



FINANCIAL STATEMENTS

December 31, 2010 and 2009

Independent Auditors' Report

To the Shareholders
Uravan Minerals Inc.

We have audited the accompanying financial statements of Uravan Minerals Inc., which comprise the balance sheets as at December 31, 2010 and 2009, and the statements of loss, comprehensive loss and deficit and cashflows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Uravan Minerals Inc. as at December 31, 2010 and 2009, and its results of operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Collins Banow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Alberta
April 13, 2011

Uravan Minerals Inc.
Balance Sheets
December 31, 2010 and 2009

| | 2010 | 2009 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,009,008 | \$ 286,363 |
| Marketable securities | 3,722,168 | 4,427,052 |
| Accounts receivable | 44,239 | 38,105 |
| Prepays and deposits | 22,610 | 30,800 |
| | <u>4,798,025</u> | <u>4,782,320</u> |
| Mineral properties and deferred costs (Schedule 1 and note 5) | 9,575,521 | 8,421,284 |
| Property and equipment (note 6) | 29,487 | 40,745 |
| | <u>\$ 14,403,033</u> | <u>\$ 13,244,349</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 251,578 | \$ 308,808 |
| | <u>251,578</u> | <u>308,808</u> |
| Shareholders' Equity | | |
| Share capital (note 9) | \$ 16,935,398 | \$ 15,224,138 |
| Warrants (note 9) | 278,577 | - |
| Contributed surplus (note 10) | 3,838,171 | 3,658,903 |
| Deficit | (6,900,691) | (5,947,500) |
| | <u>14,151,455</u> | <u>12,935,541</u> |
| | <u>\$ 14,403,033</u> | <u>\$ 13,244,349</u> |

Commitments - notes 5 and 15

The accompanying notes are an integral part of the financial statements

Approved by the Board:

(signed) Larry Lahusen, Director

(signed) Michael Lavery, Director

Uravan Minerals Inc.
Statements of Loss, Comprehensive Loss and Deficit
Years Ended December 31, 2010 and 2009

| | 2010 | 2009 |
|--|-----------------------|-----------------------|
| Revenues | | |
| Investment income | \$ 48,920 | \$ 144,979 |
| Management fees (note 14) | 575 | 14,054 |
| | <u>49,495</u> | <u>159,033</u> |
| Expenses | | |
| General and administrative (Schedule 2) | 342,783 | 376,914 |
| Stock-based compensation (note 9) | 113,268 | 69,132 |
| Transaction costs | 78,698 | 164,855 |
| | <u>534,749</u> | <u>610,901</u> |
| Loss before the following | <u>(485,254)</u> | <u>(451,868)</u> |
| Realized loss on disposal of marketable securities | (497,267) | (577,096) |
| Unrealized gain (loss) on marketable securities | 29,330 | (1,420,732) |
| Mineral properties abandoned (note 5) | - | (511,933) |
| | <u>(467,937)</u> | <u>(2,509,761)</u> |
| Loss before income taxes | (953,191) | (2,961,629) |
| Future income taxes (recovery) (note 7) | - | (291,914) |
| Net loss and comprehensive loss | \$ (953,191) | \$ (2,669,715) |
| Deficit, beginning of year | <u>(5,947,500)</u> | <u>(3,277,785)</u> |
| Deficit, end of year | <u>\$ (6,900,691)</u> | <u>\$ (5,947,500)</u> |
| Net loss per share (note 11) | | |
| Basic and diluted | <u>\$ (0.035)</u> | <u>\$ (0.100)</u> |

The accompanying notes are an integral part of the financial statements

Uravan Minerals Inc.
Statements of Cash Flows
Years Ended December 31, 2010 and 2009

| | 2010 | 2009 |
|--|---------------------|-------------------|
| Operating activities | | |
| Net loss | \$ (953,191) | \$ (2,669,715) |
| Items not affecting cash | | |
| Stock-based compensation | 113,268 | 69,132 |
| Realized loss on disposal of marketable securities | 497,267 | 577,096 |
| Unrealized (gain) loss on marketable securities | (29,330) | 1,420,732 |
| Mineral properties abandoned | - | 511,933 |
| Future income taxes | - | (291,914) |
| Amortization | 11,258 | 10,596 |
| | <u>(360,728)</u> | <u>(372,140)</u> |
| Changes in non-cash working capital balances (note 12) | <u>(18,189)</u> | <u>38,635</u> |
| | <u>(378,917)</u> | <u>(333,505)</u> |
| Financing activities | | |
| Issuance of units (note 9[c]) | 2,260,000 | - |
| Share issue costs | <u>(204,163)</u> | <u>-</u> |
| | <u>2,055,837</u> | <u>-</u> |
| Investing activities | | |
| Purchases of marketable securities | (13,703,671) | (30,224,736) |
| Proceeds on disposal of marketable securities | 13,940,618 | 32,028,627 |
| Additions to mineral properties and deferred costs (net) | (1,154,237) | (1,113,894) |
| Additions to property and equipment | - | (6,619) |
| Changes in non-cash working capital balances (note 12) | <u>(36,985)</u> | <u>209,624</u> |
| | <u>(954,275)</u> | <u>893,002</u> |
| Increase in cash | 722,645 | 559,497 |
| Cash and cash equivalents, beginning of year | <u>286,363</u> | <u>(273,134)</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,009,008</u> | <u>\$ 286,363</u> |
| Cash and cash equivalents consist of: | | |
| Cash on deposit | \$ 113,078 | \$ 286,363 |
| Term deposits | <u>895,930</u> | <u>-</u> |
| | <u>\$ 1,009,008</u> | <u>\$ 286,363</u> |
| Supplemental cash flows information | | |
| Interest paid | <u>\$ 6,194</u> | <u>\$ 2,552</u> |

The accompanying notes are an integral part of the financial statements

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

1. NATURE OF ENTITY AND FUTURE OPERATIONS

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

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

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

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

The following accounting policies are considered to be significant:

Cash and Cash Equivalents

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

Fair Value

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

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

Comprehensive Income, Equity, Financial Instruments and Hedges

The Company has adopted the Canadian Institute of Chartered Accountants (“CICA”) Section 1530, “Comprehensive Income”, Section 3251, “Equity”, Section 3855, “Financial Instruments — Recognition and Measurement” and Section 3865, “Hedges”. Under the standards:

- Financial assets are classified as loans and receivables, held-to-maturity, held-for-trading or available-for-sale. Loans and receivables include all loans and receivables except debt securities and are accounted for at amortized cost. Held-to-maturity classification is restricted to fixed maturity instruments that the Company intends and is able to hold to maturity and is accounted for at amortized cost. Held-for-trading instruments are recorded at fair value on the balance sheet with realized and unrealized gains and losses reported in net loss. The remaining financial assets are classified as available-for-sale. These are recorded at fair value with unrealized gains and losses reported in a category of the balance sheet under shareholders’ equity called accumulated other comprehensive income (“AOCI”). Realized gains and losses on available-for-sale financial assets are recognized in net loss. For any decline in the fair value of available-for-sale financial assets considered by the Company to be other than temporary, the cumulative loss is transferred from AOCI to net loss;
- Financial liabilities are classified as either held-for-trading or other financial liabilities. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net loss. Other financial liabilities are accounted for at amortized cost with gains and losses reported in net loss in the period that the liability is derecognized; and
- Derivative instruments (“derivatives”) are classified as held-for-trading unless designated as hedging instruments. All derivatives are recorded at fair value on the balance sheet. For derivatives that hedge the changes in fair value of an asset or liability, changes in the derivatives’ fair value are reported in net loss and are substantially offset by changes in the fair value of the hedged asset or liability attributable to the risk being hedged. For derivatives that hedge variability in cash flows, the effective portion of the changes in the derivatives’ fair value are initially recognized in other comprehensive income (“OCI”) and the ineffective portion are recorded in net loss. Amounts temporarily recorded in AOCI will subsequently be reclassified to net loss in the periods when net loss is affected by the variability in the cash flows of the hedged item.

The fair value of transactions are classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level One – Quoted prices are available in active markets. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an on-going basis.
- Level Two – Pricing inputs are other than quoted prices in an active market included in Level One. Prices in Level Two are either directly or indirectly observable as of the reporting date. Level Two valuations are based on inputs, including quoted forward

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

- Level Three – Valuation in this level are those inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

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 are charged to operations in the year of abandonment or determination of impairment of value. Management assesses mineral properties annually in accordance with the recommendations of Accounting Guideline 11 and Emerging Issues Committee (EIC) abstract 174.

Government Assistance

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

Property and Equipment

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

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

Asset Retirement Obligations

The Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of fair value can be determined. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Company's credit-adjusted risk-free interest rate. The obligation is reviewed regularly by the Company's management based on current regulations, costs, technologies and industry standards. The discounted obligation is initially capitalized as part of the carrying amount of mineral properties

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

and deferred costs, and a corresponding liability is recognized. The increase in mineral properties and deferred costs is amortized on the same basis as the remainder of these assets, while the liability is accrued to income until it is settled or sold.

The Company has not incurred any significant asset retirement obligations to December 31, 2010 and as such, no asset retirement obligations have been recorded.

Conditional Asset Retirement Obligations

The Company follows the recommendations of the EIC abstract 159 on conditional asset retirement obligations. EIC 159 clarifies the accounting treatment for a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Under EIC 159, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated.

Income Taxes

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

Flow-through Shares

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

Stock-based Compensation

The Company has a stock option plan as described in note 9(e).

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

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

Foreign Currency Translation

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

Diluted Income per Share

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

Revenue Recognition

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

Transaction Costs

Transaction costs on held-for-trading financial instruments are expensed as incurred.

Recent Accounting Pronouncements

International Financial Reporting Standards

In April 2008, March 2009 and October 2009, the Canadian Accounting Standards Board (“AcSB”) published exposure drafts on “Adopting IFRS in Canada”. IFRS have now been incorporated into the CICA Accounting Handbook effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. At this date, publicly accountable enterprises in Canada will be required to prepare financial statements in accordance with IFRS. Also, in October 2009, the AcSB issued the exposure draft “Improvements to IFRS” to incorporate into Canadian GAAP the amendments to IFRS that result from an exposure draft issued by the International Accounting Standards Board (“IASB”). The IASB’s exposure draft deals with minor amendments and focuses on areas of inconsistency in standards or where clarification of wording is required. It is expected that the amendments will be effective January 1, 2011. The Company is currently reviewing the standards to determine and expects to have its conversion to IFRS completed for its March 31, 2011 interim financial statements.

3. CHANGES IN ACCOUNTING POLICIES

Business Combinations

In January 2009, the AcSB issued revised accounting standards in regards to business combinations with the intent of harmonizing those standards with IFRSs. The revised standards require the acquiring entity in a business combination to recognize all (and only) the assets

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

acquired and liabilities assumed in the transaction; establish the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination. The adoption of this new standard by the Company had no impact on the financial statements.

Non-controlling Interests in Consolidated Financial Statements

In January 2009, the AcSB issued accounting standards to require all entities to report non-controlling (minority) interests as equity in consolidated financial statements. The standards eliminate the disparate treatment that currently exists in accounting for transactions between an entity and non-controlling interests by requiring they be treated as equity transactions. The adoption of this new standard by the Company had no impact on the financial statements.

4. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

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

The Company 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 Company is exposed to credit risk on its cash and cash equivalents, accounts receivable and deposits. At December 31, 2010, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 1,009,008 |
| Accounts receivable, excluding GST recoverable | 4,725 |
| Deposits | <u>19,000</u> |
| | <u>\$ 1,032,733</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 Company will not be able to collect all amounts due according to the original terms of the receivables. The Company's invoices are due when rendered. The carrying amount of the trade accounts receivable is reduced through the use of the allowance account, and the amount of any increase in the allowance is recognized in the income statement. When a trade receivable is uncollectible, it is written off against the

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade accounts receivable of \$4,725 (2009 - \$23,375) relate to amounts due on the resale of certain camp supplies (2009 - due from Cameco Corporation for their share of costs on the Boomerang property). Deposits consist of assessment work prepayments made with the department of Indian and Northern Affairs Canada.

The Company does not hold any collateral as security. As at December 31, 2010, the Company did not have any past due or impaired accounts receivable.

The Company mitigates its exposure to cash and cash equivalents credit loss by holding its cash and cash equivalents in major Canadian financial institutions.

Liquidity Risk

Liquidity risk arises from our general funding needs and in the management of the Company's assets, liabilities and mineral property expenditure requirements. The Company 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 Company has access to its cash and equivalents and to the Company's portfolio of marketable securities.

All of the Company's financial liabilities, being the balance of accounts payable and accrued liabilities, are due within the current year. The Company does not have any contractual financial liabilities with payments required beyond the current year other than as described in note 15.

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 Company 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 Company is exposed to foreign currency exchange risk relating to United States ("US") dollar denominated equity securities that trade on US exchanges and are held in the Company's portfolio of marketable securities. The following table shows the Company'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.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

| | Carrying Amount of Asset at December 31, 2010 | 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 | \$ 1,106,988 | \$ 47,600 | \$ (47,600) |

Interest Rate Risk

With respect to cash and cash equivalents, the Company'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 Company's investments in interest bearing securities at December 31, 2010 is negligible.

Price Risk

The Company 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 Company'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, 2010 | Price Risk Net income effect of | |
|--|---|------------------------------------|---------------------------|
| | | 10% decrease in prices | 10% increase in prices |
| Held-for-trading marketable securities | \$ 3,722,168 | \$ (320,106) | \$ 320,106 |

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 year-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 cash and cash equivalents and marketable securities, which are investments in equity securities and other investments designated as held-for-trading, is based on the closing price of the securities as of the balance sheet date. These securities are transacted in active markets and have been classified using Level One inputs. The fair values of accounts receivable, deposits, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

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

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

5. MINERAL PROPERTIES AND DEFERRED COSTS

a. Rottenstone

The Rottenstone property is located approximately 130 kilometres NNE of La Ronge, Saskatchewan (NTS 74A-7) and consists of a 100% interest in eight contiguous mineral dispositions covering 13,089 hectares (32,330 acres).

Claude Resources Inc. ("Claude") retains a 2% net smelter return ("NSR") on one mineral disposition amounting to 65 hectares, S-106565, and a 0.5% NSR on the adjoining mineral dispositions within a 3 kilometre radius of S-106565. The Company has the option to purchase one-half of the 2% NSR (1% NSR) by paying Claude \$1,000,000. By November 30, 2013 the Company has to complete a bankable feasibility on S-106565 or return the mineral disposition back to Claude.

Pursuant to an option agreement effective October 1, 2007 between the Company and Mantis Mineral Corporation ("~~Mantis~~"), the Company granted Mantis an exclusive and irrevocable option (the "~~Rottenstone First Option~~") to acquire a 50% interest in the Rottenstone property by incurring \$6,000,000 in cumulative exploration expenditures on the Rottenstone property over a five year period.

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

In 2008 Mantis completed exploration expenditures on the property amounting to \$1,167,429. By October 1, 2009, Mantis failed to complete the required annual expenditures in accordance with the Rottenstone First Option and on October 26, 2009 the option agreement was terminated. The Company retains a 100% interest in the Rottenstone property. The Company also applied to have expenditures made by Mantis, totalling \$1,167,429, considered towards future exploration and development work requirements on the claims. Results of this expenditure submittal were approved.

On an annual basis the Company must incur \$275,056 of exploration and development work on the Rottenstone property to keep the entire group of mineral dispositions, as described above, in good standing. The Company currently has excess expenditures of \$1,544,602 remaining to the credit of the mineral dispositions that may be used towards future exploration and development work requirements.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

b. Boomerang and Thelon Basin

The Boomerang and Thelon Basin properties are located approximately 478 kilometers east of Yellowknife, Northwest Territories ("NT") in the southwest Thelon Basin and consist of a 49% interest (as described below) in 5 contiguous mineral leases covering 10,055 acres and 253 contiguous mining claims covering 636,948 acres. The Boomerang property comprising the mineral leases require an annual lease rental of \$10,055.

Of the 253 mining claims comprising the Thelon Basin property, the Company staked 153 of the mining claims covering 390,371 acres effective December 31, 2004. The 153 mining claims staked on December 31, 2004 require that the Company incur exploration and development expenditures amounting to \$1,600,520 on or before December 31, 2006 and an annual exploration and development expenditure of \$800,260 each year thereafter over the remaining 14 year life of the mining claims.

The remaining 100 mining claims comprising the Thelon Basin property, covering 246,577 acres, were staked effective October 25, 2005. The 100 mining claims staked on October 25, 2005 require that the Company incur exploration and development expenditures amounting to \$1,010,967 on or before December 31, 2007 and an annual exploration and development expenditure of \$505,483 each year thereafter over the remaining 15 year life of the mining claims.

On July 11, 2006, the Company staked an additional 88 claims covering 227,260 acres contiguous to the Boomerang property. The additional claims staked were not subject to the earn-in by Cameco Corporation ("Cameco") pursuant to the First Option – see below. The claims staked on July 11, 2006 require that the Company incur exploration and development expenditures amounting to \$931,766 on or before July 11, 2008 and an annual exploration and development expenditure of \$465,883 each year thereafter over the remaining 17 year life of the mining claims.

On October 9, 2007, the Company requested relief from Indian and Northern Affairs Canada ("INAC") under Section 81 of the Northwest Territories & Nunavut Mining Regulations for the Thelon Basin properties comprising 341 mining claims (253 claims plus 88 claims as described above).

Relief was requested for annual expenditure requirements due in October and December 2007 for the 253 mining claims amounting to \$1,811,227 and annual expenditures due in July 2008 for the 88 mining claims amounting to \$931,766. The application for relief was requested for the time the Company is conducting an environmental assessment on the claims. The application for relief was approved by INAC during the three months ended March 31, 2008 and the Company was granted an up to two-year extension on the annual expenditure requirements for 327 of the claims referenced above. Relief was not granted for certain claims that currently have annual expenditure credits pursuant to the Company's 2006 assessment work filing.

In August 2010 the Company requested an extension of the previously granted Section 81 relief on the Boomerang claims described above. In September 2010, a further one-year extension of the Section 81 relief was granted.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

Pursuant to the Boomerang option agreement between the Company and Cameco effective January 1, 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 amounting to \$6,000,000 by 2010.

During the year ended December 31, 2008, Cameco fulfilled its expenditure obligations under the First Option to acquire 51% in the Boomerang and Thelon Basin properties as described above. Cameco and the Company now own a 51% and 49% interest respectively in the Boomerang and Thelon Basin properties.

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. Cameco terminated its right to the Second Option effective December 31, 2008.

On December 13, 2010, the Company 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 16[d]). The Company closed the exchange agreement with Cameco on March 22, 2011.

c. Garry Lake

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

Of the 355 mining claims comprising the property, 6 claims covering 15,182 acres were staked effective February 26, 1998 and require no exploration and development expenditures until February 26, 2013.

Of the 355 mining claims comprising the property, 163 mining claims covering 378,768 acres were staked effective May 25, 2006 and require that the Company incur exploration and development expenditures amounting to \$1,552,948 on or before May 25, 2008 and an annual exploration and development expenditure of \$776,474 each year thereafter over the remaining 16 year life of the mining claims.

The Company staked an additional 74 mining claims covering 173,082 acres effective November 14, 2006 and require that the Company incur exploration and development expenditures amounting to \$709,634 on or before November 14, 2008 and annual exploration and development expenditure of \$554,871 each year thereafter over the remaining 16 year life of the mining claims.

The Company staked an additional 112 mining claims covering 262,139 acres effective June 23, 2007 and require that the Company incur exploration and development expenditures

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

amounting to \$1,074,769 on or before June 23, 2009 and annual exploration and development expenditure of \$537,385 each year thereafter over the remaining 17 year life of the mining claims.

On February 20, 2009 Nunavut Impact Review Board denied approval of the Company's Garry Lake Land Use Permit ("LUP") application based on the potential adverse environmental and socioeconomic impacts as a result of further exploration on the caribou migration and calving region of the northern Thelon Basin. As a precondition for determining approval of the Garry Lake LUP application the company is required to complete an environmental impact statement over the region.

Without an approved LUP, which would allow the Company to access the Garry Lake claims to fulfill the Company's assessment work commitments, the Company requested relief from INAC under Section 81 of the Northwest Territories & Nunavut Mining Regulations ("NTNUMR") for the Garry Lake properties comprising 349 mining claims (163, 74 and 112 claims as described above). The application for relief under Section 81 is necessary to maintain the Garry Lake mining claims in good standing until such time as the Company can gain access to the land in the manner consistent with the NTNUMR requirements to conduct exploration work.

Section 81 relief was requested for annual expenditure requirements due in May 2008 for the 163 mining claims amounting to \$1,552,948, annual expenditures due in November 2008 for the 74 mining claims amounting to \$709,364 and for the annual expenditures due in June 2009 for the 112 claims amounting to \$1,074,769. The application for relief was requested for the time the Company is conducting an environmental assessment on the claims. The application for relief was approved by INAC during the year ended December 31, 2008 and the Company was granted an up to two-year extension on the annual expenditure requirements for 349 of the claims referenced above. In May 2010, a further two-year extension of the Section 81 relief was granted by INAC pursuant to the NTNUR.

To December 31, 2010, the Company had incurred exploration and development expenditures on the 355 mineral claims amounting to \$3,753,931.

d. Athabasca Property

On December 12, 2009, the Company staked 4 claims covering 38,658 acres in the Athabasca Basin of northern Saskatchewan (the "Outer Ring Property"). The Outer Ring Property is owned 100% by the Company. The claims have a 20 year life and will require that the Company incur exploration and development expenditures amounting to \$187,812 on or before the second anniversary of the claims being approved and an annual exploration and development expenditure of \$187,812 each year thereafter over the remaining life of the mining claims.

On August 11, 2010, the Company staked an additional 4 claims covering 45,542 acres in the Athabasca Basin of northern Saskatchewan (the "Johannsen Lake Property"). The Johannsen Lake Property is owned 100% by the Company. The claims have a 20 year life and will require that the Company incur exploration and development expenditures amounting to \$221,256 on or before the second anniversary of the claims being approved

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

and an annual exploration and development expenditure of \$221,256 each year thereafter over the remaining life of the mining claims.

e. Other Properties

The Company has incurred exploration and claim costs for numerous other properties in the Northwest Territories, Saskatchewan, Finland, Guyana and South Africa.

Assessment of Impairment

The Company's Boomerang, Thelon Basin and Garry Lake claims are currently without an approved LUP. Without an approved LUP, the Company is prohibited from conducting mineral exploration activities, such as diamond drilling, on these claims to fulfill its assessment work requirements. Therefore, the Company 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.

The Company assessed the mineral properties and deferred costs for impairment considering the criteria and recommendations of Accounting Guideline 11 and EIC 174. Based on this assessment, the Company concluded that certain costs related to its other properties were not recoverable. A total of \$NIL (2009 - \$511,933) of deferred costs were considered to be impaired.

6. PROPERTY AND EQUIPMENT

| | 2010 | | | 2009 | | |
|--------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| | Cost | Accumulated Amortization | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Office furniture and equipment | \$ 32,986 | \$ 15,432 | \$ 17,554 | \$ 32,986 | \$ 10,401 | \$ 22,585 |
| Leasehold improvements | 31,131 | 19,198 | 11,933 | 31,131 | 12,971 | 18,160 |
| | <u>\$ 64,117</u> | <u>\$ 34,630</u> | <u>\$ 29,487</u> | <u>\$ 64,117</u> | <u>\$ 23,372</u> | <u>\$ 40,745</u> |

7. FUTURE TAXES

a. The components of the future income tax asset (liability) at December 31, 2010 and 2009 are as follows:

| | 2010 | 2009 |
|--|-------------|-------------|
| Temporary differences related to marketable securities | \$ 91,614 | \$ 334,957 |
| Temporary differences related to mineral properties and deferred costs | (444,788) | (290,413) |
| Loss carryforwards | 646,937 | 95,448 |
| Share issue costs | 47,179 | 12,803 |
| Valuation allowance | (340,942) | (152,795) |
| | <u>\$ -</u> | <u>\$ -</u> |

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

- 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 28.0% (2009 – 29.0%) to loss before income taxes. The difference results from the following:

| | 2010 | 2009 |
|---|--------------|---------------------|
| Expected income taxes (recovery) | \$ (266,893) | \$ (858,872) |
| Stock-based compensation | 31,715 | 20,048 |
| Non-taxable portion of loss on disposal of marketable securities | 69,617 | 83,678 |
| Non-taxable portion of unrealized (gain) loss and transaction costs | 6,912 | 229,910 |
| Effect of tax rate adjustments and other | (29,498) | 80,527 |
| Valuation allowance | 188,147 | 152,795 |
| | <u>\$ -</u> | <u>\$ (291,914)</u> |

As at December 31, 2010, the Company has approximately \$812,000 of non-capital losses available to offset future income taxes. Of the non-capital losses, approximately \$367,000 was incurred in 2009 and expires in 2029 and \$445,000 was incurred in 2010 and expires in 2030.

In addition, the Company has approximately \$2,413,000 of Federal and \$5,360,000 of Provincial capital losses carry forwards available to offset future capital gains. These losses do not expire.

8. CAPITAL DISCLOSURES

The Company manages its capital to ensure that it will be able fund its exploration programs and to continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity balances. The Company is currently entirely equity financed.

In the management of capital, the Company includes the components of shareholders' equity as well as the cash and cash equivalents and marketable securities. The Company's definition of capital may differ from other companies' definitions of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, enter into joint venture or earn-in agreements on its wholly-owned properties, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and marketable securities.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are reviewed by the Company's Board of Directors.

The Company's investment policy for its cash and cash equivalents is to invest its cash in highly liquid, lower risk short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures required for continuing exploration and development expenditures and operations.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

The Company's investment policy for its marketable securities is to invest in liquid equity securities traded on major North American exchanges, in which the Company believes that there is potential to profit from short-term fluctuations in market prices. The composition of the Company's portfolio of marketable securities is monitored by the Board of Directors on a quarterly basis. The Company's investment policy going forward is to reduce its exposure in marketable securities due to the current uncertain economic and market outlook.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current and subsequent reporting periods.

The Company does not have any borrowings or other financial instruments with covenants attached or other externally imposed restrictions.

9. SHARE CAPITAL

a. Authorized

Unlimited number of Class A Common shares

b. Issued – Common shares

| | 2010 | | 2009 | |
|--|-------------------|----------------------|-------------------|----------------------|
| | Number | Stated Value | Number | Stated Value |
| Balance, beginning of year | 26,707,614 | \$ 15,224,138 | 26,707,614 | \$ 15,224,138 |
| Pursuant to private placements (note 9(c)) | <u>7,533,333</u> | <u>1,943,600</u> | <u>-</u> | <u>-</u> |
| Balance, end of year | <u>34,240,947</u> | \$ <u>17,167,738</u> | <u>26,707,614</u> | \$ <u>15,224,138</u> |
| Less: share issue costs | | <u>(232,340)</u> | | <u>-</u> |
| Balance, end of year | | <u>\$ 16,935,398</u> | | <u>\$ 15,224,138</u> |

- c. On December 6, 2010, the Company 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 ("Warrant") see note 9(d).

Of the total proceeds received, \$316,400 was assigned to the Warrants based on the relative fair values of the shares and the Warrants at the date of issue. The fair value of the Warrants was determined using a binomial option pricing model (note 9(d)). Share issue costs of \$270,163 were incurred, consisting of cash issue costs of \$204,163 and \$66,000 attributed to broker options granted (note 9(e)(vi)), which was credited to contributed surplus. The share issue costs were allocated \$232,340 to the common shares and \$37,823 to the Warrant.

The Company made the required flow-through renunciation of \$2,260,000 subsequent to year end.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

d. Warrants

The following table summarizes the warrants issued during the year:

| | Number | Stated Value |
|-----------------------|------------------|-------------------|
| Beginning of year | - | \$ - |
| Issued with units | 3,766,667 | 316,400 |
| Issue costs allocated | <u>-</u> | <u>(37,823)</u> |
| End of year | <u>3,766,667</u> | <u>\$ 278,577</u> |

The Warrants will expire on December 6, 2012 and will entitle the holder to acquire one common share of the Company 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.

The fair value the warrants of \$0.098 per warrant was determined using a binomial option pricing model with a risk free rate of 1.7%, an expected life of two years, a volatility of 96% and a 0% dividend yield.

e. Stock-based compensation

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

ii. A summary of the status of the Company's options outstanding as at December 31, 2010 and 2009 and changes during the years ending on those dates is as follows:

| | 2010 | | | | 2009 | | | |
|-------------------|--------------------|---------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number Outstanding | Weighted Average Exercise Price | Number Exercisable | Weighted Average Exercise Price | Number Outstanding | Weighted Average Exercise Price | Number Exercisable | Weighted Average Exercise Price |
| Beginning of year | 1,830,000 | \$ 0.62 | 1,380,000 | \$ 0.62 | 2,150,000 | \$ 0.65 | 1,080,000 | \$ 1.30 |
| Forfeited | (300,000) | 0.60 | (150,000) | 0.60 | (300,000) | 0.86 | (300,000) | 0.86 |
| Cancelled | (25,000) | 0.16 | - | 0.16 | (20,000) | 0.62 | (20,000) | 0.62 |
| Issued/vested | <u>1,210,000</u> | <u>0.24</u> | <u>783,333</u> | <u>0.47</u> | <u>-</u> | <u>0.62</u> | <u>620,000</u> | <u>0.62</u> |
| End of year | <u>2,715,000</u> | <u>\$ 0.45</u> | <u>2,013,333</u> | <u>\$ 0.54</u> | <u>1,830,000</u> | <u>\$ 0.62</u> | <u>1,380,000</u> | <u>\$ 0.62</u> |

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

- iii. A summary of the outstanding and exercisable stock-options as at December 31, 2010 is as follows:

| Exercise Price | Number Outstanding | Weighted Average Remaining Contractual Life (Years) | Number Exercisable | Weighted Average Remaining Contractual Life (Years) |
|----------------|--------------------|---|--------------------|---|
| \$ 0.16 | 495,000 | 3.04 | - | n/a |
| \$ 0.30 | 690,000 | 2.98 | 523,333 | 2.39 |
| \$ 0.60 | 120,000 | 2.30 | 80,000 | 2.30 |
| \$ 0.62 | 1,410,000 | 0.69 | 1,410,000 | 0.69 |
| | <u>2,715,000</u> | <u>1.77</u> | <u>2,013,333</u> | <u>1.19</u> |

- iv. On January 12, 2010 the Company issued 520,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of \$0.16, 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. The fair value of the options was determined using a Black-Scholes option pricing model with a risk free rate of 2.7%, a term to maturity of 4 years, a volatility of 110% and a 0% dividend yield. The fair value of the options was \$0.12 per option, which will be included in stock-based compensation over the vesting term of the grant.
- v. On November 4, 2010 the Company issued 250,000 stock options under the terms of its common share stock option plan. 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. The fair value of the options was determined using a Black-Scholes option pricing model with a risk free rate of 2.0%, a term to maturity of 5 years, a volatility of 110% and a 0% dividend yield. The fair value of the options was \$0.24 per option, which will be included in stock-based compensation over the vesting term of the grant.
- vi. On December 1, 2010 the Company issued 440,000 options as broker compensation in connection with the issuance of units. Each broker option granted entitles the holder to acquire one Unit, with each Unit comprised of common share and one half of a Warrant under the same terms as the warrants above. The options granted have an exercise price of \$0.30, term of two years to expiry from the date of issuance and vested on issuance. The fair value of the options was determined using a Black-Scholes option pricing model with a risk free rate of 1.7%, a term to maturity of 2 years, a volatility of 96% and a 0% dividend yield. The fair value of the options was \$0.15 per option, which was included in share issue costs.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

10. CONTRIBUTED SURPLUS

A summary of the changes in contributed surplus for the years ended December 31, 2010 and 2009 is as follows:

| | 2010 | 2009 |
|------------------------------|-----------------------------|-----------------------------|
| Balance, beginning of year | \$ 3,658,903 | \$ 3,589,771 |
| Fair value of stock options | 113,268 | 69,132 |
| Fair value of broker options | 66,000 | - |
| | <u> </u> | <u> </u> |
| Balance, end of year | <u>\$ 3,838,171</u> | <u>\$ 3,658,903</u> |

11. NET LOSS PER SHARE

Basic net loss per share has been calculated using the weighted average number of common shares of 27,244,535 (2009 – 26,707,614) outstanding during the year. NIL (2009 – NIL) common shares have been added to the denominator in calculating diluted net loss per share for the dilutive effect of options outstanding in 2010 and 2009.

12. CHANGES IN NON-CASH WORKING CAPITAL

Changes in non-cash working capital for the years ended December 31, 2010 and 2009 is comprised of:

| | 2010 | 2009 |
|--|-----------------------------|-----------------------------|
| Decrease (increase) in accounts receivable | \$ (6,134) | \$ 265,640 |
| Decrease (increase) in prepaids and deposits | 8,190 | (8,190) |
| Decrease in accounts payable and accrued liabilities | (57,230) | (9,191) |
| | <u> </u> | <u> </u> |
| | <u>\$ (55,174)</u> | <u>\$ 248,259</u> |

Changes in non-cash working capital related to:

| | | |
|----------------------|-----------------------------|-----------------------------|
| Operating activities | \$ (18,189) | \$ 38,635 |
| Investing activities | (36,985) | 209,624 |
| | <u> </u> | <u> </u> |
| | <u>\$ (55,174)</u> | <u>\$ 248,259</u> |

13. RELATED PARTY TRANSACTIONS

- a. Mineral properties and deferred costs include \$78,675 (2009 - \$151,750) of consulting and other fees paid to corporations controlled by officers and directors. Of this amount, \$44,550 (2009 – \$10,500) is included in accounts payable and accrued liabilities and is due under normal credit terms.
- b. General and administrative expenses include \$70,094 (2009 - \$90,000) of consulting and other fees paid to corporations controlled by directors and officers. Of this amount \$23,550 (2009 – \$28,275) is included in accounts payable and is due under normal credit terms.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

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.

14. SIGNIFICANT CUSTOMER

The Company derived 100% of its management fee revenue for the years ended December 31, 2010 and 2009 from management fees earned on the Cameco First Option agreement. Management fees are earned based on the annual exploration expenditures required under the terms of the Cameco First Option agreement as described in note 5(b).

15. COMMITMENTS

In addition to the mineral property exploration and development expenditures required, as described in note 5, the Company has entered into a lease for office space requiring minimum lease payments, including estimated occupancy costs, of \$27,160 until expiry on October 31, 2011.

16. SUBSEQUENT EVENTS

- a. Subsequent to December 31, 2010, the Company granted 10,000 stock options pursuant to the common share option plan described in note 9(e). The options have a five year life from the date of grant, an exercise price of \$0.36 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.
- b. Subsequent to December 31, 2010, 150,000 outstanding and vested stock options exercisable at \$0.62 per share were forfeited and cancelled. A further 25,000 outstanding non-vested stock options exercisable at \$0.16 per share were forfeited and cancelled.
- c. Effective January 28, 2011, the Company and ESO Uranium Corporation (–ESO”) entered into an option to purchase agreement (the –Option”) whereby ESO granted the Company an exclusive Option to acquire 100% interest in their Mathison Lake mining claims (the –MATH project”) in the Athabasca Basin, Northern Saskatchewan. The MATH project totals 8,121 hectares and adjoins the Company’s Outer Ring project. The Option is exercisable by the Company over a three year term conditional on:
 - The Company making a one-time cash payment to ESO amounting to \$25,000;
 - The Company issuing an aggregate of 1,000,000 common shares to ESO, in four tranches of 250,000 common shares, with 250,000 common shares issued upon acceptance, and the balance over three years; and
 - The Company incurring an aggregate exploration expenditure on the MATH project of not less than \$200,000.

Subject to the Company fulfilling the terms of the Option, as described above, the Company will acquire 100% interest in the MATH project and ESO will retain a 2% uranium royalty, a 2% net smelter royalty on other non-uranium mineral products and a 5% diamond royalty.

Uravan Minerals Inc.
Notes to Financial Statements
December 31, 2010 and 2009

The Option is subject to approval by the TSX Venture Exchange and other appropriate regulatory bodies. On February 17, 2011, the TSX Venture Exchange accepted the Option and the Company made the initial cash payment of \$25,000 and issued 250,000 common shares at a fair value of \$0.31 per share.

- d. Subsequent to December 31, 2010, the property swap agreement with Cameco described in note 5(b) was executed. The exchange agreement was finalized and executed on March 22, 2011.
- e. On September 1, 2010, the Company executed a collaborative applied research grant with the Queen's Facility for Isotope Research ("QFIR") at Queen's University, Ontario (the "Research Grant"). The Research Grant is payable by the Company to QFIR amounting to \$100,000 annually for a term of three years. The funds contributed by the Company to QFIR are for direct support for the QFIR research group and consumables used in specialized analyses provided by QFIR for isotope research in support of specific Company-QFIR research projects. The Research Agreement was finalized on March 2, 2011 and the first payment became due. The Company applied for and received approval on January 24, 2011 for a grant from Natural Sciences and Engineering Research Council of Canada for a matching grant to be paid directly to Queen's University with respect to the Research Grant.

17. CHANGES IN PRESENTATION

Certain amounts in the comparative amounts have been reclassified to be consistent with the current presentation.

Uravan Minerals Inc.
Schedule 1 – Mineral Properties and Deferred Costs
Years Ended December 31, 2010 and 2009

| | December 31, 2010 | Net Additions | December 31, 2009 | Net Additions | December 31, 2008 |
|---|----------------------|---------------------|----------------------|-------------------|----------------------|
| Rottenstone project | | | | | |
| Property acquisition costs | \$ 140,082 | \$ 7,600 | \$ 132,482 | \$ - | \$ 132,482 |
| Geological and consulting | 1,541,042 | 112,417 | 1,428,625 | 16,414 | 1,412,211 |
| Drilling | 479,751 | - | 479,751 | - | 479,751 |
| Government assistance | <u>(112,927)</u> | <u>-</u> | <u>(112,927)</u> | <u>-</u> | <u>(112,927)</u> |
| | <u>2,047,948</u> | <u>120,017</u> | <u>1,927,931</u> | <u>16,414</u> | <u>1,911,517</u> |
| Boomerang project | | | | | |
| Property acquisition costs | 386,161 | 9,854 | 376,307 | - | 376,307 |
| Geological and consulting | 8,256,618 | (12,232) | 8,268,850 | 171,598 | 8,097,252 |
| Recovery on earn-in agreement | <u>(7,235,063)</u> | <u>-</u> | <u>(7,235,063)</u> | <u>-</u> | <u>(7,235,063)</u> |
| | <u>1,407,716</u> | <u>(2,378)</u> | <u>1,410,094</u> | <u>171,598</u> | <u>1,238,496</u> |
| Garry Lake project | | | | | |
| Property acquisition costs | 510,130 | - | 510,130 | - | 510,130 |
| Geological and consulting | <u>3,753,931</u> | <u>30,300</u> | <u>3,723,631</u> | <u>177,760</u> | <u>3,545,871</u> |
| | <u>4,264,061</u> | <u>30,300</u> | <u>4,233,761</u> | <u>177,760</u> | <u>4,056,001</u> |
| Athabasca project | | | | | |
| Property acquisition costs | 60,376 | 15,181 | 45,195 | 45,195 | - |
| Geological and consulting | <u>1,793,960</u> | <u>991,117</u> | <u>802,843</u> | <u>638,949</u> | <u>163,894</u> |
| | <u>1,854,336</u> | <u>1,006,298</u> | <u>848,038</u> | <u>684,144</u> | <u>163,894</u> |
| Other projects | | | | | |
| Property acquisition costs | 1,460 | - | 1,460 | - | 1,460 |
| Geological and consulting | <u>522,689</u> | <u>-</u> | <u>522,689</u> | <u>63,978</u> | <u>458,711</u> |
| | 524,149 | - | 524,149 | 63,978 | 460,171 |
| Less: mineral properties abandoned | <u>(522,689)</u> | <u>-</u> | <u>(522,689)</u> | <u>(511,933)</u> | <u>(10,756)</u> |
| | <u>1,460</u> | <u>-</u> | <u>1,460</u> | <u>(447,955)</u> | <u>449,415</u> |
| Total mineral properties and deferred costs | <u>\$ 9,575,521</u> | <u>\$ 1,154,237</u> | <u>\$ 8,421,284</u> | <u>\$ 601,961</u> | <u>\$ 7,819,323</u> |

Uravan Minerals Inc.
Schedule 2 – General and Administrative Expenses
Years Ended December 31, 2010 and 2009

| | 2010 | 2009 |
|----------------------------------|-------------------|-------------------|
| Professional and consulting fees | \$ 196,467 | \$ 196,221 |
| Rent | 47,555 | 43,643 |
| Office | 46,632 | 45,793 |
| Shareholder reporting | 17,681 | 55,624 |
| Insurance | 17,200 | 19,075 |
| Interest and bank charges | 9,453 | 8,883 |
| Stock exchange fees | 7,795 | 7,675 |
| | <u>\$ 342,783</u> | <u>\$ 376,914</u> |



MANAGEMENT DISCUSSIONS & ANALYSIS

December 31, 2010 and 2009

(Audited)

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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, 2010 and any other information that may be available up to April 13, 2011. This MD&A should be read in conjunction with the Annual Audited Financial Statements and the related notes of the Corporation for the year ended December 31, 2010 (the "Financial Statements"). The reader is encouraged to review the Corporation's statutory filings on www.sedar.com

Results of Operations and Revenue

The Corporation is a development stage mineral exploration company and currently derives no revenues from operations. The Corporation receives some revenue from interest on cash balances, interest, dividends, other income from marketable securities and management fees. Over the last eight most recently completed quarters most of the Corporation's operating capital has been generated from the sale of marketable securities and management fees received in 2009 and from a private placement closed in December 2010.

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

In the year ended December 31, 2010, the Corporation incurred a net loss after tax of \$953,191 (2009 –\$2,669,715). Total loss amounting to \$447,772 (2009 – \$418,063) was received from the realized loss on disposal of marketable securities less investment income and management fees received.

The Corporation also incurred an unrealized gain on its portfolio of marketable securities of \$29,330 (2009 – unrealized loss of \$1,420,732) during the year ended December 31, 2010 as the carrying value of the Corporation's marketable securities differed from the market value of the marketable securities at December 31, 2010 and 2009.

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, 2010 were slightly lower as compared to the G&A expenses incurred during the year ended December 31, 2009, primarily due to lower shareholder reporting and marketing expenses.

The following table summarizes major categories of general and administrative expenses for the years ended December 31, 2010 and 2009. The Corporation did not capitalize any indirect general and administrative expenses.

**URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS**

Year Ended December 31, 2010

| | 2010 | 2009 |
|----------------------------------|-------------------|-------------------|
| Professional and consulting fees | \$ 196,467 | \$ 196,221 |
| Rent | 47,555 | 43,643 |
| Office | 46,632 | 45,793 |
| Shareholder reporting | 17,681 | 55,624 |
| Insurance | 17,200 | 19,075 |
| Interest and bank charges | 9,453 | 8,883 |
| Stock exchange fees | 7,795 | 7,675 |
| | <u>\$ 342,783</u> | <u>\$ 376,914</u> |

Exploration Activity and Expenditures

In the year ended December 31, 2010, the Corporation's exploration and property acquisition expenditures totaled \$1,154,237 (2009 - \$1,113,894). The majority of the Corporation's net exploration, geological and consulting expenditures was incurred on the Corporation's Athabasca Basin and Rottenstone projects.

For details on exploration and acquisition costs incurred during the year ended December 31, 2010 see note 5 and Schedule 1 of the Financial Statements. The expenditures made by the Corporation during the year ended December 31, 2010 and the year ended December 31, 2009 is as follows:

| | December 31, 2010 | December 31, 2009 |
|----------------------------|----------------------|----------------------|
| Property acquisition costs | \$ 32,635 | \$ 45,195 |
| Geological and consulting | 1,121,603 | 1,068,699 |
| | <u>\$ 1,154,237</u> | <u>\$ 1,113,894</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 balance sheet information is presented as at the quarter end date.

**URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS**

Year Ended December 31, 2010

| | 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) | 123,485 | 47,898 | 95,151 | 76,249 |
| Management fee recoveries (3) | 87 | 163 | 178 | 147 |
| Net income (loss) | 36,497 | (94,889) | (104,088) | (790,711) |
| Net income (loss) per share | 0.002 | (0.004) | (0.004) | (0.030) |
| Capital expenditures (net) | 246,537 | 578,692 | 167,066 | 161,942 |
| Total assets | 14,403,033 | 12,120,258 | 12,135,882 | 12,285,201 |
| 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 |

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

(1) Total revenue consists of investment income, management fees and gain on disposal of marketable securities.

(2) General & Administrative Expense before deducting management fees.

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

Financial Condition

Liquidity and Capital Resources

As at December 31, 2010 the Corporation had \$4,545,447 in working capital (December 31, 2009 - \$4,473,512) obtained primarily from private placements that closed during the years ended December 31, 2010 and December 31, 2007, the sale of marketable securities, and interest and dividend income.

The Corporation's working capital is held as cash and cash equivalents amounting to \$1,009,008 (2009 - \$286,363), marketable securities with a market value of \$3,722,168 (2009 - \$4,427,052), accounts receivable of \$44,239 (2009 - \$38,105) and prepaids and deposits of \$22,610 (2009 - \$30,800) less accounts payable and accrued liabilities of \$251,578 (2009 - \$308,808).

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 2010 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.

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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 eliminate its exposure in marketable securities.

Capitalization

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 ("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 contributed surplus. 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 January 12, 2010, the Corporation granted 520,000 stock options pursuant to the common share option plan described in note 9(e) 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 9(e) 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.

On December 1, 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.

During the year ended December 31, 2010, 300,000 of the Corporation's previously issued stock options were forfeited on the departure of certain of the Corporation's executives and board members. An additional 25,000 of the Corporation's previously issued stock options were forfeited.

Basic net loss per share for the year ended December 31, 2010 has been calculated using the weighted average number of common shares of 27,244,535 (2009 – 26,707,614) outstanding during the year. NIL (2009 – NIL) common shares have been added to the denominator in calculating diluted net loss per share for the dilutive effect of options outstanding in 2010 and 2009.

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 publicly-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

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

requirements in 2011, 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 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, they 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 U_3O_8 in 2000, reaching a spot price market high of \$136 per pound U_3O_8 in mid-June 2007. In 2008 and 2009, during the global financial crisis, the spot uranium prices 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 \$59.00 per pound U_3O_8 due to speculative selling 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 these events will have on the Japanese and global economies. Long term, the Corporation believes the global nuclear power industry, particularly in Asia, will continue to grow 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 natural 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

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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 the 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.

Contractual Obligations

In addition to the mineral property exploration and development expenditures required, as described in note 5 to the financial statements and below, the Corporation has entered into a lease for office space requiring minimum annual lease payments, including estimated occupancy costs, of \$27,160 until expiry on October 31, 2011.

Prior to the exchange agreement (as 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 16(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 \$2,262,312 due in 2008, \$2,233,653 due in 2009, and \$1,709,376 due annually each year thereafter for the remaining life of the claims. To December 31, 2010, the Corporation has made exploration expenditures of \$3,753,931 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

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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 \$1,544,602 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.

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.

Transactions with Related Parties

Mineral properties and deferred costs include \$78,675 (2009 - \$151,750) of consulting and other fees paid to corporations controlled by officers and directors. Of this amount, \$44,550 (2009 - \$10,500) is included in accounts payable and accrued liabilities and is due under normal credit terms.

General and administrative expenses include \$70,094 (2009 - \$90,000) of consulting and other fees paid to corporations controlled by directors and officers. Of this amount \$23,550 (2009 - \$28,275) is included in accounts payable and is due under normal credit terms.

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

Subsequent Events

The following events occurred subsequent to December 31, 2010.

- a. Subsequent to December 31, 2010, the Corporation granted 10,000 stock options pursuant to the common share option plan described in note 9(e). The options have a five year life from the date of grant, an exercise price of \$0.36 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.
- b. Subsequent to December 31, 2010, 150,000 outstanding and vested stock options exercisable at \$0.62 per share were forfeited and cancelled. A further 25,000 outstanding non-vested stock options were exercisable at \$0.16 per share forfeited and cancelled.
- c. Effective January 28, 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 (the "Math project") in the Athabasca Basin, Northern Saskatchewan. The MATH project totals 8,121 hectares and adjoins the Corporation's Outer Ring project. The Option is exercisable by the Corporation over a three year term conditional on:

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

- The Corporation making a one-time cash payment to ESO amounting to \$25,000;
- The Corporation issuing an aggregate of 1,000,000 common shares to ESO, in four tranches of 250,000 common shares, with 250,000 common shares issued upon acceptance, and the balance over three years; and
- The Corporation incurring an aggregate exploration expenditure on the Math project of not less than \$200,000.

Subject to the Corporation fulfilling the terms of the Option, as described above, the Corporation will acquire 100% interest in the MATH project and ESO will retain a 2% uranium royalty, a 2% net smelter royalty on other non-uranium mineral products and a 5% diamond royalty.

The Option is subject to approval by the TSX Venture Exchange and other appropriate regulatory bodies. On February 17, 2011, the TSX Venture Exchange accepted the Option and the Corporation made the initial cash payment of \$25,000 and issued 250,000 common shares at a fair value of \$0.31 per share.

- d. Subsequent to December 31, 2010, the property swap agreement with Cameco described in note 5(b) to the financial statements was executed. The exchange agreement was finalized and executed on March 22, 2011.
- e. On September 1, 2010, the Corporation executed a collaborative applied research grant with the Queen's Facility for Isotope Research ("QFIR") at Queen's University, Ontario (the "Research Grant"). The Research Grant is payable by the Corporation to QFIR amounting to \$100,000 annually for a term of three years. The funds contributed by the Corporation to QFIR are for direct support for the QFIR research group and consumables used in specialized analyses provided by QFIR for isotope research in support of specific Corporation-QFIR research projects. The Research Agreement was finalized on March 2, 2011 and the first payment became due. The Corporation applied for and received approval on January 24, 2011 for a grant from Natural Sciences and Engineering Research Council of Canada for a matching grant to be paid directly to Queen's University with respect to the Research Grant.

Off-Balance Sheet Arrangements

The Corporation has no "off-balance sheet arrangements".

Proposed Transactions

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

Critical Accounting Estimates

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

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

Management Report on Financial Statements

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

Our independent registered chartered accountants, Collins Barrow Calgary LLP, provided an audit of the annual Financial Statements, as reflected in their report for the years ended December 31, 2010 and 2009.

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

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

Changes in Accounting Policies Including Initial Adoption

The following new accounting policies were adopted during the year ended December 31, 2010 by the Corporation:

Financial Instrument Disclosures

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

Business Combinations

In January 2009, the AcSB issued revised accounting standards in regards to business combinations with the intent of harmonizing those standards with IFRSs. The revised standards require the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establish the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination. The adoption of this standard had no impact on the Corporation's financial statements.

Non-controlling Interests in Consolidated Financial Statements

In January 2009, the AcSB issued accounting standards to require all entities to report non-controlling (minority) interests as equity in consolidated financial statements. The standards eliminate the disparate treatment that currently exists in accounting for transactions between an entity and non-controlling interests by requiring they be treated as equity transactions. The adoption of this standard had no impact on the Corporation's financial statements.

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

Recent Accounting Pronouncements

International Financial Reporting Standards

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

International Financial Reporting Standards

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

In June 2008, the Canadian Securities Administrators (“CSA”) published a staff notice that stated it is prepared to recommend exemptive relief on a case by case basis to permit a domestic Canadian issuer to prepare its financial statements in accordance with IFRSs for a financial period beginning before January 1, 2011.

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

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

- Scoping and diagnostic phase — This phase involves performing a high-level impact assessment to identify key areas that may be impacted by the transition to IFRSs. As a result of these procedures the potentially affected areas are ranked as high, medium or low priority.
- Impact analysis, evaluation and design phase — In this phase, each area identified from the scoping and diagnostic phase will be addressed in order of descending priority, with project teams or outside consultants established as deemed necessary. This phase involves specification of changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRSs and development of draft IFRSs financial statement content.
- Implementation and review phase — This phase includes execution of changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policy changes and training programs across the Corporation’s staff, as necessary. It will culminate in the collection of financial information necessary to compile IFRSs-compliant financial statements, embedding IFRSs in business processes, elimination of any unnecessary data collection processes and audit committee approval of IFRSs

**URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS**

Year Ended December 31, 2010

financial statements. Implementation also involves delivery of further training to staff as revised systems begin to take effect.

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

| Phase | Key Development | Status |
|--|---|------------------------|
| 1. Impact Assessment Phase | Impact assessment identifying key areas "in principal" that may be impacted by the transition to IFRS | Complete |
| This phase includes an IFRS impact assessment identifying key areas that may be impacted by the transition to IFRS. This includes the impact on accounting policies, information technology, internal controls over financial reporting, disclosure controls and procedures, business activities and the resources required for the conversion | Full information technology impact assessment | Complete |
| | Impact assessment of internal controls over financial reporting and disclosure controls procedures | Complete |
| | Business activity impact assessment including, but not limited to debt agreements, compensation structures and other contracts | Complete |
| | Identification of required resources | Complete |
| 2. Impact Analysis and Evaluation Phase | Draft IFRS financial statements | Substantially complete |
| In addition to a full GAAP analysis, each key area identified in the Impact Assessment Phase will be analyzed, with priority being placed on areas assessed with higher impact | Assessment of impact on financial statement disclosure | Substantially complete |
| | Documentation of impact assessment of additional non-key IFRS standards | Complete |
| | Further analysis of impact on internal controls over financial reporting and disclosure controls and procedures | On-going in 2011 |
| | Information technology implementation of IFRS fixed asset subledger and general ledger to accommodate dual reporting in 2010 | Complete |
| | Initiation of necessary negotiations of debt agreements, covenants, compensation structures and other agreements | Complete |
| 3. Implementation and Review Phase | Determination and documentation of IFRS exemptions | Complete |
| This phase involves formal authorization of processes to approve the recommended accounting policy changes. Training will continue during this phase and an opening IFRS-compliant draft balance sheet and financial statement note disclosure will be prepared. | Determination and documentation of IFRS accounting policies | Complete |
| | Complete reconciliation from IFRS to Canadian GAAP equity and income and preparation and audit of the January 1, 2010 opening balance sheet | Substantially complete |
| | Specified audit procedures of identified differences | In progress |
| | Training | Complete |

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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

Impairment of Assets

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

With respect to deferred mineral property expenditures or exploration and evaluation ("E&E") assets, IFRS requires that an impairment test be undertaken when the following conditions are met:

- the period for which the entity had the right to explore in the specific area expired during the period or will expire in the near future and is not expected to be renewed
- substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned
- exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale
- the Company loses the legal right to explore in the area
-

For the Corporation's Garry Lake and Boomerang Projects, due to the issues relating to environmental and land use permits, the Corporation does not have the legal right to conduct exploration and evaluation activities. The lack of legal access to the properties indicates that the deferred property costs related to these projects will be considered to be impaired on transition to IFRS. All costs associated with these projects will be impaired. All costs relating to these projects in 2010 will be expensed as incurred.

A charge of approximately \$6,443,500, consisting of \$1,410,095 relating to the Boomerang project and \$4,233,760 relating to the Garry Lake project along with pre-staking expenditures of \$799,645 to the Athabasca Basin will be made against opening deficit. These charges can be reversed in the future should the Corporation regain the legal right to conduct exploration activities.

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

Flow Through Share Premium

Flow through shares has not been contemplated explicitly by IFRS. There are two available accounting choices in use with respect to flow through shares:

- The current Canadian standard, where the only impact of flow through shares is on the company's balance sheet. Future taxes related to flow through issuances are recorded as a reduction to the amount of capital raised under the issuance when the renouncement is made.
- The current United States GAAP standard, where the amount received under the flow through issuance is split into an amount for a normal common share and an amount relating to the flow through element of the share. When the shares are issued, the amount relating to the common share is recorded as share capital and the flow through share premium is recorded as a liability. Under the US GAAP standard, the future tax impact of the renouncement is flowed through the income statement when the renouncement is made, net of the flow through share liability.

The Corporation has determined that the US GAAP standard is preferable to the current Canadian GAAP standard. The impact to the Corporation will be that share capital will be increased by the historic amounts of future taxes recorded against share capital, net of historic flow through share premiums.

Share capital will be increased by approximately \$1,159,011 and the opening deficit will be decreased as a result of this change in accounting policy.

Share-Based Payments

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

The Corporation has issued options under their stock option plan, for which the stock based compensation expense is recognized on a straight line basis over the vesting period. IFRS does not permit the fair value of share based payments to be expensed straight line over the vesting period but rather IFRS requires each installment to be fair valued separately and amortized over the vesting period of each installment.

A charge of approximately \$30,235 will be made against opening deficit relating to the change in amortization policy for previously issued stock options.

Provisions (Including Asset Retirement Obligations)

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

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

The Corporation expects no adjustment to opening deficit as a result of the change in accounting policy.

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

Income Taxes

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

The Corporation is currently in the process of determining the full impact of the above changes to the Corporation's unrecognized future income tax asset.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards"

In general, an entity is required to apply the principles under IFRS on the basis that an entity has prepared its financial statements in accordance with IFRS since its formation. However, IFRS 1 provides entities with a number of one-time exemptions on the full retrospective application of IFRS standards. The Corporation expects to elect some of these exemptions and the most significant exemptions are described in the table below. Exemptions (mandatory or optional) that are not applicable, or where no accounting policy change or no significant impact is expected, have not been listed.

| | |
|---------------------------------------|--|
| Estimates | At the date of transition, the Corporation's estimates under IFRS will be consistent with estimates made for the same date under Canadian GAAP (after adjustments to reflect any difference in accounting policies) |
| Hedge accounting | The Corporation will not apply hedge accounting on transition to IFRS |
| Business combinations | IFRS 3 requires entities to retrospectively adjust business combinations that occurred prior to January 1, 2010. The IFRS 1 exemption allows entities to apply IFRS 3 prospectively. The Corporation will elect the exemption and not restate any past business combinations occurring prior to January 1, 2010 |
| Borrowing costs | This exemption allows entities to prospectively capitalize interest associated with projects for which construction / production / acquisition commences on or after the date of transition thereby avoiding the retrospective reconstruction of such amounts for periods prior to the IFRS transition date. The Corporation's current accounting policy is considered to be aligned with IFRS and, hence, the Corporation will not need to adopt this exemption |
| Compound financial instruments | IAS 32 Financial Instruments: Presentation requires an entity to split a compound financial instrument at inception into separate liability and equity components. However, under IFRS, a first time adopter need not separate these two components if the liability component is no longer outstanding at the date of transition to IFRS. The Corporation will elect this exemption with respect to convertible debt that matured before the adoption of IFRS |

**URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS**

Year Ended December 31, 2010

Decommissioning liabilities included in the cost of property and equipment

The International Financial Reporting Interpretations Committee ("IFRIC") 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to, or deducted from, the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. First time adopters can elect not to comply with these requirements for changes in such liabilities that occurred before the date of IFRS transition. The Corporation currently has no existing decommissioning, restoration or similar liabilities and will not need to adopt the exemption

Share based payment transactions

The Corporation will elect the exemption for all settled share-based payment plans, grants and tranches. The Corporation will apply IFRS 2 "Share Based Payments", to all stock options granted after November 7, 2002 and vest after December 31, 2009

Financial Assets and Liabilities and Related Risk Management

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

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

The Corporation's cash and cash equivalents 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 balance sheet. The Corporation designated its accounts receivable and deposits as loans and other receivables and are recorded at amortized cost on the balance sheet. The Corporation's accounts payable and accrued liabilities are classified as other financial liabilities and are recorded at amortized cost on the balance sheet.

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

Credit Risk

The Corporation is exposed to credit risk on its cash and cash equivalents, accounts receivable and deposits. At December 31, 2010, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 1,009,008 |
| Accounts receivable, excluding GST recoverable | 4,725 |
| Deposits | <u>19,000</u> |
| | <u>\$ 1,032,733</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

**URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS**

Year Ended December 31, 2010

amounts due according to the original terms of the receivables. The Corporation's invoices are due when rendered. The carrying amount of the trade accounts receivable is reduced through the use of the allowance account, and the amount of any increase in the allowance is recognized in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade accounts receivable of \$4,725 (2009 - \$23,375) relate to amounts due on the resale of certain camp supplies (2009 - due from Cameco Corporation for their share of costs on the Boomerang property). 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, 2010, the Corporation did not have any past due or impaired accounts receivable.

The Corporation mitigates its exposure to cash and cash equivalent credit loss by holding its cash and cash equivalents in major Canadian financial institutions.

Liquidity Risk

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

All of the Corporation's financial liabilities, being the balance of accounts payable and accrued liabilities, are due within the current year. The Corporation does not have any contractual financial liabilities with payments required beyond the current year other than as described in note 15.

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 United States ("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, 2010 | 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>\$ 1,106,988</u> | <u>\$ 47,600</u> | <u>\$ (47,600)</u> |

URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

Interest Rate Risk

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

The Corporation did not hold any investments in interest bearing securities at December 31, 2010.

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, 2010 | Price Risk Net income effect of | |
|--|---|------------------------------------|---------------------------|
| | | 10% decrease in prices | 10% increase in prices |
| Held-for-trading marketable securities | <u>\$ 3,722,168</u> | <u>\$ (320,106)</u> | <u>\$ 320,106</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 year-end balances and will change due to fluctuations in the balances throughout the year. In addition, for the purpose of the sensitivity analyses, the effect of a variation in a particular assumption on the fair value of the financial instrument was calculated independently of any change in another assumption. Actual changes in one factor may contribute to changes in another factor, which may magnify or counteract the effect on the fair value of the financial instrument.

Fair Values

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

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

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

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

The Corporation operates as a mineral explorer in the mining industry that is Canada wide in scope. Mineral exploration involves considerable financial and technical risk. Substantial time and expenditures are usually required to make a discovery and to establish economic ore reserves. It is impossible to ensure that the current exploration properties and programs planned by the Corporation will result in an economic mineral discovery and development. Accordingly, success

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

in achieving the objectives of the Corporation is affected by many circumstances over which the Corporation has no control. There is inherent risk in the exploration for mineral resources that is unavoidable. Also, there are risks associated with political instability, the impact of commodity prices on the valuation of mineral properties and share prices and general changes in economic conditions and the ability of the Corporation to obtain LUPs on its mineral properties.

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

The Corporation, from time to time, invested in marketable securities with a view to generating returns to assist in funding the Corporation's operating expenses. 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 eliminate its exposure in marketable securities due to the current uncertain economic outlook and market volatility.

The Corporation still holds a small portfolio of marketable securities that are affected, positively and negatively, by fluctuating market conditions. There is no guarantee that such investments will generate positive returns. There is a risk that the Corporation may, from time to time, incur losses on these investments, which could compromise the Corporation's funding plans.

Management and Corporate Matters

The Corporation is dependent on a small number of key personnel. The loss of any of these people could have an adverse affect on the Corporation.

Nature of Operations

The Corporation is a uranium exploration company that utilizes applied research to develop new innovative exploration technologies to identify buried uranium deposits in under-explored areas. Our exploration focus is in sandstone basins in Canada and specific areas globally.

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.

In 2011 the Corporation anticipates increasing its land position in the Athabasca Basin in under-explored corridors that have been by the Corporations technical team. This will allow the new technology to be applied with a high probability of success. In 2011, the Corporation will also expand its property evaluation and acquisition efforts toward rare-earth-element

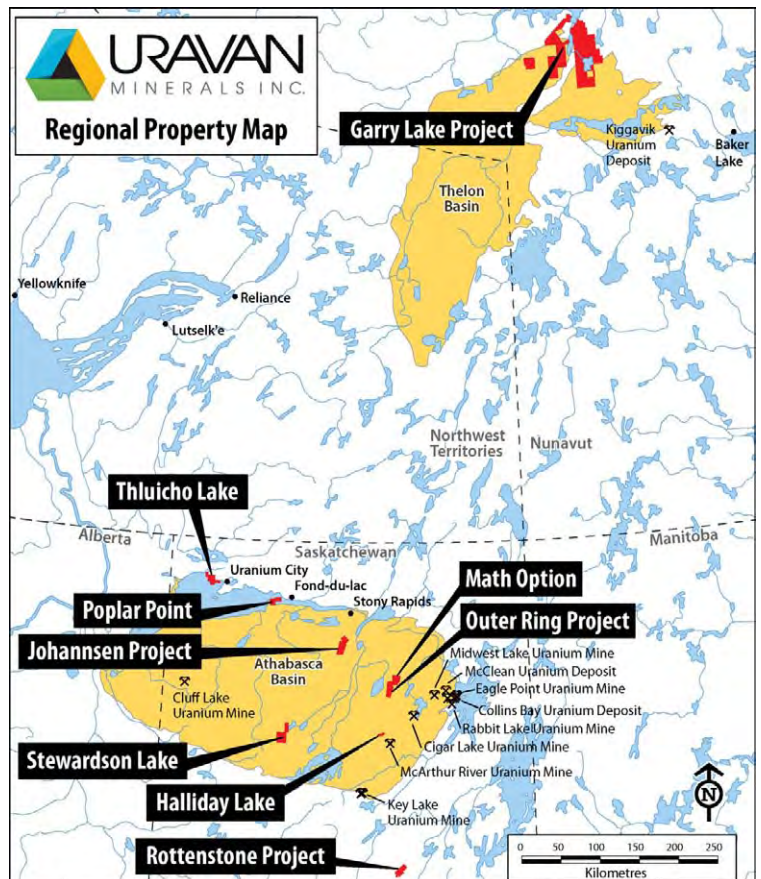


Figure 1 – Uravan Property Portfolio

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

(REE) geological domains in North America and specific areas globally. The REEs and uranium mineralization occur in related geological environments thereby complimenting the Corporation's uranium exploration efforts with a strategy to add diversification to its portfolio. Further, the Corporation will advance the exploration of the Rottenstone Ni-Cu-PGE project. This objective is supported by the development of new drill targets defined by recent geophysical re-interpretation and compilation work. To accomplish these drilling objectives, the Corporation is seeking a JV partner or other project financing.

Property Summary and Exploration Update

From 2007 to 2010 exploration activity on both the Boomerang and Garry Lake uranium projects in the Thelon Basin have been delayed and are considered challenging going forward due to land access restrictions. These arise are a result of Aboriginal community, NGO and public concerns regarding potential adverse cultural and socioeconomic impacts from uranium exploration and development in the Thelon River Basin region. Given the challenging land access issues in these jurisdictions, in 2010 the Boomerang and Garry Lake projects were put on hold pending approval of Land Use Permits (LUP). In December 2010 the Corporation entered into a Letter of Intent with Cameco Corporation (Cameco) to exchange all of its interest in the Boomerang property for 100% of certain mineral dispositions in the Athabasca Basin owned by Cameco.

In December 2009 and in August 2010 the Corporation acquired a land position in the Athabasca Basin with its Outer Ring and Johannsen Lake uranium projects. These acquisitions represent a first step in obtaining a major position in this uranium endowed district. The terrain being evaluated is the underexplored and further basin-ward 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 based on the Athabasca Core Review (described below).

In 2010 the Corporation focused its exploration activities on its Outer Ring and Johannsen Lake uranium projects in the Athabasca Basin with the objective being to establishing viable surface geochemical targets for drill testing in early 2011. The geochemical data from the Outer Ring and Johannsen Lake surface sampling programs capitalized on new technology developed from a pilot study conducted on the Cigar West uranium deposit (Cigar West Study described below)

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

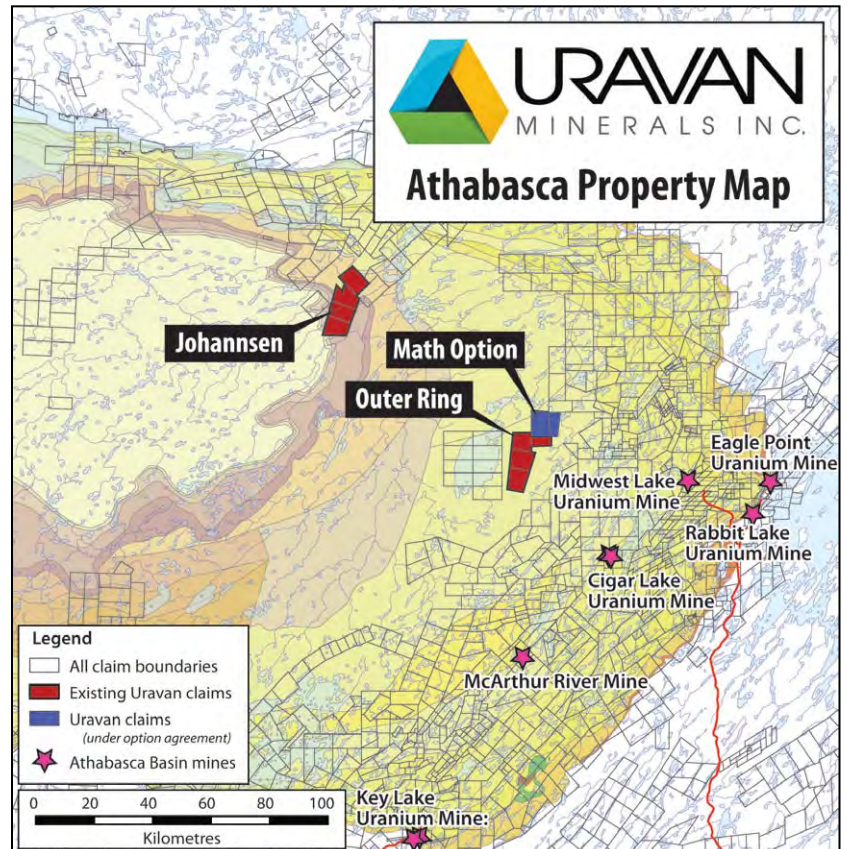


Figure 2 – Outer Ring and Johannsen Lake property location map.

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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 2027 samples were collected and analyzed as part of the OR surface geochemical survey.

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. At the time of this writing, five (5) drill targets have been defined. These targets are positioned to test specific areas having the best geochemical anomalies. Starting in June 2011, a five (5) drill-hole program will commence with drill depths averaging 850 meters.

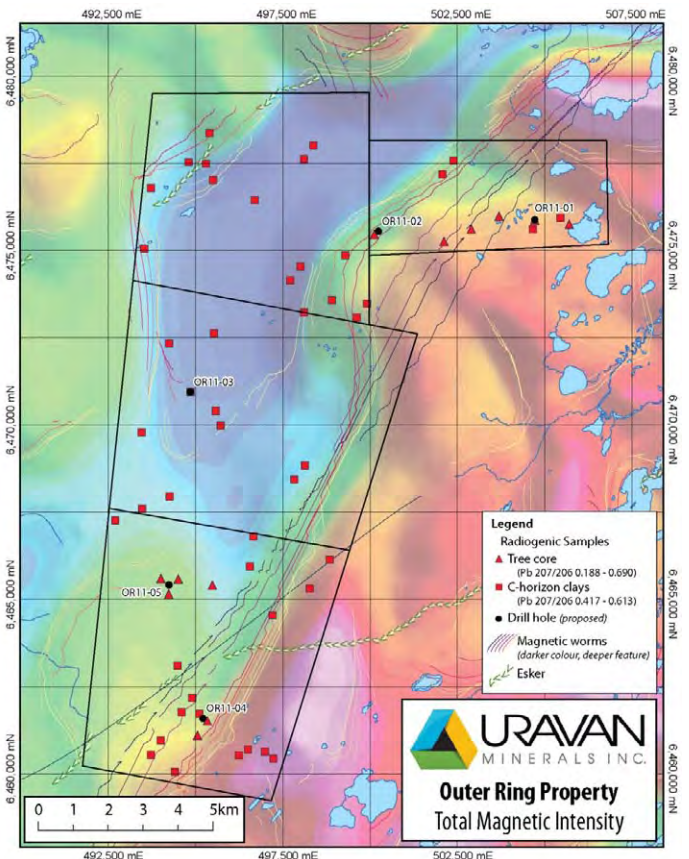


Figure 3— OR project map showing positive tree-core, clay and vegetation anomalies

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. 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 2241 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.

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

The compilation and interpretation of the analytical database from the JL surface program have been completed and have produced a number of positive, robust 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 4).

At the time of this writing no specific drill targets have been defined. An initial diamond drill program is anticipated for late in 2011 or early 2012 provided funding is available.

Recently Acquired Athabasca Basin Property Portfolio

In December 2010, the Corporation signed a non-binding Letter of Intent (LOI) with Cameco Corporation ("Cameco") to exchange its 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 1 and 5). On March 25, 2011 a definitive exchange agreement (Purchase and Sale Agreement) between Cameco and the Corporation was signed.

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 8121 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 onetime 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).

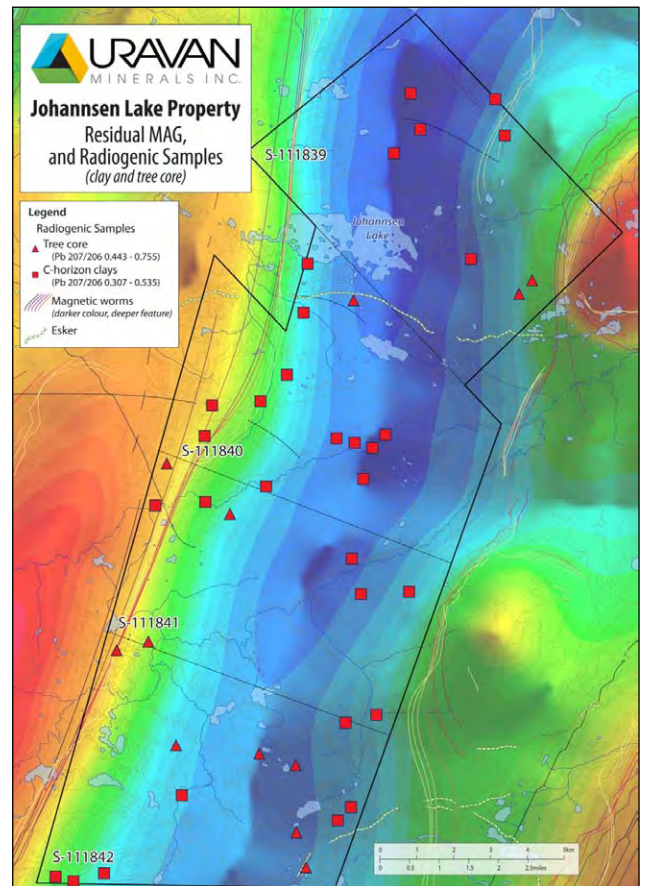


Figure 4—JL project map showing positive tree-core, clay and vegetation anomalies

The properties recently acquired by the Corporation from the exchange with Cameco and the Option with ESO will provide the Corporation a much larger 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. Programs and budgets are in place for 2011 to complete multifaceted surface geochemical sampling programs on the Halliday Lake, Stewardson Lake and Math projects. The objective of these geochemical surveys is to evaluate the most probable location of buried uranium mineralization. Pending positive results, potential mineral targets identified will be drilled on some of these projects by late summer 2011.

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

Halliday Lake project

The Halliday Lake property consists of a single mineral disposition (S-107299) amounting to 2169 hectares in size and located approximately 18 kilometers northwest of McArthur River uranium deposit in the eastern Athabasca Basin. Historically, six (6) widely-spaced diamond drill holes were completed amounting to 5176 metres drilled with drill depths averaging about 850 meters. 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 800 ppm to 0.12% U3O8 over narrow intervals (<1.0 meters).

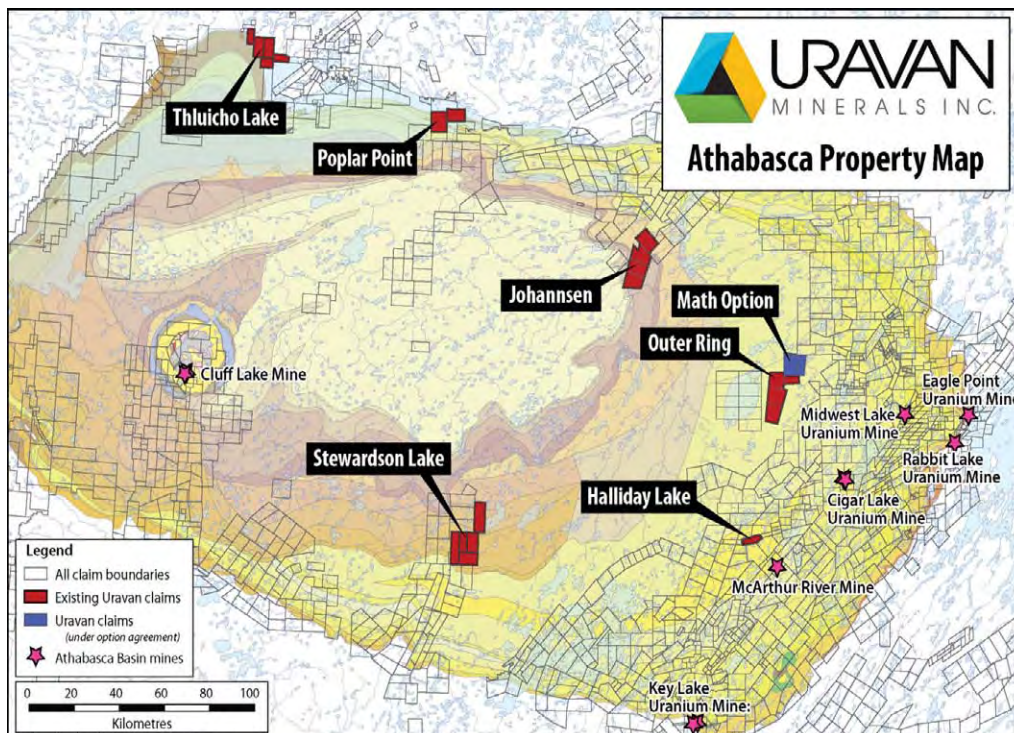


Figure 5 – Athabasca Basin Property Portfolio

In 2011, the Corporation plans to complete a multifaceted surface geochemical survey over the property. This surface sampling program will consist of 350 sample sites (soils and vegetation/tree-core) on a 22.5 meter spaced off-set grid. The sampling and analytical procedures will follow the same protocols used for the OR and J L surface sampling programs. The Halliday property has high prospectivity and strong potential for intersecting economic uranium mineralization. Pending positive geochemical results from this summer's surface sampling program, a late 2011 summer drill program is anticipated.

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 (within the Virgin River corridor).

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

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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). Cameco proposed two drill holes targeting apparent thickening in conductivity and corresponding relative gravity low along this trend. The Corporation will attempt to improve the resolution of the geophysical data with a surface geochemical sampling program this summer.

The Corporation plans to complete a multifaceted surface geochemical survey over the property in June 2011. This surface sampling program will consist of 2000 sample sites (soils, vegetation and tree-cores) on 330 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 winter 2012 drill program is anticipated, pending appropriate funding.

Poplar Point project

The Poplar Point property consists of 2 mineral dispositions (S-107651 and S-107652) totaling 9654 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 late 2011 or summer 2012 followed by drilling. Drilling is pending favorable surface geochemical results. 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.

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

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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% U_3O_8 with a high of 27% U_3O_8 . The uranium mineralization is generally accompanied by elevated Pb, V, B, Co, Ni and Cu values (Source: Cameco reports).

The Corporation will complete reconnaissance outcrop sampling and mapping on the Thluicho project this summer. The property will be systematically assessed for its uranium and REE mineralization potential in upcoming exploration programs in the near future.

Math Option project

The Math property consists of two (2) mineral dispositions (S-108465 and S-108466) totaling 8121 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 surveys 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 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 2011, the Corporation plans a multifaceted surface geochemical survey over the property. This surface sampling program will consist of 800 sample sites (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 J L surface sampling programs. Pending positive geochemical results from this summer's surface sampling program, a winter 2012 drill program is anticipated, pending appropriate funding.

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.

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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 U_3O_8 grading 17.04% U_3O_8 (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.

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'

URAVAN MINERALS INC.

MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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.

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 1210 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")

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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.

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.

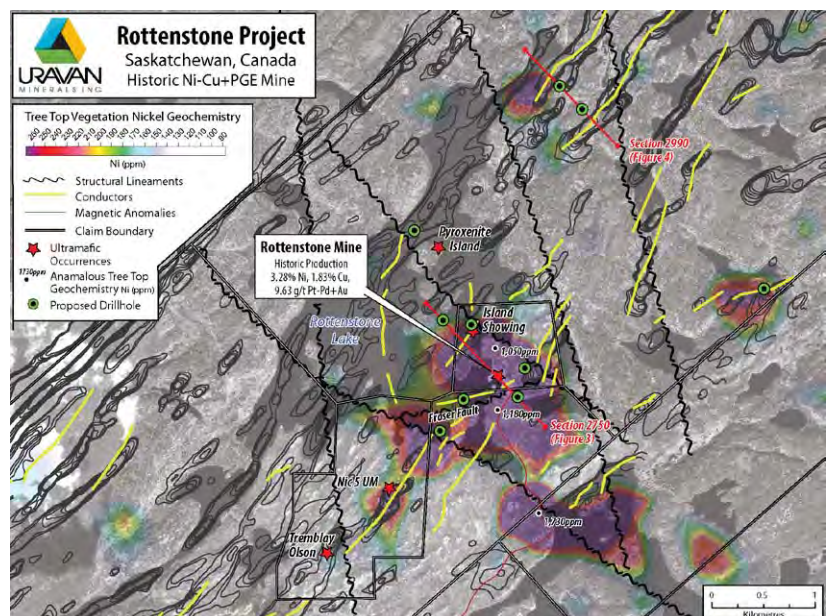


Figure 6 – Rottenstone deposit area showing major structural, geophysical and geochemical features

URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2010

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 deformed supracrustal meta-sedimentary rocks.

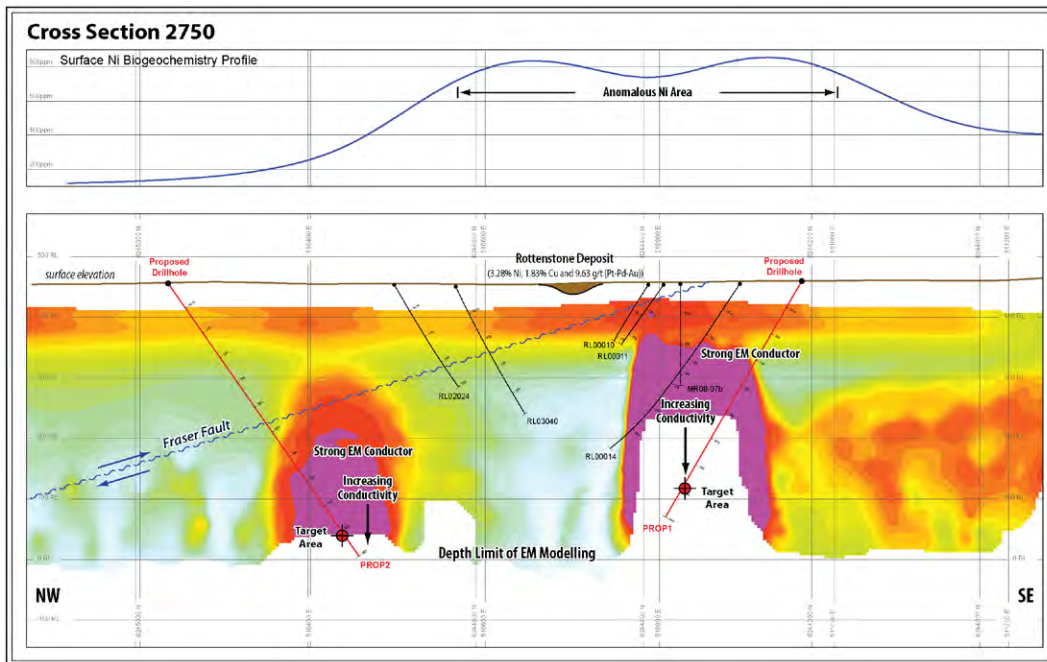


Figure 7. Section 2750. VTEM Resistivity Depth Inversion, Ni Tree Top Geochemistry

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 established 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 Corporation's 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).

**URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS**

Year Ended December 31, 2010

Forward Looking Statements

The year ended December 31, 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

URAVAN MINERALS INC.

MANAGEMENT PROXY CIRCULAR for the Annual and Special Meeting of Shareholders to be Held on May 20, 2011

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Uravan Minerals Inc. (the "**Company**" or "**Uravan**") for use at the annual and special meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of the Company (the "**Shareholders**"), to be held at the Company's office located at Suite 204, 2526 Battleford Avenue S.W., Calgary, Alberta T3E 7J4 on May 20, 2011 at 3:00 P.M. (Calgary time) for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise stated, the information contained in this Management Proxy Circular is given as at April 25, 2011.

No person has been authorized by the Company to give any information or make any representations in connection with the transactions herein described other than those contained in this Management Proxy Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

GENERAL PROXY INFORMATION

General Meeting Requirements

As at the date hereof, there are 34,240,947 Common Shares issued and outstanding. Each outstanding Common Share is entitled to one vote on any ballot at the Meeting. The board of directors (the "**Board**") of the Company has fixed the record date for the Meeting at the close of business on April 15, 2011 (the "**Record Date**"). The Company will prepare, as of the Record Date, a list of Shareholders entitled to receive the Notice of Meeting and showing the number of Common Shares held by each such Shareholder. Each Shareholder named in the list is entitled to vote the Common Shares shown opposite such Shareholder's name at the Meeting except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting, by 4:30 p.m. (Calgary time) not later than 10 days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting.

A quorum for the transaction of business at the Meeting shall be present if two Shareholders holding in the aggregate five (5%) percent of the Common Shares entitled to vote at the Meeting are present in person or represented by proxy.

Appointment of Proxies

Those Shareholders who desire to be represented at the Meeting by proxy must deposit their proxy with the Proxy Department, Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the day of the Meeting, or adjournment or adjournments thereof. A proxy must be executed by the shareholder or his or her attorney authorized in writing, or if the shareholder is a Company, under its seal by an officer or attorney thereof duly authorized.

The persons named in the accompanying proxy are directors and officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on such Shareholder's behalf at the Meeting other than the persons named in the proxy.** To exercise this right, the Shareholder must strike out the name of the persons named in the proxy and insert the name of his or her nominee in the space provided or complete another appropriate form of proxy and, in either case, deposit the proxy with the Company at the place and within the time specified above for deposit of proxies.

Persons Making the Solicitation

The solicitation is made on behalf of the management of the Company. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Meeting and this Management Proxy Circular will be borne by the Company. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or by other means of communication and by directors and officers of the Company, who will not be specifically remunerated therefore. While no arrangements have been made to date by the Company, the Company may contract for the distribution and solicitation of proxies for the Meeting. The costs incurred by the Company in soliciting proxies will be paid by the Company.

Exercise of Discretion by Proxy

The Common Shares represented by the Instrument of Proxy enclosed with this Notice of Meeting and Management Proxy Circular will be voted in accordance with the instructions of the Shareholder. **In the event that no specification is made, the Common Shares will be voted in favour of the matters set forth in the proxy.** If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Management Proxy Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Management Proxy Circular, management of the Company knows of no such amendments or variations or other matters to come before the Meeting.

Revocation of Proxies

A Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy attends personally at the Meeting at which the proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the shareholder or its attorney authorized in writing, or, if the shareholder is a Company, under its corporate seal and signed by a duly authorized officer or attorney for the Company, and deposited at the registered office of the Company at any time up to and including the last day (other than Saturdays, Sundays and holidays) preceding the day of the Meeting at which the proxy is to be used, or any adjournment or adjournments thereof, or with the chairman of the Meeting on the day of the Meeting, or on the day of any adjournment thereof, prior to the commencement of the Meeting.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many public Shareholders, as a substantial number of the public Shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Management Proxy Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with an Broadridge sticker on it cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

MATTERS TO BE ACTED UPON AT THE MEETING

Presentation of Financial Statements

At the Meeting, Shareholders will receive and consider the financial statements of the Company for the fiscal year ended December 31, 2010 and the auditors' report on such statements.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors for the present time at five (5) as may be adjusted between shareholders' meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting at five (5).

Election of Directors

At the Meeting, Shareholders will be asked to elect the proposed directors set forth below to hold office until the next annual meeting or until their successors are elected or appointed. There are presently five (5) directors of the Company, each of whom retires from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the nominees hereinafter set forth to hold office until the next annual meeting, or until their successors are elected or appointed:

Larry Lahusen
 Michael Lavery
 Dr. Larry Hulbert
 Torrie Chartier-Holloway
 Chris Pettman

The names and places of residence of the persons either nominated for or presently holding office as directors, the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, the period served as director and the principal occupation during the last five years of each are as follows:

| Name and Place of Residence | Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly ⁽³⁾ | Director Since | Principal Occupation for Past Five Years |
|--|---|------------------|---|
| Larry Lahusen ⁽²⁾ Chief Executive Officer and Director (Chairman) Alberta, Canada | 9,417,272 | January 19, 1998 | Independent geologist and self-employed private business executive since 1974 with a B.Sc. Degree in Geology. Extensive experience over the last 40 years working as an exploration geologist with various private and public companies and other venture capital groups looking for uranium, base metals and precious metal deposits in North America. |
| Michael Lavery ⁽¹⁾⁽²⁾ Chief Financial Officer and Director Alberta, Canada | 479,333 | May 27, 1999 | Self-employed Chartered Accountant over the last 30 years, President of Comconsult Limited and a director of Glencoe Resources Ltd. |

| Name and Place of Residence | Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly ⁽³⁾ | Director Since | Principal Occupation for Past Five Years |
|---|---|------------------|--|
| Chris Pettman ⁽²⁾ , Vice President of Exploration, Director Alberta, Canada | 38,500 | November 1, 2010 | Mr. Chris Pettman holds a B.Sc. (Hon) in geology from the University of Calgary and a B.A. in economics and political science from Simon Fraser University. He began his career as an associate at an executive recruiting firm before holding both front line and management positions for several large companies. Chris has been a member of the Uravan technical team since 2007. In Uravan's effort to develop new technologies for defining bedrock sources of uranium mineralization, Chris has been working closely and collaboratively with Dr. Kurt Kyser at QFIR (Queen's Facility for Isotope Research) on several studies. Before being promoted to Vice President Exploration on November 1, 2010, Chris acted as project geologist on several uranium projects in both the Thelon and Athabasca basins, involving both drilling and multifaceted geochemical sampling programs. |

| Name and Place of Residence | Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly ⁽³⁾ | Director Since | Principal Occupation for Past Five Years |
|---|---|----------------|---|
| Dr. Larry Hulbert ⁽¹⁾⁽²⁾ Director Alberta, Canada | Nil | May 20, 2011 | Dr. Hulbert holds a B.Sc. and M.Sc. from the University of Regina (1975-78) and a D.Sc. from the University of Pretoria, South Africa (1983). Dr. Hulbert has been registered as a Professional Geoscientist since 2003 and as a Qualified Person for the purpose of National Instrument 43-101. From 1984 to 2007 Dr. Hulbert was employed by the Geological Survey of Canada (GSC) conducting research on the Metallogeny of Mafic-Ultramafic Rocks with an emphasis on Ni-Cu-PGE mineralization. Dr. Hulbert left the GSC in 2007. From 2007 to the present he has been working as a Ni-Cu-PGE specialist consulting for exploration companies engaged in Ni-Cu-PGE and Cr-V exploration in Canada, USA and Mexico. Dr. Hulbert has authored numerous professional papers, was a Robinson Distinguished Lecturer for the Geological and Mineralogical Association of Canada, and in 2003 received the Earth Sciences Sector Merit Award from Natural Resources Canada. |
| Torrie Chartier-Holloway ⁽¹⁾⁽²⁾ Director Alberta, Canada | Nil | May 20, 2011 | Ms. Torrie Chartier holds a M.Sc. from Michigan Technology University (1986) and an MBA from the University of Calgary, Alberta (2003). Torrie has been registered as a Professions Geoscientist (P. Geol.) and as a Qualified Person for the purpose of National Instrument 43-101. Torrie has over 20 years of experience in the diamond exploration industry. From 1983 to present Torrie has worked as a independent consultant and diamond exploration specialist, managing exploration projects for various junior diamond companies and has been directly involved in the discovery of kimberlites in the Great Lakes Region of Michigan in the US as well as NWT, Canada and in Western Greenland. In addition to Torrie's diamond exploration carrier, she is the company manager of Elbow River Helicopters Ltd. based in Calgary. The company is family owned by her husband and herself. |

Notes:

- (1) Members of Audit Committee.
- (2) Members of the Compensation Committee.
- (3) Does not include any share options or warrants beneficially owned or controlled by the directors. As of the date hereof, in aggregate, the directors of the Company, as a group, hold options to purchase 2,715,000 Common Shares exercisable at \$0.45 per share. There are no outstanding warrants. As at the date hereof, the directors and officers of the Company, as a group, beneficially owned, directly or indirectly, an aggregate of 9,934,605 Common Shares or approximately 29.01% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company's executive officers and directors, no proposed director: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Company) that, (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, which resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or

similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (c) while that person was acting in the capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (ii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; or (iii) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director. In addition, no proposed director of the Company has, within the 10 years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold its assets.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of Collins Barrow Calgary LLP, to serve as auditors of the Company until the next annual meeting of shareholders and to authorize the directors to fix their remuneration as such. Collins Barrow Calgary LLP was first appointed as the Company's auditors in 2004.

Re-Approval of Share Option Plan

The rules of the TSX Venture Exchange ("**TSXV**") require that a company ratify any "rolling" 10% share option plans at each annual meeting of shareholders. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the Company's rolling share option plan (the "**Share Option Plan**") which authorizes the Board to issue share options to directors, officers, employees and other service providers as detailed below. The Share Option Plan will permit the granting of options to acquire common shares in a number equal to 10% of the Company's issued and outstanding share capital.

The Share Option Plan includes the following:

- (a) the total number of Common Shares issuable pursuant to the Share Option Plan shall not exceed 10% of the aggregate of the issued and outstanding Common Shares on the date of grant;
- (b) the number of Common Shares reserved for issuance, within a one-year period, to any one optionee shall not exceed 5% of the number of issued and outstanding Common Shares;
- (c) the maximum number of Common Shares reserved for issuance pursuant to options granted to Insiders at any time may not exceed 10% of the number of issued and outstanding Common Shares;
- (d) the maximum number of Common Shares which may be issued to Insiders, within a one-year period, may not exceed 10% of the number of issued and outstanding Common Shares;
- (e) the maximum number of Common Shares which may be issued to any one insider and the associates of such insider, within a one-year period, may not exceed 5% of the number of issued and outstanding Common Shares; and
- (f) the exercise price of any option subject to the Share Option Plan shall not be less than the current market price of the Common Shares, which shall mean the most recent closing price per share for Common Shares on the last trading day preceding the date of grant on which there was a closing price on the TSXV (or if the Common Shares are not listed on the TSXV, on such stock exchange as the Common Shares are then traded).

A copy of the Share Option Plan will be available for inspection at the Meeting and will be sent to any shareholder upon request.

At the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution in the following form:

"BE IT RESOLVED THAT:

1. the Share Option Plan be and the same is hereby ratified, confirmed and approved;
2. the total number of Common Shares issuable under the Share Option Plan shall not exceed 10% of the aggregate of the issued and outstanding Common Shares on the date of the grant;
3. any one director or officer of the Company be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
4. notwithstanding that this resolution has been passed by the shareholders of the Company, the proposed amendment of the existing Share Option Plan is conditional upon receipt of final approval from any stock exchange having jurisdiction and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

In order to be passed, the foregoing resolution must be approved by the affirmative vote of a simple majority of the votes cast by the Shareholders who vote in person or by proxy at the Meeting. **The persons named in the accompanying Instrument of Proxy intend, unless otherwise directed, to vote in favour of the resolution approving the Share Option Plan.**

Recommendation of the Board.

The Board unanimously recommends that shareholders ratify, confirm and approve the Share Option Plan by voting in favour of the resolution to be submitted to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares ("**Preferred Shares**"), all without nominal or par value. As at the date hereof, there are 34,240,947 Common Shares and no Preferred Shares issued and outstanding. The Preferred Shares are not entitled to be voted at the Meeting.

To the best of the Company's knowledge and based on existing information, as at the date hereof, there are no persons who own, control or direct, directly or indirectly, more than 10% of the outstanding Common Shares, except as set forth below:

| Name and Municipality of Residence | Number of Common Shares Held | Percentage of Common Shares Held |
|---------------------------------------|---------------------------------|-------------------------------------|
| Larry Lahusen Bragg Creek, Alberta | 9,417,272 ⁽¹⁾ | 27.50% |

Note:

- (1) 1,587,800 Common Shares are held indirectly and through a company which is controlled by Larry Lahusen.

STATEMENT OF EXECUTIVE COMPENSATION

Role and Composition of the Board

UraVan's executive compensation program is administered by the Compensation Committee. The Board's mandate with respect to compensation includes evaluating senior management and developing appropriate compensation policies for the senior management and directors of the Company, including the Named Executive Officers (as defined below) which are identified in the "*Summary Compensation Table*" below. The duties and responsibilities of the Board with respect to compensation are further described in this Management Proxy Circular under the heading "*Corporate Governance Disclosure - Compensation*". During the year ended December 31, 2010, the Board was comprised of Messrs. Larry Lahusen, Michael Lavery, Theodore Renner,

William Grafham, Bob Drury and Chris Pettman. Messrs. William Grafham, Theodore Renner and Bob Drury are "independent" for the purposes of National Instrument 58-201 – *Corporate Governance Guidelines* ("NI 58-201"). Messrs. Larry Lahusen, Michael Lavery and Chris Pettman are not "independent" for the purposes of NI 58-201 as they are executive officers of the Company.

Compensation Discussion and Analysis

Executive Compensation Principles

Our compensation program is based on the principle that compensation should be aligned with the objectives and vision of the Company and the Shareholders' interests. Senior management recognizes that the Company's corporate performance is dependant upon retaining highly trained, experienced and committed directors, executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage our business. Our program also recognizes that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the mining industry and the impact of internal and market-related occurrences from time to time.

Our executive compensation program is comprised of the following principal components: (a) base salary; (b) short-term incentive compensation comprised of discretionary cash and/or share bonuses; and (c) long-term incentive compensation comprised of share options. See "*Incentive Plans*". Together, these components support our long-term growth strategy and are designed to address the following key objectives of our compensation program:

- align executive compensation with the objectives and vision of the Company and Shareholders' interests;
- attract and retain highly qualified management with an appropriate level of incentives;
- focus performance by linking incentive compensation to the achievement of business objectives and financial and operational results; and
- encourage retention of key executives for leadership succession.

The aggregate value of these principal components and related benefits, is used as a basis for assessing the overall competitiveness of the Company's executive compensation package. When determining executive compensation, including the assessment of the competitiveness of the Company's compensation program, the Board reviews the compensation practices of companies in its selected peer group. These companies compete with UraVan for executive talent, operate in a similar business environment and are of similar size, scope and complexity.

The Company's peer group for these purposes is comprised of approximately three or four similar sized companies based upon such factors as revenue, total assets, free cash flow, capital expenditures and number of employees. For this purpose, the Company obtains industry reports and general compensation surveys conducted by independent consultants and professional associations.

The Company's compensation program is primarily designed to reward performance and, accordingly, the performance of both the Company, as well as the individual performance of executive officers during the year in question, is examined by the Board in conjunction with setting executive compensation packages. The Board does not set specific performance objectives in assessing the performance of the President and Chief Executive Officer and other executive officers; rather the Board uses its experience and judgment in determining an overall compensation. The Company's compensation program is primarily designed to reward performance and, accordingly, the performance of both the Company, as well as the individual performance of executive officers during the year in question, are examined by the Board in conjunction with setting executive compensation packages. The Board does not set specific performance objectives in assessing the performance of the President and Chief Executive Officer and other executive officers; rather the Board uses its experience and judgment in determining an overall compensation package for the President and Chief Executive Officer and other executive officers. Some of the factors looked at by the Board in assessing the performance of the Company and its executive officers are as follows: (a) project development milestones; (b) capital costs on a share price basis; and (c) the Company's performance for all of the above relative to its goals and objectives and in relation to the performance of its industry peer group.

Elements of our Executive Compensation Program

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities. The annualized amount of such billings is comparable with the compensation of executive officers of other members of our peer group. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. Senior management bills time to the Company on a per diem basis through personally held consulting corporations.

Short-Term Incentive Compensation - Cash Bonuses

In addition to base salaries, the Company has the discretion to issue bonuses, upon recommendation of management to executive officers. Bonuses do not make up a consistent portion of the Company's compensation strategy due to its current stage of development and case position. The Company may also from time-to-time issue share bonuses in certain circumstances.

Long Term Incentive Compensation – Share options

Due to the junior nature of the Company and its operations, the high cash requirements of the Company's operations and the present stage of the Company's developments, The Company grants most of its "bonus" incentives in the form of share option awards.

Executive officers, along with all of Uruvan's officers, directors, employees and consultants retained by the Company, are eligible to participate in the Share Option Plan. The Share Option Plan and the Common Shares reserved thereunder have been approved by Shareholders. The Share Option Plan promotes an ownership perspective among executives, encourages the retention of key executives and provides an incentive to enhance shareholder value by furthering the Company's growth and profitability. As with most companies in the Company's peer group, share options form an integral component of the total compensation package provided to the Company's executive officers. Participation in the Share Option Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Share Option Plan enables executives to develop and maintain a significant ownership position in the Company.

Share options are normally awarded by the Board upon the commencement of an individual's employment with the Company based on the level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of share options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. In considering additional grants, we evaluate the number of share options an individual has been granted, the exercise price and value of the share options and the term remaining on those share options. See "*Incentive Plans – Share Option Plan*" for a description of the detailed terms of our Share Option Plan.

Summary

The Company's compensation policies have allowed the Company to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Board will continue to review compensation policies to ensure that they are competitive within the mining industry and consistent with the performance of the Company.

Summary Compensation Table

The following table sets forth, for the year ended December 31, 2010, information concerning the compensation paid to our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**"). During the year ended December 31, 2010, the Company did not have any executive officers, other than the CEO and CFO, whose total compensation was more than \$150,000.

| Name and principal position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards ⁽¹⁾ (\$) | Non-equity incentive plan compensation (\$) | | Pension value (\$) | All other compensation ⁽²⁾ | Total compensation (\$) |
|---|------|-------------|-------------------------|---|---|---------------------------|--------------------|---------------------------------------|-------------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Larry Lahusen ⁽³⁾ Chief Executive Officer and Director | 2010 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2009 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2008 | Nil | Nil | 35,000 | Nil | Nil | Nil | Nil | 35,000 |
| Michael Lavery ⁽⁴⁾ Chief Financial Officer and Director | 2010 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2009 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2008 | Nil | Nil | 17,500 | Nil | Nil | Nil | Nil | 17,500 |

Notes:

- (1) Reflects "Options" issued under the Share Option Plan. Based on the grant date fair value of the applicable awards. The grant date fair value for compensation purposes is calculated using Black-Scholes Option pricing methodology.
- (2) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (3) Fees charged on a per diem basis on a consulting arrangement, aggregating in \$151,309/year as noted in the Company's financial statements.
- (4) Fees charged on a per diem basis on a consulting arrangement, aggregating in \$6,000/year as noted in the Company's financial statements.

Share Option Plan

The Company has a Share Option Plan which permits the granting of non-transferable options ("**Options**") to purchase Common Shares to directors, officers, key employees and consultants ("**Optionees**") of the Company. The Share Option Plan is intended to afford persons who provide services to the Company an opportunity to obtain an increased proprietary interest in the Company by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Company. The Share Option Plan is administered by the Board.

The Share Option Plan currently limits the number of Common Shares that may be issued on exercise of Options to a number not exceeding 10% of the number of Common Shares which are outstanding from time to time. Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Share Option Plan. As the Share Option Plan is a "rolling" plan, the issuance of additional Common Shares by the Company or the exercise of Options will also give rise to additional availability under the Share Option Plan.

The number of Common Shares issuable pursuant to Options granted under the Share Option Plan or any other security-based compensation arrangements of the Company: (i) to any one Optionee in a 12 month period may not exceed 5% of the outstanding Common Shares; (ii) issuable to insiders at any time shall not exceed 10% of the issued and outstanding Common Shares; (iii) issued to insiders within any one-year period may not exceed 10% of the outstanding Common Shares; and (iv) to any one insider and the associates of such insider may not exceed 5% of the issued and outstanding Common Shares.

Options issued under the Share Option Plan may be exercisable for a period not exceeding five years and vest as determined by the Board on the date of grant.

Options issued pursuant to the Share Option Plan shall have an exercise price that shall not be less than the current market price of the Common Shares, which shall mean the most recent closing price per share for Common Shares on the last trading day preceding the date of grant on which there was a closing price on the TSXV (or if the Common Shares are not listed on the TSXV, on such stock exchange as the Common Shares are then traded).

In the event an Optionee ceases to be a director, officer or key employee of the Company, any Option previously granted to such Optionee shall be exercisable until the earlier of: (i) the end of the Option period as set forth in the grant; or (ii) the expiration of 90 days from the date of the normal retirement of such participant, or one year from the date of the death or permanent disability

of such participant, and then, in the event of death or permanent disability, only by the person or persons to whom the participant's rights under the Option shall pass by the participant's will or applicable law, and only to the extent that the Optionee was entitled to exercise the Option as at the date of the holder's death or permanent disability.

Without the priory approval of the Shareholders, the Board may not: (i) make any amendment to the Share Option Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time; (ii) reduce the exercise price of any outstanding Options; (iii) extend the term of any outstanding Options beyond the original expiry date of such Option; (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders (as such term is defined in the Share Option Plan); (v) make any amendment to increase the maximum number of Common Shares issuable on exercise of Options to directors who are not officers or employees of the Company; (vi) make any amendment to the Share Option Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vii) amend the restrictions on amendments that are provided in the Share Option Plan. Subject to restrictions set out above, the Board may amend or discontinue the Share Option Plan and Options granted thereunder at any time, without shareholder approval, provided that any amendment to the Share Option Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Share Option Plan or Options granted pursuant to the Share Option Plan may be made without the consent of the Optionee if it adversely alters or impairs any Option previously granted to such Optionee.

The policies of the TSXV require that the Share Option Plan be approved every year by Shareholders. The Share Option Plan was last approved by Shareholders at our annual and special meeting held on May 21, 2010.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-based Awards

The Company did not have any share-based awards outstanding at the end of the most recently completed financial year.

Options are normally recommended by the Company's management and approved by the Board upon the commencement of employment with the Company based on the level of responsibility within the Company. Additional grants may be made periodically, generally on an annual basis, to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. When determining Options to be allocated to eligible participants, a number of factors are considered including a the number of outstanding Options held by such individual, the value of such Options and the total number of available Options for grant.

The following table sets forth for each Named Executive Officer all option-based awards outstanding at the end of the year ended December 31, 2010.

| Name | Option-based Awards | | | | Share-based Awards | |
|----------------|---|----------------------------|------------------------|---|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options ⁽¹⁾ (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| Larry Lahusen | 500,000 | 0.62 | 04/02/2011 | (110,000) | - | - |
| | 50,000 | 0.16 | 01/12/2014 | 12,000 | - | - |
| Michael Lavery | 150,000 | 0.62 | 04/02/2011 | (33,000) | - | - |
| | 100,000 | 0.62 | 06/12/2012 | (22,000) | - | - |
| | 50,000 | 0.16 | 01/12/2014 | 12,000 | - | - |

Note:

- (1) Calculated based on the difference between the market price of the Common Shares at December 31, 2010 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards which vested during the year ended December 31, 2010 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2010. The Company did not have any share-based awards outstanding at the end of the most recently completed financial year.

| Name | Option-based awards – Value vested during the year⁽¹⁾ (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|----------------|--|---|---|
| Larry Lahusen | - | - | - |
| Michael Lavery | - | - | - |

Note:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the Option on the vesting date and the exercise price of the Options.

Pension Plan Benefits

The Company does not have a pension plan or similar benefit program.

Director Compensation

Uravan does not currently pay cash fees for services to its independent directors. Each of the non-management directors participate in the Share Option Plan. Each non-management director receives an annual grant of Options.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2010, information concerning the compensation paid to our directors other than directors who are also Named Executive Officers.

| Name | Fees earned (\$) | Share- based awards (\$) | Option- based awards⁽¹⁾ (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|------------------------------|---------------------------------|---|--|--|-----------------------------------|--|-----------------------|
| William Grafham | - | - | 16,500 | - | - | - | 16,500 |
| Theodore Renner | - | - | 27,000 | - | - | - | 27,000 |
| Bob Drury | - | - | 18,000 | - | - | - | 18,000 |
| Chris Pettman ⁽²⁾ | - | - | 70,652 | - | - | - | 70,652 |

Notes:

- (1) Based on the grant date fair value of the applicable Options. The grant date fair value of the Options was calculated using the Black - Scholes Option pricing model.
- (2) Mr. Pettman was appointed to the Board on November 1, 2010.

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, all option-based awards outstanding at the end of the year ended December 31, 2010. The Company does not have any outstanding share-based awards.

| Name | Option-based Awards | | | | Share-based Awards | |
|------------------------------|---|----------------------------|------------------------|---|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options ⁽¹⁾ (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| William Grafham | 150,000 | 0.62 | 12/06/2012 | (33,000) | - | - |
| William Grafham | 50,000 | 0.16 | 01/12/2014 | 12,000 | | |
| Theodore Renner | 150,000 | 0.62 | 02/04/2011 | (33,000) | - | - |
| Theodore Renner | 150,000 | 0.62 | 12/06/2012 | (33,000) | - | - |
| Theodore Renner | 50,000 | 0.16 | 01/12/2014 | 12,000 | | |
| Bob Drury | 150,000 | 0.16 | 01/12/2014 | 36,000 | - | - |
| Chris Pettman ⁽²⁾ | 250,000 | 0.30 | 11/01/2015 | 25,000 | - | - |
| Chris Pettman ⁽²⁾ | 15,000 | 0.60 | 04/20/2013 | (6,000) | | |
| Chris Pettman ⁽²⁾ | 25,000 | 0.16 | 01/12/2014 | 6,000 | | |
| | | | | | | |

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the Options at December 31, 2010 and the exercise price of the Options.
- (2) Mr. Pettman was appointed to the Board on November 1, 2010.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, the value of option-based awards which vested during the year ended December 31, 2010 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2010. The Company does not have any share-based awards outstanding.

| Name | Option-based awards – Value vested during the year ⁽¹⁾ (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|------------------------------|--|--|--|
| Bob Drury | - | - | - |
| William Grafham | - | - | - |
| Theodore Renner | - | - | - |
| Chris Pettman ⁽²⁾ | - | - | - |

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the Options on the vesting date and the exercise price of the Options on the vesting date.
- (2) Mr. Pettman was appointed to the Board on November 1, 2010.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2010.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|--|--|--|--|
| Equity compensation plans approved by securityholders ⁽¹⁾ | 2,715,000 | \$0.45 | 709,095 |
| Equity compensation plans not approved by securityholders | - | - | - |
| Total | 2,715,000 | \$0.45 | 709,095 |

Note:

- (1) The Share Option Plan authorizes the issuance of Options entitling the holders to acquire, in the aggregate, up to 10% of its Common Shares from time to time. See "*Incentive Plans-Share Option Plan*".

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Company's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The requirements of Form 58-101F2 are set out below in italics:

The Board

Disclose the identity of directors who are independent.

William Grafham and Theodore Renner are independent directors.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

Larry Lahusen, Michael Lavery and Chris Pettman are not independent directors as they are executive officers of the Company.

Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

None of the directors of the Company are presently directors or trustees of other reporting issuers.

Orientation and Continuing Education

Describe what steps the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

While the Company does not currently have a formal orientation and education program for new recruits to the Board, the Company has historically provided such orientation and education on an informal basis. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Company, as well as information on the Company's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures will prove to be a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, limited changes to members of the Board and the experience and expertise of the members of the Board.

Ethical Business Conduct

Describe what steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board has adopted a formal Code of Business Conduct for directors and officers of the Company. Directors and officers will be required to sign acknowledgements that they have read and understand the Code of Business Conduct. A copy of the Code of Business Conduct is posted on SEDAR at www.SEDAR.com.

Nomination of Directors

Describe what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates; and (ii) the process of identifying new candidates.

Pursuant to their mandate, the Board has the responsibility of recruiting and recommending new members to the Board. At present, the Board has not identified the need to add any new directors. However, it is expected that any new candidates will be identified having regard to: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. The Board reviews on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.

Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation; and (ii) the process of determining compensation.

The Board is responsible for: (i) evaluating senior management; and (ii) developing appropriate compensation policies for the senior management and directors of the Company, including the Share Option Plan. The initial grant of Options is made at the time of recruitment and reviewed annually. Other than the granting of Options, no salary or bonuses have been paid to any directors or officers of the Company.

Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board does not have any standing committees other than the Audit Committee and Compensation Committee.

Assessments

Disclose what steps, if any, the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

The Board makes annual assessments regarding the effectiveness of the Board itself, committees and individual directors in fulfilling their responsibilities.

AUDIT DISCLOSURE

The Audit Committee of the Board is a committee established for the purpose of overseeing the accounting and financial reporting process of the company and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the company's internal accounting standards and practises, financial information, accounting systems and procedures, which procedures are set out below in the Company's Audit Committee mandate attached as Schedule "A".

Audit Committee Members

Messrs. Michael Lavery, Theodore Renner, William Grafham and are the members of the Audit Committee. Messrs. Renner and Grafham are independent directors, while Mr. Lavery is the CFO and not independent. All members of the Audit Committee are financially literate, and their qualifications and experience are as follows:

| Name and Municipality of Residence | Independent | Financially literate | Relevant Education and Experience |
|---|--------------------|-----------------------------|--|
| Michael Lavery Calgary, Alberta | No | Yes | President of Comconsult Limited, Director of Glencoe Resources Ltd. and Comcare Resources Ltd. |
| Theodore Renner Owen Sound, Ontario | Yes | Yes | Self-employed private business executive with B.Sc. Degree in Mechanical Engineering and MBA. Extensive experience work as senior management in the oil and gas resource industry for various public companies and venture capital groups. |
| William Grafham Calgary, Alberta | Yes | Yes | Self-employed business executive with 30 years of experience in the securities industry, management of venture capital primarily for natural resources companies, private equity and international venture capital partnerships. |

External Auditor Fees

The Audit Committee shall review and pre-approve all non-audit services to be provided to the Company by its external auditors.

Audit Service Fees

The following table discloses fees billed to the Company for the last two fiscal years by the Company's independent auditors, Collins Barrow Calgary LLP:

| Type of Service Provided | 2010 | 2009 |
|---------------------------------|-----------------|-----------------|
| Audit Fees: | \$48,000 | \$48,000 |
| Audit-Related Fees: | - | - |
| Tax Fees: | \$3,500 | \$4,000 |
| All Other Fees: | - | - |
| Total | \$51,500 | \$52,000 |

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and a quarterly review of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemptions

The Company relies on section 6.1 of Multilateral Instrument 52-110 – *Audit Committees*.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Company is not aware of any material interest of any director or nominee for director, or senior officer or any one who has held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors and as disclosed herein. See "*Matters to be Acted Upon at the Meeting – Election of Directors*".

Conflicts, if any, will be subject to the procedures and remedies available under the *Business Corporations Act* (Alberta) (the "ABCA"). The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors or executive officers of the Company, any shareholder who beneficially owns, controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other "Informed Person" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Company or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

OTHER MATTERS COMING BEFORE THE MEETING

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Management Proxy Circular. However, if any other matter properly comes before the Meeting, the forms of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com. Financial information in respect of the Company and its affairs is provided in the Company's annual audited comparative financial statements for the year ended December 31, 2010 and the related management's discussion and analysis. Copies of the Company's financial statements and related management discussion and analysis are available upon request from Larry Lahusen, CEO of the Company, (403) 264-2630.

SCHEDULE "A"

AUDIT COMMITTEE MANDATE

Introduction

Uravan Minerals Inc. ("**Uravan**" or the "**Corporation**") is an Alberta-based mineral exploration company. The Board of Directors of the Corporation (the "**Board**") has the responsibility for the overall stewardship of the conduct of the business of the Corporation and its subsidiaries and the activities of management of the Corporation, which is responsible for the day-to-day conduct of the business.

Purpose

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls and disclosure controls and procedures, to review and report on the integrity of the financial statements of the Corporation, to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board, and the composition of the Committee shall be such that it satisfies the "independence" requirements of Multilateral Instrument 52-110, *Audit Committees*.
2. All of the members of the Committee shall be "financially literate" (i.e. able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of those of the Corporation and that can be reasonably expected to be raised by the Corporation's financial statements).
3. The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their members.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet in person or by teleconference at such times and in such locations as may be required in order for the Committee to fulfill its obligations under this mandate. As an alternative to formal meetings, the Committee may, by written resolution, approve the financial statements, management's discussion and analysis and press releases of the Corporation. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee where financial statements are being considered and for which the external auditors provided an audit report or review; and

- (c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:

President and Chief Executive Officer
Chief Financial Officer

- (d) other management representatives shall be invited to attend as necessary.

8. The external auditors shall report directly to the Committee and the external auditors and internal auditors (if any) shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee of the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
9. The Committee may retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties and may set and pay the compensation for any advisor engaged. The Committee will notify the Chairman of the Board whenever independent consultants are engaged.

Roles and Responsibilities

10. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly financial statements and management's discussion and analysis;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal (if any) and external auditors and assess their performance;
 - (c) to assist the Board in the discharge of its responsibilities relating to oversight of the Company's internal, financial and disclosure controls and procedures;
 - (d) to periodically review the audit and non-audit services pre-approval policy and recommend to the Board any changes which the Committee deems appropriate;
 - (e) to periodically consider whether there is a need to outsource internal audit functions or create an internal audit department;
 - (f) to receive and review complaints received pursuant to the Corporation's Whistleblower Policy and oversee and provide direction on the investigation and resolution of such concerns and to periodically review the said policy and recommend to the Board changes which the Committee may deem appropriate;
 - (g) to report regularly to the Board on the fulfilment of its duties and responsibilities;
 - (h) to identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation; and
 - (i) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
11. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;

- (b) to recommend to the Board a firm of external auditors to be nominated for appointment by the shareholders of the Corporation, and to monitor and verify the independence of such external auditors;
- (c) to review and approve the fee, scope and timing of the audit and other audit related and non-audit services rendered by the external auditors;
- (d) review the audit plan of the external auditors prior to the commencement of the audit;
- (e) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors, as pre-approved pursuant to the audit and non-audit services pre-approval policy;
- (f) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles;
- (g) to review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
- (h) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

12. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Corporation's Code of Business Conduct Policy with those matters addressed in the policy which affect the financial integrity of the Corporation and to periodically review this policy and recommend to the Board changes which the Committee may deem appropriate; and
- (c) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal accounting staff or by the external auditors have been implemented.

13. The Committee is also charged with the responsibility to:
- (a) review and recommend to the Board for its approval, the Corporation's annual financial statements, management's discussion and analysis, annual information form and annual earnings press releases before the Corporation publicly discloses this information;
 - (b) review and approve the Corporation's interim financial statements, interim management's discussion and analysis including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto and interim earnings press releases before the Corporation publicly discloses this information;
 - (c) review and approve the financial sections of:
 - (i) the annual report to shareholders, if any;
 - (ii) the annual information form, if any;
 - (iii) prospectuses;
 - (iv) other public reports requiring approval by the Board; and
 - (v) press releases related thereto,and report to the Board with respect thereto;
 - (d) review regulatory filings and decisions as they relate to the Corporation's financial statements;
 - (e) review the appropriateness of the policies and procedures used in the preparation of the Corporation's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (f) review and report on the integrity of the Corporation's financial statements;
 - (g) review the minutes of any audit committee meeting of any subsidiary of the Corporation;
 - (h) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the financial statements;
 - (i) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and
 - (j) develop a calendar of activities to be undertaken by the Committee for each ensuing year related to the Committee's duties and responsibilities as set forth in this Charter and to submit the calendar in the appropriate format to the Board within a reasonable period of time following each annual general meeting of shareholders.

Annual Review and Assessment

The Committee shall conduct an annual review and assessment of its performance, including compliance with this Charter and its role, duties and responsibilities.