

URAVAN MINERALS INC.
MANAGEMENT DISCUSSIONS & ANALYSIS

Years Ended December 31, 2019 and 2018

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. Over the last eight most recently completed quarters most of the Corporation's operating capital has been generated from investment income received, a demobilization expenses and the sale of equipment.

In the year ended December 31, 2019 the Corporation incurred net loss after tax of \$1,050,660 (2018 – \$3,851,689). In the year ended December 31, 2019 total income amounting to \$769 (2018 – \$1,053) was received from investment income.

General and Administrative Expenses

General and administrative ("G&A") expenses during the year ended December 31, 2019 were lower as compared to the G&A expenses incurred during the year ended December 31, 2018, primarily due to decreased professional and consulting fees and reduced insurance expenses.

The following table summarizes major categories of general and administrative expenses for the years ended December 31, 2019 and 2018. The Corporation did not capitalize any indirect general and administrative expenses.

	2019	2018
Professional and consulting fees	\$ 26,689	\$ 30,758
Stock exchange fees	14,890	16,590
Office	13,301	15,296
Shareholder reporting	6,820	4,350
Insurance	668	4,000
Bank charges	91	92
	<u>\$ 62,459</u>	<u>\$ 71,086</u>

Exploration Activity and Expenditures

During the years ended December 31, 2019 and 2018, the Corporation did not make any exploration and property acquisition expenditures.

During the year ended, 2019, the Corporation was required to demobilize its camp at Halliday Lake. The Corporation exchanged the equipment situated on the camp for the demobilization of the camp. The deemed cost of the demobilization was determined to be \$50,000. As the equipment had previously been written off, a gain on disposal of the equipment was recognized in the amount of \$50,000 and a corresponding \$50,000 demobilization expense was recognized. Further, the Corporation recovered \$25,000 from Cameco for their share of the demobilization costs.

In the year ended December 31, 2018, the Corporation disposed of certain equipment with a historic capitalized cost of \$55,174 for proceeds of \$25,000, incurring a net loss on the sale of \$30,174.

For details on exploration and acquisition costs incurred during the years ended December 31, 2019 and 2018 see note 8 and schedule 1 of the financial statements.

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

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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.

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total revenue (1)	\$ 183	\$ 145	\$ 176	\$ 265
General and administrative expenses (2)	28,165	8,188	15,343	10,853
Net income (loss)	(1,041,862)	16,957	(15,167)	(10,588)
Net income (loss) per share	(0.025)	0.000	(0.000)	(0.000)
Capital expenditures (net)	-	(25,000)	-	-
Total assets	55,878	1,074,675	1,057,814	1,092,180
Working capital	31,408	59,300	42,344	57,510
Common shares outstanding	42,329,012	42,329,012	42,329,012	42,329,012
	Quarter Ended			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Total revenue (1)	\$ 303	\$ 147	\$ 304	\$ 299
General and administrative expenses (2)	24,596	18,494	12,126	15,870
Net income (loss)	(3,775,777)	(48,521)	(11,820)	(15,571)
Net income (loss) per share	(0.089)	(0.001)	(0.000)	(0.000)
Capital expenditures (net)	-	(55,174)	-	-
Total assets	1,108,068	4,862,614	4,908,574	4,938,692
Working capital	68,098	92,393	85,740	97,561
Common shares outstanding	42,329,012	42,329,012	42,329,012	42,329,012

(1) Total revenue consists of investment income and management fees

(2) General & administrative expense before deducting management fees.

Financial Condition

Liquidity and Capital Resources

As at December 31, 2019, the Corporation had \$31,408 in net working capital obtained primarily from private placements that closed during the year ended December 31, 2016 and the net proceeds from the sale of equipment made in the year ended December 31, 2018 and a recovery of demobilization expenses in 2019.

The Corporation's working capital is held as cash amounting to \$55,194, GST recoverable of \$684 less accrued liabilities of \$24,470.

Most 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 2019 and prior years has been to acquire mineral properties believed to have high exploration potential and, 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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Capitalization – Per Share Amounts

The basic loss per share for the year ended December 31, 2019 and 2018 has been calculated using the loss for the financial period and the weighted average number of shares issued. 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.

Current Financial Market Conditions and Risk Factors

The global financial and commodity market uncertainties and the March 2011 Fukushima nuclear power plant crisis in Japan have tightened liquidity in the Corporation's capital markets and have damaged investor confidence in uranium-related publicly-traded securities. These events have led to significant declines in the prices of uranium, which has 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 events, as they currently exist. Because of the Fukushima nuclear power plant crisis and the ongoing closure of most of Japan's 54 nuclear power plants, the Corporation's ability to raise capital, if the need arose, has been adversely affected.

The Corporation does not 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.

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. 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. However, since 2011 the commodity metal markets have been declining and, so far have not recovered, albeit stabilized.

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 because of a major earthquake and subsequent tsunami in March 2011. Historically, the uranium spot prices increased, going from \$7.10 per pound U₃O₈ in 2000, reaching a spot price market high of \$136 per pound U₃O₈ in mid-June 2007. In 2008 and 2009, during the global financial crisis, the spot uranium price sold off to approximately \$40.00 per pound by mid-2010. From mid-2010 to early 2011 the uranium spot prices rallied to about \$73.00 per pound, however, subsequently the spot market has experienced a protracted drop, closing recently at **\$26.00** per pound U₃O₈. The drop in the price of uranium is a direct result of utilities purchasing most of their reactor fuel requirements from existing above ground inventories (i.e. spot market) versus longer term contracts from mine production.

The Corporation believes the current uranium spot market prices will remain under pressure until there is more clarity around the resolution of the Japanese nuclear plant crisis and the timing of power plant restarts. Long term, the Corporation believes the global nuclear power industry, particularly in China, 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. 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

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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.

Contractual Obligations

Athabasca Properties

In December 2009, the Corporation staked the Outer Ring claims (Athabasca Property), consisting of 4 mineral claims covering 38,658 acres in the Athabasca Basin in northern Saskatchewan. The claims have an unlimited term from the date the claim is approved provided the Corporation incurs approved annual exploration and development expenditures from the second to tenth anniversary date of the claims amounting to \$234,765 each year and an annual exploration and development expenditure of \$391,275 each year from the eleventh anniversary of the claims and all subsequent years.

In June 2011, the Corporation staked additional claims covering 8,680 acres in the Athabasca Basin of northern Saskatchewan (the "Outer Ring Extension"). In April 2015, the Corporation staked an additional claim in the Outer Ring Extension, covering 6,195 acres. The Outer Ring Extension is owned 100% by the Corporation. The claims have an unlimited term from the date the claim is approved provided the Corporation incurs approved annual exploration and development expenditures amounting to \$52,710 from the second to tenth anniversary date of the claims being approved and an annual exploration and development expenditure of \$87,850 each year from the eleventh anniversary date of the claim and all subsequent years.

Costs associated with these properties were considered impaired as the claims covering these properties were not considered prospective and the Corporation has no plans or intentions of incurring further substantive expenditures on the properties. An impairment loss of \$3,275,704 was recognized during the year ended December 31, 2018.

Halliday/Stewardson Joint Venture

In June 2012, the Corporation entered into the Halliday/Stewardson Option Agreement with Cameco Corporation ("Cameco") with respect to its Halliday Lake and Stewardson Lake uranium properties (the "Option Agreement"). Pursuant to the Option Agreement, 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. In October 2013, the Corporation and Cameco agreed to extend the time during which Cameco had to fund certain exploration expenditures on the Property to fulfill the criteria of the First and Second Options. Cumulatively prior to the Joint Venture Agreement, the Corporation had recovered \$5,514,622 from Cameco pursuant to the First Option.

On June 13, 2017 the Corporation and Cameco entered into joint venture agreement involving the termination of the Option Agreement (described above). Uravan has granted Cameco a 25% participating interest as equity compensation for the \$5,514,622 exploration expenditures incurred on the Halliday/Stewardson projects and Uravan retains a 75% participating interest and is the operator of the Halliday/Stewardson Joint Venture (the "Joint Venture").

The Joint Venture property consists of 6 mineral claims comprising 58,089 acres in the Athabasca Basin of northern Saskatchewan. The claims have an unlimited term from the date the claims were approved, provided the Corporation incurs approved annual exploration and development expenditures of \$587,950. The Joint Venture currently has excess expenditures of \$2,793,078 remaining to the credit of the claims that may be used towards future annual exploration and development work requirements.

During the year ended December 31, 2019, the Corporation determined that the costs associated with the Stewardson/Halliday properties were considered impaired as the claims covering these properties were not considered

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prospective and the Corporation has no plans or intentions of incurring further substantive expenditures on the properties. An impairment loss of \$1,013,097 (2018 – \$450,777) was recognized during the year ended December 31, 2019.

Transactions with Related Parties

Payments made to directors of the Corporation during the year ended December 31, 2019 and 2018 for the provision of consultancy services were as follows:

	Consulting fees included in 2019:		Consulting fees included in 2018:	
	Exploration & Evaluation Asset	General and Administrative Expenses	Exploration & Evaluation Asset	General and Administrative Expenses
Officers and directors	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>

The payments detailed above represent all amounts paid to officers and directors as executive compensation. Officers consist of the Corporation’s Chief Executive Officer and Chief Financial Officer, who are both also directors.

Subsequent Events

On January 29, 2020 the Corporation announced that it had terminated its previously announced reverse take-over transaction.

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 because of matters that are inherently uncertain) include, among others, the fair value of certain assets; recoverability of mineral properties and deferred costs; environmental and asset retirement obligations; stock-based compensation; and income taxes. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

Management Report on Financial Statements

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

Our independent registered chartered accountants, Meyers Norris Penny LLP, provided an audit of the annual Financial Statements, as reflected in their report for the years ended December 31, 2019 and 2018.

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The Financial Statements are approved by the Board of Directors 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 Standards and Interpretations Not Yet Adopted

On January 1, 2019, the Corporation adopted the following new standard as issued by the IASB in accordance with the transitional provisions:

- **Leases** – IFRS 16 eliminates the dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The Corporation adopted IFRS 16 using the modified retrospective approach which does not require comparative information to be restated. Adoption of the standard did not have a material impact on the financial statements. The Corporation does not have any leases that are not short-term.

The Corporation does not recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases that have a lease term of less than 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

- **Income Tax** – IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The adoption of the standard did not have a material impact on the financial statements.

New Standards and Interpretations not yet Adopted

New standards and amendments to existing standards are not yet effective for the year ended December 31, 2019 and have not been applied in preparing these financial statements. The Corporation does not intend to early adopt any of the following amendments to existing standards and does not expect the amendments to have a material impact on the financial statements, unless otherwise noted.

Business Combinations

In October 2018, the IASB issued an amendment to IFRS 3, “Business Combinations”. The amendment clarifies the minimum requirements for a business, removes the assessment of whether market participants are capable of replacing any missing elements, adds guidance to help entities assess whether an acquired process is substantive, narrows the definitions of a business and outputs and introduces an optional fair value concentration test. The amendments to IFRS 3 are effective for annual reporting periods beginning on or after January 1, 2020 and apply prospectively, with earlier adoption permitted. The extent of the impact of the adoption of IFRS 3 has not been determined.

Financial Instruments and Related Risk Management

The Corporation is exposed in varying degrees to a variety of risks from its use of financial instruments. Management and the board of directors, both separately and together, discuss the principal risks of our businesses. The board sets policies for the implementation of systems to manage, monitor and mitigate identifiable risks. The Corporation’s risk management objective in relation to these instruments is to protect and minimize volatility in cash flow.

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.

Counterparty Credit Risk

Credit risk is the risk that a customer will fail to meet its obligations which results in a financial loss to the Corporation. The Corporation is exposed to credit risk on its cash and cash equivalents and accounts receivable. At December 31, 2019 and 2018, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

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	2019	2018
Cash	\$ 55,194	\$ 93,901
	<u>\$ 55,194</u>	<u>\$ 93,901</u>

Cash

The Corporation mitigates its credit risk by ensuring that balances are held with counterparties with high credit ratings. The Corporation monitors the credit rating of its counterparties on an annual basis.

Impairment on cash and cash equivalents has been measured on a 12-month Expected Credit Loss (“ECL”) basis and reflects the short maturities of the exposures. The Corporation considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Corporation has assessed its counterparty credit risk on cash and cash equivalents by applying historic global default rates to outstanding cash balances based on credit rating. The conclusion of this assessment is that the loss allowance is trivial.

Accounts Receivable

The Corporation does not hold any collateral as security. As at December 31, 2019, the Corporation did not have any past due or impaired accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations at the point at which they are due. Liquidity risk arises from the Corporation’s 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 to 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 the Corporation’s financial liabilities, being the balance of accounts payable and accrued liabilities, are due within the current year. The Corporation expects to continue to repay all its financial liabilities as they become due. 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 risk to which the Corporation is exposed is interest rate risk. The objective of market risk management is to manage and control risk exposure within acceptable limits to maximize returns.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Corporation is not exposed to interest rate risk as it does not hold any debt instruments which are subject to variable interest rates.

Measurement of Fair Value

Accounting Classifications and Fair Values

The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

The Corporation’s investment in equity securities is fair valued at \$NIL (2018 – \$NIL) based on Level Three inputs. It is the Corporation’s only Level Three financial instrument. There were no transfers between categories during the year.

Fair Value

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Financial assets designated as Fair Value Through Profit and Loss (“FVTPL”) are recognized initially at fair value, normally being the transaction price plus, other than for FVTPL 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.

The Corporation’s investment in equity securities was fair valued using level three inputs during the year ended December 31, 2019 and 2018. Based on the Corporation’s evaluation it was determined that the fair value of the investment was \$NIL and a \$NIL (2018 – \$25,000) loss on investment was recorded through profit and loss.

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 mineral 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 Land Use Permits on its mineral properties.

The Corporation’s mineral exploration activities must 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 strength of the metal markets (commodity prices), hence the value the market places on the Corporation’s mineral properties. 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.

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 effect on the Corporation.

Forward Looking Statements

The financial statements for the years ended December 31, 2019 and 2018 and foregoing MD&A may contain forward looking statements including those describing the Corporation’s future 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.

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Signed “Larry Lahusen”
CEO and Director