

SCHEDULE 1

BEST MANAGEMENT PRACTICE

DRILLING OPERATIONS AND THE HANDLING OF

URANIUM MINERALIZATION

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Best Management Practices (BMP) – Drilling Operations and the Handling of Uranium Mineralization

As stated in the LUP application, Uravan Minerals Inc. ("Uravan") will be utilizing a Boyles 25-A (approximate total weight 4,500 kg) core drill to drill up to 20 NQ-size (47.6 mm in diameter) reconnaissance core drill holes.

Uravan Minerals Inc. owns the above mentioned drill and will be hiring the crew that will be conducting the diamond drilling. Uravan field crews will work diligently and responsibly with the Uravan drill crew to ensure that the proposed drill program will be conducted in a very safe and environmentally responsible – conscience manner. The following point by point summary lists Best Management Practice ("BMP's") procedures that Uravan will adhere to. These "BMP's" have been derived from reviewing the Territorial Land Use Regulations, Mineral Exploration Guidelines for Saskatchewan as well Cameco Exploration Health & Safety Manual with specific reference to Instructions for Working with Mineralized Material (Uranium).

1. Uravan's Field Supervisor will contact the Inspector(s) and all stakeholders at least forty-eight (48) hours prior to the commencement of the reconnaissance core drilling program.
2. No drilling activity will take place within 30 m of a known monument or a known suspected historical, archaeological site or burial ground; without an expressly authorized permit.
3. No drilling activity will take place within 100 m of the ordinary high water mark of a water body without written approval from the Inspector(s).
4. No clearing – leveling of drill sites will be required. The drill will be positioned on four 16 foot timbers then leveled if required to provide a level and safe operating surface for the core drilling. The timbers will be moved from drill site to drill site.
5. The total surface area required per drill site (including the drill, storage of drill rods, drill equipment, fuel and the storage of the drill core drilled per shift) will not exceed 10 m x 10 m (100 m²).
6. Water to the drill will be supplied by a large volume water pump and then supplied to the drill via a 2.54 cm (1 inch) diameter water line at a rate of 36.4 – 45.5 litres per minute. Water will be taken from the nearest reliable source and the intake valve will be screened off to prevent the entrainment of fish. To prevent freezing of the water supply to the drill, the water will be heated by a propane fired coil stove positioned between the water intake pump and the drill.
7. HQ-size casing that will produce a drill hole size of approximately 63.5 mm in diameter will be used to initiate the drill hole from surface and will be drilled to bedrock at which point the NQ-size drilling tools producing a drill hole approximately 47.6 mm in diameter will be utilized inside the HQ-size casing. All rods – casing will be removed from the drill hole upon completion. In the event that the HQ-size casing or NQ-size rods cannot be retrieved, the casing will be cut off at ground level.
8. During the setting of casing (drilling through overburden) water will be pumped down the drill hole at a rate of 68.2 litres per minute. Environmentally friendly and biodegradable drilling additives Extreme Super G Gold, Extreme Super G Blue and Bentonite (Extreme Extra High Yield Gel) as required will be mixed with the drilling water. The drill mud is formulated to lift 95-100% of the drill cuttings provided there is full return of the drilling water / additive / mud mixture back up the drill hole. During overburden drilling, the drill mud to cutting ratio will be approximately 50:50. Should return be lost during the setting of casing, lost circulation materials (Extreme Stop) including possibly cement will be used to regain as close to full return

as possible. It is imperative that full return (as close as possible) is maintained throughout the drilling of overburden and bedrock.

9. Once drill casing is set the drilling of bedrock will commence. The amount of drill mud will be reduced and Calcium Chloride will be introduced if required and a solution of approximately <8 % salinity per 1000 litre tank (300 gallon) or 1.5 bags per 1000 litre water tank will be used to prevent permafrost from enclosing the drill hole. Furthermore; to reduce the use of Calcium Chloride it is proposed that Uravan Minerals will use an additional coil stove (2 in total) in the drilling system to further warm the water prior to it being pumped down the drill hole. Hence in this scenario, warm water will be used as opposed to Calcium Chloride to keep the permafrost from enclosing the drill hole. However, a mixture of warm water and Calcium Chloride may have to be used during the probing of the drill holes (upon completion of the drill hole, when the drill rods are idle) to prevent the permafrost from trapping the drill rods in the drill hole during the probing process. A hydrometer (measures specific gravity of the solution) will be placed in the tank containing the water / CaCl mixture and referred to continually to ensure that percentage of chlorides is maintained at an acceptable level (3 to 5%).
10. Depending on ground conditions within bedrock drilling, mud and drilling additives may have to be used (Extreme Extra High Yield Gel, Extreme Super G Gold, and Extreme Super G Blue) continually. The drill return will consist of approximately 90% drill fluids to 10% drill cuttings depending on ground conditions. Refer to **Schedule 2** for a complete list of Material Safety Data Sheets "MSDS".
11. During overburden drilling all return cuttings mainly sand will accumulate around the drill collar. Once drilling in bedrock (coring) commences the drill return – cuttings will be channeled or pumped if required to the nearest natural depression (natural sump) no less than 100 m from any natural water source. Note, care will be taken and the natural sump will be continually monitored to ensure that cuttings – returns do not flow out of the sump and thus flow back to any natural water source.
12. During the drilling within bedrock it is anticipated that Extreme Rod Grease (see **Schedule 2**) will be used on the drill rods to lubricate the drill hole. The product is environmentally friendly, biodegradable (comprised of vegetable oils and animal fats).
13. It is possible that during the drilling of a drill hole the drill return will be lost suggesting that the drill return has found its way into a subsurface natural formational features; notably structures within the bedrock or formational irregularities within the overburden. As all the additives / mud's are biodegradable, non-toxic and considered environmentally friendly, lost drill return within bedrock or overburden is not considered hazardous to the environment. As mentioned earlier environmentally friendly, biodegradable products (Extreme Stop – **Schedule 2**) to reestablish return will be used in an attempt to regain the drill water return.
14. If drilling is to take place on ice, a closed circuit drilling system will be employed to minimize the spreading of drill return and cuttings on the ice and ultimately into the body of water. Drill returns and cuttings collected will be disposed of on land not less than 30 m from the ordinary high water mark of a stream or water body.
15. The proposed drilling program is reconnaissance in nature and is designed to test the target areas (Figure 1) for Uranium mineralization. Uravan will have a Scintillometer in the drill shack monitoring the drilling return in the event of a Uranium intersection. If an intersection of Uranium is encountered during the drilling of any of the proposed reconnaissance drill holes, the Scintillometer will detect the Uranium at which point certain procedures – precautions will take place. Uravan and the Uravan drilling personnel will follow the following guidelines – procedures as stated in the Mineral Exploration Guidelines for Saskatchewan and specifically Best Management Practice (BMP-010) – Drilling on Land. Requirement 16; "Drill mud solids or

cuttings with a uranium concentration greater than 0.05 per cent are to be collected and then disposed of down the drill hole and sealed"; and Requirement 19; "Any drill hole that encounters mineralization with a uranium content greater than 1% over a length > 1 meter, and with a meter-percent concentration > 5.0%, will be sealed by grouting over the entire length of the mineralization zone and not less than 10 meters above or below each mineralization zone". The Scintillometer mentioned above will be calibrated to detect these minimum thresholds (1000 CPS) and Uravan will follow these BMP's in the event of a Uranium intersection in a drill hole.

16. Upon completion of all the drill holes, the drill hole will be plugged. If drilling is to take place on ice over a body of water, the drill hole will be cemented from top to bottom.
17. If a drill hole encounters flowing water the drill hole will be plugged (grouted) in such a manner to permanently prevent any further outflow of water; and if an artesian occurrence is encountered during the core drilling this will be immediately reported to the Inspector(s).
18. All drill sites upon completion will be returned to their original natural state. The field supervisor will ensure that all garbage has been properly collected and removed from the site. Drip pans and absorbent matting will be employed at all drill sites, pump locations where fuels – oils are transferred from a fuel – oil container to the drill and pump to collect any overflow of fuel or oils used at these locations. Drip pan material and the absorbent matting will be collected from each drill site and pump location immediately upon completion of the drill hole and disposed of accordingly. If in the event some Uranium mineralization was encountered during the drilling of one of the proposed reconnaissance drill holes, the drill site area will be screened with a Scintillometer and if above background readings are detected, the uraniferous material (drill return cuttings) will be collected and disposed of to a location as suggested by the Inspector(s).

Schedule 2 lists the MSDS specifications for all drilling additives, lubricants and materials anticipated to be used in the proposed reconnaissance drill program and discussed in this summary, as well as some products that will be on site but may or may not be used depending on the drilling conditions encountered. All proposed fuels to be used in the exploration program are included also.

Schedule 3 (Fuel Spill Contingency Plan and Handling – Management of Hazardous Substances, Waste and Dangerous Goods) discusses the handling of fuels and procedures that will be implemented by Uravan for the handling of all fuels and materials to be used in the reconnaissance drill program and in the event of a fuel spill.