



# **Management Discussions & Analysis**

*December 31, 2012 and 2011  
(Audited)*

# URAVAN MINERALS INC.

## MANAGEMENT DISCUSSIONS & ANALYSIS

Year Ended December 31, 2012

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### 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, 2012 and any other information that may be available up to April 18, 2013. This MD&A should be read in conjunction with the Annual Audited Financial Statements and the related notes of the Corporation for the years ended December 31, 2012 and 2011 (the "Financial Statements"). The reader is encouraged to review the Corporation's statutory filings on [www.sedar.com](http://www.sedar.com) and its website at [www.uravanminerals.com](http://www.uravanminerals.com).

### Results of Operations and Revenue

The Corporation is a development stage mineral exploration company and currently derives no revenues from operations. The Corporation receives some revenue from interest on cash balances, interest, dividends, other income from marketable securities and management fees. Over the last eight most recently completed quarters most of the Corporation's operating capital has been generated from the sale of marketable securities and management fees received in 2009 and from private placements closed in December 2010 and September 2011.

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

In the year ended December 31, 2012, the Corporation incurred a net loss after tax of \$4,322,111 (2011 – \$1,315,322). Total income amounting to \$193,396 (2011 - \$136,299) was received from the realized gain/loss on disposal of marketable securities, investment income and management fees received.

The Corporation also incurred an unrealized loss on its portfolio of marketable securities of \$66,352 (2011 – \$345,186) during the year ended December 31, 2012 as the carrying value of the Corporation's marketable securities differed from the market value of the marketable securities at December 31, 2012 and 2011.

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.

During the year ended December 31, 2012, the Corporation determined that impairment of mineral properties was necessary in the amount of \$4,636,351 (2011 - \$NIL) representing the total costs associated with two projects. Due to the on-going uncertainties relating to the granting on an approved land use permit and the uncertainty relating to the application to the request for further relief under Section 81, the Corporation has determined that the costs associated with the Garry Lake property are impaired, and has written off \$3,936,972 in costs relating to that property. Also during the year ended December 31, 2012, the Corporation determined that the Poplar Point and Thluicho Lake claims were not prospective and the costs associated with those projects, \$699,379, have been impaired.

### *General and Administrative Expenses*

General and administrative ("G&A") expenses during the year ended December 31, 2012 were lower as compared to the G&A expenses incurred during the year ended December 31, 2011, primarily due to decreased accounting fees related to the conversion to International Financial Reporting Standards ("IFRS") incurred in 2011 and decreased shareholder reporting expenditures.

The following table summarizes major categories of general and administrative expenses for the year ended December 31, 2012 and 2011. The Corporation did not capitalize any indirect general and administrative expenses.

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	2012	2011
Professional and consulting fees	\$ 113,133	\$ 178,687
Insurance	16,920	17,690
Shareholder reporting	23,594	49,741
Rent	21,725	34,459
Office	19,252	31,538
Stock exchange fees	5,700	13,870
Bank charges	1,107	5,543
	<u>\$ 201,431</u>	<u>\$ 331,528</u>

**Exploration Activity and Expenditures**

In the year ended December 31, 2012, the Corporation's exploration and property acquisition expenditures totaled \$301,124 (net of \$1,533,612 reimbursement from Cameco) (2011 - \$3,031,790). The majority of the Corporation's net exploration, geological and consulting expenditures was incurred on the Corporation's Athabasca Basin and Rottenstone projects and the Math project.

For details on exploration and acquisition costs incurred during the year ended December 31, 2012 and the year ended December 31, 2011 see note 11 and schedule 1 of the financial statements. The expenditures made by the Corporation during the year ended December 31, 2012 and the year ended December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Property acquisition costs	\$ 47,500	\$ 124,113
Geological and consulting	1,787,236	2,907,677
	<u>\$ 1,834,736</u>	<u>\$ 3,031,790</u>
Less: Recovery on earn-in agreement	(1,533,612)	-
Less: Shares issued for property	(47,500)	(87,500)
	<u>\$ 253,624</u>	<u>\$ 2,944,290</u>
Capital expenditures, net		

See schedule 1 of the financial statements for a breakdown of the costs incurred on a property by property basis.

**Historical Quarterly Results**

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

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**Year Ended December 31, 2012**

	Quarter Ended			
	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Total revenue (1)	\$ 59,453	\$ 91,316	\$ 35,782	\$ 6,845
General and administrative expenses (2)	68,981	30,157	52,446	49,847
Management fee recoveries (3)	102,610	95,882	24,506	-
Net income (loss)	(4,170,267)	63,170	(203,309)	(11,705)
Net income (loss) per share	(0.111)	0.002	(0.005)	(0.000)
Capital expenditures (net)	128,712	(37,889)	21,711	141,090
Total assets	8,473,151	13,141,142	13,052,009	13,106,214
Working capital	1,137,038	1,307,288	1,155,554	1,279,048
Common shares outstanding	38,044,012	38,044,012	37,849,346	37,849,346

	Quarter Ended			
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Total revenue (1)	\$ 28,874	\$ 10,895	\$ 29,825	\$ 66,705
General and administrative expenses (2)	119,722	40,258	100,432	71,116
Management fee recoveries (3)	-	-	-	-
Net income (loss)	(463,731)	(272,910)	(366,135)	(212,546)
Net income (loss) per share	(0.012)	(0.008)	(0.011)	(0.006)
Capital expenditures (net)	369,504	841,593	1,450,819	369,874
Total assets	13,137,922	13,058,119	13,124,240	13,088,147
Working capital	1,440,490	2,274,010	2,843,840	3,981,327
Common shares outstanding	37,599,346	37,599,346	34,499,280	34,499,280

- (1) Total revenue consists of investment income, management fees and gain (loss) on disposal of marketable securities.  
(2) General & administrative expense before deducting management fees.  
(3) Total management fees consist of management fees received from Cameco pursuant to the Option Agreement.

**Financial Condition**

*Liquidity and Capital Resources*

As at December 31, 2012 the Corporation had \$1,137,038 in net working capital (2011 - \$1,440,490) obtained primarily from private placements that closed during the years ended December 31, 2011 and December 31, 2010, the sale of marketable securities, and interest and dividend income.

The Corporation's working capital is held as cash and cash equivalents amounting to \$1,052,453 (2011 - \$775,286), marketable securities with a market value of \$189,780 (2011 - \$815,807), accounts receivable of \$68,417 (2011 - \$38,362) and prepaids and deposits of \$22,610 (2011 - \$22,610) less accounts payable and accrued liabilities of \$196,222 (2011 - \$211,575).

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 2012 and prior years has been to acquire mineral properties believed to have high exploration potential and, as a means to preserve working capital and defer exploration risk, seek and enter into joint venture arrangements with other third parties that can fund exploration to earn an interest on its existing projects or additional properties. As an exploration stage company, with limited revenue stream, the Corporation carefully budgets exploration and administrative expenses, and closely monitors its cash 'burn rate' and cash position.

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**Year Ended December 31, 2012**

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The Corporation previously adopted a policy of utilizing funds to invest in marketable securities with a view to generating returns to assist in funding the Corporation's operating expenses. Due to the current uncertain economic outlook and market volatility the Corporation's investment policy going forward is to minimize its exposure in marketable securities.

### *Capitalization – Share Issuances*

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

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

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

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

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

### *Capitalization – Option Grants*

On May 21, 2012 the Corporation issued 740,000 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 vested on issuance.

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

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

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

On January 6, 2011 the Corporation issued 10,000 stock options under the terms of its common share stock option plan. The stock options granted had an exercise price of \$0.36, term of five years to expiry and vest as to 1/3 on the first anniversary of grant, 1/3 on the second anniversary of grant and 1/3 on the third anniversary of grant.

### *Capitalization – Per Share Amounts*

The basic loss per share is \$0.114 (2011 - \$0.037) and has been calculated using the loss for the financial period of \$4,322,111 (2011 - \$1,315,322) and the weighted average number of shares in issue of 37,869,298 (2011 - 35,273,722). The diluted loss per share is equal to the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

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### Current Financial Market Conditions and Risk Factors

The current global financial market uncertainties and the March 2011 Fukushima Daiichi nuclear power plant crisis following the Tohoku earthquake and tsunami in Japan have tightened liquidity in the Corporation's financial markets and have damaged investor confidence in global uranium-related publically-traded securities. These events have led to significant declines in global uranium equity markets and negatively impacting the value of publicly-traded securities of many uranium-related companies. The Corporation has evaluated and summarized selected aspects of the Corporation's business and financial condition that could be affected by these macro-economic conditions, as they currently exist. As a result of the Fukushima nuclear power plant crisis in Japan the Corporation's ability to raise capital, if the need arose, could be adversely affected. We believe that internally generated cash flow and current cash and marketable securities balances will be sufficient to meet our anticipated capital expenditures and other cash requirements in 2013, 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, 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 Fukushima nuclear power plant crisis that occurred in Japan 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<sub>3</sub>O<sub>8</sub> in 2000, reaching a spot price market high of \$136 per pound U<sub>3</sub>O<sub>8</sub> in mid-June 2007. In 2008 and

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2009, during the global financial crisis, the spot uranium price sold off to approximately \$40.00 per pound by mid-2010. From mid-2010 to early 2011 the uranium spot prices rallied to about \$73.00 per pound, however, subsequently the spot market has experienced a 48% drop, closing recently at \$42.25 per pound U<sub>3</sub>O<sub>8</sub>. The weakness in the spot market is a direct result of the Fukushima nuclear power plant crisis and utilities waiting to see if Japan and Germany are going to restart their nuclear power plants subsequent to closure following the Fukushima crisis.

The Corporation believes the current uranium spot market prices will remain under pressure until there is more clarity around the resolution for restarting 53 nuclear plants in Japan and the effect this nuclear power plant crisis will have on the Japanese and global economies. Long term, the Corporation believes the global nuclear power industry, particularly in China and India, will continue with their current and future scheduled build out of nuclear power plants. The key to stabilizing the uranium market will come from utility buyers seeking to backfill inventory needs. As a result of a shortfall in global uranium production, from 2013 forward there is potential for a severe and growing deficit. The Corporation believes the uranium spot price needs to improve markedly to ensure new exploration and development. A positive trend in uranium spot prices will greatly assist the Corporation in any funding required for current and future exploration activity on its Athabasca Basin uranium projects and other newly acquired uranium properties and opportunities.

Factors that may present risks to the future rise in uranium spot prices are: (1) any major mishap with a nuclear reactor (such as the recent Japanese earthquake that affected nuclear power units at Fukushima) could curtail new reactor builds and reduce demand, (2) any technical or regulatory problems could reduce exploration and development and (3) uranium material previously stockpiled by speculators and investors could temporarily flood the market. The long term impact of the nuclear power incident caused by the earthquake and tsunami in Japan in March 2011 remains to be seen.

The Corporation plans to pursue further exploration of its Athabasca Basin uranium projects and to evaluate and acquire other uranium opportunities. This planned activity is subject to the recovery in uranium prices and the global economies in general, 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 11 to the financial statements and below, the Corporation has entered into a lease for office space requiring minimum annual lease payments, including estimated occupancy costs, of \$22,800 until expiry on October 31, 2013.

Mineral property obligations the Corporation has are its minimum work commitments on its Garry Lake claims amounting to \$2,262,582 due in 2008, \$2,214,714 due in 2009, and \$1,677,330 due annually each year thereafter for the remaining life of the claims. To December 31, 2012, the Corporation has made exploration expenditures of \$3,426,842 on the Garry Lake claims.

The Corporation's Garry Lake claims are currently without an approved LUP. Without an approved LUP, the Corporation is prohibited from conducting mineral exploration activities, such as diamond drilling, on these claims to fulfill its assessment work requirements. Therefore, the Corporation has requested relief from its assessment work requirements on the mining claims and leases making up the Boomerang, Thelon Basin and Garry Lake properties pursuant to the Canadian Mining Act Section 81 – *Prohibitions and Reservations of the Northwest Territories and Nunavut Mining Regulations*. This relief is necessary to maintain the mining claims in good standing for the period within which fulfillment of the assessment work requirements are prevented. In February and July 2008, respectively, the Mining Recorder of the Northwest Territories and Nunavut granted relief under Section 81 thereby lengthening the work period on the Boomerang, Thelon Basin and Garry Lake claims by two years so that work may be done and filed with the Mining Recorder. Pending the length of time the Corporation continues to be prohibited from carrying out work on its Boomerang, Thelon Basin and Garry Lake claims, further relief under Section 81 will be requested. In May 2010, further relief was requested for the Corporation's Garry Lake claims. The application for additional relief was granted, and the period for which relief was granted was extended by a further two years. In May 2012, further relief was requested for the Corporation's Garry Lake claims. The application for additional relief is pending.



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**Year Ended December 31, 2012**

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The Corporation is also required to make \$307,231 of annual minimum expenditures on its Rottenstone property. The Corporation has excess expenditures of \$1,117,972 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 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.

The Halliday Lake and Stewardson Lake projects consist of 7 mineral claims comprising 29,470 acres in the Athabasca Basin of northern Saskatchewan. The claims have a 13 year remaining life and require annual exploration and development expenditure of \$353,640 each year thereafter over the remaining life of the mining claims. The Corporation currently has excess expenditures of \$251,740 remaining to the credit of the mineral dispositions that may be used towards future exploration and development work requirements.

In April 2012, the Corporation entered into a term sheet memorandum for an option agreement with Cameco with respect to its Halliday Lake and Stewardson Lake uranium projects (the "Option"). Pursuant to the Option agreement between the Company and Cameco, the Corporation granted Cameco an exclusive and irrevocable option (the "First Option") to acquire a 51% interest in the Halliday and Stewardson properties as described above (the "Property") by incurring cumulative exploration expenditures in relation to the Property amounting to \$7,000,000 by the fourth anniversary of the effective date of the First Option. Conditional upon Cameco fulfilling the First Option, the Corporation granted Cameco a second option (the "Second Option") to acquire an additional 19% interest in the Property by incurring an additional \$15,000,000 in exploration expenditures in relation to the Property by the 4th anniversary of the effective date of the Second Option. The Option agreement was finalized during the year ended December 31, 2012.

**Transactions with Related Parties**

Payments made to directors of the Corporation during the year ended December 31, 2012 for the provision of consultancy services were as follows:



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Director	Consulting fees included in 2012:		
	Exploration & Evaluation Asset	General and Administrative Expenses	Share Based Payments
Mr. Larry Lahusen	\$ 100,800	\$ 26,400	\$ 14,000
Mr. Paul Stacey	66,750	250	25,200
Ms. Torrie Chartier	-	2,000	7,000
Mr. Phillip Mudry	-	-	25,200
Dr. Larry Hulbert	-	-	4,900
Mr. Mike Lavery	-	3,055	-
Mr. Chris Pettman	-	-	-
Mr. Ted Renner	-	-	-
Mr. William Grafham	-	-	-
Mr. Bob Drury	-	-	-
	\$ 167,550	\$ 31,705	\$ 76,300

Of these amounts, \$119,500 is included in accounts payable and accrued liabilities at December 31, 2012.

Messrs. Renner, Lavery and Grafham ceased to be directors on May 20, 2011. Mr. Chris Pettman ceased to be an officer and director of the Corporation on October 5, 2011.

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

**Off-Statement of financial position Arrangements**

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

**Proposed Transactions**

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

**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.

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### **Management Report on Financial Statements**

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

Our independent registered chartered accountants, Meyers Norris Penny LLP, provided an audit of the annual Financial Statements, as reflected in their report for the years ended December 31, 2012. The Corporation's prior independent registered chartered accountants, Collins Barrow Calgary LLP, provided an audit of the annual Financial Statements, as reflected in their report for the years ended December 31, 2011.

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.

Meyers Norris Penny LLP has full and independent access to the audit committee to discuss their audit and related matters.

### ***New IFRS Standards and Interpretations***

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

#### *IFRS 9 - Financial Instruments*

In November 2009, the IASB issued guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets will generally be measured initially at fair value plus particular transaction costs, and subsequently at either amortized cost or fair value. In October 2010, the IASB issued additions to IFRS 9 relating to accounting for financial liabilities. Under the new requirements, an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income ("OCI"), rather than within net income. In December 2011, the IASB issued amendments which modify the requirements for transition from IAS 39 to IFRS 9. The modifications introduce new disclosure requirements and eliminate the requirement to restate prior periods to reflect the new presentation. The standard is to be applied prospectively and will be effective for periods commencing on or after January 1, 2015, with earlier application permitted. The Corporation is reviewing the standard to determine the potential impact, if any, on its financial statements.

#### *IFRS 10 - Consolidated Financial Statements*

In May 2011, the IASB issued guidance establishing principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 (which supersedes IAS 27 and Standing Interpretations Committee ("SIC") 12) builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is to be applied retrospectively, in most circumstances, and will be effective for annual periods commencing on or after January 1, 2013, with earlier application permitted. The Corporation is reviewing the standard to determine the potential impact, if any, on its financial statements.

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### *IFRS 11 - Joint Arrangements*

In May 2011, the IASB issued guidance establishing principles for financial reporting by parties to a joint arrangement. IFRS 11 (which supersedes IAS 31 and SIC 13) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved, either a joint operation or a joint venture, by assessing its rights and obligations arising from the arrangement. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and under IFRS 11, equity accounting is mandatory for participants in joint ventures. The standard is to be applied prospectively and will be effective for annual periods commencing on or after January 1, 2013, with earlier application permitted. The Corporation is reviewing the standard to determine the potential impact, if any, on its financial statements.

### *IFRS 12 - Disclosure of Interests in Other Entities*

In May 2011, the IASB issued guidance relating to the disclosure requirements of interests in other entities. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is to be applied prospectively and is effective for annual periods commencing on or after January 1, 2013, with earlier application permitted. The Corporation is reviewing the standard to determine the potential impact, if any, on its financial statements.

### *IFRS 13 - Fair Value Measurement*

In May 2011, the IASB issued guidance establishing a single source for fair value measurement. IFRS 13 defines fair value, sets out a framework for measuring fair value and introduces consistent requirements for disclosures on fair value measurements. It does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value, with limited exceptions. The standard is to be applied prospectively and will be effective for annual periods commencing on or after January 1, 2013, with earlier application permitted. The Corporation is reviewing the standard to determine the potential impact, if any, on its financial statements.

### *Amendments to IAS 1 - Presentation of Financial Statements*

In June 2011, the IASB issued amendments to IAS 1 requiring items within OCI that may be reclassified to the profit or loss section of the income statement to be grouped together. The amendments are to be applied retrospectively and will be effective for annual periods commencing on or after July 1, 2012, with earlier application permitted. The Corporation is reviewing these amendments to determine the potential impact, if any, on its financial statements.

### *Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities and IFRS 7 - Disclosures*

In December 2011, the IASB issued amendments to IAS 32 and IFRS 7 as part of its offsetting project. The amendments clarify certain items regarding offsetting financial assets and financial liabilities and also address common disclosure requirements. The amendments are to be applied retrospectively and will be effective for annual periods commencing on or after January 1, 2013 for IFRS 7 and January 1, 2014 for IAS 32, with earlier application permitted. If IAS 32 is early adopted, the disclosures required by the amendments to IFRS 7 must be provided. The Corporation is reviewing these amendments to determine the potential impact, if any, on its financial statements.

### *IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine*

In October 2011, the International Financial Reporting Interpretations Committee ("IFRIC") issued IFRIC 20 clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. This interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation will be effective for annual periods commencing on or after January 1, 2013, with earlier application permitted. The Corporation is reviewing this interpretation to determine the potential impact, if any, on its financial statements.

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

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

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

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

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

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

***Credit Risk***

The Corporation is exposed to credit risk on its cash and cash equivalents, accounts receivable and deposits. At December 31, 2012, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

Cash and cash equivalents	\$ 1,052,453
Accounts receivable, excluding GST recoverable	64,624
Deposits	<u>19,000</u>
	<u>\$ 1,136,077</u>

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

Trade accounts receivable of \$64,624 (2011 - \$539) relate to amounts due relating to costs incurred under the Cameco option agreement. Non-trade accounts receivable relate to amounts recoverable from the government of Canada for GST. Deposits consist of assessment work prepayments made with the department of Indian and Northern Affairs Canada.

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The Corporation does not hold any collateral as security. As at December 31, 2012, the Corporation did not have any impaired accounts receivable.

***Liquidity Risk***

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

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

***Market Risks***

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the Corporation is exposed are 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.

***Interest Rate Risk***

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

The interest rate risk relating to the Corporation's investments in interest bearing securities at December 31, 2012 is negligible.

***Other 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, 2012	Price Risk Net income effect of	
		10% decrease in prices	10% increase in prices
Held-for-trading marketable securities	\$ 189,780	\$ (16,606)	\$ 16,606

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

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### ***Fair Value***

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

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

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

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

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

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

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

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

### **Management and Corporate Matters**

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

### **Nature of Operations**

The Corporation is a uranium exploration company focused in the Athabasca and Thelon Basins in Canada (Figure 1). The Corporation, in collaboration with the Queen's Facility for Isotope Research (QFIR), employs applied research to develop new innovative exploration technologies. In 2009, new surface geochemical techniques for the detection of buried unconformity-related uranium deposits were developed as a result of a surface orientation study over the Cigar West uranium deposit in the Athabasca Basin. From 2010 through 2012 these new surface geochemical techniques were



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applied to several of the Corporation's Athabasca Basin projects. Drilling programs conducted in 2011 and 2012 on the Outer Ring and Halliday projects tested some of these anomalous surface geochemical signatures. The interpretation of the data collected as a result of these drill programs supports the rationale that metals migrate from a deposit at depth to the surface environment where they can be geochemically measured. The Corporation's basis in developing these surface geochemical techniques is to rapidly evaluate under-explored terrain with the goal to get to discovery more quickly and cost effectively.

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

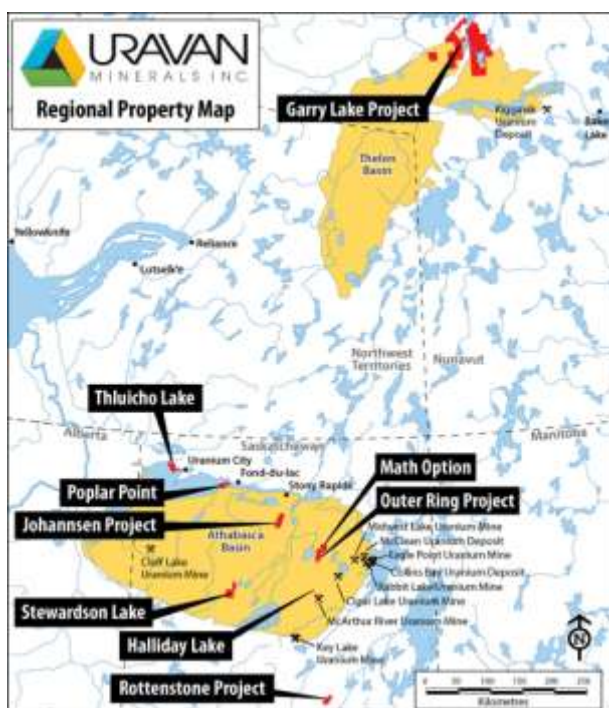


Figure 1 - Uravan Property Portfolio

## Athabasca Basin Projects

In 2009 the Corporation began acquiring a major land position in the Athabasca Basin, Saskatchewan. The terrain evaluated for acquisition is the favorable under-explored geological-structural corridors where historical data is scarce or lacking. A regional basin-wide compilation was completed, corridors of interest identified and areas for specific land acquisition selected.

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

In February 2011, the Corporation and ESO Uranium Corporation (ESO) (now Alpha Minerals Inc.) entered into an Option to Purchase Agreement (the "Option") [press release: February 3, 2011] whereby ESO granted the Corporation an exclusive Option to acquire 100% interest in their Matheson Lake mining claims (S-108465 and S-108466) (the "MATH



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project”) in the Athabasca Basin. The MATH project totals 8,121 hectares and adjoins the Corporation’s Outer Ring (OR) project on the north.

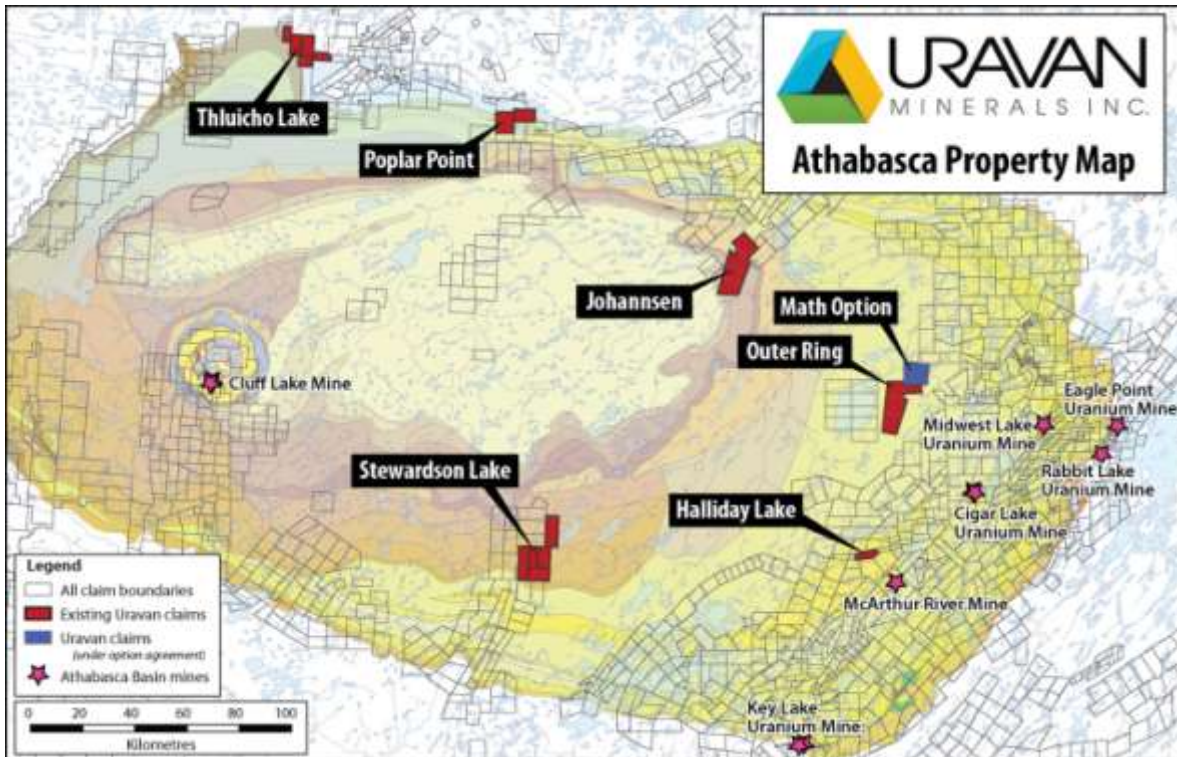


Figure 2 – Athabasca Basin Property Portfolio

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

## Halliday/Stewardson Option Agreement

The Corporation and Cameco Corporation (“Cameco”) have signed the Halliday/Stewardson Option Agreement dated effective June 21, 2012 (the “Option Agreement”) whereby the Corporation granted Cameco the exclusive option (“Option”) to earn an aggregate 70% interest in Uravan’s 100% owned Halliday and Stewardson uranium projects (the “Mineral Properties”), Athabasca Basin, Northern Saskatchewan by Cameco funding a cumulative twenty-two million dollars (\$22,000,000) in exploration expenditures.

The Option Agreement consists of two Options: (1) the first option grants Cameco the exclusive right to earn a 51% interest in the Mineral Properties by funding seven million dollars (\$7,000,000) in exploration expenditures over four years, and Cameco shall incur a minimum expenditure of \$1,250,000 on the Halliday project; and (2) a second option grants Cameco the exclusive right to earn an additional 19% in the Mineral Properties by funding an additional fifteen million dollars (\$15,000,000) in exploration expenditures. Upon Cameco earning either a 51% or 70% interest in the Mineral Properties, Cameco and Uravan (collectively the “Parties”) shall enter into a joint venture agreement to form a joint venture in relation to the Mineral Properties, with the Parties funding their pro-rata share of future exploration expenditures. Uravan shall be the operator for the first four years of the Option, after which Cameco may elect to become the operator.

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## Exploration Summary

### Outer Ring project (OR)

- 100% Uravan – staked in December 2009, totaling 15,651 hectares consisting of four (4) mineral dispositions (S-111731:S-111734 inclusive) (Figure 3)
- Project area located along the NE extension of the Cable Bay structural corridor, and east of Pasfield Lake, Athabasca Basin.
- Surface geochemical program completed in July 2010, resulting in 2027 samples collect from three surface media: B or C horizon soils, spruce or pine vegetation and tree-cores from spruce or pine.
- Data analysis identified several anomalous trends, consisting of radiogenic Pb 207/206 isotopic compositions in soil horizons and tree-cores that correlate with associated pathfinder elements and regional magnetic and electrical magnetic (EM) geophysical data.
- In 2011 specific surface geochemical targets were tested with seven (7) diamond drill-holes (DDH) (OR11-01 to OR11-07) totaling 5834 meters drilled (including MATH project DDH OR11-06)
  - The OR/MATH project reconnaissance drill program was considered positive, which identified a number of key features required for unconformity-related uranium mineralization:
  - The presence of high radioactivity levels (400 to 700 CPS) occurring above and below the unconformity;
  - Persistent sandstone bleaching/alteration above the unconformity coincident with broad zones of secondary hematite alteration;
  - The presence of illite clay alteration occurring in some of the drill-holes over varying thicknesses at and above the unconformity;
  - The presence of major fracturing in the Athabasca Sandstone section; and
  - The intersection of a major reverse fault in the underlying basement units, suggestive of structural reactivation

### Matheson Lake project (MATH)

- 100% Uravan – acquired from ESO Uranium in February 2011. The property consists of two (2) mineral dispositions (S-108465 and S-108466) totaling 8,121 hectares.
- MATH project area adjoins the OR project on the north and is located along the NE extension of the Cable Bay structural corridor, and east of Pasfield Lake, Athabasca Basin.

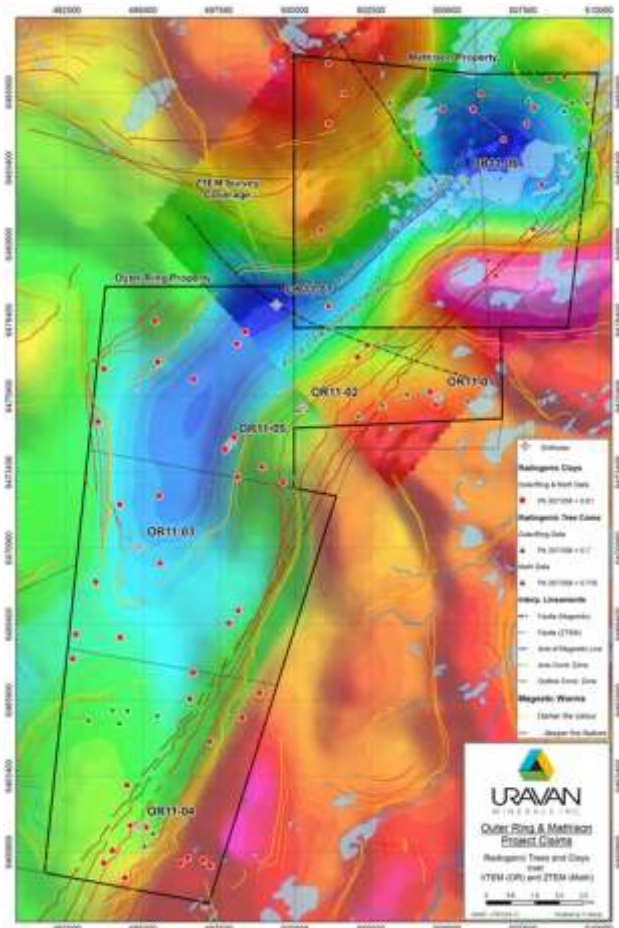


Figure 3 - OR-Math Option project map showing completed drill holes with positive radiogenic tree-core and clay anomalies

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- Surface geochemical program completed in July 2011, resulting in 612 samples collect from three surface media: B or C horizon soils, spruce or pine vegetation and tree-cores from spruce or pine.
- Data analysis identified anomalous trends, consisting of radiogenic Pb 207/206 isotopic compositions in soil horizons and tree-cores that correlate with associated pathfinder elements and regional magnetic and EM geophysical data.
- An airborne ZTEM survey completed over the MATH project in 2009 by ESO Uranium.
- The interpretation of the ZTEM airborne geophysical survey displays a strong NE-SW trending EM conductor (the "Pasfield Conductor") that coincides with a linear low magnetic susceptibility feature. The Pasfield Conductor and low magnetic feature form a corridor that transects the Math project and extends to the SW onto the OR project.
- In 2011 specific surface geochemical anomalies that correlate with the Pasfield conductor were tested with one (1) DDH OR11-07 in combination with the OR drilling; OR11-06, totaling 719 meters drilled.
- The OR/MATH drill program did not intersect any economic mineralization, however, the program identified a number of key features for unconformity-related uranium mineralization

***Johannsen Lake Project (JL)***

- 100% Uravan - acquired in August 2010. The property consists of four (4) mineral dispositions (S-111839 - S-111842 inclusive) totaling approximately 18,438 hectares
- The JL property is located along the northeast extension of the Black Lake structural corridor (NE extension of the Virgin River Corridor),
- Surface geochemical program completed in August 2010, resulting in 2241 samples collect from three surface media: B or C horizon soils, spruce or pine vegetation and tree-cores from spruce or pine.
- Data analysis identified several point anomalies and no trends, consisting of radiogenic Pb 207/206 isotopic compositions in soil horizons and tree-cores that correlate with associated pathfinder elements and regional magnetic geophysical data.

***Halliday Lake project (HL)***

- 100% Uravan, consisting of one mineral disposition (S-107299) totalling 2,169 hectares.
- Cameco Corporation (Cameco) is currently earning an interest pursuant to the Stewardson/Halliday Option Agreement [*press release April 25, 2012*]
- Historic geophysical surveys consisting of electro-magnetic (EM), gravity and resistivity surveys
- Historic drilling consists of five (5) reconnaissance drill holes. The best intersection graded 0.08% and 0.12% U<sub>3</sub>O<sub>8</sub> over 0.1m at the unconformity in DDH EL-10 and EL-12 respectively
- In 2011 a surface geochemical programs (clay separates from soils and tree-cores) over the project identified highly-anomalous radiogenic <sup>207</sup>Pb/<sup>206</sup>Pb isotopic ratios and other pathfinder elements, which supported an east-west EM conductive/magnetic low corridor
- In July 2012 an infill surface geochemical program (soils and tree-cores) was completed over the central and eastern portions of the project
- Combined 2011/12 analytical results (clays and tree-cores) from the surface programs indicated good overall data quality and reproducibility (radiogenic <sup>207</sup>Pb/<sup>206</sup>Pb isotopic ratios and other pathfinder elements) for the clay

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separates The combined 2011/12 tree-core analytical data revealed poor reproducibility between the two surveys, which was recently determined to be the result of errors during the preparation of some of the tree-cores at QFIR. This resulted in a number of errors in the analytical results and a loss of a number of radiogenic Pb anomalies previously reported in the 2011 survey.

- In July and August 2012 five (5) DDHs (HL-01, -02, -03, -05 and -06) totaling 4,836 meters drilled was complete.
- Drill-holes were positioned to test the potential occurrence of uranium mineralization at depth along a prominent, east-west trending electromagnetic (EM) geophysical conductor (Conductor A) corridor, which cross-cuts a prominent linear magnetic low, and supported by a concordant distribution of anomalous surface geochemical signatures.
- Based on the triple-gamma probe data, no economic uranium mineralization was encountered during this drill program. However, the results from these down-hole radiometric surveys disclosed anomalous radioactivity (400cps to 1200cps) in most drill-holes, occurring predominantly in the underlying structurally disrupted and hydrothermally altered basement rocks (granites and metasediments).
- All zones of anomalous radioactivity were systematically sampled and analyzed for total uranium content. The most significant uranium intersections are indicated in the table below.

Hole ID	Unconformity	From (m)	To (m)	Thkness (m)	U (ppm)	Rock Type
HL-003	801.83	816.40	816.70	0.30	177.1	Basement
HL-003	801.83	829.20	829.49	0.29	198.4	Basement
HL-003	801.83	832.64	832.80	0.16	199.1	Basement
HL-003	801.83	845.90	846.55	0.65	486.6	Basement
HL-005	808.90	816.35	816.57	0.22	732.6	Basement

• **Summary of key technical details from the Halliday drilling and surface sampling program:**

1. EM conductor targets (Conductor A) were explained by drill-hole intersections (EL-10, HL-005, HL-002, and locally in EL-09) of favorable graphitic pelitic basement lithologies which are well defined by the magnetic low and are characterized by steeply northeast-dipping foliations and structures.
2. The central magnetic low defines favorable graphitic basement units; however, even moderate departure towards the magnetic high, results in intersecting unfavorable pegmatite-dominated basement (HL-001, HL-003, EL-11, HL-006, and to a lesser extent EL-09).
3. The occurrence of major basement faulting has resulted in extensive fracturing radiating upward into the Athabasca sandstone, suggesting major structural reactivation along the Conductor A corridor.
4. Pathfinder elements enriched in sandstone fractures radiating from the basement are also elevated in pelitic basement lithologies suggesting mobile element migration from depth to the surface environment.
5. The alteration and mineralogy of the basement units suggest a dominantly reduced environment due to hydrothermal activity that has had limited interaction with oxidized fluids, a missing key ingredient for uranium mineralization at the unconformity in the area tested.
6. Uranium mineralization occurring in the basement of drill-holes HL-003, HL-005 and EL-09 are positive indicators of uranium in a system having a favorable geological/structural setting; however, the lack of



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supportive elevated uranium mineralization in the lower sandstone (MFa) above unconformity is another missing key component in the area drilled.

7. Pervasive illite clay mineral alteration occurring over significant thicknesses in the Athabasca sandstone and well-developed chlorite clay alteration above the unconformity (HL-001 and EL-10), along with pervasive sandstone bleaching, elevated pathfinder elements and REEs suggest that a more advanced hydrothermal and structural system exists toward the untested western end of the Conductor A corridor
  8. Positive surface geochemical anomalies (more interpretive work required) also highlight an area west of drill-holes HL-01 and EL-10 along Conductor A.
- The 2012 drill program and surface sampling program on the Halliday project was a joint exploration effort by Uravan and Cameco Corporation (Cameco). Uravan is currently the operator with the responsibility to plan and implement the exploration program on behalf of Cameco. In a recent technical meeting with Cameco, Uravan's technical group did not present a 2013 exploration program on the Halliday project but deferred this proposal until January 2013. Uravan believes the cumulative results (geochemical and structural interpretation) of the 2012 technical program is vectoring toward an untested area west of drill-holes HL-01 and EL-10 (Figure 3). Further drilling in this area will be the basis of Uravan's proposal to Cameco once Uravan's technical group has fully evaluated and understands the 2012 data.

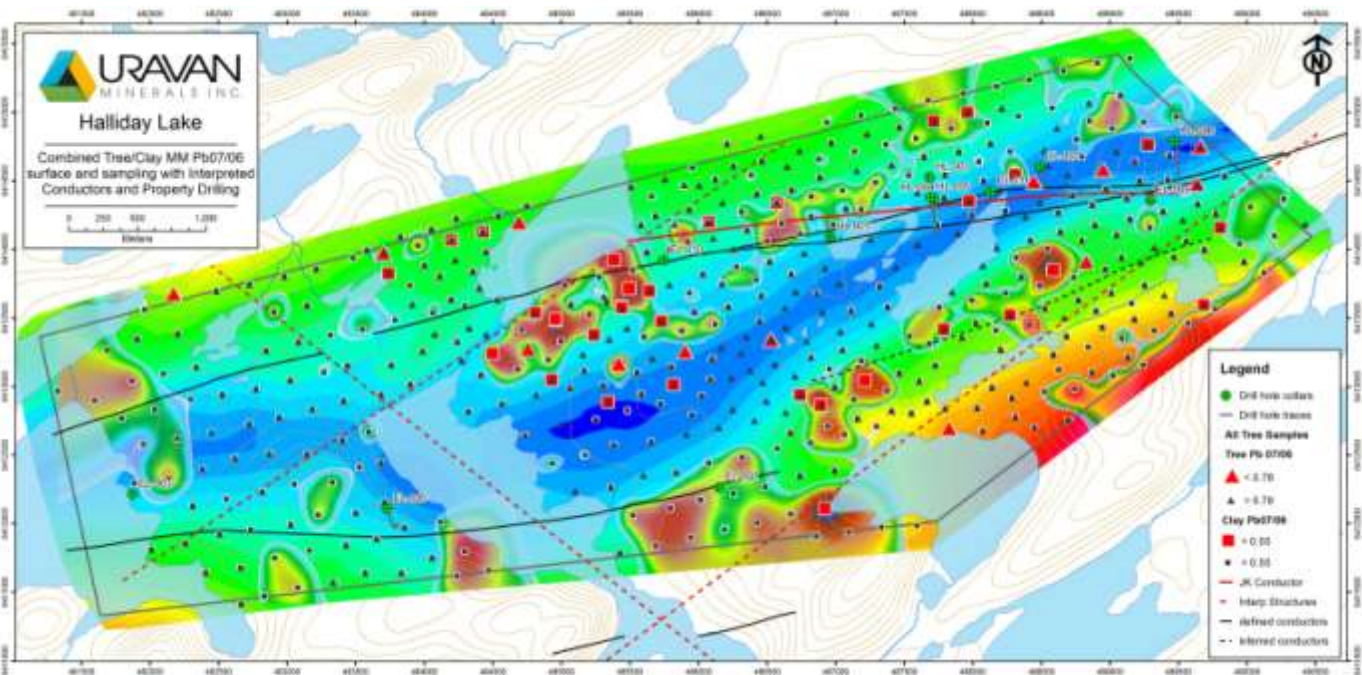


Figure 3 – Halliday project showing compilation surface geochemistry, Conductor A with magnetic surface.

## Stewardson Lake project (SL)

- 100% Uravan; consisting of 5 mineral dispositions (S107738, S-108181-184 inclusive) totalling 21,349 hectares and adjoins Cameco's Centennial uranium deposit project area to the south.
- Cameco Corporation (Cameco) has the option to earn an interest in the project pursuant to the Stewardson/Halliday Option Agreement [press release April 25, 2012]

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- The Stewardson property overlies the Virgin River/ Dufferin Fault zone (correlates with the Virgin River corridor).
- Previous work consisted of completing several test airborne and ground geophysical surveys lines (i.e. ground UTEM/TDEM and AMT surveys, and airborne triaxial gradiometer and gravity/radiometric surveys). The interpretation of these test geophysical surveys suggests considerable unconformity off-set (>200 meters) along the Dufferin fault.
- A surface boulder sampling program over the central part of the project area identified a broad illite+dravite+boron anomaly (boron anomaly) hosted in the upper Athabasca group sandstone. This anomaly was tested in 1997 with DDH VR-01 was completed with a total depth 1180 meters and positioned near the center of the boron-rich surface anomaly. This drilling identified a strong dravite clay (boron) alteration zone (0 – 680m) within the Athabasca Group sandstone. Below 680 – 1135m (unconformity) the clay alteration was characterized by illite (>80%) and less dravite and chlorite clay alteration. Local uranium enrichment up to 3.78 ppm U308 in the sandstone, and anomalous (Pb) isotope values ( $^{207}\text{Pb}/^{206}\text{Pb}$  isotopic ratios) below 500 meters; however, no significant uranium mineralization was encountered at the unconformity (1135 meters).
- A multiphase surface geochemical program was completed by the Corporation in July 2011, resulting in 1663 samples collect from three surface media: B/C horizon soils, spruce/pine vegetation and tree-cores.
- The south-west and south-central portion of the Stewardson Lake property is highlighted by the correlations of low radiogenic lead (Pb) isotope values ( $^{207}\text{Pb}/^{206}\text{Pb}$  isotopic ratios) among clay and tree core samples (Figure 4). Multiple correlations between observed zones of geochemical enrichment and interpreted structural trends suggest preferential element migration through high permeability fluid conduits (fractures/faults) and may serve as important indicators to structurally controlled subsurface mineralization. The 2011 anomalous surface geochemical patterns require a property wide geophysical survey to provided drill targeting
- In June 2013 a ZTEM airborne geophysical program is planned with follow-up ground geophysics to detail drill targets supported by surface geochemical signatures. The Stewardson Lake technical program consists of the following activity:
  - Property wide heliborne ZTEM geophysical survey totaling 777 line-kilometres, conducted by Geotech Ltd
  - Post ZTEM survey interpretation and data inversion processing
  - Follow-up high-resolution ground geophysical program(s) in support of surface geochemical trends and anomalies to define drill targets.
- Subsequent to the completion of the airborne ZTEM geophysical survey, follow up ground EM survey(s) and additional infill surface geochemistry may be required over prospective areas to focus on key geophysical targets that are supported by anomalous surface geochemistry.

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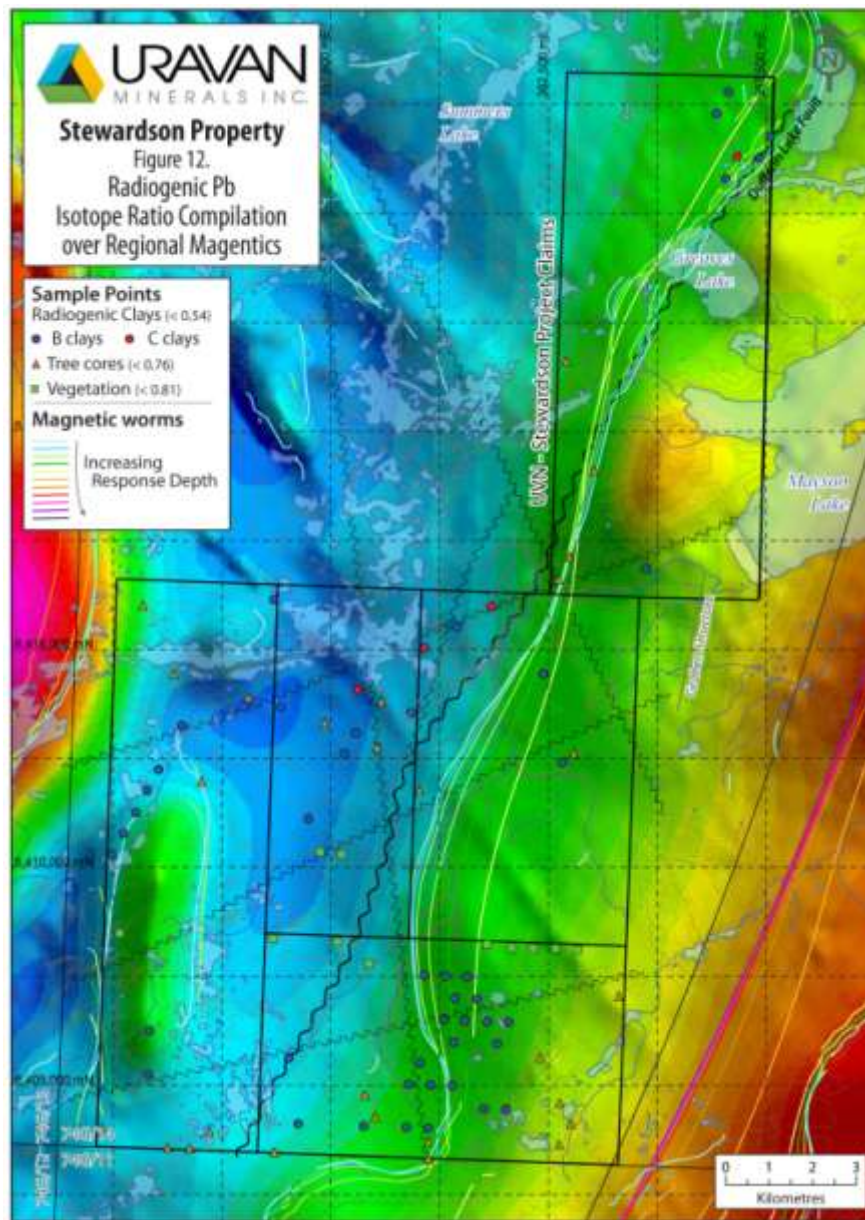


Figure 4 – Stewardson Lake project showing surface geochemistry over regional magnetic.

**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.



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### ***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 and 2011 some of these new technologies have been applied to the Corporations' Outer Ring, MATH Option, Johannsen, Halliday and Stewardson 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'

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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 1,210 meters completed over a broad area on the property (Figure 2). No significant mineralization was intersected.

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

On January 25, 2008 the Corporation submitted a Land Use Permit (LUP) application to the Nunavut Impact Review Board ("NIRB") outlining its Garry Lake project proposal (including drilling). On June 27, 2008, the NIRB submitted a "Screening Decision Report" to the Minister of Indian and Northern Affairs Canada (INAC). The NIRB Screening Decision Report recommended an environmental impact statement (the "EIS") be completed on the Garry Lake project proposal as a precondition for determining approval of the Garry Lake LUP application. The EIS is in accordance with Part 5 of Article 12 of the *Nunavut Land Claim Agreement* ("NLCA"). On February 20, 2009, the NIRB issued the *Final Guidelines for the Preparation of an Environmental Impact Statement For Uravan Mineral Inc.'s Garry Lake Project* (NIRB file No. 08EN037)(the "Guidelines")

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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. In May 2012 the Corporation filed a request further relief under Section 81 for the Garry Lake property. The May 2012 request for relief under Section 81 has not been approved or denied.

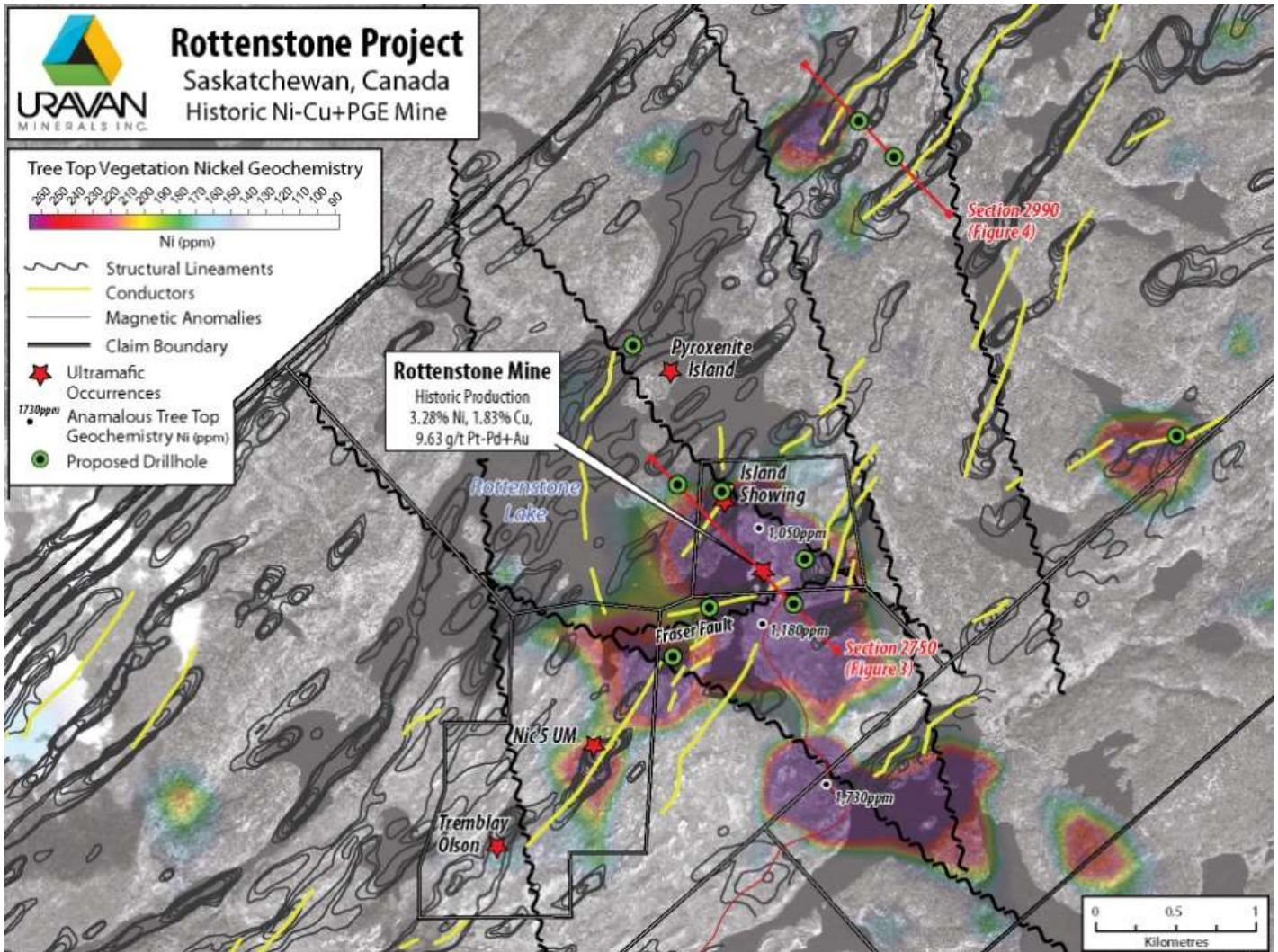
Currently, the Garry Lake project is in 'suspension'. As recently as October 31, 2012, Uravan requested the NIRB and the Minister of AAND (previously INAC) to reconsider the need for an EIS on the Garry Lake project. On January 25, 2013, the Honorable John Duncan, Minister of AAND, indicated that neither the NIRB nor the Minister's office has the authority to reconsider the June 27, 2008 screening decision on the Garry Lake project. Therefore, in order for the project to proceed, the requirements of the Part 5 Review must be met.



# URAVAN MINERALS INC. MANAGEMENT DISCUSSIONS & ANALYSIS

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## Rottenstone Ni-Cu-PGM Project



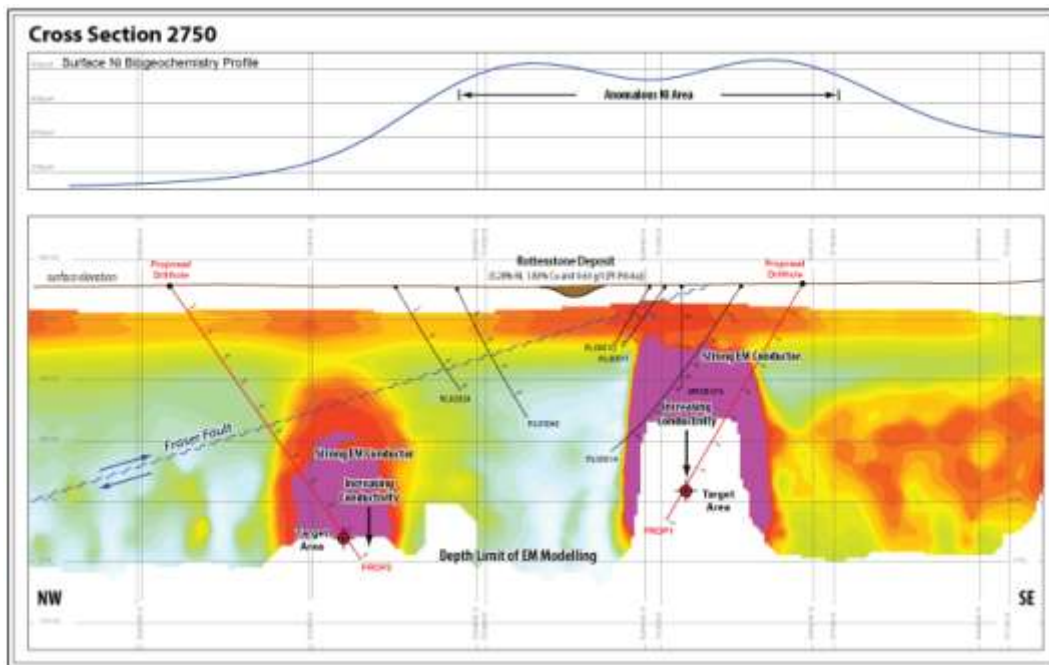
*Figure 6 – Rottenstone deposit area showing major structural, geophysical and geochemical features*

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.

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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 establish new Ni-Cu drill targets proximal to the previously minded Rottenstone deposit. These drill targets were established using Resistivity Depth Imaging<sup>1</sup> (RDI). RDI is a graphic representation of inverted EM (electromagnetic) decay data into conductivity/resistivity depth profiles. These profiles are then displayed in 2-dimensional (2D) cross-sections. Other geological, geochemical and structural information can then be displayed in cross-section with the RDI profiles.

The coincident display or stacking of other geological data on the RDI 2D profiles has greatly enhanced the Corporations ability to vector drilling toward new potential mineralized ultramafic bodies. Several proposed drill holes specifically target sub vertical conductive geophysical responses (EM conductors). These steeply dipping conductors are generally

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supported by other favorable geological, structural or geochemical features, and other geophysical anomalies (i.e. IP and gravity).

**Forward Looking Statements**

The year ended December 31, 2012 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**