



Management Discussions & Analysis

*December 31, 2011 and 2010
(Audited)*

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2011

Introduction

The following Management Discussions and Analysis (the "MD&A") for Uravan Minerals Inc. (the "Corporation" or "Uravan") includes the results of operations and financial information for the year ended December 31, 2011 and any other information that may be available up to April 16, 2012. This MD&A should be read in conjunction with the Annual Audited Financial Statements and the related notes of the Corporation for the years ended December 31, 2011 and 2010 (the "Financial Statements"). The reader is encouraged to review the Corporation's statutory filings on www.sedar.com and its website at www.uravanminerals.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 2009 and from private placements closed in December 2010 and September 2011.

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.

This is the Corporation's first financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The 2011 financial statements include an opening statement of financial position as at January 1, 2010, date at which the impact of IFRS transition were recorded against equity, in accordance with the provisions of IFRS 1 "First time adoption of International Financial Reporting Standards" and the 2010 comparative statements were prepared using the same basis of accounting. A detailed reconciliation of the financial statements prepared under Canadian GAAP and the comparative 2010 IFRS financial information is presented in note 23 of the financial statements.

In the year ended December 31, 2011, the Corporation incurred a net loss after tax of \$1,315,322 (2010 -\$1,275,973). Total income amounting to \$136,299 (2010 loss of \$447,772) was received from the realized gain/loss on disposal of marketable securities, investment income and management fees received.

The Corporation also incurred an unrealized loss on its portfolio of marketable securities of \$345,186 (2010 - unrealized gain of \$29,330) during the year ended December 31, 2011 as the carrying value of the Corporation's marketable securities differed from the market value of the marketable securities at December 31, 2011 and 2010.

The Corporation holds a portfolio of marketable securities that are affected, positively and negatively, by fluctuating market conditions. Although the Corporation believes there are opportunities to gain from trading short-term fluctuations in market prices, the Corporation's investment policy going forward is to reduce its exposure in marketable securities due to the current uncertain economic and market outlook.

General and Administrative Expenses

General and administrative ("G&A") expenses during the year ended December 31, 2011 were slightly higher as compared to the G&A expenses incurred during the year ended December 31, 2010, primarily due to increased shareholder reporting expenses

The following table summarizes major categories of general and administrative expenses for the years ended December 31, 2011 and 2010. The Corporation did not capitalize any indirect general and administrative expenses.

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Year Ended December 31, 2011

| | 2011 | 2010 |
|----------------------------------|-------------------|-------------------|
| Professional and consulting fees | \$ 178,687 | \$ 196,467 |
| Insurance | 17,690 | 17,200 |
| Shareholder reporting | 49,741 | 17,681 |
| Rent | 34,459 | 47,555 |
| Office | 42,793 | 46,632 |
| Stock exchange fees | 13,870 | 7,795 |
| Bank charges | 5,546 | 3,259 |
| | <u>\$ 342,786</u> | <u>\$ 336,589</u> |

Exploration Activity and Expenditures

In the year ended December 31, 2011, the Corporation's exploration and property acquisition expenditures totaled \$3,031,790 (year ended December 31, 2010 - \$815,660). The majority of the Corporation's net exploration, geological and consulting expenditures was incurred on the Corporation's Athabasca Basin and Rottenstone projects and the Math Option.

For details on exploration and acquisition costs incurred during the year ended December 31, 2011 see note 11 and schedule 1 of the financial statements. The expenditures made by the Corporation during the year ended December 31, 2011 and the year ended December 31, 2010 is as follows:

| | December 31, 2011 | December 31, 2010 |
|----------------------------------|------------------------------|------------------------------|
| Property acquisition costs | \$ 124,113 | \$ 32,635 |
| Geological and consulting | 2,907,677 | 783,025 |
| | <u>\$ 3,031,790</u> | <u>\$ 815,660</u> |
| Less: Shares issued for property | (87,500) | - |
| Capital expenditures, net | <u>\$ 2,944,290</u> | <u>\$ 815,660</u> |

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 statement of financial position information is presented as at the quarter end date.

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| | Quarter Ended | | | |
|---|----------------------|-----------------------|------------------|-------------------|
| | December 31, 2011 | September 30, 2011 | June 30, 2011 | March 31, 2011 |
| Total revenue (1) | \$ 28,874 | \$ 10,895 | \$ 29,825 | \$ 66,705 |
| General and administrative expenses (2) | 122,536 | 43,072 | 103,247 | 73,931 |
| Management fee recoveries (3) | - | - | - | - |
| Net income (loss) | (463,731) | (272,910) | (366,135) | (212,546) |
| Net income (loss) per share | (0.012) | (0.008) | (0.011) | (0.006) |
| Capital expenditures (net) | 369,504 | 841,593 | 1,450,819 | 369,874 |
| Total assets | 13,137,922 | 13,058,119 | 13,124,240 | 13,088,147 |
| Working capital | 1,440,490 | 2,274,010 | 2,843,840 | 3,981,327 |
| Common shares outstanding | 37,599,346 | 37,599,346 | 34,499,280 | 34,499,280 |

| | Quarter Ended | | | |
|---|----------------------|-----------------------|------------------|-------------------|
| | December 31, 2010 | September 30, 2010 | June 30, 2010 | March 31, 2010 |
| Total revenue (1) | \$ 81,084 | \$ (168,425) | \$ (79,701) | \$ (280,730) |
| General and administrative expenses (2) | 118,401 | 51,560 | 92,540 | 74,088 |
| Management fee recoveries (3) | 87 | 163 | 325 | - |
| Net income (loss) | 13,179 | (166,309) | (195,788) | (927,055) |
| Net income (loss) per share | 0.001 | (0.006) | (0.007) | (0.035) |
| Capital expenditures (net) | 218,282 | 503,653 | 71,746 | 21,979 |
| Total assets | 13,263,350 | 11,008,830 | 11,099,493 | 11,344,132 |
| Working capital | 4,546,447 | 2,650,221 | 3,299,103 | 3,545,558 |
| Common shares outstanding | 34,240,947 | 26,707,614 | 26,707,614 | 26,707,614 |

- (1) Total revenue consists of investment income, management fees and gain (loss) 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, 2011 the Corporation had \$1,440,490 in net working capital (December 31, 2010 - \$4,545,447) obtained primarily from private placements that closed during the years ended December 31, 2011 and December 31, 2010, the sale of marketable securities, and interest and dividend income.

The Corporation's working capital is held as cash and cash equivalents amounting to \$775,286 (December 31, 2010 - \$1,009,008), marketable securities with a market value of \$815,807 (December 31, 2010 - \$3,722,168), accounts receivable of \$38,362 (December 31, 2010 - \$44,239) and prepaids and deposits of \$22,610 (December 31, 2010 - \$22,610) less accounts payable and accrued liabilities of \$211,575 (December 31, 2010 - \$251,578).

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 2011 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.

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The Corporation previously 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. Due to the current uncertain economic outlook and market volatility the Corporation's investment policy going forward is to minimize its exposure in marketable securities.

Capitalization – Share Issuances

On September 28, 2011, the Corporation closed a non-brokered private placement by issuing 3,100,066 units at a price of \$0.15 per unit for gross proceeds of \$465,010. Each unit consisted of one common share issued on a flow through basis and one half of a non-flow-through share purchase warrant ("Warrant").

A flow-through share premium of \$0.05 per unit, or \$155,000 was recognized on issuance of the units as the unit price exceeded the market value of the common shares on the date of issuance. The flow through share premium was amortized through income tax expense during the year ended December 31, 2011.

Of the total proceeds received, \$40,301 was assigned to the Warrants based on the relative fair values of the shares and the Warrants at the date of issue. Share issue costs of \$56,266 were incurred, consisting of cash issue costs of \$48,479 and \$7,787 attributed to broker options granted, which was credited to share based payments reserve. The share issue costs were allocated \$48,951 to the common shares and \$7,315 to the Warrant.

The Warrants will expire on September 28, 2013 and will entitle the holder to acquire one common share of the Corporation at a price of \$0.20 per share for the first year following the closing date and \$0.25 per share for the period beginning 12 months from the closing date until 24 months from the closing date

On September 26, 2011 the Corporation issued 194,666 stock options as broker compensation in connection with the issuance of units. The broker options granted entitle the holder to acquire one common share and one half of a Warrant under the same terms as the warrants above. The stock options granted had an exercise price of \$0.15, term of two years to expiry from the date of issuance and vested on issuance.

On December 6, 2010, the Corporation closed a non-brokered private placement by issuing 7,533,333 units at a price of \$0.30 per unit for gross proceeds of \$2,260,000. Each unit consisted of one common share issued on a flow through basis and one half of a non-flow-through share purchase warrant.

From the total proceeds received, \$316,400 was assigned to the Warrants and valued using a binomial option pricing model. Share issue costs of \$270,163 were incurred, consisting of cash issue costs of \$204,163 and \$66,000 attributed to broker options granted, which was credited to share based payment reserve. The share issue costs were allocated \$232,340 to the common shares and \$37,823 to the Warrants.

The Warrants will expire on December 6, 2012 and will entitle the holder to acquire one common share of the Corporation at a price of \$0.45 per share for the first year following the closing date and \$0.55 per share for the period beginning 12 months from the closing date until 24 months from the closing date.

On December 6, 2010 the Corporation issued 440,000 stock options as broker compensation in connection with the issuance of units. The broker options granted entitle the holder to acquire one common share and one half of a Warrant under the same terms as the warrants above. The stock options granted had an exercise price of \$0.30, term of two years to expiry from the date of issuance and vested on issuance.

Capitalization – Option Grants

On July 18, 2011 the Corporation issued 700,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of \$0.21, term of five years to expiry and vested on issuance.

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On June 28, 2011, the Corporation modified the terms of the options granted under the terms of its share option plan. The vesting terms of the existing options were modified such that all outstanding options became immediately exercisable. All unamortized stock based compensation expense was expensed in the year ending December 31, 2011.

On May 26, 2011 the Corporation issued 1,025,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of \$0.22, term of five years to expiry and vested on issuance.

On January 6, 2011 the Corporation issued 10,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of \$0.36, 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 January 12, 2010, the Corporation granted 520,000 stock options pursuant to the common share option plan described in note 17 to the financial statements. The options have a four 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.

On November 4, 2010 the Corporation issued an additional 250,000 stock options under the terms of its common share stock option plan described in note 17 to the financial statements. The stock options granted had an exercise price of \$0.30, term of five years to expiry and vest as to 1/3 on the date of grant, 1/3 on the first anniversary of grant and 1/3 on the second anniversary of grant.

Capitalization – Per Share Amounts

The basic loss per share is \$0.037 (2010 - \$0.047) and has been calculated using the loss for the financial period of \$1,315,322 (2010 - \$1,275,973) and the weighted average number of shares in issue of 35,273,772 (2010 – 27,244,535). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

Current Financial Market Conditions and Risk Factors

The current global financial market uncertainties and the recent nuclear power plant crisis in Japan has tightened liquidity in the Corporation's financial markets and has damaged investor confidence in global uranium-related publically-traded securities. These events have led to significant declines in global uranium equity markets and negatively impacting the value of publicly-traded securities of many uranium-related 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. As a result of the recent nuclear power plant crisis in Japan the Corporation's ability to raise capital, if the need arose, could be adversely affected. 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 2012, exclusive of any possible major acquisitions.

While the market values of the Corporation's 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. Although the Corporation believes that there are opportunities to profit from the short-term fluctuations in market prices, the Corporation's investment policy going forward is to eliminate its exposure in marketable securities due to the current uncertain economic outlook and market volatility. 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

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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, to a more limited extent, 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 contracted substantially due to depressed global economies. In 2010 the global commodity markets and metal prices started recovering, along with the global economies, and continue to recover to where, in many cases, have exceeded their pre 2008 highs.

The uranium market is one area where the Corporation could be negatively affected by the depressed global markets or by far field environmental events, such as the recent Japanese nuclear power plant crisis that occurred as a result of a major earthquake and subsequent tsunami in March 2011. Historically, the uranium spot prices increased, going from \$7.10 per pound U₃O₈ in 2000, reaching a spot price market high of \$136 per pound U₃O₈ in mid-June 2007. In 2008 and 2009, during the global financial crisis, the spot uranium price sold off to approximately \$40.00 per pound by mid-2010. From mid 2010 to recently the uranium spot prices rallied to about \$73.00 per pound but closing recently at \$51.25 per pound U₃O₈ as a direct result of the Japanese nuclear power plant crisis.

The Corporation believes the current uranium spot market prices will remain volatile until there is more clarity around the resolution of the Japanese nuclear plant crisis and the effect this far field event will have on the Japanese and global economies. Long term, the Corporation believes the global nuclear power industry, particularly in Asia, will continue with their current and future scheduled build out of nuclear power plants. The key to stabilizing the uranium market will come from utility buyers seeking to backfill inventory needs. As a result of a shortfall in global uranium production, from 2013 forward there is potential for a severe 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 spot prices will greatly assist the Corporation in any funding required for current and future exploration activity on its Athabasca Basin 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 (such as the recent Japanese earthquake that affected nuclear power units at Fukushima) 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 long term impact of the nuclear power incident caused by the earthquake and tsunami in Japan in March 2011 remains to be seen.

The Corporation plans to pursue further exploration of its Athabasca Basin and 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.

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Contractual Obligations

In addition to the mineral property exploration and development expenditures required, as described in note 11 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 \$22,700 until expiry on October 31, 2012.

Prior to the exchange agreement described below, the Corporation's Boomerang project mineral property obligations were 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 2010 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's other obligations related to the Boomerang joint venture was to 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.

On December 13, 2010, the Corporation signed a non-binding Letter of Intent ("LOI") with Cameco to exchange its 49% joint venture interest in the Boomerang and Thelon Basin properties for Cameco's 100% interest in the various mineral dispositions making up the Halliday Lake, Poplar Point, Stewardson Lake and Thluicho Lake uranium projects in the Athabasca Basin, Saskatchewan (see note 11(d) to the financial statements). The Corporation closed the exchange agreement with Cameco on March 22, 2011, and the above captioned minimum mineral property expenditure requirements were transferred to Cameco.

Other mineral property obligations the Corporation has are its minimum work commitments on its Garry Lake claims amounting to \$2,262,582 due in 2008, \$2,214,714 due in 2009, and \$1,677,330 due annually each year thereafter for the remaining life of the claims. To December 31, 2011, the Corporation has made exploration expenditures of \$3,453,535 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. In May 2010, further relief was requested for the Corporation's Garry Lake claims. The application for additional relief was granted, and the period for which relief was granted was extended by a further two years.

The Corporation is also required to make \$275,056 of annual minimum expenditures on its Rottenstone property. The Corporation has excess expenditures of \$1,332,996 remaining to the credit of the mineral dispositions on the Rottenstone property that may be used towards future exploration and development work requirements.

In December 2009, the Corporation staked the Outer Ring claims (Athabasca Basin property), consisting of four mineral dispositions covering 15,651 hectares (38,658 acres) in the Athabasca Basin in northeast Saskatchewan. The mineral dispositions 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 mineral dispositions.

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In August 2010, the Corporation staked the Johannsen Lake claims (Athabasca Property), consisting of four mineral dispositions covering 18,438 hectares (45,542 acres) in the Athabasca Basin in northeast Saskatchewan. The mineral dispositions will have a 20 year life and will require that the Corporation make exploration and development expenditures amounting to \$221,256 on or before the second anniversary of the claims being approved and an annual exploration and development expenditure of \$221,256 each year thereafter over the remaining life of the mineral dispositions.

The Athabasca property also consists of claims in the various mineral dispositions making up the Halliday Lake, Poplar Point, Stewardson Lake and Thluicho Lake uranium projects in the Athabasca Basin, Saskatchewan that were acquired from Cameco on March 22, 2011. These properties consist of 13 mineral claims covering 114,556 acres. The claims have a 13 year remaining life and require annual exploration and development expenditure of \$556,548 each year thereafter over the remaining life of the mining claims. The Company currently has excess expenditures of \$281,813 remaining to the credit of the mineral dispositions that may be used towards future exploration and development work requirements.

Transactions with Related Parties

Payments made to directors of the Company during the year end December 31, 2011 for the provision of consultancy services were as follows:

| Director | Exploration & Evaluation Asset | General and Administrative Expenses | Share Based Payments |
|---------------------|---|--|---------------------------------|
| Mr. Larry Lahusen | \$ 69,600 | \$ 51,600 | \$ 109,217 |
| Mr. Mike Lavery | - | 8,000 | 51,217 |
| Mr. Chris Pettman | 85,716 | 744 | 51,695 |
| Mr. Larry Hulbert | - | - | 36,173 |
| Ms. Torrie Chartier | - | - | 35,500 |
| Mr. Ted Renner | - | - | 2,217 |
| Mr. William Grafham | - | - | 2,217 |
| Mr. Bob Drury | - | - | 2,217 |
| | <u>\$ 155,316</u> | <u>\$ 60,344</u> | <u>\$ 290,453</u> |

Of these amounts, \$27,300 is included in accounts payable and accrued liabilities at December 31, 2011. Messrs. Renner and Grafham ceased to be directors on May 20, 2011. Mr. Chris Pettman ceased to be an officer and director of the Corporation on October 5, 2011. 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-Statement of financial position Arrangements

The Corporation has no "off-statement of financial position 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.

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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 International Financial Reporting Standards 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, 2011 and 2010.

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.

New IFRS Standards and Interpretations

In preparing the financial statements of the Corporation for the current year, the Corporation has adopted the following pronouncements of the IASB for the first time. These pronouncements have not had a material impact on the results or net assets of the Corporation.

- Amendments to IFRS 7 – Financial Instruments: Disclosures
- Amendments to IAS 1 – Presentation of Financial Statements

At the date of approval of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective. These new Standards, Amendments and Interpretations are effective for accounting periods beginning on or after the dates shown below:

- IFRS 9 – Financial Instruments (effective January 1, 2015)
- IFRS 10 – Consolidated Financial Statements (effective January 1, 2013)
- IFRS 11 – Joint Arrangements (effective January 1, 2013)
- IFRS 12 – Disclosure of Interests in Other Entities (effective January 1, 2013)
- IFRS 13 – Fair Value Measurement (effective January 1, 2013)
- Amendments to IAS 19 – Employee Benefits (effective January 1, 2013)
- Amendments to IAS 32 – Offsetting Financial Assets and Liabilities (effective January 1, 2014)

The Corporation has not early adopted these amended standards and interpretations. The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Corporation's financial statements in the periods of initial application.

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International Financial Reporting Standards

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We applied IFRS as of January 1, 2010 and retrospectively applied all effective IFRS, meaning that the comparative financial information provided uses the same accounting policies throughout all periods. The changes in our reported results were the result of our adoption of IFRS and not an underlying change in our business. We also applied certain optional and mandatory exemptions. The effects of the changes on our accounting policies and financial results are outlined in Note 23 to the financial statements.

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 statement of financial position, with any changes in the fair value of held-for-trading financial assets recognized in the statement of loss and comprehensive 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 statement of financial position 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 are also classified as held-for-trading. The Corporation's portfolio of marketable securities and cash and cash equivalents are carried at fair value on the statement of financial position. The Corporation designated its accounts receivable and deposits as loans and other receivables and are recorded at amortized cost on the statement of financial position. The Corporation's accounts payable and accrued liabilities are classified as other financial liabilities and are recorded at amortized cost on the statement of financial position.

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, 2011, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

| | | |
|--|----|----------------|
| Cash and cash equivalents | \$ | 775,286 |
| Accounts receivable, excluding GST recoverable | | 539 |
| Deposits | | <u>19,000</u> |
| | \$ | <u>794,825</u> |

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

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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 statement of loss and comprehensive loss.

Trade accounts receivable of \$539 (December 31, 2010 - \$4,725) relate to amounts due relating to costs incurred under the Cameco joint venture agreement. Non-trade accounts receivable relate to amounts recoverable from the government of Canada for GST. 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, 2011, 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.

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 after-tax effects on income of reasonably possible changes in the relevant foreign currency. This analysis assumes all other variables remain constant.

| | Carrying Amount of Asset at December 31, 2011 | Foreign Exchange Risk Net income effect of | |
|--|--|---|-------------------------------------|
| | | 5% increase in US dollar | 5% decrease in US dollar |
| US Held-for-trading marketable securities denominated in Canadian dollars | <u>\$ 150,997</u> | <u>\$ 6,549</u> | <u>\$ (6,549)</u> |

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 interest rate risk relating to the Corporation's investments in interest bearing securities at December 31, 2011 is negligible.

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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.

| | Carrying Amount of Asset at December 31, 2011 | Price Risk Net income effect of | |
|--|--|--|-----------------------------------|
| | | 10% decrease in prices | 10% increase in prices |
| Held-for-trading marketable securities | <u>\$ 815,807</u> | <u>\$ (70,771)</u> | <u>\$ 70,771</u> |

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 Value

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 statement of financial position 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

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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 portfolio of marketable securities that are affected, positively and negatively, by fluctuating market conditions. Although the Corporation believes there are opportunities to gain from trading short-term fluctuations in market prices, the Corporation's investment policy going forward is to reduce its exposure in marketable securities due to the current uncertain economic and market outlook.

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 a uranium exploration company, focused in sandstone basins in Canada and specific areas globally. The Corporation holds properties in the Thelon and Athabasca Basins (Figure 1). In collaboration with its research partners, the Corporation utilizes applied research to develop new innovative exploration technologies. In 2009 new surface geochemical techniques were developed (Cigar Lake Study) for the detection of buried unconformity-related uranium deposits in under-explored areas in the Athabasca Basin. In 2010 and 2011 these new surface geochemical techniques were applied on several of the Corporation's projects in the Athabasca Basin. Our goal in developing these new surface geochemical techniques is to get to mineral discovery more quickly and cost effectively in under-explored terrain.

The Corporation's principal assets are its Outer Ring and Johannsen Lake uranium projects, the recently acquired Cameco uranium properties (Halliday, Stewardson, Poplar Point and Thluicho projects) and the Math Option in the Athabasca Basin, the Garry Lake uranium projects in the northeast Thelon Basin and the Rottenstone Nickel-Copper-Platinum Group Element (Ni-Cu-PGE) project, Saskatchewan (Figure 1).

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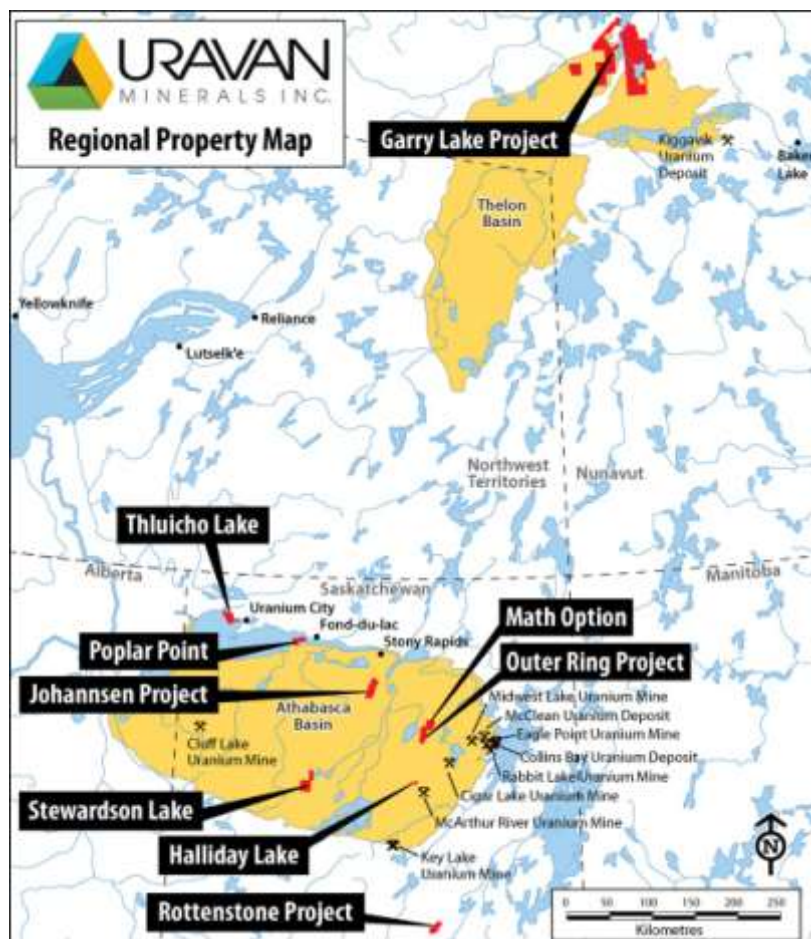


Figure 1 - Uravan Property Portfolio

Athabasca Basin Projects

In 2009 the Corporation began obtaining a major land position in the Athabasca Basin. The terrain being evaluated for acquisition is the underexplored structural corridors where historical data is scarce or lacking. A regional basin-wide compilation has been completed, corridors of interest identified and areas for specific land acquisition selected.

In December 2009 and in August 2010 the Corporation acquired the Outer Ring and Johannsen Lake uranium projects (Figure 2). On March 25, 2011 a definitive exchange agreement (Purchase and Sale Agreement) between Cameco and the Corporation was signed. The Purchase and Sale Agreement allowed for the exchange the Corporation's 49% joint venture interest in the Boomerang uranium project in the southwest Thelon Basin for Cameco's 100% interest in the various mineral dispositions making up the Halliday Lake, Poplar Point, Stewardson Lake and Thluicho Lake uranium projects in the Athabasca Basin, Saskatchewan (Figure 2).

In February 2011, the Corporation and ESO Uranium Corporation (ESO) entered into an Option to Purchase Agreement (the "Option") whereby ESO granted the Corporation an exclusive Option to acquire 100% interest in their Mathison Lake mining claims (S-108465 and S-108466) (the "MATH project") in the Athabasca Basin. The MATH project totals 8,121 hectares and adjoins the Corporation's Outer Ring (OR) project on the north. The Option is exercisable by the Corporation over a three (3) year term conditional on: (1) The Corporation making a one-time cash payment to ESO amounting to Twenty-five Thousand Dollars (\$25,000), (2) The Corporation issuing an aggregate of 1,000,000 Uravan Common Shares to ESO, in four tranches of 250,000 Common Shares over three years, and (3) The Corporation incurring an aggregate exploration expenditure on the Math project of not less than Two Hundred Thousand Dollars (\$200,000).

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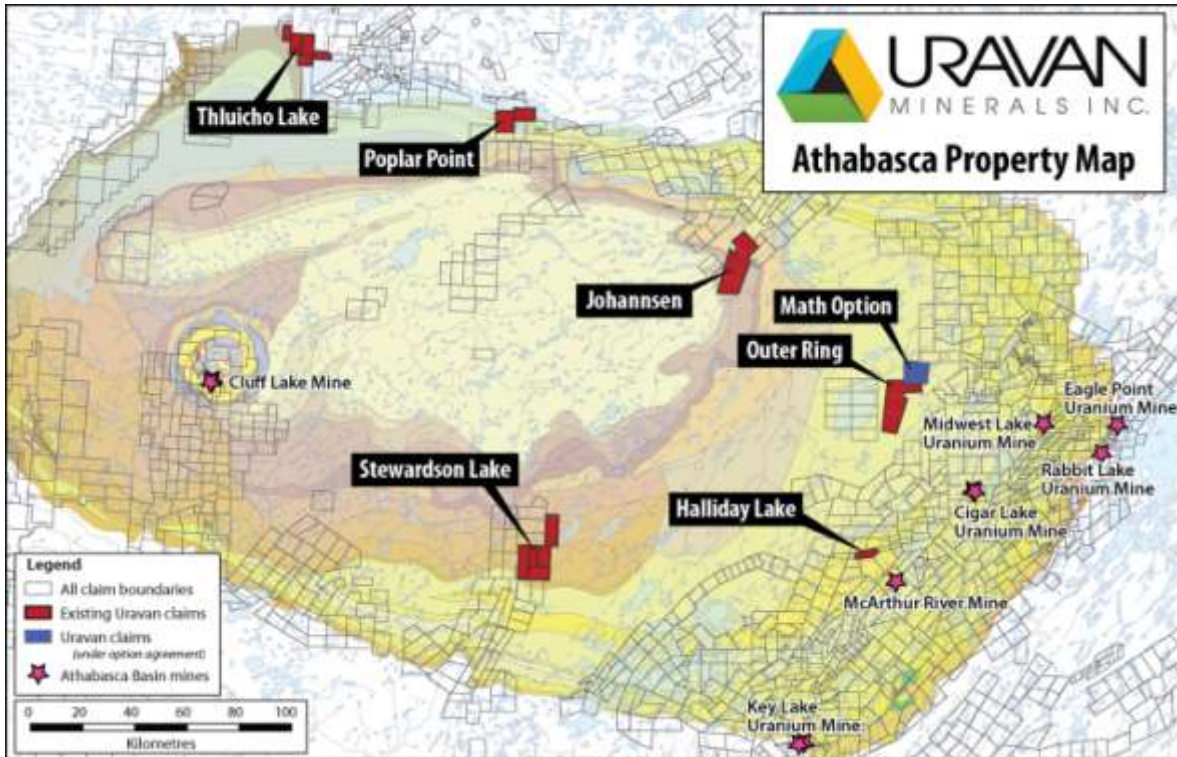


Figure 2 – Athabasca Basin Property Portfolio

The properties recently acquired by the Corporation from staking, the exchange with Cameco and the MATH Option with ESO have provided a significant exploration footprint in the Athabasca Basin. The properties are considered highly prospective and immediately accessible for uranium exploration in this uranium endowed region. It is the Corporation's plan to move quickly to assess the potential of these new acquisitions.

2011 Exploration Update

Outer Ring uranium project

The Corporation owns 100% of the Outer Ring (OR) uranium properties located in the Athabasca Basin, northern Saskatchewan. The OR property was staked in December 2009 and consists of four (4) mineral dispositions (S-111731:S-111734 inclusive) totaling 15,651 hectares, located along the corridor of the Cable Bay shear zone in the Pasfield Lake area, Athabasca Basin (Figure 1 and 2).

Subsequent to the staking of the OR claims, a multifaceted surface geochemical survey was completed in July 2010. The sampling programs were designed to evaluate the most probable location of buried uranium mineralization based on the identification of key multi-element signatures and isotope systems by analyzing soils (clay fraction), vegetation (pine and spruce needles) and tree-cores collected on two overlapping 500 meter spacing off-set sampling grids covering the property. An aggregate of 2,027 samples were collected and analyzed as part of the OR surface geochemical survey.

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All sample material (clay separates for the C and B soil horizons and vegetation samples) were sent to Acme Labs in Vancouver for analysis. A multi-element analysis (52 elements plus all the REE and Pb isotopes) was completed on all samples collected by ICP-MS following an aqua regia digestion. All clay-fraction samples from the C and B soil horizons were separated at QFIR and all tree-core samples were prepped and assayed by the QFIR Lab. The tree-core analytical work consisted of a multi-element analysis (52 elements plus all the REE and Pb isotopes) by High-Resolution ICP-MS.

The compilation and interpretation of the analytical database from the OR surface program resulted in the identification of a number of positive robust geochemical signatures. Positive lead (Pb) isotope ratios and associated pathfinder element geochemistry were found in the clay-size fraction (extracted from B and C-horizon soils) vegetation (pine and spruce) and tree-cores (Figure 3). These positive geochemical results defined anomalous trends that are coincident with existing geophysical surveys (airborne EM and MAG) and other inferred structural features.

In late July 2011 the Corporation completed a five (5) hole diamond drilling program totaling 4,237 meters drilled on the OR project. The OR drill program was reconnaissance in nature that targeted select surface signatures identified from a multifaceted surface geochemical sampling program completed over the OR property in 2010 (as described above).

First indications of potential uranium-bearing intersections from drill-holes OR11-01 to OR11-05 were obtained from down-hole Natural Gamma surveys (description below). All drill holes intersected zones of high radioactivity (levels >7.5 times background) occurring over significant intervals in the Athabasca Sandstone at the unconformity and over broad zones below the unconformity in the underlying basement rocks. The following table summarizes the significant intersections as determined from down-hole Natural Gamma surveys:

| Drill Hole | From (m) | To (m) | Interval (m) | API (cps)* | Occurrence |
|------------|----------|--------|--------------|------------|--------------|
| OR11-01 | 662.45 | 672.35 | 9.90 | 432 | unconformity |
| OR11-02 | 724.58 | 737.98 | 13.40 | 349 | unconformity |
| | 763.18 | 772.93 | 9.75 | 475 | basement |
| OR11-03 | 780.12 | 781.07 | 1.00 | 640 | unconformity |
| OR11-04 | 764.41 | 770.51 | 6.10 | 707 | unconformity |
| OR11-05 | 742.26 | 754.16 | 12.00 | 288 | unconformity |
| | 756.46 | 795.36 | 39.00 | 402 | basement |

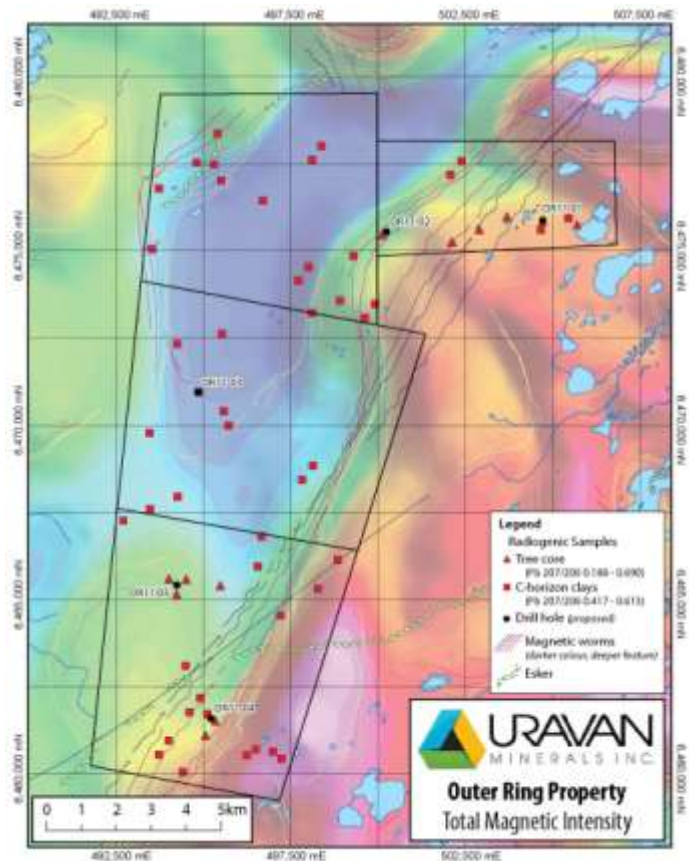


Figure 3 - OR project map showing positive tree-core, clay and vegetation anomalies

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**Note: An API (American Petroleum Institute) unit is a standard measurement of gamma radiation encountered in borehole surveying by Natural Gamma probes. The radioactivity levels indicated in the table above are considered significant, albeit not quantitative, and represent the presence of uranium concentrations that are several levels above normal background radioactivity. All zones of high radioactivity intersected were systematically sampled and will be assayed for their uranium concentrations; analytical results will be announced when available.*

Coincident with these zones of high radioactivity, some drill-holes intersected other geological features suggestive of a geochemically and structurally active unconformity surface; key features required for uranium mineralization:

- Persistent sandstone bleaching above the unconformity coincident with broad zones of secondary hematite alteration;
- the presence of illite clay alteration occurring over varying thicknesses at and above the unconformity, and;
- The presence of major fracturing radiating up into the Athabasca Sandstone and faulting in the underlying basement units; all suggestive of structural reactivation.

Math Option project

The Math property consists of two (2) mineral dispositions (S-108465 and S-108466) totaling 8,121 hectares. The Math property was recently acquired by the Corporation from ESO pursuant to an Option to Purchase Agreement dated January 28, 2011. The property adjoins the OR property on the north and located in the Pasfield Lake – Mathison Lake area, Athabasca Basin (Figure 1 and 5).

Recent exploration work on the Math property consisted of three (3) airborne geophysical survey conducted on behalf of ESO in 2006, 2007 and 2009. The first survey was conducted in June 2006 by Fugro Airborne Surveys who completed a regional MEGATEM electromagnetic and magnetic survey over all of ESO's property at that time, which included the current Math project area. The second survey was conducted in September 2007 by MPX who completed a helicopter-borne high resolution radiometric and magnetic survey over the Math property. The third survey was conducted in April 2009 by Geotech Limited who completed a helicopter-borne ZTEM electromagnetic and magnetic survey. The geophysical data and interpretive work from these geophysical surveys correlate and consistently display a strong NE trending conductor (the 'Pasfield conductor') that coincides with a linear low magnetic susceptibility corridor that transects the Math property. The Pasfield conductor and coincident magnetic low form a linear corridor that extends to the SW onto the OR project.

The NE-SW trending 'Pasfield' conductor was interpreted by Geotech Limited (through inversion of the geophysical data) as a single NW dipping conductor (probably graphite) at the unconformity, estimated to be at a depth of approximately 350 meters. The Pasfield conductor shows increasing conductive response with depth suggesting alteration of the conductor at or near the unconformity. The geophysical data also point to a related conductive zone above the unconformity interpreted to represent a clay alteration zone in the sandstone. A potential thick basement graphitic

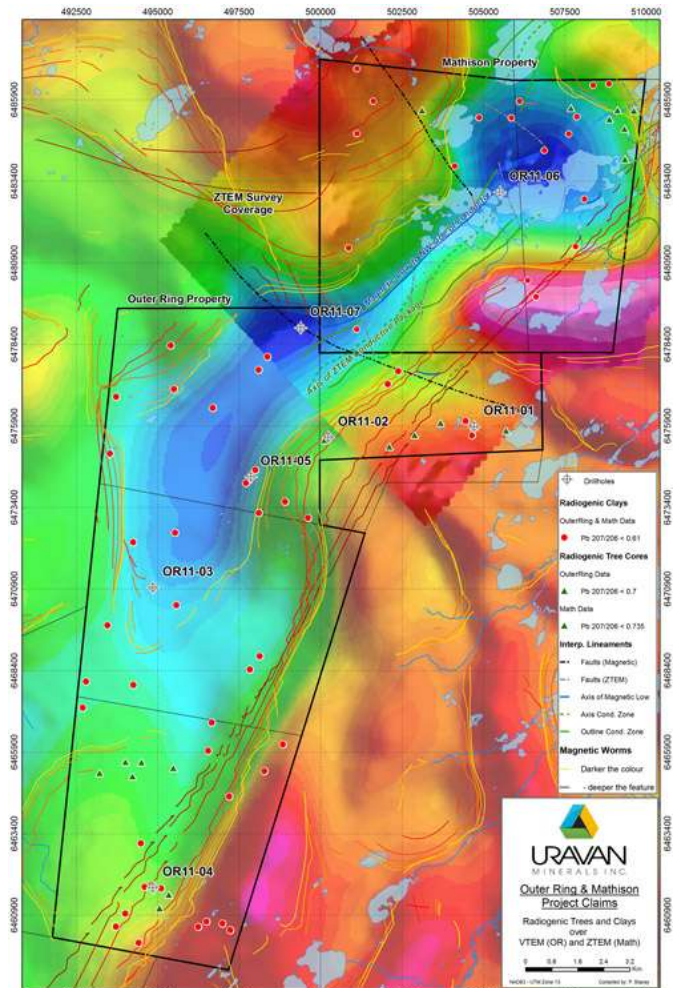


Figure 4 - OR-Math Option project map showing completed drill holes with positive radiogenic tree-core and clay anomalies

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conductor, hosted in metapelitic basement metasediments, within a coincident low magnetic susceptibility corridor, associated with a possible clay alteration halo above the unconformity are key requirements for potential unconformity-related uranium mineralization.

In July 2011, the Corporation completed a multifaceted surface geochemical survey over the property. This surface sampling program resulted in collecting 612 samples (soils, vegetation and tree-cores) collected on a 500 meter spacing off-set grid. The sampling and analytical procedures will follow the same protocols used for the OR and JL surface sampling programs.

In late October 2011, the Corporation completed a two (2) hole diamond drilling program (OR11-06 and OR11-07) totaling 1597 meters drilled on the Mathison Lake (MATH) uranium project (Figure 4). This was a follow-up program based on encouraging information obtained from the surface sampling program discussed above and the previous OR drill program completed in July, 2011 (OR11-01 to OR11-5). The MATH drill program targeted selected surface geochemical signatures that correlate with a strong NE-SW trending Pasfield Conductor.

Johannsen Lake (JL) uranium property

The JL property was staked in July 2010 and is owned 100% by the Corporation. The JL property consists of four (4) mineral dispositions (S-111839 - S-111842 inclusive) totaling approximately 18,438 hectares and is located along the Black Lake shear zone, north central Athabasca Basin (Figure1 and 2).

Subsequent to the staking of the JL dispositions, a multifaceted surface geochemical survey was completed in August 2010 (Figure 5). The sampling program was designed to evaluate the most probable location of buried uranium mineralization based on the identification of key multi-element signatures and isotope systems by analyzing soils (clay fraction), vegetation (pine and spruce pine needles) and tree-cores collected on two overlapping 500 meter spacing off-set sampling grids covering the property. An aggregate of 2,241 samples were collected and analyzed on the on the JL surface geochemical survey.

All sample material (clay-size separates from the C and B soil horizons and vegetation samples) were sent to Acme Labs in Vancouver for analysis. A multi-element analysis (52 elements plus all the REE and Pb isotopes) was completed on all samples collected by ICP-MS following an aqua regia digestion. All clay-fraction samples from the C and B soil horizons were separated at the QFIR lab and all tree-core samples were prepped and assayed by the QFIR lab. The tree-core analysis consisted of a multi-element analysis (52 elements plus all the REE and Pb isotopes) by High-Resolution ICP-MS.

The compilation and interpretation of the analytical database from the JL surface program have been completed and have produced a number of positive geochemical signatures. Positive lead (Pb) isotope ratios and associated pathfinder element geochemistry were found in clay-size fraction (extracted from B and C-horizon soils) vegetation (pine and spruce) and tree-cores (Figure 5).

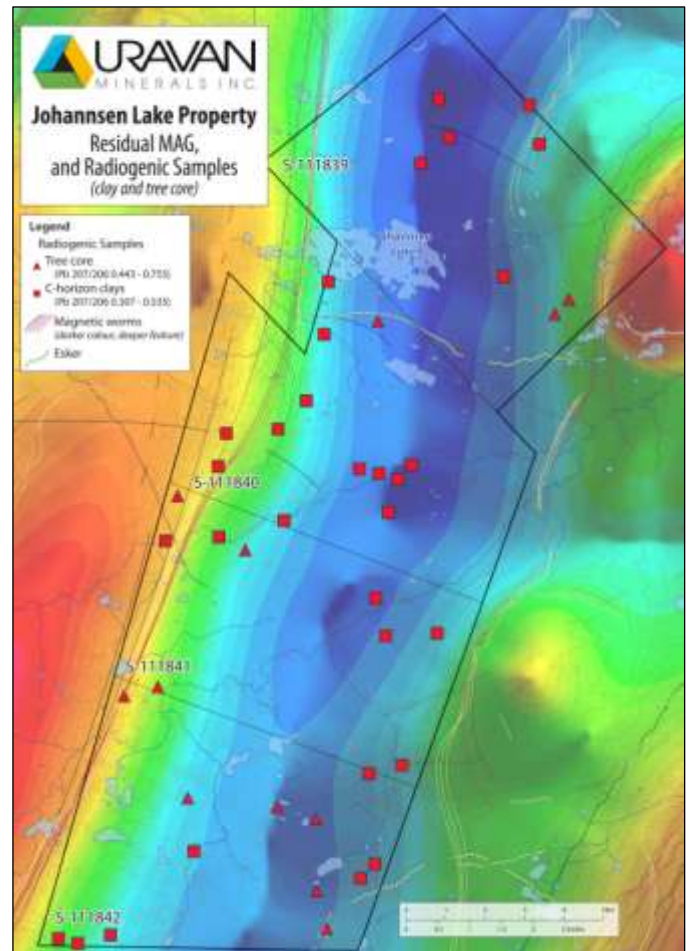


Figure 5—JL project map showing positive tree-core, clay and vegetation anomalies

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At the time of this writing no specific drill targets have been defined. An initial diamond drill program is not anticipated at this time. The Corporation is currently seeking a joint venture partner for to fund future exploration on the property.

Halliday Lake project

The Halliday Lake property consists of a single mineral disposition (S-107299) amounting to 2,169 hectares in size and located approximately 18 kilometers northwest of McArthur River uranium deposit in the eastern Athabasca Basin. The Halliday Lake property was acquired from Cameco on March 25, 2011 pursuant to a definitive exchange agreement (Purchase and Sale Agreement), as described above, between Cameco and the Corporation.

Previous operators completed six (6) widely-spaced diamond drill holes amounting to 5,176 metres drilled and drill depths averaging about 850 meters (Figure 6). This reconnaissance drilling targeted three coincident EM conductors within an east-west oriented magnetic low. Based on core interpretation, the conductive zones coincide with an east-west trending graphite structural zone. Core analysis identified high boron concentrations within basement samples, strong illite clay alteration in the sandstone and anomalous uranium mineralization occurring at the unconformity, assaying 0.08% to 0.12% U_3O_8 over narrow intervals (<1.0 meters).

In July 2011, the Corporation completed a multifaceted surface geochemical survey over the property. This surface sampling program consisted of collecting C and B-horizon soils samples and tree-cores from 262 sample site over the Halliday claim block. The surface sampling, sample preparation and analytical procedures followed the same protocols used for the OR and JL surface sampling programs.

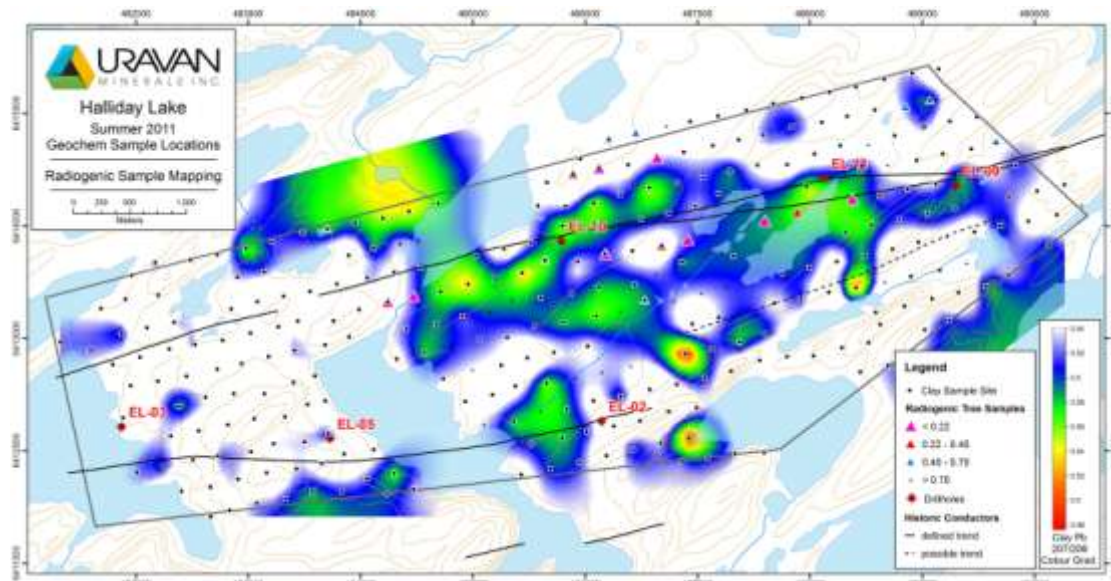


Figure 6 -Halliday Lake project map showing drill holes with positive radiogenic tree-core and clay (colour gradient) anomalies

Preliminary data analysis from the clay-size fraction in the C and B-horizon soils and tree-cores indicates an east-west trending highly radiogenic lead (Pb) isotope signature that is coincident with a strong east-west EM conductive corridor and strongly correlates with positive multi-element anomalies. An initial diamond drill program is anticipated for 2012 provided funding is available.

Stewardson Lake project

The Stewardson Lake property consists of 5 mineral dispositions (S107738, S-108181-184 inclusive) totaling 21,349 hectares. The project area is located adjacent to Cameco's Centennial uranium deposit and overlies the Dufferin Lake fault (correlates with the Virgin River corridor).

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Historical exploration, consisting of surface boulder sampling and core sampling from diamond drill hole DDH VR-01, identified a strong alteration zone within the Athabasca sandstone group characterized by illite and chlorite clay alteration and coincident boron anomalies (intensity comparable to the illite-dravite alteration corridor between Key Lake and McArthur River uranium deposits). Cameco completed several airborne and ground geophysical surveys (i.e. ground UTEM/TDEM and AMT surveys, and airborne triaxial gradiometer and gravity/radiometric surveys). The interpretation of the multiple geophysical surveys and compilation work suggests considerable unconformity off-set. This post-Athabasca faulting appears as a northeast trending central graben zone (gravity low) bound on the western edge by the Dufferin Lake fault. This northeast trending structural zone has a corresponding magnetic low on the west and coincident illite+dravite+boron anomalies (suggestive of high heat/fluid flow).

To improve the resolution of the existing geophysical data base, the Corporation conducted a multifaceted surface geochemical survey over the property in July 2011. This surface sampling program resulted in collecting a total of 1663 samples (soils, vegetation and tree-cores) on 500 meter spacing off-set grid. The sampling and analytical procedures will follow the same protocols used for the OR and JL surface sampling programs. Pending positive geochemical results from this summer's surface sampling program, a late summer 2012 drill program is anticipated, pending funding.

Poplar Point project

The Poplar Point property consists of 2 mineral dispositions (S-107651 and S-107652) totaling 9,654 hectares. The project straddles the north central edge of the Athabasca Basin and extends basin ward (Figure 1 and 5). The property is located about 20 kilometers west of the Fond du Lac unconformity-type uranium deposits and other uranium occurrences. Exploration on the Poplar Point property and area has taken place sporadically since the late 1970s. Based on a 2005 VTEM ground geophysical surveys completed by Cameco, three distinct north-south trending electromagnetic (EM) conductive systems have been identified. These conductive trends occur within separate low magnetic susceptibility corridors that transect the property. Although no drill-holes have specifically targeted these EM conductive zones, historical drilling completed by Eldorado Nuclear in the 1970s proximal to these geophysical features, intersect favorable altered Athabasca sandstone.

The altered sandstone sections reported consisted of bleaching accompanied by well developed illite/chlorite/dravite clay alteration in contact with graphitic basement rocks. Two shallow drill holes (PW-03 and PW-04) intersected anomalous geochemistry (197ppm U, 907ppm B, 6.4ppm Cu, 38.5ppm Ni and 7.68ppm Pb) and illite clay alteration considered potentially favorable for unconformity-related mineralization (Source: Cameco reports)

Previous operators conducting exploration on the Poplar Point project area have identified highly potential geological, structural and geophysical features. These favorable features have not been drill tested and remain underexplored. To refine drill hole targeting, the Corporation anticipates completing a surface geochemical programs in the summer 2012. Funding will be required to complete further work on this project, either as a JV funding partner or equity capital financing.

Thluicho Lake project

The Thluicho Lake property consists of 5 mineral dispositions (S-110417:S110421 inclusive) totaling 13,227 hectares. The project is located over basement rocks of the Rae Structural Province along the north shore of Lake Athabasca, 30 kilometers west of Uranium City (Figure 1 and 5). The primary mineral targets include mesothermal uranium mineralization and basement-hosted unconformity-related uranium mineralization and potential REE mineralization.

Exploration on the Thluicho Lake property and area has taken place sporadically since the late 1950s. The majority of known exploration work consists of prospecting, geochemical analyses, and trenching, along with various airborne and ground-based geophysical surveys, the most recent of which are Cameco's 2006/2007 VTEM surveys. Previous drilling has been limited to 7 documented drill holes and a variety of additional unreported holes located sporadically throughout the site, for which no information is currently known.

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Multiple surface uranium occurrences have been identified by historical prospecting. These surface occurrences have subsequently been verified through surface re-sampling during Cameco's 2006-2007 field programs, which also identified several new surface uranium discoveries. Most surface uranium occurrences are associated with conductors, as identified by Cameco's 2006-2007 VTEM geophysical surveys. All surface mineralization is associated with narrow (<5cm) brittle fracture quartz veins containing chlorite-pyrite-quartz-uraninite/pitchblende (?) hosted within a foliated/mylonized granite-gneiss. The surface samples collected range from anomalous radioactivity values of 12,000 cps to 0.084%, 0.10%, 0.77%, 1.7%, 5.0%, 2.15%, 1.63%, and 4.84% U₃O₈ with a high of 27% U₃O₈. The uranium mineralization is generally accompanied by elevated Pb, V, B, Co, Ni and Cu values (Source: Cameco reports).

No work was completed on the Thluicho property in 2010 and 2011. Further work on the property is not anticipated in 2012. The Corporation has made the decision to allow the 5 mineral dispositions making up the Thluicho property to lapse as assessment work becomes due in 2012.

Applied Research Projects

The Corporation will continue to advance the development of new innovative exploration technologies using applied research. Under the direction of Dr. Kurt Kyser, the Queen's Facility for Isotope Research (QFIR) at Queen's University is working collaboratively with the Corporation's technical team to develop innovative ways to better identify buried uranium deposits in underexplored sandstone basin environments. By sampling and analyzing surface media (plants and soils) the QFIR-Uravan research group is developing new geochemical and biogeochemical analytical protocols and methods that can better identify and vector exploration drilling toward bedrock sources of uranium mineralization at significant depths.

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 involved conducting a multifaceted 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 deposit has a reported resource of 209.3 million pounds U₃O₈ grading 17.04% U₃O₈ (Source: Cameco website).

The Cigar West Survey consisted of a multifaceted 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 from the Cigar West Survey determined that the highest concentration of classic Athabasca unconformity-related uranium pathfinder elements and distinctive isotopes occur over the surface projection of the known high-grade Cigar West uranium deposit. This research has clearly identified distinctive elements and isotopic compositions that have been mobilized from that deposit to the surface media (plants and soils) through about 450 meters of sandstone. The results of this survey will provide new technologies for rapidly evaluating the possibilities of targets in underexplored areas within the Athabasca Basin and other frontier regions.

The recent geochemical surveys conducted on the Outer Ring and Johannsen properties will be the focus of a new collaborative research study (Deep Exploration Geochemistry for Uranium Deposits) between QFIR and the Corporation. This new research study will capitalize on the recently developed innovative geochemical protocols from the Cigar West Survey plus develop new protocols for more reliable and definitive indicators of uranium mineralization at greater depth to help identify undercover deposits on the Outer Ring, Johannsen Lake and other Athabasca Basin projects.

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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 undertaken to better determine the exploration possibilities and opportunities of corridors within the Athabasca Basin that are currently underexplored. 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 ACR 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 underexplored corridors for land acquisition purposes.

Although the interpretation and evaluation of the Cigar West Survey and Athabasca Core Review, described above, 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 >450 meters. In the summer 2010, some of these new technologies have been applied to the Corporations' Outer Ring and Johannsen projects in the Athabasca Basin.

Exploration Geochemistry for Deep Uranium Deposits

The Corporation recently entered into a new applied research study and is funding through a Collaborative Research and Development grant (CRD grant) with QFIR, with matching funding from the Natural Sciences and Engineering Research Council of Canada (NSERC). The goals of this new study, titled 'Exploration Geochemistry for Deep Uranium Deposits' are: (1) to apply recently developed geochemical protocols (the Cigar Lake Study) for remote sensing undercover deposits to the Outer Ring and other Athabasca Basin projects held by the Corporation; and (2) to develop new protocols for more reliable and definitive indicators of mineralization at depth in these prospective but under-explored areas.

The CRD grant is for a term of three (3) years. The Corporation is funding one-hundred-thousand dollars (\$100,000) per year plus the cost of field support amounting to fifty-thousand dollars (\$50,000) per year. These amounts funded by the Corporation are partially matched by NSERC to the amount of one-hundred and five thousand dollars (\$105,000) per year over the three (3) year term of the grant.

Garry Lake Uranium Property

The Corporation owns 100% of the Garry Lake uranium property, consisting of 355 mining claims covering 829,171 acres located in the Garry Lake area, northeastern Thelon Basin. The property is located approximately 245 kilometers northwest of Baker Lake, Nunavut (NU) and 170 kilometers northwest of the Kiggavik-Andrews Lake uranium deposit; presently being developed by AREVA Resources Canada (Figure 1)

Garry Lake property is located along the northeastern (NE) margin of the Thelon Basin and extends southward into the basin covering Paleoproterozoic basin and basement geological domains. The northern Thelon Basin consists of unmetamorphosed conglomerates and sandstone of the Paleoproterozoic Thelon Formation. 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.

Uranium exploration in the NE Thelon Basin has taken place sporadically from 1969 to the present. In the early 1980's the most significant results from initial exploration on the Garry Lake uranium property by another operator was the up-ice terminus of a high-grade uraniferous boulder train. The surface uranium mineralization consisted 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 . In 1982, seven (7) reconnaissance diamond drill holes totaling 895 meters were completed in a broad area around the uraniferous boulder train discovery. No significant mineralization was intersected and no exploration has been conducted in the area of this known mineralization since 1982.

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In 1997 and 1998, Cameco Corporation (Cameco), under an option agreement with The Corporation, conducted a broad reconnaissance exploration program consisting of ground geophysical surveys (gravity, magnetic, HLEM and fixed loop TDEM surveys) and diamond drilling on what was then called the Sand Lake project. During this exploration phase Cameco complete seven (7) diamond drill holes totaling 1,210 meters completed over a broad area on the property (Figure 2). No significant mineralization was intersected.

In 2007, The Corporation completed two property scale airborne geophysical surveys (high resolution TEM & Magnetic survey and radiometric survey) and compiled a GIS historical geochemical (uranium in lake sediments and waters) database on the Garry Lake property. These regional geophysical surveys identified a number of strong conductive trends that are coincident with favorable radiometric anomalies and surface geochemical signatures. Follow up ground geophysics and geochemical surveys are required in preparation for a diamond drilling.

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 (including drilling). On June 27, 2008, the NIRB submitted a "Screening Decision Report" to the Minister of Indian and Northern Affairs Canada (INAC). The NIRB Screening Decision Report recommended an environmental impact statement (the "EIS") be completed on the Garry Lake project proposal as a precondition for determining approval of the Garry Lake LUP application. The EIS is in accordance with Part 5 of Article 12 of the *Nunavut Land Claim Agreement* ("NLCA"). 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")

To understand the cost and time required to complete the EIS in the manner and scope 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 determined that, among other things, the requirements as defined in the final Guidelines are unrealistically onerous and significantly surpass the level of environmental assessment required of a project of the type and size being proposed. SRK also estimated the cost to complete the EIS as defined by the Guidelines 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, 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. Although uncertain, it is The Corporation's hope that by working with the NIRB and INAC, the requirement for an EIS Review can be replaced with the inclusion of sufficient caribou calving protection guidelines in the LUP application to mitigate concern.

Relief from assessment work under Section 81

Due to land access issues (as described above) the Corporation is prohibited from conducting exploration work on its Garry Lake project in Nunavut. Until these issues are resolved no new LUP applications will be approved by the government land use regulators thereby prohibiting the Corporation from fulfilling its assessment work as required under *Section 41 of the Northwest Territories and Nunavut Mining Regulations*. Therefore, the Corporation has requested and has been granted relief from its assessment work requirements of its mining claims making up the Garry Lake 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. Relief under Section 81 has been granted by the Mining Recorder's Office of INAC until May 2012 for the Garry Lake project. Pending the length of time the Corporation continues to be prohibited from carrying out work on the Garry Lake property further relief under Section 81 will be requested.

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Rottenstone Ni-Cu-PGM Project

The Rottenstone property is located approximately 130 kilometers NNE of the town of La Ronge, northern Saskatchewan and consists of 8 contiguous mineral dispositions covering 13,089 hectares (Figure 1). 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 kilometers 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.

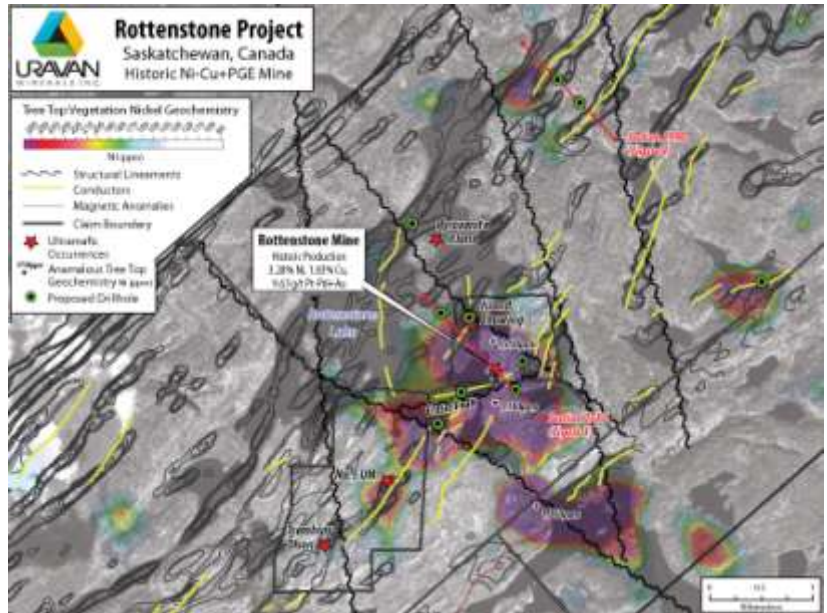


Figure 6 – Rottenstone deposit area showing major structural, geophysical and geochemical features

The Rottenstone deposit was first discovered in 1928 as a surface exposure along the shoreline of Rottenstone Lake. The deposit was mined in the mid 1960s, producing 40,000 tons of high grade nickel-copper-platinum group elements plus gold (Ni-Cu-PGE +Au) ore; grading 3.28% Ni, 1.83% Cu and 9.63 g/t (Pt-Pd-Au). The Ni-Cu-PGE mineralization occurs as net-textured to semi-massive sulphide (40-60% sulphides) hosted in an ultramafic sill. The high Ni-Cu-PGE grades associated with Rottenstone are a function of the high proportion of contained sulphides. The host ultramafic sill is believed to be part of a significantly larger, sulphide-rich ultramafic intrusive body of similar grades occurring at depth and proximal to the known surface deposit. The exploration model is an ultramafic intrusive sill-like body comprised of net textured, semi-massive to massive Ni-Cu-PGE bearing sulphides occurring within structurally

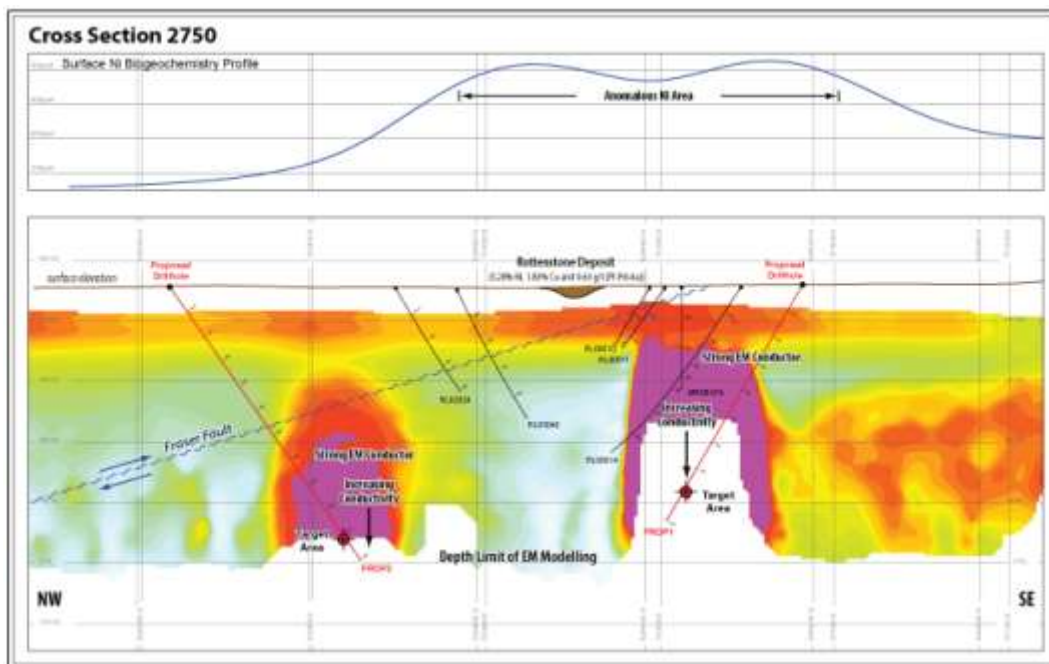


Figure 7. Section 2750. VTEM Resistivity Depth Inversion, Ni Tree Top Geochemistry

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deformed supracrustal meta-sedimentary rocks.

The Corporation has conducted exploration programs on the Rottenstone property intermittently from 1998 – 2008. Exploration includes, airborne geophysical VLF-EM/MAG and VTEM surveys, a property-wide tree-top biogeochemical survey, reconnaissance B-horizon soil geochemistry surveys, ground geophysical TEM, MAG, MaxMin, Gravity and IP surveys, and reconnaissance diamond drilling. Forty-six (46) diamond drill holes amounting to 9,323 meters have been drilled and sampled. Drilling to date has been reconnaissance in nature, targeting favorable coincident geophysical – geochemical profiles.

Based on the combined Rottenstone geophysical surveys (VTEM, EM, IP and gravity), the Corporation recently completed a re-examination of this data using more current interpretive/modeling geophysical techniques. As a result, recent interpretive-modeling of the Rottenstone database (geological, geochemical and geophysical), has establish new Ni-Cu drill targets proximal to the previously minded Rottenstone deposit. These drill targets were established using Resistivity Depth Imaging¹ (RDI). RDI is a graphic representation of inverted EM (electromagnetic) decay data into conductivity/resistivity depth profiles. These profiles are then displayed in 2-dimensional (2D) cross-sections. Other geological, geochemical and structural information can then be displayed in cross-section with the RDI profiles.

The coincident display or stacking of other geological data on the RDI 2D profiles has greatly enhanced the Corporations ability to vector drilling toward new potential mineralized ultramafic bodies. Several proposed drill holes specifically target sub vertical conductive geophysical responses (EM conductors). These steeply dipping conductors are generally supported by other favorable geological, structural or geochemical features, and other geophysical anomalies (i.e. IP and gravity).

Forward Looking Statements

The years ended December 31, 2011 and 2010 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