



## **FIRST QUARTER FINANCIAL STATEMENT**

***March 31, 2006***

***(Unaudited)***

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### **Unaudited Interim Financial Statements**

In accordance with National Instrument 51-102 released by the Canadian Securities Administration, Uravan Minerals Inc. discloses that its auditors have not reviewed the unaudited financial statements for the quarter ended March 31, 2006

**URAVAN MINERALS INC.**  
**Balance Sheets**  
**Quarter Ended March 31, 2006**

	<b>Quarter Ended 31-Mar-06</b>	<b>Year Ended 31-Dec-05</b>
<b>Assets</b>		
Current assets		
Cash	\$ 2,855,474	\$ 5,771,005
Marketable securities (market value \$6,508,217 - 2005 \$1,124,592)	6,070,626	2,871,951
Accounts receivable	86,573	7,710
GST receivable	1,391	-
Deposits	1,081	1,081
	<u>9,015,145</u>	<u>8,651,747</u>
Mineral properties and deferred costs (Schedule 1 and note 3)	<u>2,709,542</u>	<u>2,686,532</u>
	<u><u>\$ 11,724,686</u></u>	<u><u>\$ 11,338,279</u></u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 54,647	\$ 130,889
	54,647	130,889
Long-term debt (note 6)	712,543	694,078
Future income taxes (note 10)	17,403	17,403
	<u>784,593</u>	<u>842,370</u>
<b>Shareholders' Equity</b>		
Share capital (note 7)	11,482,290	11,396,973
Equity component of long-term debt (note 6)	317,500	317,500
Contributed surplus (note 8)	307,179	331,555
Deficit	(1,166,876)	(1,550,119)
	<u>10,940,093</u>	<u>10,495,909</u>
	<u><u>\$ 11,724,686</u></u>	<u><u>\$ 11,338,279</u></u>

Approved by the Board,

(signed) "Larry Lahusen", Director

(signed) "Michael Lavery", Director

**URAVAN MINERALS INC.**  
**Statements of Income and Deficit**  
**Quarter Ended March 31, 2006**

	Quarter Ended 31-Mar-2006	Quarter Ended 31-Mar-2005
Interest Income	\$ 78,128	\$ 1,769
Expenses		
General and administrative (Schedule 2)	18,664	14,905
Accretion of long-term debt (note 6)	18,465	-
	<u>37,129</u>	<u>14,905</u>
Gain before the following	<u>40,999</u>	<u>(13,136)</u>
Foreign Exchange gain (loss)	39,919	(13,475)
Gain on disposal of marketable securities	<u>302,325</u>	<u>118,473</u>
	<u>342,244</u>	<u>104,998</u>
Income (loss) before income taxes	383,243	91,862
Future income tax expense (recovery)	-	-
Net income (loss)	<u>383,243</u>	<u>91,862</u>
Deficit, beginning of quarter	(1,550,119)	(1,890,174)
Change in accounting polickey (note 8)	<u>-</u>	<u>52,500</u>
Deficit, end of quarter	<u>\$ (1,166,876)</u>	<u>\$ (1,745,812)</u>
Net income (loss) per share, basic and diluted (note 11)	<u>\$ 0.02</u>	<u>\$ 0.01</u>
Weighted average number of shares outstanding during the period (note 11).	17,189,055	16,477,648

**URAVAN MINERALS INC.**  
**Statements of Cash Flows**  
**Quarter Ended March 31, 2006**

	Quarter Ended 31-Mar-2006	Quarter Ended 31-Mar-2005
<b>Operating activities</b>		
Net income (loss)	\$ 383,243	\$ 91,861
Items not affecting cash		
Accretion of long-term debt	18,465	-
Gain on disposal of marketable securities	(302,325)	(118,474)
Future income taxes recovery	-	-
	<u>99,383</u>	<u>(26,613)</u>
<b>Changes in non-cash working capital balances</b>	<u>(156,495)</u>	<u>(243,799)</u>
	<u>(57,112)</u>	<u>(270,412)</u>
<b>Financing activities</b>		
Advance from an officer and director, net	-	(50,000)
Issuance of share capital	62,260	140,640
Share issue costs	(1,319)	
Changes in non-cash working capital balances relating to financing activities	-	(331,200)
	<u>60,941</u>	<u>(240,560)</u>
<b>Investing activities</b>		
Purchase of marketable securities	(4,926,892)	(1,665,719)
Proceeds on disposal of marketable securities	2,030,542	1,161,837
Additions to mineral properties and deferred costs, net of government assistance	(23,010)	312,272
Changes in non-cash working capital balances relating to investing activities	-	-
	<u>(2,919,360)</u>	<u>(191,610)</u>
Increase (decrease) in cash	(2,915,531)	(702,582)
Cash and cash equivalents, beginning of quarter	<u>5,771,005</u>	<u>1,035,638</u>
Cash and cash equivalents, end of quarter	<u>\$ 2,855,474</u>	<u>\$ 333,056</u>
<b>Cash and cash equivalents consist of</b>		
Cash	\$ 57,474	\$ -
Short-term investments	<u>2,798,000</u>	<u>-</u>
	<u>\$ 2,855,474</u>	<u>\$ -</u>
Supplemental cash flows information:		
Interest paid	<u>\$ 74</u>	<u>\$ 923</u>

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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1. Nature of entity and future operations

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

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

2. Significant accounting policies

(a) Marketable securities

Marketable securities are recorded at the lower of cost and market value.

(b) Mineral properties and deferred costs

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

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

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

(c) Government assistance

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

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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(d) Asset retirement obligations

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

The company has not incurred any significant asset retirement obligations to the Quarter Ended March 31, 2006 and as such, no asset retirement obligations have been recorded.

(e) Income taxes

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

(f) Flow-through shares

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

(g) Stock-based compensation

The company has a stock option plan as described in note 7 (h).

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. Under the fair value method, compensation cost recorded for options granted is determined based on the estimated fair value of the stock options at the grant date with a corresponding increase in contributed surplus. When stock options are exercised, the cash proceeds together with the amount previously recorded as contributed surplus, is recorded as share capital.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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(h) Foreign currency translation

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

(i) Measurement uncertainty

The valuation of the mineral properties and deferred costs is based on management's best estimate of the future recoverability of these assets.

The amounts recorded for the fair value of the debt and equity components of long-term debt are calculated using an estimate of the prevailing market rate of interest for a debt instrument without a conversion feature at the time of issuance of the long-term debt.

The amounts recorded relating to fair values of stock options and broker warrants issued and the resulting income effects are calculated under the Black-Scholes option pricing model using estimates of future volatility of the company's share price, expected lives of the options or warrants, expected dividends to be paid by the company and other relevant assumptions.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the financial statements of future periods could be significant.

(j) Diluted income per share

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

(k) Cash and cash equivalents

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

3. Mineral properties and deferred costs

(a) Rottenstone Property

The Rottenstone property is located approximately 130 kilometres NNE of La Ronge, Saskatchewan (NTS 74A-7) and consists of a 100% interest in 8 contiguous mineral dispositions covering 13,364 hectares.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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

On an annual basis the company must incur \$161,213 of exploration and development work on the Rottenstone property to keep the entire group of mineral dispositions, as described above, in good standing. At March 31, 2006 the company has excess expenditures of \$1,406,314 remaining to the credit of the mineral dispositions which may be used towards future exploration and development work requirements.

(b) Boomerang and Thelon Basin Property

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

Effective December 31, 2004, the company staked an additional 153 mining claims (owned 100% by the company and subject to the earn-in by Cameco Corporation ("Cameco") pursuant to the First Option – see below) that are contiguous to the Boomerang property and cover 390,371 acres in the Southwest Thelon Basin, NT. The company must incur exploration and development expenditures amounting \$1,600,520 on or before December 31, 2006 of which \$1,408,634 has been incurred to March 31, 2006 (\$504,069 company's share, net of \$904,565 reimbursed to the company by Cameco – see below). On or before December 31, 2007, and each year thereafter, a minimum annual exploration and development expenditures of \$800,260 must be incurred on the mining claims over the remaining 20 year life of the mining claims.

Effective October 25, 2005, the company staked an additional 100 mining claims for \$135,432 (owned 100% by the company but reimbursed to the company by Cameco as part of their earn-in under the First Option – see below) that are contiguous to the 153 mining claims described above and cover an additional 246,577 acres. The company must incur exploration and development expenditures amounting to \$1,010,967 on or before December 31, 2007. On or before December 31, 2008, and each year thereafter, minimum annual exploration and development expenditures of \$505,483 must be incurred on the mining claims over the remaining 20 year life of the claims.



**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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

<b>Earn-in Year</b>	<b>Cameco Minimum Annual Exploration Expenditures</b>	<b>Cumulative Amount</b>
1	\$800,000	\$800,000
2	\$800,000	\$1,600,000
3	\$1,000,000	\$2,600,000
4	\$1,000,000	\$3,600,000
5	\$1,200,000	\$4,800,000
6	\$1,200,000	\$6,000,000

As at the Quarter Ended March 31, 2006, \$57,026 was reimbursed to the company by Cameco (2005 - \$1,003,540)

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

The final option agreement is subject to approval by the company's and Cameco's board of directors.

(c) Other properties

The company has incurred exploration and claim costs for other properties in the Northwest Territories and Saskatchewan. During 2004, the company elected to discontinue further exploration of un-staked claims in Saskatchewan. As a result, the deferred exploration costs associated with this exploration of \$10,756 (2006 - \$nil) were written off.

4. Accounts payable and accrued liabilities

	<b>Quarter Ended March 31, 2006</b>	<b>Year Ended December 31, 2005</b>
Accounts payable and accrued liabilities	\$ 54,647	\$ 110,889

5. Due to an officer and director

The amount due to an officer and director was unsecured, non-interest bearing and was repaid during 2005 (2006 - \$nil).

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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6. Long-term debt

During 2002, the company exchanged its short-term debt of \$800,607 due to a shareholder into 800 zero yield option notes ("ZYONs") to the shareholder, officer and director of the company, at a price of \$1,000 per ZYON.

The ZYONs mature on May 31, 2007. The holder may elect on the maturity date, to have the principal amount payable in either cash or in common shares of the company or any combination of cash and/or common shares, with the number of common shares to be issued equal to the principal amount of the payment to be made divided by the Average Market Price of each common share, plus that number of warrants which is equal to the number of common shares issued on conversion. The Average Market Price will be equal to the greater of:

- (i) the average of the closing price of the common shares of the company for the 10 day trading period ending on the 5th business day immediately prior to the maturity date of the ZYONs, and
- (ii) \$0.50 per common share.

Each warrant issued will entitle the holder to purchase one common share at a price equal to the Average Market Price at the maturity date of the ZYON, plus \$0.50 per share, exercisable on or before the first anniversary of the maturity date of the ZYON.

**Conversion Right:** The holder is also given the right to convert all or a portion of the outstanding ZYONs into common shares at any time six months prior to the maturity date, on written notice to the company and, upon exercise of such Conversion Right, for each ZYON converted, the company shall issue 1,250 common shares, with the initial conversion rate being 1,250 common shares per ZYON, which is equivalent to a conversion price of \$0.80 per common share.

**Special Conversion Rights:** The holder is also given a special conversion right to convert all or a portion of the ZYONs into flow-through shares at a special conversion rate equal to the issue price (\$1,000 per ZYON) divided by the Average Market Price on the relevant conversion date (the "Special Conversion Date"), being November 1 of each year until maturity of the ZYONs. The company will agree to incur and renounce to the holder of the flow-through shares Canadian Exploration Expense in an amount equal to the aggregate issue price of such shares, as calculated having reference to the Average Market Price paid at the Special Conversion Date.

**Security Interest:** ZYONs are secured by a general security interest against the company's properties, which is subordinate to and can be postponed in favour of any senior indebtedness of the company to the company's banks.

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

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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The changes in long-term debt during the year are as follows:

	<u>Quarter Ended March 31, 2006</u>	<u>Year Ended December 31, 2005</u>
Liability component, beginning of period	\$ 694,078	\$ 627,321
Accretion of the discount rate	18,465	66,757
Liability component, end of period	<u>\$ 712,543</u>	<u>\$ 694,078</u>

7. Share capital

(a) Authorized

Unlimited number of Class A common shares

(b) Issued

Common Shares	<u>Quarter Ended March 31, 2006</u>		<u>Year Ended December 31, 2005</u>	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of year	22,920,114	\$ 11,396,973	15,163,684	\$ 4,221,904
Pursuant to private placements (notes 7[c], [d], [e] and [f])	-	-	6,100,000	7,527,500
Exercise of warrants (note 7[g])	142,900	62,260	1,252,430	559,190
Exercise of stock options (note 8[h])	-	-	404,000	163,450
	<u>23,063,014</u>	<u>\$ 11,459,233</u>	<u>22,920,114</u>	<u>\$ 12,472,044</u>
Less: tax deductions renounced to subscribers on issuance of flow- through shares		-		(331,200)
Less: Cost of issuance from private placements		(1,319)		(743,871)
Balance, end of period	23,063,014	<u>\$ 22,917,147</u>	22,920,114	<u>\$ 11,396,973</u>

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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- (c) In April 2005, the company completed a non-brokered private placement by issuing 1,350,000 units at \$0.65 per unit for aggregate proceeds of \$877,500. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one common share at \$0.90 per common share until expiry, October 13, 2006. In consideration for the services rendered, participating brokers were paid a cash fee equal to 7% of the gross proceeds raised in the offering. In addition, the participating brokers received 77,000 broker warrants (the "Broker Warrants") exercisable for common shares of the company at \$0.65 per share for a period of 12 months.
- (d) In October 2005, the company completed a brokered private placement by issuing 4,750,000 units at \$1.40 per unit for aggregate proceeds of \$6,650,000. Each unit consists of one common share and one-half a common share purchase warrant, each warrant entitling the holder to acquire one common share at \$2.00 per common share until expiry, April 5, 2007. In consideration for the services rendered, the Agent was paid a cash fee equal to 7% of the gross proceeds raised in the offering. In addition, the Agent received a broker warrant (the "Broker Warrant") exercisable for common shares of the company equal to 7% of the number of units sold under the offering at \$1.55 per share for a period of 24 months.
- (e) On December 31, 2004, the company completed a non-brokered flow-through private placement by issuing 2,500,000 units at \$0.40 per unit for aggregate proceeds of \$1,000,000. Each unit consists of one flow-through common share and one common share purchase warrant, each warrant entitling the holder to acquire one common share at \$0.50 per share until expiry, December 31, 2006. Income tax deductions of \$1,000,000 effective December 31, 2004 were renounced to subscribers in 2005. The related estimated future tax of \$331,200 was recorded as a reduction of share capital on renouncement in 2005. The company incurred \$1,000,000 qualifying expenditures in 2005 relating to these renouncements.
- (f) On December 31, 2004, the company issued 100,000 common shares for proceeds of \$40,000 as a result of private placement with an individual shareholder.
- (g) Share purchase warrants

A summary of the status of common share purchase warrants outstanding at the Quarter ended March 31, 2006 and December 31, 2005 and changes during the periods ending on those dates is as follows:

Description	Quarter Ended March 31, 2006		Year Ended December 31, 2005	
	Number of Warrants Outstanding	Weighted Average Exercise Price	Number of Warrants Outstanding	Weighted Average Exercise Price
Outstanding, beginning of period	5,630,000	\$ 1.29	2,747,930	\$ 0.47
Issued	-	-	4,134,500	1.58
Exercised	(142,900)	0.44	(1,252,430)	0.45
Outstanding, end of year	<u>5,487,100</u>	\$ 1.31	<u>5,630,000</u>	\$ 1.29

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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The following table summarizes information about common share purchase warrants outstanding at the Quarter ended March 31, 2006

<b>Exercise Price</b>	<b>Number Outstanding March 31, 2006</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
0.50	1,412,500	0.78
0.90	1,350,000	0.61
0.65	17,100	0.04
2.00	2,375,000	1.05
1.55	<u>332,500</u>	<u>1.57</u>
	<u>5,487,100</u>	<u>0.90</u>

(h) Stock-based compensation

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

(ii) A summary of the status of the company's stock option plan as at the Quarter Ended March 31, 2006 and December 31, 2005 and changes during the periods ending on those dates is as follows:

<b>Stock Options</b>	<b>Quarter Ended March 31, 2006</b>		<b>Year Ended December 31, 2005</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Outstanding, beginning of period	-	\$ -	404,000	\$ 0.28
Issued	-	-	-	-
Expired/canceled	-	-	-	-
Exercised	-	-	<u>(404,000)</u>	0.28
Outstanding, end of period	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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(iii) The company used the Black-Scholes pricing model to determine the fair value of 409,500 broker warrants issued during the year ended December 31, 2005 using the following weighted average assumptions:

Expected life (years)	1.81
Risk-free interest rate (%)	3.59
Expected volatility (%)	113
Expected dividends (\$/share)	-
Fair value of options granted (\$/share)	0.81

8. Contributed surplus

	<b>Quarter Ended 31-Mar-06</b>	<b>Year Ended 31-Dec-05</b>
Contributed surplus, beginning period	\$ 331,555	\$ 52,500
Fair value of broker warrants (note 7(h) [iii])	-	333,130
Exercise of broker warrants	(24,376)	(1,575)
Exercise of stock options (note 7 (h) [iii])	-	(52,500)
Contributed surplus, end of year	<u>\$ 307,179</u>	<u>\$ 331,555</u>

9. Related party transactions

- (a) Mineral properties and deferred costs includes \$4,750 (2005 - \$10,344) of consulting and other fees paid to a company controlled by an officer and director.
- (b) General and administrative expenses includes \$8,073 (2005 - \$16,454) of consulting fees paid to corporations controlled by directors and officers.

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.

10. Income taxes

- (a) The components of the future income tax liability at December 31, 2005 and 2004 are as follows:

	<b>2005</b>	<b>2004</b>
Temporary differences related to marketable securities	\$ (25,508)	\$ (35,947)
Temporary differences related to mineral properties and deferred costs	391,732	57,197
Share issue costs	(167,848)	(16,324)
Attributed Canadian Royalty Income	(3,469)	(2,313)
Non-capital loss carry forwards	(177,504)	(157,820)

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
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Valuation allowance	<u>-</u>	<u>155,207</u>
	<u>\$ 17,403</u>	<u>\$ -</u>

- (b) Future income taxes (recovery) differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 37.62% (2004 – 38.62%) to income (loss) before income taxes. The difference results from the following:

	<b>2005</b>	<b>2004</b>
Expected income taxes expense (recovery)	\$ 83,050	\$ (38,133)
Accretion of long-term debt	25,114	23,302
Non-taxable portion of capital gain	(56,524)	(22,744)
Non-deductible crown charges	702	5,825
Resource loss	7,920	2,918
Attributed Canadian Royalty Income	(3,783)	(7,766)
Effect of change in tax rate	(13,902)	53,931
Other	(6,662)	(477)
Future tax benefit not previously recognized	<u>(155,207)</u>	<u>(16,856)</u>
Future income taxes (recovery)	<u><u>\$(119,292)</u></u>	<u><u>\$ -</u></u>

11. Net income (loss) per share

Basic net income (loss) per share has been calculated using the weighted average number of common shares of 17,189.055 (2005 – 16,477,648) outstanding during the period.

12. Changes in non-cash working capital

changes in non-cash working capital is comprised of:

	<b>Quarter Ended March 31, 2006</b>	<b>Year Ended December 31, 2005</b>
Increase in accounts receivable	\$ (78,863)	\$ (7,710)
Decrease (increase) in GST recoverable	(1,391)	12,104
Decrease in deposits	-	4,705
Decrease in accounts payable and accrued liabilities	<u>(76,242)</u>	<u>(148,723)</u>
	<u><u>\$ (156,495)</u></u>	<u><u>\$ (139,624)</u></u>
Changes in working capital related to:		
Operating activities	\$ (156,495)	\$ 19,721
Investing activities	-	(56,260)
Financing activities	-	(103,085)
	<u><u>\$ (156,495)</u></u>	<u><u>\$ (139,624)</u></u>

13. Government assistance

No assistance was received in the Quarter Ended March 31, 2006 (2005 - \$nil).

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**Quarter Ended March 31, 2006**

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14. Financial instruments

(a) Fair values

The fair values of accounts receivable, deposits, accounts payable and accrued liabilities and due to an officer and director approximate their carrying values due to their short-term nature. The fair value of long-term debt does not approximate its carrying value. The fair value of long-term debt could not be determined as the debt is held by a shareholder, officer and director of the company.

(b) Market risk

The company is exposed to fluctuations in the market price of its securities portfolio.

(c) Foreign currency risk

The company is subject to foreign exchange rate fluctuations as a portion of marketable securities and broker margin accounts are denominated in U.S. dollars.

(d) Interest rate risk

The company is exposed to interest rate cash flow risk to the extent that its broker margin accounts bear interest at floating rates.

15. Subsequent events

(a) On April 2, 2006, the company approved the granting of 1,200,000 common share stock options ("Stock Options") pursuant to the company's stock option plan to the directors, officers and employees (the "Optionee") of the company. Each Stock Option can be exercised by the Optionee into common shares of the company, issued from treasury, at an exercise price of \$1.30 per share and expire April 2, 2011. The proposed granting of these Stock Options is subject to TSX Venture Exchange approval.

(b) Subsequent to the Quarter Ended March 31, 2006, 17,100 warrants were exercised into common shares of the company for aggregate proceeds of \$11,115.

(c) In a press release dated May 2, 2006 the company announced the staking of about 378,756 acres (153,277 hectares), which form a continuous block of 163 claims in the Garry Lake area, northeastern Thelon Basin, located approximately 245 kilometers NW of Baker Lake, Nunavut. The Garry Lake claim block covers the Thelon-basement contact as well as extending into the basin. The land package was acquired on the strength of exploration assessment records, favorable basement metasedimentary rocks belonging to the upper Amer Group, overlying coarse-grained sandstones of the Thelon Formation, regional-scale fault zones and previously discovered uranium bearing basement boulder train.



URAVAN MINERALS INC.  
Schedules of Mineral Properties and Deferred Costs  
Quarter Ended March 31, 2006

Schedule 1

	Quarter Ended 31-Mar-2006	Net Additions	Year Ended 31-Dec-2005
<b>Rottenstone Project</b>			
Property acquisition costs and option payments	\$ 90,982	\$ -	\$ 90,982
Geology and consulting	1,397,239	5,233	1,392,006
Drilling	479,751	-	479,751
Government assistance	(112,927)	-	(112,927)
	<u>1,855,045</u>	<u>5,233</u>	<u>1,849,812</u>
<b>Thelon Project</b>			
Property acquisition and permitting costs	30,165	-	30,165
Geology and consulting	28,259	15,825	12,434
	<u>58,424</u>	<u>15,825</u>	<u>42,599</u>
<b>Boomerang Project</b>			
Property acquisition and permitting costs	342,440	20,569	321,871
Geology, geophysical and consulting	1,408,634	36,457	1,372,177
Reimbursed by Cameco-Boomerang Project	(1,060,566)	(57,026)	(1,003,540)
	<u>690,508</u>	<u>-</u>	<u>690,508</u>
<b>Other Projects</b>			
Property acquisition costs and option payments	1,460	-	1,460
Geology, Geotechnical and consulting	114,861	1,952	112,909
	<u>116,321</u>	<u>1,952</u>	<u>114,369</u>
Less: Mineral properties abandoned	(10,756)	-	(10,756)
	<u>105,565</u>	<u>1,952</u>	<u>103,613</u>
<b>Total mineral properties and deferred costs</b>	<u>\$ 2,709,542</u>	<u>\$ 23,010</u>	<u>\$ 2,686,531</u>

**URAVAN MINERALS INC.**  
**Schedules of General and Administrative Expenses**  
**Quarter Ended March 31, 2006**

**Schedule 2**

	<b>Quarter Ended 31-Mar-2006</b>	<b>Year Ended 2005</b>
Insurance	\$ -	\$ 2,325
Interest and bank charges	466	15,888
Meals and entertainment	2427	327
Office	1935	7,716
Professional fees	1531	39,810
Rent	3670	14,849
Shareholder reporting	12251	27,450
Stock exchange fees	6200	9,595
Transfer agent fees	737	14,818
Overhead recoveries	(10,553)	(9,139)
	<u>\$ 18,664</u>	<u>\$ 123,639</u>

## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

**Quarter Ended March 31, 2006**

#### Introduction

The following Management Discussions and Analysis (the "MD&A") for Uravan Minerals Inc. (the "Corporation") incorporates the results of operations and financial information for the quarter ended March 31, 2006 (the "Financial Statements") and any other information that may be available up to May 24, 2006. This MD&A should be read in conjunction with the unaudited Financial Statements and Annual Audited Financial Statements and the related notes of the Corporation for the quarter ended March 31, 2006 and December 31, 2005 respectively. The reader is encouraged to review the Corporation's statutory filings on [www.sedar.com](http://www.sedar.com).

#### Nature of Operations

Uravan Minerals Inc. (the "Corporation" or "Uravan") is a mineral exploration company specializing in uranium, base metal (nickel, copper) and precious metal (platinum, palladium) exploration. The Corporation's principal assets are its Boomerang Uranium Project, its recently acquired Gary Lake Uranium property and its Rottenstone Nickel-Copper-PGM Project. Due to the persistent increase in the price in the uranium prices, going from \$7.10 per pound U3O8 in 2000 to \$43.00 recently, the Corporation has become highly focused in planning further exploration for potential high-grade unconformity-type uranium deposits on its 100% owned Boomerang Uranium Project and Gary Lake uranium property and acquiring other potential uranium properties. All of the mineral properties the Corporation owns are considered to be in the exploration stage in which no known body of commercial ore has been developed yet.

#### Selected Annual Financial Information

The following table summarizes selected financial data for the Corporation for each of the three most recently completed financial quarters ended March 31, 2006, 2005 and 2004. The information below should be read in conjunction with the Financial Statements, which are prepared in accordance with Canadian Generally Accepted Accounting Principals (GAAP).

Quarter Ended March 31	2006	2005	2004
Total Revenue (1)	\$ 380,454	\$ 120,242	\$ 39,321
General & Administrative Expense	18,664	14,905	8,520
Net income (loss)	383,243	91,862	106,716
Basic and diluted income (loss) per share	0.02	0.01	0.01
Total Assets	\$ 11,724,686	\$ 11,338,279	\$ 2,584,868
Total long-term financial liabilities	712,543	694,078	800,000

(1) Total revenue consists of interest, dividend and gain on sale of marketable securities.

#### 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 and dividends from marketable securities. 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 financing activities.

In the quarter ended March 31, 2006 the Corporation showed net income of \$383,243 (2004 - \$91,862). Total income amounting to \$380,454 (2003 - \$120,242) was received primarily from the gain on disposal of marketable securities amounting to \$302,325 (2004 - \$118,473) plus interest and dividend income amounting to \$78,128 (2004 - \$1,769). Total income was offset by general and administrative (G & A) expense amounting to \$18,664 (2004 - \$14,905). The increase in G & A expense was due primarily to the increase in professional fees (accounting and audit fees) and stock exchange/regulatory related costs (for details see Schedule 2 of the Financial Statements).

Although the sale of marketable securities is not the Corporation's primary business this activity has provided gains on sale over the last eight quarters (2005 - \$302,325; 2004 - \$118,473), which has provided the funds to offset the

## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

#### Quarter Ended March 31, 2006

Corporation's general administrative expenses (2005 - \$18,664; 2004 - \$14,905) and provide funds for some mineral exploration activity.

#### Results of Exploration Activity and Expenditures

In the quarter ended March 31, 2006 the Corporation's exploration and property acquisition expenditures totaled \$23,010 (net of reimbursement by Cameco – see exploration operations below) (2004 – \$(312,272) net of deferred tax on flow through shares of \$331,200). The majority of the exploration, property acquisition and permitting expenditures was incurred on the Corporation's Boomerang uranium project (the "Boomerang Project") amounting to \$57,026, which was funded 100% by Cameco (2004 - \$nil). Expenditures on the Rottenstone Ni-Cu-PGM property and other projects amounted to 23,010 (2004 - \$18,928). For details on the quarter ended March 31, 2006 exploration and acquisition costs incurred see note 3 (b) and Schedule 1 of the Financial Statements.

Subsequent to the quarter ended March 31, 2006, the Corporation acquired about 378,756 acres (153,277 hectares), which form a continuous block of 163 claims in the Garry Lake area, northeastern Thelon Basin, located approximately 245 kilometers NW of Baker Lake, Nunavut. The Garry Lake claim block covers the Thelon-basement contact as well as extending into the basin. The land package was acquired on the strength of exploration assessment records, favorable basement metasedimentary rocks belonging to the upper Amer Group, overlying coarse-grained sandstones of the Thelon Formation, regional-scale fault zones and previously discovered uranium bearing basement boulder train.

#### Financial Condition

##### Liquidity and Capital Resources

As at the quarter ended March 31, 2006 the Corporation had \$8,960,498 in working capital (2004 - \$1,444,932) obtained primarily from public financings that closed in 2005, the exercise of warrants, the sale of marketable securities and interest income. The Corporation's working capital is held as cash and cash equivalents amounting to \$2,855,474 (2004 - \$333,056), marketable securities of \$6,070,626 (2004 – \$1,119,495) and accounts receivable/deposits of \$89,045 (2004 - \$1,081). The Corporation's cash equivalents consist of short term investments with original maturities of three months or less

As at the quarter ended March 31, 2006 the market value of the Corporation's tradable securities amounting to \$6,508,217 (2004 - \$1,124,592) exceeded the book value by \$437,591 (2004 - \$5,097). The Corporation's short term investment 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 public financings. One of the Corporation's primary objects in 2006 and prior years is to acquire mineral properties believed to have high exploration potential and, as a means to preserve working capital and deferrer 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.

In the quarter ended March 31, 2006 the Corporation did not close or enter into any private placement financings or joint venture arrangements, however, in 2005 the Corporation closed two private placement financings and entered into a joint venture arrangement with Cameco Corporation ("Cameco") on its Boomerang uranium property (the "Boomerang Option Agreement") (for details see "Property Summary" below). In summary, in 2005 the Corporation issued 7,756,430 Common Shares (2004 - 3,610,000 Common Shares) as a result of private placements and the exercise of stock options and warrants for proceeds of \$8,196,065 (2004 - \$1,196,650) before issue cost of \$605,246 (2004 - \$61,610).

The following summarizes the Corporation's financing activities in 2005:

- (1) In April 2005, the Corporation closed a non-brokered private placement financing consisting of 1,350,000 units (the "Units") at a price of \$0.65 per Unit. Each Unit comprised of one common share of the Corporation (the "Common Shares") and one Common Share purchase warrant (the "Warrant"), each Warrant entitling the holder to acquire an additional Common Share at an exercise price of \$0.90 per share for a period of 18

## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

#### Quarter Ended March 31, 2006

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months from the date of issuance. The Corporation received \$787,274 from the private placement, net of issue cost amounting to \$90,226.

- (2) In October 2005, the Corporation closed a brokered private placement financing (the "Offering") through its agent, Dundee Securities Corporation ("Dundee") amounting to 4,750,000 units ("Units") at a price of \$1.40 per Unit. Each Unit consists of one common share of the Corporation (the "Common Shares") and one-half of one Common Share purchase warrant of the Corporation (the "Warrant"). Each whole Warrant entitles the holder to purchase additional shares at a price of \$2.00 for a period of 18 months following the date of issuance. The Corporation received \$6,122,707 from the Offering, net of issue cost amounting to \$527,293.
- (3) In addition to the proceeds received from the private placement financing listed above the Corporation received proceeds for the exercise of stock options amounting to \$110,950 (2004 - \$10,500) and the exercise of Warrants amounting to \$557,615 (2004 - \$146,250).

#### Future Financial Conditions

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 cost have gone up significantly as the mineral industry struggles with the increased cost associated with land use permitting, the increased price of fuel and materials, a shortage of equipment and trained people and delays that result from these conditions.

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

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

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

The uranium market is one area where the Corporation has been affected positively. Uranium prices have been rising, going from \$7.10 per pound U3O8 in 2000 to \$43.00 recently. The current market trend in uranium prices will greatly assist the Corporation in any funding required for current and future exploration activity on its Boomerang Uranium Project and other newly acquired uranium properties.

In 2006 the Corporation plans to aggressively pursue further exploration of its Boomerang Uranium Project with its joint venture partner Cameco and to evaluate and acquire other uranium opportunities. This planned activity is subject to the continuing rise in uranium prices, the availability equipment and personnel and timely government land use permitting.

#### Contractual Obligations

The only contractual obligation the Corporation has is office rent of \$14,849 annually. Other mineral property obligations the Corporation has are the Boomerang lease fees amounting to \$10,055 due annually plus minimum work commitments

## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

#### **Quarter Ended March 31, 2006**

on the adjoining claims (collectively the "Boomerang Project") of \$1,600,520 for 2006. The annual lease fees and the 2006 work commitments on the adjoining claims are expected to be funded by Cameco.

#### **Transactions with Related Parties**

In the quarter ended March 31, 2006 the Corporation paid \$4,750 (2004 - \$nil) in consulting fees to a company(s) controlled by an officer and director of the Corporation involving mineral property and deferred exploration costs and \$8,072.50 (2004 - \$3000) in general and administrative expenses were paid by the Corporation to a company and corporation controlled by officers and directors of the Corporation

#### **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 is only required to incur the obligations or proposals it wishes 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.

#### **Changes in Accounting Policies Including Initial Adoption**

The Corporation's accounts are stated using Canadian Generally Accepted Accounting Principles (GAAP). In the quarter ended March 31, 2006 the Corporation made no changes to its accounting standards and policies, however, based on upcoming changes in the CICA Handbook; additional new and changing standards are anticipated in the future that may impact the Corporation's financial statements.

#### **Financial Instruments and Other Instruments**

The Corporation currently does not own, hold or have any material interest in, or liability associated with, any financial or other instruments other than the marketable securities and the accounts payable and accrued liabilities shown on the balance sheet.

#### **Risks and Uncertainties - Environmental, Regulatory, Capital Markets and Others**

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

The Corporation's mineral exploration activities have to be financed either through joint ventures or in the capital markets through the sale of its Common Shares. The ability of the Corporation to raise exploration funds in the capital markets is highly dependent on the value the market places on the Corporation's mineral properties and the strength of the metal markets. The value the market places on the Corporation's mineral exploration properties is directly related to the grade

## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

#### **Quarter Ended March 31, 2006**

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and thickness of the contain mineralization being reported and the potential to develop these mineral values into an economic deposit.

#### **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. There were no changes in officers or directors during the course of the year, nor to date.

#### **Property Summary and Exploration Update**

The Corporation's mineral exploration and property acquisition activity has been directed toward the geological reconnaissance and interpretation of historical data for the evaluation of new areas for possible acquisition, primarily for uranium with lesser focus on nickel-copper-platinum group element (Ni-Cu-PGM) occurrences.

In the quarter ended March 31, 2006 the Corporation, acting as operator for Cameco, has focus on evaluating, interpreting and organizing exploration data collected in 2005 on the Boomerang Project and planning 2006 exploration programs.

In 2005 the Corporation's exploration activities on its Rottenstone Ni-Cu-PGM property amounted to re-assaying previously collect biogeochemical samples for additional pathfinder elements and the interpretation and modeling of those results in conjunction with the existing data base. In 2006 the Corporation has tentatively planned additional exploration work on the Rottenstone property in the form of airborne geophysical surveys and detailed mapping.

Subsequent to the quarter ended March 31, 2006, the Corporation acquired about 378,756 acres (153,277 hectares), which form a continuous block of 163 claims in the Garry Lake area, northeastern Thelon Basin, located approximately 245 kilometers NW of Baker Lake, Nunavut. The Garry Lake claim block (the "Gary Lake Uranium Property") covers the Thelon-basement contact as well as extending into the basin. The land package was acquired on the strength of exploration assessment records, favorable basement metasedimentary rocks belonging to the upper Amer Group, overlying coarse-grained sandstones of the Thelon Formation, regional-scale fault zones and previously discovered uranium bearing basement boulder train.

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

#### **BOOMERANG URANIUM PROJECT**

##### **Boomerang Uranium Property**

Uravan owns 258 contiguous mineral leases and mining claims covering 647,003 acres of prospective uranium property (the "Boomerang Property") located in the Thelon Basin, NT (see map titled "Thelon & Athabasca Basins"). The Boomerang Property mining leases and claims are located about 300 miles east of Yellowknife, NT.

##### **Cameco – Uravan Joint Venture**

Effective January 1, 2005 the Corporation and Cameco Corporation ("Cameco") entered into a letter of intent (the "Option") whereby Cameco was granted an Option to earn an aggregate 60% interest in Uravan's 100% owned Boomerang and adjoining Thelon Basin uranium properties (the "Boomerang Project") by funding a cumulative ten million dollars (\$10,000,000) in exploration expenditures. The agreement consists of two options: (1) the first option grants Cameco the exclusive right to earn a 51% interest in the Boomerang Project properties by funding \$6,000,000 in exploration expenditures over six year and (2) the second option grants Cameco the exclusive right to earn an additional 9% interest in the Boomerang Project properties by funding an additional \$4,000,000 in exploration expenditures. Upon Cameco earning either a 51% or 60% interest a joint venture will be formed between Cameco and Uravan (collectively the "Parties) with the Parties funding their pro-rata share of future exploration expenditures. Uravan is currently the operator for the first two years of the Option, with the responsibility to plan, organize and carry out Annual Exploration Programs on behalf of Cameco. Cameco is expected to fund 100% of the exploration expenditures to the extent of its minimum earn-in amount. After two years Cameco may elect to become the operator. In 2005 Cameco funded about \$1,003,540 in exploration expenditures on the Boomerang Project pursuant to the Option.



## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

**Quarter Ended March 31, 2006**

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#### **Regional Geology and Uranium Potential**

The Boomerang Property straddles the western margin of the southwest Thelon Basin and extends eastward covering Paleoproterozoic basement domains, where the Thelon sandstone – basement contact is considered to be highly prospective for unconformity-related uranium deposits. The Thelon Basin is a Paleoproterozoic intracratonic basin that is coeval with the Paleoproterozoic Athabasca Basin, SK and the Kombolgie Basin in northern Australia.

The primary area of interest on the Boomerang Property is a NE trending belt of supracrustal rocks known as the Elk River Belt of uncertain age, Archean or Proterozoic Age, which consists of a suite of psammitic to pelitic metasedimentary rocks with accompanying intermediate to felsic volcanic rocks. This volcano-sedimentary sequence is overlain unconformably by the flat-lying un-metamorphosed Paleoproterozoic Thelon Formation consisting of basal fluvial non-marine conglomerates and quartzose sandstones.

#### **Thelon Basin Historical Exploration**

Previous exploration on lands now covered by the Boomerang Property was conducted by Urangesellschaft Canada Ltd (“UG”) between 1976 and 1984 and PNC (Canada) Exploration Co. Ltd. (“PNC”) in 1990 and 1992. At the time these exploration companies focused on a narrow corridor of graphitic conductors within pelitic gneisses that are overlain unconformably by 80 to 100 meters of Thelon sandstone. Both UG and PNC drill tested these conductors in 1983 and 1991-1992 respectively, with 51 vertical BQ-size diamond drill holes totaling 6,536.7 meters. Significant results were obtained from drill hole BL-83-21, which intersected 0.5 meter grading 0.50% U<sub>3</sub>O<sub>8</sub>, 22.4 g/t Au, and 12.3 g/t Ag in strongly altered Thelon sandstone at the faulted unconformity contact. Other anomalous uranium and precious metal mineralization was intersected in a number of other drill holes in the area and along trend the graphitic conductors.

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

In June 1998 Uravan completed 10 vertical NQ-size diamond drill holes totaling of 1,322.4 meters. The objectives of the 1998 exploration program were to confirm the continuity and orientation of the significant mineralization intersected in drill hole number BL-83-21 (described above) in addition to testing the mineralized conductor and other surrounding conductors for larger mineralized zones. Significant results were obtained in drill hole BL-98-52 immediately beneath the unconformity from 83.5 - 84.5 metres (1.0m) grading 595 ppm U, 10.17 g/t Au, 5.7 g/t Ag, 358 ppb Pt and 497 ppb Pd. Superimposed on, and beneath this zone is an interval of strong Ni, Co and As enrichment from 84.0 - 85.0 m (1.0m) grading +1.0% As, 0.36% Ni, 0.61% Co, 419.5 ppm Cu.

#### **2005 Exploration Completed**

In July 2005 Fugro Airborne Surveys (“Fugro”) completed an airborne MEGATEM geophysical survey for Uravan over the Boomerang Property. The MEGATEM survey covered all of the Boomerang Property area (400,429 acres) amounting to 1540 square kilometers (prior to recent additional land acquisitions). A total of 7596 line-kilometers of data were collected by flying 243 traverse lines on 250-meter line spacing using a modified Dash 7 aircraft.

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

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

In October 2005 Fugro completed the final compilation and processing of the MEGATEM survey data and provided Uravan with an interpretation of the EM and magnetic surveys. Based on this interpretation six EM conductors/anomalies were identified. Further processing and modeling of the survey, in conjunction with the compilation of historical exploration data, identified two high priority basement-hosted EM conductive trends (the “G” and “F” conductive trends) that have characteristics of reactivated basement structures. The G and F anomalies are considered major conductive trends that



## URAVAN MINERALS INC.

### MANAGEMENT DISCUSSIONS & ANALYSIS

#### **Quarter Ended March 31, 2006**

have substantial strike lengths (+20 kilometers) and occur in part within a broad corridor of favorable graphite-bearing pelitic metasedimentary basement rocks that underlie the Thelon sandstone cover.

#### **Planned 2006 Exploration Program and Budget**

In November 2005, Cameco and Uravan held joint meetings for the purpose of reviewing the interpretation and modeling of the MEGATEM survey data and integrating this data with the recently completed GIS-Database. At the joint meetings, Cameco and Uravan outlined a preliminary technical program and budget for exploration activities on the Boomerang Property to commence in early 2006 consisting of a ground geophysical program designed to better define drill targets followed by diamond drilling and reconnaissance mapping and sampling (the "Technical Program"). Details of the Technical Program are described below:

- A ground geophysical program consisting of about 168 line-kilometers of Surface Transient Electromagnetic (TEM) surveys operating in a conventional 'fixed-loop' plus 'moving loop' reconnaissance mode will be conducted over several of the strongest EM features located along the G and F conductive trends. Further interpretation and refinement of these large conductive anomalies have occurred prior to the ground survey by modeling the MEGATEM data. The results of these ground surveys will potentially better define the stronger anomalous conductors on the G and F trends providing detailed deep EM data for drill targeting. The ground surveys will be performed in winter conditions to facilitate usage of snow machines to access the grids and move people and equipment economically from the Boomerang Lake camp. Based on the Survey parameters described above it is estimated the 168 line-kilometer survey is estimated to be completed in 30 days.
- Subsequent to the completion and interpretation of the ground TEM geophysical program an initial 2000 meter NQ-size diamond drilling program will be conducted over detailed TEM targets as defined above. Depending on the depths to basement, 7 to 10 inclined (55°) diamond drill holes will be completed. Two to three drill holes will be located on profiles having orientations perpendicular to the conductive anomalies defined. It is proposed that 2 profiles will traverse the Disco anomaly on the G trend and 2 profiles traversing areas along the F conductive trend. The actual location of the profiles and drill-holes will be determined based on the interpretation of the detailed ground TEM surveys described above. The diamond drilling program will be helicopter supported using a Boyle's type 2500 diamond drill. It is estimated that the proposed 2000 meter drill program can be completed in about 30 days.
- To evaluate alternative exploration models the basement geology just outside the basin will be examined in order to identify shear zones and domains that may have sustained uranium concentrations. This mapping program will be conducted through a corridor as close to the inferred unconformity trace as possible. The selected corridor will attempt to maximize the outcrop distribution so that the metamorphic assemblages in this corridor can be projected into the sub-Thelon basement and aid in developing an interpretative geological-metamorphic map of this basement. This metamorphic-structural mapping will be integrated with regional geophysical data and property-scale magnetic and EM data sets in order to develop an interpretative geological-metamorphic map of this basement domain.
- In June or July 2006, complete an airborne MEGATEM geophysical survey over the additional mining claims staked (BN claim blocks) on the north and east side of the current Boomerang Project area that would tie into the previously completed MEGATEM survey. The area to be surveyed totals about 1020 square kilometers, consisting of 2700 line-kilometers flown at 400 meter line spacing.

#### **Timing and Logistical Preparation**

The timing of the ground geophysical - diamond drilling - reconnaissance mapping programs (the "Technical Program") will commence in mid April 2006 and be completed in early August 2006. The programs will initially be snow machine and then helicopter supported from the Boomerang Lake camp. Drill equipment, fuel and other materials/supplies will be positioned to Boomerang Lake by fixed-wing aircraft out of Yellowknife, NT

The ground geophysical program will commence in late April and be completed by mid May. Subject to and the timing of the approval of the Boomerang Project LUP, core drilling is planned to commence mid to late June. The reconnaissance mapping program will overlap near the end of the drill program, commencing mid June and completed about early July.

# URAVAN MINERALS INC.

## MANAGEMENT DISCUSSIONS & ANALYSIS

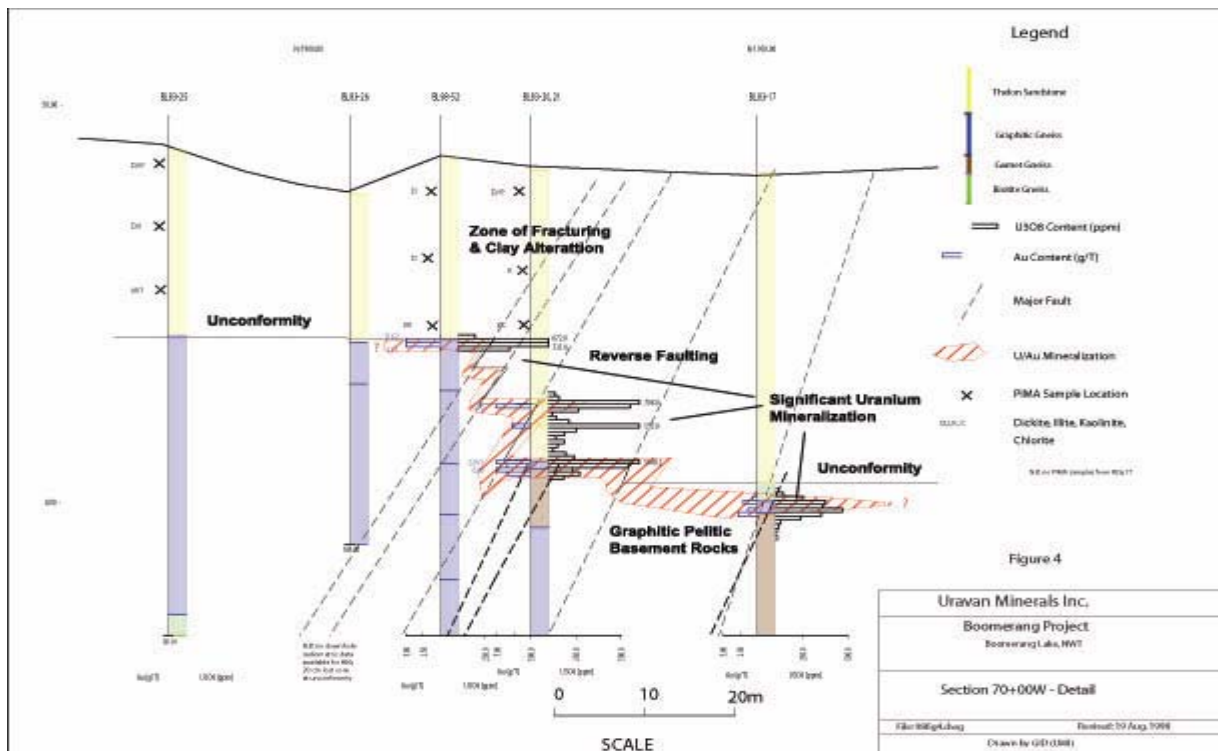
Quarter Ended March 31, 2006

### Summary - Boomerang Comparable to Athabasca Unconformity Model

Previous exploration on the Boomerang property discovered the first unconformity-related polymetallic uranium mineralization hosted in Thelon sandstone at the contact with graphitic metasedimentary rocks (Economic Geology, Vol. 84, 1989, pp 143-157). The consistent intersection of precious metal and base metal values in drill holes in association with the uranium intersections clearly adds significantly to the potential future exploration on the Boomerang Property. The U-Au-Ag-Ni-Cu-Co-As metallic signature clearly defines the Boomerang style of uranium mineralization, which is comparable to the polymetallic unconformity-type uranium deposits that occur in the Athabasca Basin such as the high-grade Cigar Lake and Key Lake deposits.

Also, as illustrated in the cross section below, the Boomerang drilling to date has revealed that the geological characteristics present on the Boomerang Property are similar to known deposits in the Athabasca Basin. These features include the presence of significant uranium mineralization:

- located at the unconformity between younger siliciclastic sediments and older basement rocks;
- spatially associated with graphitic pelitic basement gneisses;
- associated with large-scale reactivated basement structures and;
- associated with extensive clay alteration and hydrothermal bleaching.



Although the major uranium deposits in the Athabasca Basin are generally small (i.e. < 1.0 Mt) they can be exceedingly high grade (i.e. McArthur River, 1.4 Mt @ 15% U<sub>3</sub>O<sub>8</sub> and Cigar Lake, 900,000 t @ 14.40% U<sub>3</sub>O<sub>8</sub>) and are generally developed over strike lengths less than one kilometre. Uravan's exploration objective is to pursue similar Athabasca-type high-grade unconformity-related uranium deposits on the Boomerang Property. Although there is no assurance of making a discovery, Uravan is most excited about the potential for a major uranium discovery based on the previously identified mineralized intersections, an aerially extensive land position that covers a highly prospective basement domain along the margin and beneath the Thelon Basin comparable to segments of the Athabasca Basin and the similarity of polymetallic mineralization to world-class polymetallic uranium deposits that are adjacent to and beneath the south eastern margin of the Athabasca Basin.

**URAVAN MINERALS INC.**

**MANAGEMENT DISCUSSIONS & ANALYSIS**

**Quarter Ended March 31, 2006**

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**ROTTENSTONE NI-CU-PGM PROJECT**

**Rottenstone Ni-Cu-PGM Property**

The Rottenstone property is located approximately 130 kilometres NNE of the town of La Ronge, northern Saskatchewan consisting of 8 contiguous mineral dispositions covering 13,364 hectares. 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 kilometre distance from S-106565. Uravan has the option to purchase one-half (1% NSR) of the 2% NSR by paying Claude \$1,000,000. By November 30, 2008, the Corporation must complete a 'bankable feasibility study' on S-106565 or return the mineral disposition to Claude.

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

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

To date, exploration efforts conducted by Uravan have not been successful in finding the extension or source of the high-grade Ni-Cu-PGE mineralization associated with the previously exploited Rottenstone deposit. In 2005 Uravan completed additional and new assaying on biogeochemical samples collected in previous years. This assaying program was performed for additional nickel-PGE pathfinder elements that were not available initially. Uravan believes the results of this assaying program, based on evaluating and modeling the entire geochemical data base on the property, and has highlighted an anomalous geochemical corridor from which to focus additional mapping, sampling and geophysical work.

In 2006 Uravan plans to pursue a mapping and sampling field program focused on investigating several areas within the anomalous geochemical corridor discussed above. Following positive results on this activity, additional airborne geophysical surveys will be conducted plus other new soil sampling techniques designed to image buried deposits.

**Forward Looking Statements**

The annual financial report and the foregoing MD&A for the quarter ended March 31, 2005 may contain forward looking statements including those describing the Corporation's future plans and including the expectations of management that a stated result or condition will occur. Any statement addressing future events or conditions necessarily involves inherent risk and uncertainty. Actual results can differ materially from those anticipated by management at the time of writing due to many factors, the majority of which are beyond the control of the Corporation and its management.

**URAVAN MINERALS INC.**

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