS Review. Both the Screening Decision Report by the NIRB and the INAC Minister acknowledged in their decisions that it is unusual for a project of this size to be recommended for EIS Review. Further, the INAC Minister also stated that he "….favored an expeditious review process in light of the size of the project". On February 20, 2009, the NIRB issued the *Final Guidelines for the Preparation of an Environmental Impact Statement For Uravan Mineral Inc.'s Garry Lake Project (NIRB file No. 08EN037)*(the "Guidelines")

Uravan's position is that the Guidelines go far beyond the scope of the Garry Lake project proposal and does not satisfy the Ministers direction to *"structure the review in a manner that will facilitate a through, yet expeditious review of the project"*.

To understand the cost and time to complete the EIS in the manner outlined in the Guidelines, the Corporation requested SRK Consulting (Canada) Inc. (SRK) to provide a detailed review and cost estimate.

SRK's review and cost estimate makes, among other things, the following conclusions:

> *Based on our review of the document, the Final Guidelines for the Preparation of an Environmental Impact Statement For Uravan Mineral Inc.'s Garry Lake Project (NIRB file No. 08EN037), February, 2009, are not commensurate with the potential for environmental and social impacts, the significance of those impacts and the spatial and temporal extent of the anticipated impacts of the Garry Lake exploration project. As a result, it is our opinion that the requirements as defined in the Final Guidelines are unrealistically onerous and significantly surpass the level of assessment required of a project of the type and size being proposed.*
>
> *In addition, we do not believe that there is sufficient data of an adequate quality available in the public domain to address the requirements of the Final Guidelines as they are currently written and that completion of the ESIA as outlined in Option I, using existing publically available data, would not guarantee an environmental impact statement that would be robust enough to satisfy the NIRB guidelines. Therefore, SRK does not recommend Uravan proceed with Option I.*
>
> *Although Option II would provide a very comprehensive document in accordance with all aspects of the Final Guidelines, the cost and time required to complete this option are not reasonable for the scale and nature of the proposed program. Therefore, SRK does not recommend that Uravan proceed with Option II.*

Commensurate with the conclusions stated about, SRK produced two cost estimates (Option I and II) to complete the Garry Lake project EIS based on separate assumptions:

*Cost Estimate I*

*Cost Estimate I assumes that the NIRB's expectation that adequate data and information relevant to the regional and local study area exists in the public domain and that this information is of sufficient quality to be scientifically defendable and therefore available for inclusion in the Garry Lake Project ESIA.*

*Given the above assumptions are correct, completion of the ESIA for the Garry Lake Project as per the existing guidelines is estimated to cost approximately $370,000 and could likely be completed within a nine to twelve month timeframe which must include a summer season.*

*However, completion of the ESIA with a reliance on the availability of existing data and information would likely result in aspects of the Final Guideline requirements being addressed within the final document to varying levels of detail and completeness. As a result, it is unclear how the NIRB reviewers or the public would review and react to those sections of the ESIA which, because of a lack of existing relevant data, will not be complete when compared against the Final Guideline requirements. There exists a very real possibility that, because of the lack of quality of the existing data and information, the reviewers of the ESIA will judge the data insufficient and request the proponent to augment that data through the acquisition of additional information to support the ESIA conclusions.*

*In addition, page 26 of the Final Guidelines requires the proponent to comment on how representative the (existing) data are, clearly separate factual lines of evidence from interference, and state any limitations on the inferences or conclusions that can be drawn from them. It is not possible to address this requirement in any meaningful manner, as access to the information necessary to arrive at any meaningful conclusion (i.e. information on study design, data collection/analysis methods, QA/QC factors and other relevant information) is not likely to be included in the existing reports.*

*Cost Estimate II*

*Cost estimate II assumes that all of the baseline data and information required to complete the ESIA in accordance with the Guidelines is not currently available in the public registry or that the data and information is available cannot be sourced in the quantity or quality necessary to conduct a creditable assessment of the potential impacts in a manner that would satisfy the NIRB's February, 2009 Final Guideline requirements.*

*Under this scenario a significant number of new baseline investigations will be required. The total cost estimate to complete the ESIA under this scenario is estimated to be a minimum of $5,000,000 and would require a minimum of three years to complete.*

The Corporation believes based on the SRK review of the Guidelines, as summarized above, to complete an EIS on the Garry Lake project, robust enough to provide meaningful conclusions, would be prohibitive given the scope of the exploration program proposed in the Garry Lake LUP application. Consequently, at the time of this writing, Uravan is uncertain how to proceed should the NIRB insist that an EIS submission is required as a precondition for determining approval of the Garry Lake LUP application.

**Rottenstone Ni-Cu-PGM Project**

The Rottenstone property is located approximately 130 kilometers NNE of the town of La Ronge, northern Saskatchewan consisting of 7 contiguous mineral dispositions covering 26,217 acres. The Corporation 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 kilometer distance from S-106565. The Corporation has the option to purchase one-half (1% NSR) of the 2% NSR by paying Claude $1,000,000. Based on an Amendment to the Option to Purchase Agreement dated October 5, 2007, by November 30, 2013, the Corporation must complete a 'bankable feasibility study' on S-106565 or return the mineral disposition to Claude.

The Rottenstone Ni-Cu-PGE Property was a historical focus of the Corporation's exploration efforts from 1998 through 2004 consisting of geophysical, geochemical and diamond drilling programs. The Cu-Ni-PGE target pursued was an extension 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 Corporation has not been successful in finding the extension or source of the high-grade Ni-Cu-PGE mineralization associated with the previously exploited Rottenstone deposit.

In early summer 2008 Mantis completed a deep penetrating high-resolution VTEM B-field electromagnetic (EM) and Magnetic airborne geophysical survey covering 1171 line-km. In the fall of 2008, Mantis complete seven drill holes totaling 1,177 meters drilled. This drill program focused on several anomalous geophysical targets. The results of this drill program confirmed the presence of conductive sulphides. The sulphides encountered were interpreted to be formational representing sulphide-rich sediments. No economic intersections of nickel or copper were reported. In 2008, Mantis incurred exploration expenditures amounting to $1,167,429.

On October 26, 2009 Mantis terminated the Rottenstone Option Agreement (the "Option") dated October 1, 2007. As a result of Mantis terminating the Option prior to fulfilling its earn-in commitment as described above, the Corporation retains a 100% interest in the Rottenstone Property

Based on the combined Rottenstone geophysical surveys (VTEM, EM, IP and gravity), the Corporation is currently re-examination this data using more current interpretive/modeling geophysical techniques. The review process is expected to be completed by June 2010. The objective of this review is to establish new Ni-Cu target proximal to the previously minded Rottenstone deposit. Preliminary positive interpretive work is strongly support by the recently completed VTEM B-field survey. Once the new interpretation of geophysical surveys has been completed, follow up exploration programs are anticipated.

**Forward Looking Statements**

The year ended December 31, 2009 Financial Statements and foregoing MD&A 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. The Corporation 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**