Condensed interim consolidated financial statements of

GoviEx Uranium Inc.

September 30, 2014
(Unaudited)

GoviEx Uranium Inc.

Condensed interim consolidated financial statements
September 30, 2014

Table of contents

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice to this effect.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management of GoviEx Uranium Inc. (the “Company”). Management have compiled the condensed interim consolidated statement of financial position of the Company as at September 30, 2014, the condensed interim consolidated statements of loss and comprehensive loss for the three months and nine months period ended September 30, 2014, the condensed interim consolidated statement of changes in equity as at September 30, 2014, and the condensed interim consolidated statements of cash flows for the three months and nine months period ended September 30, 2014. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the September 30, 2014 condensed interim consolidated financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

GoviEx Uranium Inc.

Condensed interim consolidated statements of financial position

(Stated in thousands of U.S. dollars except for shares)
(Unaudited - prepared by management)

	Notes	**September 30, 2014**	December 31, 2013
		(unaudited)	(audited)
		$	$
Assets			
Current assets			
Cash and cash equivalents		**1,870**	3,952
Accounts receivable		**399**	416
Prepaid expenses		**128**	256
Inventory of uranium concentrate	4	**3,531**	3,450
Total current assets		**5,928**	8,074
Non-current assets			
Deposit		**41**	43
Plant and equipment		**404**	604
Mineral exploration rights		**57,147**	57,147
Total non-current assets		**57,592**	57,794
Total assets		**63,520**	65,868
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		**661**	638
Convertible debenture	5	**-**	37,234
Uranium loan	6	**9,340**	8,380
Total liabilities		**10,001**	46,252
Equity			
Share capital	8	**217,625**	156,039
Capital contribution		**1,775**	1,775
Share option reserve		**13,088**	12,536
Accumulated deficit		**(178,969)**	(150,734)
Total equity		**53,519**	19,616
Total equity and liabilities		**63,520**	65,868

Continuing operations (Note 1)
Subsequent events (Note 15)
See accompanying notes to the condensed interim consolidated financial statements

Approved and authorized for issue on behalf of the Board on November 7, 2014

"Daniel Major"
Director

"William Assini"
Director

GoviEx Uranium Inc.

Condensed interim consolidated statements of loss and comprehensive loss

for the three months and nine months period ended September 30, 2014 and 2013

(Stated in thousands of U.S. dollars except for shares)

(unaudited - prepared by management)

	Notes	Three months ended September 30, 2014	Three months ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2013
		$	$	**$**	$
Expenses					
Exploration expenses	9	**(1,295)**	(1,364)	**(3,141)**	(13,620)
Administrative expenses	10	**(422)**	(343)	**(1,114)**	(1,848)
		(1,717)	(1,707)	**(4,255)**	(15,468)
Other income and expenses					
Interest income		**2**	2	**6**	17
Interest expense	11	**(668)**	(1,413)	**(23,905)**	(4,240)
Gain (loss) on uranium concentrate inventory	4	**706**	(862)	**81**	(1,662)
Gain (loss) on uranium loan	6	**(1,412)**	862	**(162)**	1,662
		(1,372)	(1,411)	**(23,980)**	(4,223)
Loss before income taxes		**(3,089)**	(3,118)	**(28,235)**	(19,691)
Income taxes		**-**	-	**-**	-
Loss and comprehensive loss for the period	12	**(3,089)**	(3,118)	**(28,235)**	(19,691)
Attributable to					
Equity holders of the Company		**(3,089)**	(3,118)	**(28,235)**	(19,691)
Loss per share (basic and diluted)		($0.02)	($0.03)	($0.22)	($0.17)
Weighted average number of basic and diluted shares outstanding		**146,216,053**	117,080,738	**128,179,906**	117,080,738

See accompanying notes to the condensed interim consolidated financial statements

GoviEx Uranium Inc.

Condensed interim consolidated statements of changes in equity

(Stated in thousands of U.S. dollars except for shares)
(unaudited - prepared by management)

	Share capital					
	Number of Shares	Share capital	Capital contribution	Share option reserve	Accumulated deficit	Total
		$	$	$	$	$
Balance, December 31, 2012	117,080,738	156,039	1,775	11,805	(127,577)	42,042
Recognition of share-based payments	-	-	-	627	-	627
Loss and comprehensive loss for the period	-	-	-	-	(19,691)	(19,691)
Balance, September 30, 2013	117,080,738	156,039	1,775	12,432	(147,268)	22,978
Balance, December 31, 2013	117,080,738	156,039	1,775	12,536	(150,734)	19,616
Issuance of ordianary shares during the period	29,135,315	61,586				61,586
Recognition of share-based payments	-	-	-	552		552
Loss and comprehensive loss for the period	-	-	-		(28,235)	(28,235)
Balance, September 30, 2014	146,216,053	217,625	1,775	13,088	(178,969)	53,519

See accompanying notes to the condensed interim consolidated financial statements

GoviEx Uranium Inc.
Condensed interim consolidated statements of cash flows
for the three months and nine months period ended September 30, 2014 and 2013

(Stated in thousands of U.S. dollars except for shares)

(unaudited - prepared by management)

	Notes	Three months ended September 30, 2014	Three months ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2013
		$	$	**$**	$
Operating activities					
Loss before income taxes		**(3,089)**	(3,118)	**(28,235)**	(19,691)
Adjustments for non-cash items					
Recognition of equity-settled share-based payments expense		**162**	152	**552**	626
Interest expense		**668**	1,413	**23,905**	4,240
Depreciation		**65**	97	**200**	553
Unrealized (gain) loss on uranium concentrate inventory		**(706)**	(862)	**(81)**	(1,662)
Unrealized (gain) loss on uranium loan		**1,412**	862	**162**	1,662
Operating cash flows before movements in working capital		**(1,488)**	(1,456)	**(3,497)**	(14,269)
Accounts receivable		**42**	97	**17**	493
Prepaid expenses and deposit		**129**	144	**130**	413
Accounts payable and accrued liabilities		**15**	(1,754)	**23**	(2,525)
Net cash used in operating activities		**(1,302)**	(2,969)	**(3,327)**	(15,888)
Investing activities					
Payments for plant and equipment		**-**	-	**-**	(127)
Investments		**-**	-	**-**	-
Net cash used in investing activities		**-**	-	**-**	(127)
Financing activity					
Net proceeds from issuance of ordinary shares for cash	8	**12**	-	**1,245**	-
Redemtion of Debenture	5	**-**	-	**(60,341)**	-
Issuance of Class A shares to redeem debenture	8	**-**	-	**60,341**	-
Net cash from financing activities		**12**	-	**1,245**	-
Net decrease in cash and cash equivalents		**(1,290)**	(2,969)	**(2,082)**	(16,015)
Cash and cash equivalents, beginning of period		**3,160**	5,579	**3,952**	18,625
Cash and cash equivalents, end of period		**1,870**	2,610	**1,870**	2,610

See accompanying notes to the condensed interim consolidated financial statements

1. Continuing operations and going concern

(a) GoviEx Uranium Inc. (the "Company" or "GoviEx"), is incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The head office, principal address and registered and records office of the Company are located at 999 Canada Place, Suite 654, Vancouver, British Columbia, Canada, V6C 3E1.

On June 19, 2014, GoviEx completed an initial public offering and became a publicly listed entity on the Canadian Securities Exchange ("CSE"). Class A common shares of the Company started trading on June 20, 2014 under the symbol GXU.

The Company together with its subsidiaries is a mineral exploration and development group of companies focused on exploring and developing uranium properties located in Niger under exploration license granted by local authorities.

(b) The condensed interim consolidated financial statements (the "Financial Statements") have been prepared on a going concern basis which presumes the realization of assets and liabilities in the normal course of business. Uncertainties related to certain events and conditions may cast significant doubt upon the Company's ability to continue as a going concern. During the nine months ended September 30, 2014, the Company incurred a net loss of $28.2 million (2013 - $19.7 million), net expenditures on exploration and evaluation activities amounting to $3.1 million (2013 - $13.6 million).

The Company's cash and cash equivalents as at September 30, 2014 totaled $1.9 million (December 31, 2013 - $4.0 million).

During the period ended September 30, 2014, the Company negotiated with the uranium debt holder to obtain a twelve months extension, allowing the Company to deliver a commercial feasibility study on its Madaouela Project by December 31, 2015 (see note 15(c)). In the event that the Company fails to deliver a commercial feasibility study by December 31, 2015, the holder of the uranium loan has the right to demand a full payment of principal and interest as described in Note 5 and 6. The Company expects to incur expenditures in the future to appraise, explore and develop its current uranium assets located in Niger. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop its mineral properties and ultimately, to achieve profitable operations.

The Financial Statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. Basis of preparation

(a) Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") including *IAS 34 Interim financial reporting*.

The Financial Statements do not include all of the information and footnotes required by the IFRS as issued by the International Accounting Standards Board for full annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

The same accounting policies are used in the preparation of the Financial Statements for the three months and nine months period ended September 30, 2014.

(b) Judgment and estimates

In the opinion of management, all adjustments considered necessary (including reclassifications and normal recurring adjustments) to present fairly the financial position, result of operations and cash flows at September 30, 2014 and for all periods presented, have been included in these Financial Statements. The interim results are not necessarily indicative of results for the full year ending December 31, 2014, or future operating periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2013.

The Company operates in a single reportable segment, being exploration and development of mineral properties.

Reference to "$" refer to United States currency.

3. Adoption of new accounting standards

The following interpretation of a standard has been adopted by the Company commencing January 1, 2014:

(a) IFRIC 21 "Levies" – This interpretation of IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", applies to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. There was no material impact on the unaudited condensed consolidated interim financial statements as a result of the adoption of this standard.

The following standard has been published and is mandatory for the Company's annual accounting periods no earlier than January 1, 2018:

(b) IFRS 9 "Financial Instruments: Classification and Measurement" - This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 has two measurement categories: amortized cost and fair value.

All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

Otherwise it is measured at fair value with changes in fair value to profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and derecognition of financial instruments. The Company is currently evaluating the extent of the impact of the adoption of this standard.

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

4. Inventory of uranium concentrates

On April 18, 2012, GoviEx entered into an uranium concentrates borrowing agreement and received proceeds in uranium concentrates, totalling 200,000 pounds of uranium octoxide (“U_30_8”), which is held at a conversion facility in GoviEx’s account. This inventory of uranium concentrates is recorded at the lower of its historical average cost and net realizable value.

As a result of the recent increase in the price of uranium in 2014, the Company has recorded an increase of $81,000 in the carrying value of the uranium concentrate inventory. Details of the changes in uranium concentrate inventory since the beginning of 2013 are as follows:

	September 30,		December 31,	
	U_3O_8	**2014**	U_3O_8	2013
	Pounds	**$**	Pounds	$
Uranium Concentrate - fair value				
Beginning balance	**100,000**	**3,450**	200,000	8,700
Proceeds from sale of uranium	**-**	**-**	(100,000)	(3,330)
Loss on sale of uranium	**-**	**-**	-	(189)
Unrealized gain (loss) during the period	**-**	**81**	-	(1,731)
Closing balance	**100,000**	**3,531**	100,000	3,450

On October 1, 2014 the Company sold the remaining 100,000 pounds of U_30_8 inventory at a price of $33.50 per pound (see note 15(a)).

5. Convertible debenture

On April 18, 2012, the Company issued a $30 million convertible debenture (the “Bond”). The Bond is secured by a floating charge on all assets of the Company. The bondholders have the right to demand full payment of principal and accrued interest if (i) the Company fails to deliver a definitive commercial feasibility study relating to the Madaouela Project prior to December 31, 2014 or (ii) the total production and capital costs per pound of U_3O_8, as estimated in a feasibility study prepared in respect of the Madaouela Project, is not lower than $44. As the satisfaction of this condition is not wholly within the Company’s control the Bond has been classified as a current liability at December 31, 2013.

The Bond matures on April 19, 2019 and carries an annual compound rate of 15%. The Company can repay the principal and accrued interest balance (the “Redemption Value”) at any time prior to maturity. Repayment can either be in cash or, following the listing of the Company’s shares on the public stock exchange, through the issuance of shares of the Company using either, the share price applicable at the time of the Company’s initial public offering (“IPO”) or, if later, the Company’s average share price over a 30 days trading period.

The accrued interest portion of the Redemption Value must include a minimum balance of $ 30.3 million, which represents the equivalent to five years of accrued interest. On June 19, 2014, following the completion of an initial public offering, the Company redeemed the convertible debenture by issuing 28,395,466 Class A common shares for a total value of $60.3 million.

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

5. Convertible debenture (continued)

On June 19, 2014, the convertible debenture was fully repaid and cancelled and the security interest attached to the debenture was cancelled.

	September 30, 2014	December 31, 2013
	$	$
Principal	**30,000**	30,000
Acquisition costs	**(940)**	(940)
Net principal	**29,060**	29,060
Accrued interest to June 19, 2014	**10,760**	8,174
Additional interest payable on early redemption	**20,521**	-
Total balance due on redemption	**60,341**	37,234
Share issue redemption (note 8)	**(60,341)**	-
Balance of principal and interest owing	**-**	37,234

6. Uranium loan

On April 18, 2012, GoviEx borrowed 200,000 pounds of U_30_8 with an original estimated market value of $10.25 million. At maturity, on April 19, 2020, GoviEx will have to repay a total of 495,193 pounds of U_3O_8, representing an effective compounded annual interest rate of 12%. The Uranium Loan is secured by a floating charge on all assets of the Company.

	September 30, U_3O_8	**2014**	December 31, U_3O_8	2013
	Pounds	**$**	Pounds	$
Uranium Concentrate				
Estimated value - Opening	**242,891**	**8,380**	216,867	9,434
Transactions during the period				
Unrealized loss (gain)	**-**	**162**	-	(1,800)
Net principal balance	**242,891**	**8,542**	216,867	7,634
Accrued interest	**21,620**	**798**	26,024	746
Principal and interest- Closing	**264,511**	**9,340**	242,891	8,380

The lender has the right to demand repayment of the loan and accrued interest if (i) the Company fails to deliver a definitive commercial feasibility study relating to Madaouela Project prior to December 31, 2015 (note 15(c)), or (ii) the total production and capital costs per pound of U_30_8, as estimated in a feasibility study prepared in respect of the Madaouela Project, is not lower than $44. As the satisfaction of this condition is not wholly within the Company's control the uranium loan has been classified as a current liability at December 31, 2013.

7. **Provisions**

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements and have been measured at fair value. Fair value is determined based on the net present value of future cash expenditures upon reclamation and closure. Reclamation and closure costs are capitalized as mine development costs and amortized over the life of the mine. Reclamation and closure costs relate to the Company's exploration activities in Niger and are calculated as the net present value of estimated future net cash flows of the reclamation and closure costs.

The Company did not have any reclamation and closure cost obligations at September 30, 2014.

8. Share capital

(a) Share Reclassification Plan

On June 27, 2013, GoviEx's shareholders authorized the directors, following the commencement of a future public offering and listing transaction, to enact a Share Reclassification Plan (the "Plan"). The Company enacted the Plan on March 12, 2014.

Under the Plan, the existing Company's common shares were reclassified into Class B shares, a new common share category, and a second category of common shares, Class A shares, was created.

The reclassification preserves Class B shares' pre-existing rights to voting, dividends and winding up, but freezes the ability of shareholders to transfer ownership of Class B shares until such time as Class B shares are converted into Class A shares. On December 19, 2015 Class B shares will be converted automatically to free trading Class A shares.

Starting December 19, 2014, Class B shareholders that have opted to convert early to Class A shares will, following the terms of a pre-agreed lock-up agreement, gradually become free trading over a period of twelve months in five equal twenty percent increments.

(b) Common shares

At September 30, 2014, GoviEx is authorized to issue an unlimited number of Class A and Class B shares with no par value. Shares issued and paid up at September 30, 2014 and December 31, 2013 were as follows:

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

8. Share capital (continued)

(b) Common shares (continued)

Common shares	**Number of ordinary shares**	**Amount $**
Common shares		
Balance at December 31, 2013	**117,080,738**	**156,039**
Transactions during the period		
Transfer to Class B common shares	**(117,080,738)**	**(156,039)**
Total common shares at September 30, 2014	**-**	**-**
Class A common shares		
Balance at December 31, 2013	**-**	**-**
Transactions during the period		
Transfer from Class B common shares	**28,684,763**	**38,230**
Issuance of shares for cash	**739,849**	**1,245**
Redemption of debenture with share issue	**28,395,466**	**60,341**
Total issued during the period	**57,820,078**	**99,816**
Total Class A common shares at September 30, 2014	**57,820,078**	**99,816**
Class B common shares		
Balance at December 31, 2013	**-**	**-**
Transactions during the period		
Transfer from common shares	**117,080,738**	**156,039**
Transfer to Class A shares	**(28,684,763)**	**(38,230)**
Total issued during the period	**88,395,975**	**117,809**
Total Class B common shares at September 30, 2014	**88,395,975**	**117,809**
Total Class A and Class B common shares at September 30, 2014	**146,216,053**	**217,625**

(c) Warrants

There are no warrants outstanding at September 30, 2014 and December 31, 2013.

(d) *Options*

A total of 4.6 million options, with an average weighted exercise price of $2.15 per share, was outstanding at September 30, 2014 (December 31, 2013 – 3.8 million shares at an average weighted exercise price of $2.81).

On March 25, 2014, the Company directors approved, effective on the closing date of an IPO, a) the reduction of the exercise price on all 3.8 million outstanding share options to $2.15 per share to match the IPO offering price and b) the grant of 1.2 million options at $2.15 per share.

8. Share capital (continued)

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

(d) Options (continued)

The following table presents changes in stock options outstanding and exercisable:

	September 30, 2014		December 31, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, begnning of period	3,808,333	$ 2.81	9,145,833	$ 2.36
Options granted	1,660,000	$ 2.15	-	$ -
Options expired	(360,000)	$ 2.25	(5,312,500)	$ 2.03
Options cancelled	(460,000)	$ 2.36	-	$ -
Options forfeited	-	$ -	(25,000)	$ 2.65
Outstanding, end of period	4,648,333	$ 2.15	3,808,333	$ 2.81
Exericisable, end of period	3,235,000	$ 2.15	2,685,333	$ 2.76

9. Exploration costs

Exploration expenses for the Company were principally incurred in Niger and are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	$	$
Drilling	**-**	(69)	**-**	3,809
Consultants	**508**	157	**604**	3,104
Wages and Benefits	**411**	873	**1,332**	2,394
Camp	**78**	126	**253**	1,387
Other	**31**	(173)	**149**	351
Depreciation	**63**	95	**198**	548
Rentals	**64**	67	**191**	497
Travel	**57**	98	**163**	486
Geophysics - Logging	**-**	20	**-**	459
Insurance	**49**	43	**157**	163
Communications	**17**	39	**45**	140
Repairs	**11**	19	**35**	145
Assay	**6**	28	**6**	95
Donations	**-**	41	**8**	42
	1,295	1,364	**3,141**	13,620

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

10. Administrative expenses

Administrative expenses for the Company are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	$	$
Wages and Benefits	**221**	340	**681**	1,153
Consultants	**108**	24	**190**	171
Travel	**9**	25	**37**	186
Corporate Overhead	**19**	49	**50**	213
Communications	**4**	(125)	**21**	(24)
Rentals	**-**	3	**1**	26
Insurance	**18**	17	**50**	51
Other	**16**	7	**24**	24
Investor Relations	**7**	5	**17**	16
Foreign exchange	**18**	(4)	**40**	27
Depreciation	**2**	2	**3**	5
	422	343	**1,114**	1,848

11. Finance costs

Finance costs are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	$	$
Convertible debenture interest expense	**-**	1,303	**23,107**	3,701
Uranium concentrate loan expense	**668**	110	**798**	539
Total Interest expense	**668**	1,413	**23,905**	4,240
Net foreign exchange loss	**18**	(4)	**40**	27
Total finance cost	**686**	1,409	**23,945**	4,267

12. Loss for the period

Loss for the period has been calculated after charging the following:

	Three months ended September		**Nine months ended September**	
	2014	2013	**2014**	2013
	$	$	$	$
Remuneration				
Wages and salaries	**430**	1,060	**1,394**	2,846
Bonus	**25**	-	**51**	75
Equity-settled share-based payments	**162**	152	**552**	626
Total remuneration	**617**	1,212	**1,997**	3,547
Depreciation of plant and equipment	**65**	97	**200**	534

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

13. Financial risks and management objectives

(a) *Fair values of financial assets and financial liabilities*

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable as follows:

(i) Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The Company does not have any financial assets and liabilities accounted at fair value through profit or loss.

(b) *Fair values of financial assets and liabilities not already measured and recognized at fair value on the consolidated balance sheets.*

The convertible debenture has been accreted from April 18, 2012 to June 19, 2014, based on an annual effective interest rate of 15.524% (Note 5).

14. Related party transactions

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Details of transactions between the Company and other related parties are disclosed below.

(a) Expenses, accounts receivable and accounts payable

During the periods, the Company incurred the following expenses with related parties:

	Three months ended September 30,		**Nine months ended September 30,**	
	2014	2013	**2014**	2013
	$	$	**$**	$
GMM	**103**	148	**264**	624
I2MS.net PTE LTD	**-**	(129)	**-**	(55)
Melabar Geoconsulting	**10**	51	**40**	175
Total related party expenses	**113**	70	**304**	744

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

14. Related party transactions (continued)

(a) Expenses, accounts receivable and accounts payable (continued)

The breakdown of the expenses between the different related parties is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	**$**	$
Salaries and benefits	**85**	101	**216**	410
Corporate administration	**18**	47	**48**	214
Consulting services	**10**	51	**40**	175
Information technology	**-**	(129)	**-**	(55)
Total related party expenses	**113**	70	**304**	744

The above noted transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The breakdown of accounts receivable between the different related parties is as follows:

	September 30, 2014	December 31, 2013
	$	$
Accounts receivable		
GMM	**156**	166
Total related party expenses	**156**	166

The breakdown of accounts payable between the different related parties is as follows:

	September 30, 2014	December 31, 2013
	$	$
Accounts payable		
GMM	**31**	32
Key management personnel		
(Directors, Officers)	**63**	27
Total related party expenses	**94**	59

i. Global Mining Management Corporation ("GMM") is a private company based in Vancouver owned equally by seven companies, one of which is GoviEx Uranium Inc. GMM has an officer in common with the Company. The CFO of the Company is a director of GMM's parent entity. GMM provides administration, accounting, and other office services to the Company on a cost-recovery basis.

ii. I2MS.net PTE Ltd., ("I2MS") is a private company based in Singapore owned by Turquoise Hill Resources Ltd ("Turquoise Hill"). Prior to December 2013, the Company's CFO, an employee of Turquoise Hill, has been seconded by Turquoise Hill to the Company. I2MS provides global IT services and infrastructure to the Company on a cost recovery basis plus a 10% markup.

(Stated in U.S. dollars unless otherwise noted: tabular amounts in thousands)

14. Related party transactions (continued)

(a) *Expenses, accounts receivable and accounts payable (continued)*

iii. Key management personnel, officers and directors of the Company mainly for salaries and expenses paid on behalf of the Company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the periods is as follows**:**

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	**$**	$
Salaries and short-term benefits	**245**	292	**624**	1,013
Bonus	**25**	75	**50**	75
Share-based payments	**161**	116	**491**	503
Total remuneration	**431**	483	**1,165**	1,591

The remuneration of directors and key executives is determined by the Board having regard to the performance of individuals and market trends.

15. Subsequent events

(a) Effective October 1, 2014 the Company sold the remaining 100,000 pounds of U_30_8 inventory at a price of $33.50 per pound.

(b) On October 17, 2014, 48,605,726 Class B shares were converted to Class A shares.

(c) On October 30, 2014, the Company announced reaching a twelve months extension agreement with its uranium debt holder which allows the Company to deliver a commercial feasibility study on its Madaouela Project by December 31, 2015.

GoviEx Uranium Inc.

(The “Company” or “GoviEx”)

MANAGEMENT'S DISCUSSION & ANALYSIS (“MD&A”) OF FINANCIAL CONDITION & THE RESULTS OF OPERATIONS FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

Introduction

Management’s discussion and analysis (“MD&A”) focuses on significant factors that affected GoviEx current and maybe future performances. In order to better understand the MD&A, it should be read in conjunction with the condensed interim consolidated financial statements for the nine months ended September 30, 2014 and the audited consolidated financial statements for the year ended December 31, 2013 of the Company and the notes thereto. The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of International Financial Reporting Interpretations Committee (“IFRIC”). The Company’s significant accounting policies are set out in Note 2 of the December 31, 2013 audited consolidated financial statements.

The Company’s consolidated financial statements and the MD&A are intended to provide a reasonable basis for investors to evaluate the Company’s development and financial situation. The information is presented in U.S. dollars unless otherwise noted: tabular dollar amounts in thousands. Additional information related to the Company is available on the Company’s website at www.goviex.com, or on SEDAR at www.sedar.com.

This MD&A contains forward-looking statements that are subject to risk factors have referenced in *Financial Risks and Management Objectives* in the end of this document. This information has been prepared as of November 7, 2014.

Overview

GoviEx Uranium Inc. is incorporated in Canada with limited liability under the legislation of the Province of British Columbia on March 1, 2011. On March 28, 2014, the Company filed a copy of its preliminary prospectus with Canadian security regulators, and on June 19, 2014, the Company successfully closed its initial public offering (“IPO”) on the Canadian Securities Exchange (“CSE”) by issuing 739,849 Class A common shares at US$2.15 per share for gross proceeds of US$1.59 million. The Company’s Class A common shares began trading under the symbol “GXU” on June 20, 2014.

GoviEx and its subsidiaries are focused on the exploration and development of uranium properties. The Company’s principal objective is to become a significant uranium producer through the continued exploration and development of its Madaouela Project (the “Madaouela Project”) located in the Agadez region of north central Republic of Niger (“Niger”), in the heart of a historically prolific uranium producing district The Madaouela Project consists of five exploration permits for the tenements known as Madaouela I, II, III, IV and Anou Melle.

The exploration rights to the Madaouela Project are held 100% by GoviEx Niger Holdings Ltd., a wholly owned subsidiary of the Company; however, the Government of Niger retains a 10% carried interest in all mining projects upon the conversion from exploration license to mining license, with the option to purchase up to an additional 30% equity interest at fair market value (subject to certain conditions).

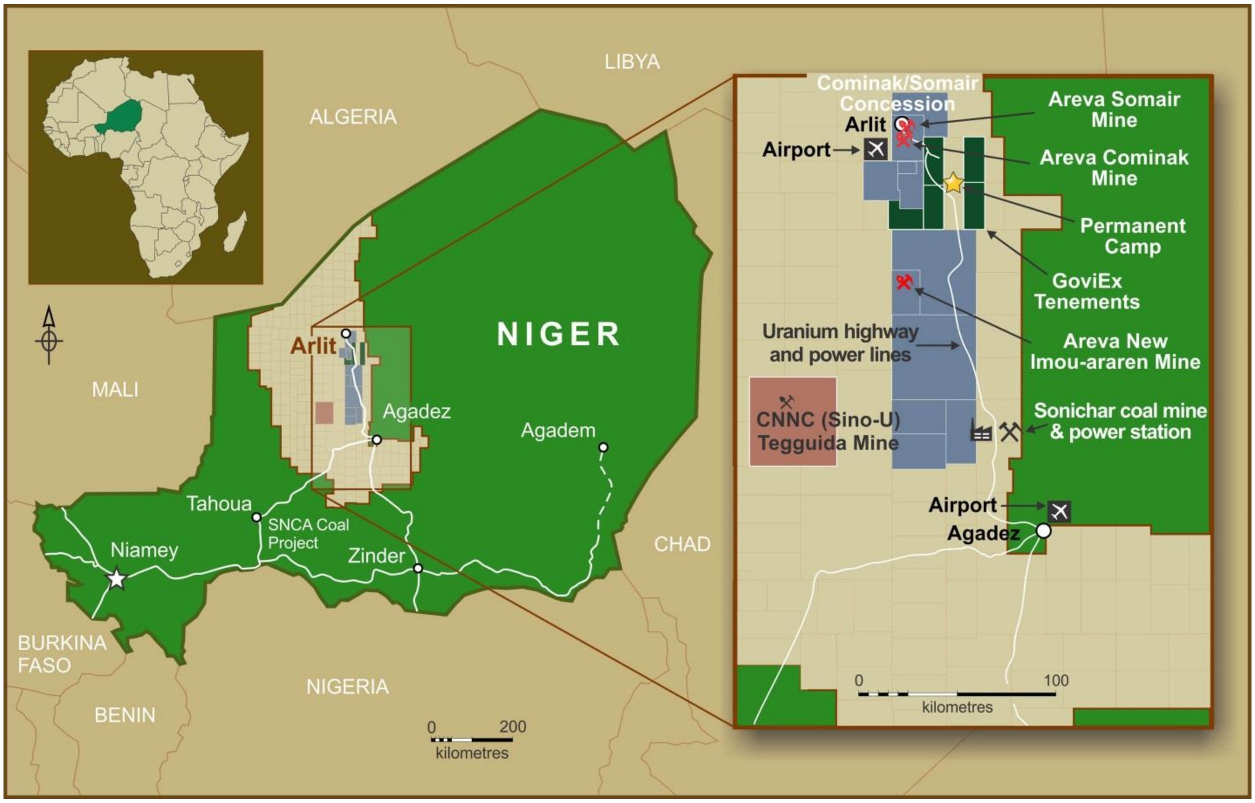
All drilling exploration operations in Niger were halted from the beginning of July 2013 due to the decline in uranium price and overall equity market condition. Exploration in Niger will only recommence once uranium and equity market conditions have improved to a point to support a decision.

GoviEx Uranium Inc.

(The "Company" or "GoviEx")

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") OF FINANCIAL CONDITION & THE RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

Location of the Company's Uranium Properties in Niger



Note: Somair and Cominak are subsidiaries of Areva SA

Madaouela Project - The Company's resources are mainly located on six deposits on the Madaouela I tenement where the majority of the Company's exploration and development drilling to date has been conducted, and contain 98.22Mlb eU_3O_8 as drill Measured and Indicated resources, and an additional 24.10Mlb as drill Inferred resources. Additionally, the Madaouela Project contains numerous prospective exploration targets worthy of continued exploration drilling.

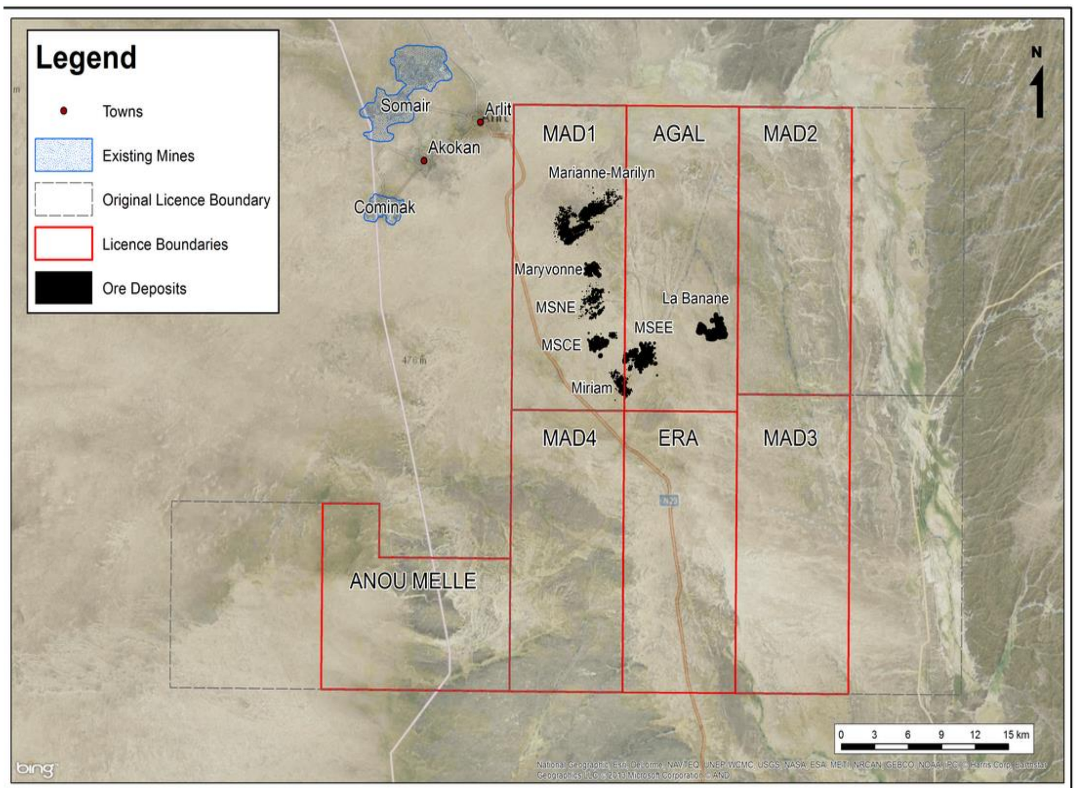
Madaouela Project's current resource estimates are derived from a resource estimation update prepared by SRK Consulting on March 14, 2013. This update is reported in the "An Updated Integrated Development Plan for the Madaouela Project, Niger" ("Technical Report") dated September 20, 2013 and amended on April 28, 2014 available on SEDAR. The Technical Report provides a review of the results of mining and processing studies and a preliminary feasibility study of the potential project development, as well as an update to the overall project resources.

The Technical Report was prepared by SRK Consulting (UK) Limited ("SRK") in accordance with *National Instrument 43-101 – Standard of Disclosure for Mineral Projects* ("NI 43-101"). Ryan Freeman, Robert Bowell, Daniel Guibal, Rick Skelton, Tim McGurk and Neal Rigby of SRK endorsed the Technical Report as Qualified Persons ("QP") defined in the NI 43-101.

The Company acquired of the Madaouela Project in May 2007 pursuant to mining conventions between the Niger and GoviEx Niger. Exploration licenses for these tenements were awarded in September 2007 by the Niger Ministry of Mines and Energy. The Company paid Euro €25 million for the exploration licenses and will pay, as a one-time payment, a further Euro €7 million on the conversion of any one of the exploration permits to a mining license.

In May 2010, the Ministry of Mines and Energy of Niger formally extended the expiry of the first validity period of the exploration licenses for the Madaouela Project's tenements to September 2012 with no reduction in the area covered by the license. The extensions were granted to compensate for interruptions to the Company's exploration activities at the Madaouela Project between August 2007 and November 2009 as a result of a government imposed state of alert. Under Niger's Mining Code, upon expiry the exploration licenses may be (i) renewed for a second and third period of validity, provided that each time the license is renewed, the area covered by the license will be reduced by half, (ii) extended for an additional year in order to finalize a feasibility study, or (iii) converted to a mining license. On November 2, 2012, the Niger authorities granted a renewal of the exploration permits of the Madaouela Project licences but on the basis of a 50% reduction of the surface areas.

On November 22, 2012, the Company submitted to the Niger authorities an application covering certain portions of the original Madaouela I and Madaouela IV licences surface areas that were excluded from the renewed licences granted on November 2, 2012, now known as Agaliouk and Eralrar. The two licences are shown as AGAL and ERA in the map below. Approval of this application is still outstanding. GoviEx has been advised by the Niger Government they will be re-issued; however, there can be no assurance that this will be the case. On March 23, 2014, the Company received written confirmation via email from the Nigerien Director General of Mines and Geology that the application was in order and that the formal issuance of the licenses should follow shortly. Separately, the Company has been in direct discussions with both the Nigerien President and Prime Minister, who have indicated that that there is no reason to expect that the licenses will be refused.



Source: Company

Exploration

GoviEx commenced its exploration on the Madaouela Project in 2008. The following section describes the development of this program.

(a) The Company's drilling program in 2008 and 2009 (147,366 meters) focused on Madaouela I ("**Mad I**"), linked two previously known but separate deposits, identified as "**Marianne**" and "**Marilyn**" (collectively referred to herein as "**Marianne-Marilyn**"), and defined extensions in the mineralization on two deposits at Madaouela South area ("**MAD South**"), identified as Mad South North East ("**MSNE**") and Mad South Center East ("**MSCE**").

(b) Drilling conducted during 2010 (100,551 meters) primarily focused on defining the Miriam deposit ("**Miriam**") and the Mad South Extreme East ("MSEE") deposit. Mineralization at MSEE is geologically similar to the other Madaouela Project deposits, but Miriam presents mineralisation at different levels on the vertical, locally thicker, but globally at a lower mean grade and at a relatively shallow depth. Miriam therefore has the potential to be mined as an open pit.

(c) In 2011 a total of 94,608 meters were drilled with approximately two thirds focused on Mad I and resulted in the discovery of the La Banane deposit ("**La Banane**"), while the remaining meters were used doing additional reconnaissance drilling on the Madaouela II, III, IV licenses. At the end of 2011 a total of 341,430 meters had been drilled on the Madaouela Project.

(d) Due to security restrictions imposed by the government of Niger limiting exploration activities to within a safe distance from the existing military base located near the town of Arlit, and due to abnormal equipment maintenance down time experienced by the drilling contractor, the drilling estimate for the 2011 year was reduced at the beginning of Q2'11. Three new drill rigs ordered in August 2010 were delivered at the end of Q2'11 and the security restrictions imposed by the government were lifted in September 2011. Following a brief period of familiarization with the new equipment, the local Nigerian drilling crews were successful in significantly increasing the monthly drilling rate.

(e) Exploration drilling in 2012 totaled 159,786 meters; a 71% increase over the rate achieved in 2011, and brought total meters drilled on the Madaouela Project to 501,216 meters, making this one of the largest exploration programs in the past five years. Drilling in 2012 was focused on improving the resource confidence as part of the preparation of the Technical Report, with all but 6,096 meters drilled in Mad I. The development drilling resulted in the confirmation of La Banane and Miriam deposits, and the discovery of the Maryvonne deposit ("**Maryvonne**") situated between Marianne-Marilyn and MSNE.

(f) In 2013 the Company drilled a total of 72,144 meters. This included 56,328 meters of infill development drilling on 50 meter centers, to improve resource confidence of the Mad 1 deposits, and 15,816 meters in Q2'13 with the focus on the other exploration licenses, including Mad IV, Mad II and III licences.

The following table summarizes the total meters drilled each quarter since the beginning of 2011.

Period	Months	Meters Drilled	Average Monthly	% increase Qtr on Qtr	% increase Yr on Yr
Q1' 11	3	14,929	4,976		
Q2' 11	3	19,341	6,447	30%	
Q3' 11	2	17,749	8,875	38%	
Q4' 11	3	42,589	14,196	60%	
Q1' 12	3	46,204	15,401	8%	209%
Q2' 12	3	39,726	13,242	-14%	105%
Q3' 12	2	24,936	12,468	-6%	40%
Q4' 12	3	48,920	16,307	31%	15%
Q1' 13	3	56,328	18,794	15%	22%
Q2' 13	3	15,816	5,272	-72%	-60%

(g) Due to the continued weakness in the uranium and equity markets, the Company instituted action plans in July 2013 to conserve existing capital. Action taken included the halting of all drilling and exploration field work, and a 55% reduction of Niger personnel.

(h) No field work has been completed since Q3'13. The core team continues to focus on development of targeted field programs to be implemented once conditions improve, and continuation of the environmental baseline program.

Uranium Resources

As of January 31, 2011, a total of 2,870 drill holes (272,698 meters) were completed for use in resource estimation in the Preliminary Economic Assessment. In September 2012 SRK prepared an updated resource estimation based on the drilling completed up to August 31, 2012. As of December 31, 2012 a total of 501,216 meters had been drilled and this provided the input for a resource update on March 14, 2013 for the Madaouela Project.

Summary of the Classified Mineral Resources in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") guidelines for Madaouela (cut-Off: 0.47 kg/t eU_3O_8) as of March 14, 2013[(*)]

Classification	Tons (Mt)	Grade (kg/t eU_3O_8)	eU_3O_8 (t)	eU_3O_8 (Mlb)
Marianne/Marilyn				
Indicated	12.09	1.58	19,145	42.21
Inferred	3.05	1.40	4,285	9.45
Miriam				
Measured	9.62	1.08	10,397	22.92
Indicated	2.68	0.79	2,112	4.66
Inferred	0.58	1.33	773	1.70
MSNE				
Indicated	5.05	1.61	8,111	17.88
Inferred	0.10	1.34	131	0.29
Maryvonne				
Indicated	1.23	1.79	2,195	4.84
Inferred	0.42	1.66	703	1.55
MSCE				
Inferred	0.72	1.81	1,308	2.88
MSEE				
Inferred	1.45	1.64	2,373	5.23
La Banane				
Indicated	1.57	1.64	2,589	5.71
Inferred	1.15	1.18	1,358	2.99
TOTAL MEASURED	9.62	1.08	10,397	22.92
TOTAL INDICATED	22.63	1.51	34,153	75.30
TOTAL INFERRED	7.47	1.46	10,931	24.10

Note: resources are estimated at a 0.05% eU_3O_8 (0.04%eU) cut-off grade and a minimum thickness of 0.4 meters.

[(*)] *On November 22, 2012, GoviEx submitted to the Niger authorities a license application covering certain portions of the original Madaouela I and IV licences surface areas that were excluded from the renewed licences granted on November 2, 2012. GoviEx has been advised that the two applications for the excluded areas of Madaouela I and IV will be approved, but is awaited at the time of writing its applications, and hence has not adjusted its resources to account for any potential changes. However, it should be noted that resources associated with MSEE, and La Banane would be materially affected, and to a limited extent Miriam's resources would be affected should GoviEx not be successful in its application.*
The Company's mineral resources as at March 13, 2013 are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards - For Mineral Resources and Mineral Reserves" in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" (the Instrument). Mineral reserve and mineral resource estimates reflect the Company's reasonable expectation that all necessary permits and approvals will be obtained and maintained.
Mineral resources that are not mineral reserves do not have to demonstrate economic viability. Mineral resources are subject to infill drilling, permitting, mine planning, mining dilution and recovery losses, among other things, to be converted into mineral reserves. Due to the uncertainty associated with inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to indicated or measured mineral resources, including as a result of continued exploration.
The Mineral Resource Statement was prepared by and under the direction of Daniel Guibal, MSc FAusIMM, (CP) of SRK Ltd, who is a Qualified Person as defined by the CIM Code.As a result of the IDP, GoviEx has been able to report a maiden mineral reserve statement as outlined in the table below.

Mineral Reserve Statement in accordance with CIM guidelines (June 7th, 2013) for the Madaouela deposit summarised for each proposed mining operation(*)

Deposit	Cut-Off Grade eU (kg/t)	ROM	Uranium Metal		Uranium Oxide	
		Tonnes (Mt)	Grade eU (kg/t)	Contained eU (t)	Grade U_3O_8 (kg/t)	Contained U_3O_8 (t)
Miriam OP	0.41	6.4	0.91	5,800	1.07	6,800
Marianne-Marilyn U/G	0.60	11.1	0.85	9,400	1.00	11,100
MSNE-Maryvonne U/G	0.48	7.8	0.76	5,900	0.89	7,000
PROBABLE MINERAL RESERVES		**25.3**	**0.83**	**21,100**	**0.98**	**24,900**

(*) Open Pit Mineral Reserves for Miriam are reported within a designed pit shell at a cut-off grade of 0.41 kg/t eU. Cut-off grades are based on a price of USD 70 per pound of U_3O_8 (USD 154 /kg U_3O_8) and uranium recoveries of 84.4 %, without considering revenues from other metals. Note Mineral Reserves are based on both Measured and Indicated Resources.

Underground Mineral Reserves for MSNE-Maryvonne are reported at a cut-off grade of 0.48 kg/t eU for MSNE-Maryvonne. Cut-off grades are based on a price of USD 70 per pound of U_3O_8 (USD 154 /kg U_3O_8) and uranium recoveries of 84.4 %, without considering revenues from other metals. Note Mineral Reserves are based on both Measured and Indicated Resources.

Underground Mineral Reserves for Marianne Marilyn are reported at a cut-off grade of 0.60 kg/t eU for Marianne Marilyn, higher than the estimated cut-off grade 0.48 kg/t eU.

On November 22, 2012, GoviEx submitted to the Niger authorities an application covering certain portions of the original Madaouela I and IV licences surface areas that were excluded from the renewed licences granted on November 2, 2012. GoviEx has been advised that the two applications for the excluded areas of Madaoula I and IV will be approved, but is awaited at the time of writing, and hence has not adjusted its reserves to account for any changes. However, it should be noted that to a limited extent Miriam's resources and hence reserves would be impacted should GoviEx not be successful in its application.

The Company's mineral reserves as at June 7, 2013 are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards - For Mineral Resources and Mineral Reserves" in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" (the Instrument). Mineral reserve and mineral resource estimates reflect the Company's reasonable expectation that all necessary permits and approvals will be obtained and maintained. The Mineral Reserve Statement was prepared by and under the direction of Rick Skelton, MSc, CEns, MIMMM MSAIMM, ARSM and Ryan Freeman MAusIMM (CP) of SRK Ltd, who are Qualified Persons as defined by the CIM Code.

Technical Report

The key findings of the Technical Report were:

- Mining sequence begins with open pit mining of the Miriam deposit followed by room and pillar underground mining of the Marianne/Marilyn and MSNE/Maryvonne deposits.
- Processing envisions crushed run of mine ore being upgraded through a combination of a radiometric ore sorter ("ROS") and an ablation circuit.
- The impact of ROS and ablation reduces material rate from 4,020 tpd mined to a leach feed tonnage rate of 810 tpd. The benefit of the volume reduction lowers capital costs, consumable usage and operating costs.
- Following two-stage sulfuric acid leach, the leach solution is fed to a Solvent Extraction ("SX") plant. SX utilizes a new solvent, Cytek, which allows successive sequential strips to produce separate molybdenum and uranium streams at high acidity/low pH, allowing the Madaouela Project to produce a saleable molybdenum oxide product and a high purity yellowcake.
- Annual production is forecast at an average 2.53Mlb U_3O_8 per annum, based on an 83% overall recovery, with an 18 year mine-life, producing a total of 45.6Mlb of U_3O_8.

- The Technical Report includes a detailed estimate of the operating and capital costs for each stage of the project development with Tenova Bateman providing the inputs for the process plant design and costs based on the testwork completed by Mintek, SGS Lakefield, Ablation Technologies and Cytek, and supplier quotations. SRK provided operating and capital costs estimates for the mining and other areas of the project development.
- The base case project economics for the Technical Report assume a long-term uranium price of US$70/lb U_3O_8, and indicate an after-tax NPV of US$251 million at an 8% discount rate, with an IRR of 21.9%. Initial capital costs are estimated at US$339 million, and cash operating costs of US$26.39/lb U_3O_8, excluding royalty payments and including by-product credits for molybdenum oxide based on average molybdenum oxide annual sales of 1.3Mlb at a price of US$11/lb.

The table below summarises the updated September 2013 Technical Report financial results.

Parameter	Units	Base Case
Sales U_3O_8	(Mlb)	45,59
Prices U_3O_8	(USD/lb)	70
Cash Operating Costs	(USD/lb U_3O_8)	26.39
Total Operating Costs (incld Rylty)	(USD/lb U_3O_8)	33.10
Total Capital Expenditure	(USDm)	646
Capital Costs	(USD/lb U_3O_8)	14.16
Total Costs	(USD/lb U_3O_8)	40.55
NPV @ 8.00%	(USDm)	251.14
IRR	(%)	21.9%
Breakeven price (NPV=0 @ 8%)	(USD/lb U_3O_8)	50.5

Environmental and Social Impact Assessment

In June 2014, the Company executed contracts with SRK Consulting (UK) Ltd ("SRK") and in-country environmental consultants Legeni S.A. ("Legeni") to finalize the completion of the Environmental and Social Impact Assessment ("ESIA") for the Madaouela Project. SRK with Legeni have already completed the initial environmental and social works during the previous phases of the Project, as presented in the Technical Report. The mandate of SRK and Legeni includes completion of the ESIA by expanding on previous work and the outcome of discussions with various stakeholders and regulatory authorities from May 2013. Specifically, the activities will enable preparation of an ESIA report suitable for submission to the Niger regulatory authorities with the aim of obtaining environmental approval for a 20-year extendable mining permit for the Project.

Share Reclassification

On June 27, 2013, at the Company's annual general meeting, the shareholders authorize the directors, following the commencement of the future public offering and listing transaction, to enact the share reclassification plan the ("Reclassification Plan"). On March 12, 2014, the Company enacted the Reclassification Plan. The Reclassification Plan incorporates amendments to the constating documents of the Company resulting in the implementation of structural changes consisting of two steps: first, a structural lock-up of the existing share capital of the Company is established through a reclassification of the rights under that class of common shares (Class B Common Shares); and second, a new class of common shares (Class A Common Shares) is created that are unrestricted and will be offered and listed.

a) Class B Common Shares -

The first step of the Reclassification Plan is the creation of a structural lock-up, by which holders of existing common shares will have their shares reclassified as "Class B Common Shares". The reclassification will preserve the existing rights to voting, dividends and winding up, but will impose a total restriction on share transfers. Conversion of Class B Shares to Class A will occur automatically on December 19, 2015.

b) Class B early conversion right–

After June 19, 2014, Class B shareholders, who have agreed to sign the lock-up agreement, have a right to convert their shares to Class A shares. Starting on December 19, 2014, Class B shareholders who have converted to Class A Shares will have their Class A Common Shares become free trading Class A shares over a twelve months period as follows:

Date	Cumulative Percentage Released (calculated as at conversion date)(*)	Indicative example of cumulative shares released, assuming 1,000,000 shares held at conversion(*)
December 19, 2014	20%	200,000
March 19, 2015	20%	200,000
June 19, 2015	20%	200,000
September 19,2015	20%	200,000
December 19, 2015	20%	200,000

(*) The aggregate quarterly release percentages are based on the shares as at the date of conversion. Any shares released through a Board Directed Release or take-over bid will result in an adjustment to the number of shares released in subsequent quarters by "averaging out" the effect of those sales among the remaining release quarters. The adjustment will be calculated for each shareholder by reducing the amount included in the numerator for the calculation of shares to be released (eg. 1,000,000 shares in the example above) by the number of shares so sold and dividing the remaining amount by the remaining number of quarterly release dates, such that an equal number of shares are released on each remaining quarterly release date.

• *Board-directed Release*. The Board of Directors has the discretion to release shares at any time (subject to underwriter consent for the first 6 months). The Board intends to actively consider releases following the initial 6 month period after the listing and intends to make any such release available to all shareholders on a proportionate basis except in extenuating circumstances. In particular, to the extent the prevailing market price for the shares exceeds the pricing on the initial listing consistently and in a meaningful way, the Board will consider releasing shares subject in all cases to market conditions and other prevailing factors.

- *Take-Over Bid*. All Shareholders will be entitled to have their shares conditionally released and tendered into a take-over bid.

As a result, holders will have all shares released and freely tradable a maximum of 18 months after the listing, with the majority of those shares released before that time. Holders who do not convert will continue to hold Class B Common Shares. These shares, which are non-transferrable subject to limited exceptions, will automatically convert into Class A Common Shares 18 months following the listing or on such earlier date as may be designated by the Board of Directors.

On October 17, 2014, 48,605,726 Class B shares were converted to Class A shares. The Converted Class A shares are subject to the free trading release dates described above.

New Class of Listed Common Shares

In accordance with the second step of the Reorganization Plan, a new class of common shares (Class A Common Shares) was created in order to allow the issuance of publicly traded shares following the completion on an initial public offering.

Initial Public Offering

The Company successfully closed its IPO on the Canadian Securities Exchange on June 19, 2014. The Company's Class A common shares began trading under the symbol "GXU" on June 20, 2014. As stated in the prospectus, GoviEx intends to use the net proceeds of the IPO, together with existing working capital, to fund the completion of an environmental and social impact assessment (ESIA) that together with the feasibility study will be used to file for a mining licence.

A total of 739,849 Class A common shares were issued in connection with the IPO financing, priced at US$2.15 per share, for gross proceeds of approximately US$1.6 million. Concurrently with completion of the IPO, GoviEx redeemed a convertible bond held by Toshiba worth a total of US$60.3 million, by issuing Toshiba 28,395,466 Class A common shares. GoviEx has also converted 28,684,763 Class B common shares (representing approximately 24.5% of the outstanding total), which are subject to resale restrictions, into freely trading Class A common shares.

As the close of the IPO the Company had a total of 57,820,078 Class A common shares and 88,395,975 Class B common shares.

Results of Operations

For the nine months ended September 30, 2014 ("2014") compared to the same period in 2013 (2013")

The Company recorded a net loss of $28.2 million in 2014, an increase of $8.5 million from $19.7 million in 2013. This increase is mainly the result of a $19.7 million increase in interest expense, a $10.5 million decrease in exploration expenses and a $0.7 million decrease in administrative expenses.

Interest expense started being accrued in April 2012 following the borrowing by the company of a $30 million convertible bond and a $10 million uranium loan facility. The interest rate on the convertible bond is 15% per year and 12% per year on the uranium loan facility. The accrued interest portion of the Redemption Value must include a minimum balance of $30.3 million, which represents the equivalent to five years of accrued interest. On June 19, 2014, following the completion of the IPO, the Company redeemed the convertible debenture by issuing 28,395,466 Class A common shares for a total value of $60.3 million.

The $19.7 million increase in interest expense in 2014 is mainly due to the five year minimum interest payable on early redemption of the convertible debenture in June 2014.

In the 2nd half of 2013, the Company decided to halt all drilling and other field exploration activities after the completion the IDP on the Madaouela Project. As a result, the $10.5 million decrease in exploration expenses is mainly attributable to $3.8 million decrease in drilling; $3.0 million decrease in consultants and geophysics logging; $2.0 million in camp costs and travel expenses; $1.1 million in wages; and $0.6 million in others.

The administrative expenses' decrease of $0.7 million in 2014 is mainly represented by $0.4 million in wages and $0.3 million in corporate overhead and travel expenses.

For the three months ended September 30, 2014 compared to the same period in 2013

The operation activities in Niger were put on care and maintenance starting June 2013. So there is no material difference in the Company's activities carried out in the third quarter which has not been discussed in the analysis above.

The Company reported a net loss of $3.1 million in the third quarter 2014, similarly to the net loss incurred in the third quarter 2013. Interest expenses were reduced by 50% due to the redemption of the $30 million convertible bond on June 19, 2014. The gain and loss attributed to the $0.7 million increase in uranium concentrate inventory and the $1.4 million increase in the uranium loan was a result of the increase in uranium concentrate prices during the third quarter of 2014.

A comparison of expenses for the three and nine months ended September 30, 2014 and 2013 is listed below.

	Three Months ended September 30,		**Nine Months ended September 30,**	
(unaudited - expressed in thousands of US dollars except for shares)	**2014**	2013	**2014**	2013
	$	$	**$**	$
Wages and Salaries				
Exploration	**654**	798	**1,050**	2,111
Administrative	**149**	263	**411**	810
	803	1,061	**1,461**	2,921
Share-Based compensation				
Exploration	**90**	75	**282**	283
Administrative	**72**	77	**270**	343
	162	152	**552**	626
Exploration expenses	**1,295**	1,364	**3,141**	13,620
Administrative expenses	**422**	343	**1,114**	1,848
Interest expense	**668**	1,413	**23,905**	4,240
Loss (gain) in uranium concentrate inventory	**(706)**	862	**(81)**	1,662
Loss (gain) on uranium loan	**1,412**	(862)	**(162)**	(1,662)
Net loss for the period	**3,089**	3,118	**28,235**	19,691
Loss per share - basic and diluted	**0.02**	0.03	**0.22**	0.17
Total assets	**63,520**	68,134	**63,520**	68,134
Total debt	**10,001**	44,242	**10,001**	44,242
Shareholders's equity	**53,519**	22,978	**53,519**	22,978

Selected Quarterly Results

(Expressed in thousands of US dollars, except per share amounts)	Q3'14	Q2'14	Q1'14	Q4'13	Q3'13	Q2'13	Q1'13	Q4'12	Q3'12
Exploration expenses	1,295	974	872	1,363	1,364	4,404	7,852	8,154	4,410
Admin Expenses	422	166	526	475	343	734	771	608	1,221
Interest Income	(2)	(2)	(2)	(2)	(2)	(5)	(10)	(16)	(20)
Interest Expense	668	21,727	1,510	1,510	1,413	1,467	1,360	1,356	1,386
Impairment of assets	-	-	-	189	-	-	-	28	19,844
(Gain) loss in uranium concentrate inventory	(706)	575	50	69	862	550	250	600	850
(Gain) loss on uranium loan	1,412	(1,150)	(100)	(138)	(862)	(550)	(250)	(600)	(850)
Loss for period	3,089	22,290	2,856	3,466	3,118	6,600	9,973	10,130	26,841
Loss per share	0.02	0.18	0.02	0.02	0.03	0.06	0.09	0.09	0.23

The Company's results have been largely driven by the level of its exploration activities in Niger. The Company has had no revenue from mining operations since its inception. Major variations in expenses are summarized below:

Exploration - Exploration expenses can vary widely from quarter to quarter depending on the stages and management decisions on the exploration program. Exploration activities were halted in middle 2013 and exploration personnel was retrenched in Q3'13 and early Q4'13 which required the payment of approximately 6 month severance obligations. A study was initiated in the third quarter of 2014 to finalize the Environmental and Social Impact Assessment started in May 2013. This study will enable preparation of ESIA report suitable for submission to the Niger regulatory authorities with the aim of obtaining environmental approval for a 20-year extendable mining permit for the Project.

Administrative –The variations in quarterly administrative expenses is mainly attributable to the reduction in administrative wages and general administration related costs started in Q3'13 as a result of the Company's effort to increasingly reduce personnel charges at head office level.

Interest expense – interest expenses vary based on timing, type and amount of debt and resultant fluctuations in uranium market price.

Uranium price - The price of uranium has steadily been decreasing from $50 per pound in middle 2012 to a low of $28.25 per pound on May 16, 2014. The uranium price has reached approximately $38 per pound at the begging of November 2014. The fluctuation in the uranium price had no material impact on the Company's financial position till Q3'13 due to the fact that the changes in uranium concentrate inventory and uranium loan were offset each other. After the Company sold 100,000 pounds of uranium on October 11, 2013, the changes in uranium concentrate inventory accounts for 50% of the changes in uranium loan.

Liquidity and Capital Resources

Cash – The Company has approximately US$4.5 million cash in hand as of November 7, 2014 following its sale of 100,000 pounds of uranium concentrate. Its cash balances decreased by $2.1 million from $3.95 million on December 31, 2013 to $1.87 million on September 30, 2014. The decrease in 2014 is due to the $1.2 million net cash financing activities less $3.3 million in operating activities. The Company holds its excess cash in interest bearing accounts with creditworthy financial institutions.

Working capital - In the event that the Company fails to deliver a commercial feasibility study on its Madaouela Project prior to December 31, 2015, the holder of the uranium loan has the right to demand full payment of principal and interest. As a result, at September 30, 2014, the Company had a working capital deficit of $4.1 million compared with working capital deficit of $38.2 million at December 31, 2013. The decrease in working capital deficit is mainly the result of the conversion into share capital of the $37.2 million in convertible debenture in June 2014.

Financing activities – Financing activities in the nine months period ended September 30, 2014 totaled $61.25 million (2013 $nil). The $61.25 million financing in 2014 included a) the conversion of the convertible debenture consisting in $30.0 principal balance plus $30.3 million in accrued interest and b) $1.2 million in net proceeds from the IPO.

Commitment – The Company committed to spend a total of $14.9 million on the Madaouela Project over the three years period ending on November 22, 2015. From November 22, 2012 to December 31, 2013, the Company has spent approximately $19.9 million on the Madaouela project.

Contractual obligations – Except for the redemption of the convertible debenture in June 2014, there were no significant changes in contractual obligations in 2014.

Capital Resources – To date, the Company has funded all its activities through equity raisings and the use of private placements and from convertible bond issue. Since inception, the Company's private placements aggregated $27.4 million in 2008, $24.0 million in 2010, $3.0 million in 2011, net cash proceeds of $29.1 million in April 2012 through the issue of a convertible bond instrument, net cash proceeds of $3.33 million in November 2013 from the sale of 100,000 pounds of uranium concentrate and net cash proceeds of $1.2 million through the Company's June 2014 initial public offering.

Outstanding Share Capital

As at November 7, 2014, total outstanding share capital included:

Common shares:

i) Class A Shares	
No trading restrictions	57,820,078
Subject to lock-up restrictions	48,605,726
Total Class A shares	106,425,804
ii) Class B Shares	39,790,249
Total common shares	146,216,053

Stock options:

A total of 4,648,333 stock options at an exercise price of $2.15/share are outstanding of which 3,235,000 are exercisable at a price of $2.15/share.

Outlook

The Board recognizes that the financing requirements for the next stage of development on the Madaouela Project as well as the pursuance of focused exploration on the Company's other mineral properties are such that further external sources of capital will be required to finance future exploration activities and planned engineering studies. The Company is engaged in discussions with its lenders with respect to the uranium loan.

Off Balance Sheet Arrangements

None.

Events after September 30, 2014

Subsequent to the nine month period ended September 30, 2014:

(a) The Company sold the remaining 100,000 pounds of U_30_8 inventory at a price of $33.50 per pound on October 1, 2014.
(b) A total of 48,605,726 Class B shares were converted to Class A shares on October 17, 2014.
(c) The Company announced on October 30, 2014 reaching a twelve months extension agreement with its uranium debt holder which allows the Company to deliver a commercial feasibility study on its Madaouela Project by December 31, 2015.

Transactions with Related Parties

The Company is a party to a shareholders' cost-sharing agreement with a private company pursuant to which the Company and various other companies are equal shareholders in Global Mining Management Corp. ("GMM") and, through GMM, share office space, furnishings and equipment and communications facilities (on a cost recovery basis) and the employment, on a part-time basis, of various administrative, office and management personnel in Vancouver, British Columbia. Costs of the shared office facilities and the shared part-time employees and service providers are recovered from the Company proportionate to the time spent by the shared part-time employees and service providers on matters pertaining to the Company. The Company has an officer and a director in common with GMM. The Company has utilized the services of the GMM staff and office since October 25, 2007 and in 2014, the Company incurred costs of $0.5 million (2013 - $0.3 million).

All transactions with related parties acting in their capacity as officers and directors of the Company have occurred in the normal course of the Company's operations and have been measured at their fair value as determined by management.

Key management, consisting of personnel having authority and responsibility for planning, directing and controlling the Company, includes the Executive Chairman, Deputy Chairman, Chief Executive Officer, Chief Financial Officer, Vice Presidents, Project's Manager and Chief Geologist, the Company's legal advisors, the Corporate Secretary and Corporate Controller.

The compensation awarded to key management and Company's directors includes the following:

(unaudited - expressed in thousands of US dollars)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	**$**	$
Salaries and short term benefits	**234**	292	**679**	1,013
Bonus	**25**	75	**50**	75
Share-based payments	**134**	116	**464**	503
Total remuneration	**393**	483	**1,193**	1,591

Critical Accounting Estimates and Changes in Accounting Policies Including Initial Adoption

Areas of judgments that have the most significant effect on the amount recognized in the financial statements are disclosed in note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2013.

Adoptions of new standards and amendments to existing standards have had no effect on the Company's financial position or financial performance.

In the opinion of management, all adjustments considered necessary (including reclassifications and normal recurring adjustments) to present fairly the financial position, have been included in the result of operations and cash flows at September 30, 2014.

Financial Risks and Management Objectives

The Company is engaged in mining exploration and development activities which, by their nature, are speculative. Due to the high-risk nature of the Company's business and the present stage of the Company's various properties, an investment in the Company's Class A common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this prospectus, including the risks described below, prior to making any investment in the Class A Common Shares.

The risks noted below do not necessarily comprise all of the risks faced by the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely impact the Company's business, results of operations, financial results and prospects.

Risks Related to the Business of the Company

The Company cannot guarantee that the Madaouela Project will become a commercially viable mine, or that it will discover any commercially viable uranium deposits.

Uranium exploration, development, and operations are highly speculative and are characterized by a number of significant inherent risks, which even a combination of careful evaluation, experience and knowledge may not eliminate and may result in the inability to develop a project. These risks include, among other things, unprofitable efforts resulting not only from the failure to discover additional uranium mineral resources, but also from finding uranium mineral resources that are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, flooding, fires, power outages, lack of water, labour disruptions, civil instability and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in mining operations and the conduct of exploration and development programs, as well as the inability to obtain required capital. There is no assurance that the foregoing risks will not occur and inhibit, delay or cease the development of the Madaouela Project or the Company's other exploration or development activities, all of which could have an adverse impact on the Company's business, results of operations, financial condition and prospects.

Estimates of mineral resources are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and technical studies. This information is used to calculate estimates of the capital costs, operating costs, other financial parameters based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the mineral resource, expected recovery rates, comparable facilities and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that the actual capital cost, operating costs, other economic parameters and economic returns of any proposed mine may differ from those estimated and such differences could be material and could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. There can be no assurance that the Company will be able to complete the development of the Madaouela Project on budget or at all. This could be due to, among other things, and in addition to those factors described above, a decline in uranium prices; changes in the economics of the Madaouela Project; delays in receiving required consents, permits and licenses; problems with the delivery and installation of plant and equipment; cost overruns; changes in governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of commodities and environmental protection. Should any of these events occur, it would have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company may not have sufficient funds to develop its mineral properties or to complete further exploration programs.

The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which even if there is a combination of careful evaluation, experience and knowledge may not be eliminated. Uranium exploration is expensive and major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities.

The Company has limited financial resources from which to satisfy expenditures and its business strategy will likely require additional substantial capital investment following this Offering. The Company currently generates no operating revenue, and must finance exploration activity and the development of its mineral properties by other means. The sources of external financing that the Company may use for these purposes include project or bank financing, or public or private offerings of equity or debt. Financing for the Company's activates may not be available on acceptable terms, or at all.

In the future, the Company's ability to continue exploration, development and production activities, if any, will depend on its ability to obtain additional external financing. Any unexpected costs, problems or delays could severely impact the Company's ability to continue exploration and development activities, and obtain additional financing.

Negative cash flow from operating activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Madaouela Project is in the exploration stage and significant capital investment will be required to achieve commercial production therefrom. There is no assurance that the Madaouela Project will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

The Company depends on a single project in Niger and any adverse change to that project or to Niger would materially impact the Company.

The Company's primary asset is its interest in the Madaouela Project. Any material adverse development affecting the progress of this project will have a material adverse effect on the Company's business, results of operations, financial condition and prospects. The Company has no other mineral projects of a material nature which would mitigate any material adverse development affecting the Madaouela Project. In addition, all of the Company's mineral projects are located in a single jurisdiction, and any material adverse political, economic, social or other changes (including those described elsewhere in these risk factors) affecting Niger would have a material adverse impact on the Company's business, results of operations, financial condition and prospects.

The Company's exploration, development and future operations are subject to numerous risks associated with operating in foreign jurisdictions.

The Company's mineral projects are located solely in Niger, West Africa, and therefore its activities are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's ability to carry on its business in the normal course may be adversely affected by political and economic considerations such as civil and tribal unrest, war (including in neighbouring states), terrorist actions, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mining including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties, problems renewing licenses and permits, opposition to mining from environmental or other nongovernmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests. In addition, the government of Niger, or its court system, may not recognize, protect or enforce the Company's legal rights. The Government may take action which is arbitrary or illegal. Any of these events could result in conditions that delay or prevent the Company from exploring or ultimately developing its mineral projects.

The economy and political system of Niger should be considered by investors to be less predictable than in countries such as Canada. The possibility that the current, or a future, government may adopt substantially different policies or take arbitrary action which might halt exploration, involve the re-nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company has no history of production and no revenue from operations.

The Company has no history of production and no revenue from operations. The Company is an exploration and pre-development company and all of its mineral properties are in the exploration stage. The Company has no history of mining operations and to date has generated no revenue from such operations. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The Company has not defined or delineated any proven or probable reserves on any of its properties.

The Company has no mineral properties in production or under development.

The Company does not currently have mineral properties under development. If the development of the Company's properties is found to be economically feasible, the Company will be required to engage in the construction and operation of mines, processing plants and related infrastructure. As a result, the Company will continue to be subject to all of the risks associated with establishing new mining operations, including:

- unexpected variations in grade and material mined and processed;
- unexpected variation in plant performance;
- potential unrest and other hostilities in the area where the Company's mineral properties are located which may delay or prevent development activities;

- uncertainty regarding the timing and cost of the construction of mining and processing facilities;
- the inability to establish and build the necessary infrastructure, particularly adequate water and power supply;
- the inability to source skilled labour and mining equipment;
- the inability to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- the unavailability of funds to finance development and construction activities;
- opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and
- potential increases in operating costs due to changes in the cost of fuel, power, water materials and supplies and changes in capital costs due to changing operational plans and supply inputs.

Cost estimates to develop a project may increase as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in mining operations at its mineral properties.

Resource estimates may not be reliable.

The figures presented for mineral resources in this prospectus are only estimates. The estimating of mineral resources is a subjective process and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the Company's estimates.

Estimated mineral resources may have to be re-estimated based on further exploration or development activity. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Inferred mineral resources are subject to a greater degree of uncertainty.

There is a risk that inferred mineral resources referred to in this prospectus cannot be converted into measured or indicated mineral resources. Due to the uncertainty attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

The Republic of Niger has the right to acquire an interest in the Company's projects that would dilute the Company's interest in its projects.

In accordance with the Mining Code, the Republic of Niger is entitled to a mandatory non-dilutable 10% participation in the Company's operating subsidiaries in Niger, free of any charge and contributions of any kind. In addition, the Republic of Niger has the option to purchase up to an additional 30% interest in the Company's operating subsidiaries (for fair market value), for which the Republic of Niger shall bear all corresponding charges and contributions. In total, the Niger government may participate in the Company's projects in Niger up to a maximum of 40%. The Company's ownership in its operating subsidiaries may therefore be diluted by the Republic of Niger, which would indirectly dilute shareholders and which may negatively affect the market price of the Company's securities.

The mineral deposits on the Company's properties may not be commercially viable.

Whether a uranium or any other mineral deposit will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of uranium and other minerals and environmental protection). The effect of these factors cannot be accurately predicted, but a combination of these factors may result in the Company not receiving an adequate or any return on invested capital.

Limited infrastructure and mining supplies could adversely affect future operations.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and particularly water supply are important determinants that affect capital and operating costs. Process reagents, such as sulphuric acid, as well as fuel, will need to be imported. An inability to create or access such infrastructure due to weather phenomena, sabotage, government or other interference could adversely affect the operations, profitability, financial condition, results of operations and prospects of the Company.

The Company's exploration licenses may expire and not be renewed, and if they are renewed they are subject to a reduction in the license area, and outstanding exploration license applications for the Agaliouk and Eralrar tenements may not be approved.

The maintenance of exploration licenses is a very detailed and time-consuming process. An exploration license, once received, is valid for three years and may be renewed twice for three years each upon application to the Minister of Mines and Industrial Development, subject to required reductions of 50% of the applicable permit area each time it is renewed. Additionally, the exploration license may be extended for one year for technical reasons in order to complete a feasibility study.

The Company's exploration licenses for Madaouela I, II, III, IV and Anou Mellé entered into force on June 4, 2007, and were scheduled to expire on June 3, 2010. The expiry of the first validity period of these licenses was extended to September 3, 2012. On November 2, 2012, the Niger Ministry of Mines and Industrial Development granted a 36 months renewal of the Madaouela I, II, III, IV and Anou Mellé, reducing the original granted surface area by fifty percent. On November 22, 2012, GoviEx submitted to the Niger authorities an application covering certain portions of the original Madaouela I and Madaouela VI exploration licenses that made up the 50% excluded from the renewed licenses granted on November 2, 2012. These areas were renamed Agaliouk and Eralrar, and are currently outstanding but GoviEx has been advised by the Niger Government they will be re-issued; however, there can be no assurance that this will be the case. On March 23, 2014, the Company received written confirmation via email from the Nigerien Director General of Mines and Geology that the application was in order and that the formal issuance of the licenses should follow shortly. Separately, the Company has been in direct discussions with both the Nigerien President and Prime Minister, who have indicated that that there is no reason to expect that the licenses will be refused.

The MSEE and La Banane deposits are wholly situated in the Agaliouk license and approximately 25% of the Miriam resources. These resources would be lost if the Company is unsuccessful in its application. Failure to receive these licenses may therefore decrease the overall ultimate production potential of the Madaouela Project and therefore could negatively affect the future financial results of the Company in the event commercial mining ever takes place.

In connection with each of those licenses, the Company agreed to complete an exploration work program and to meet certain milestones set forth in the Mining Conventions for each license. If the Company is unable to complete the exploration work program and meet such milestones for any reason, it may lose its licenses.

The Company’s title to its mineral properties may be challenged.

Although the title to the properties in which the Company holds an interest was reviewed by or on behalf of the Company, and title opinions were obtained by the Company with regard to its properties upon their acquisition, there still may be undetected title defects affecting such properties. Third parties may have known or unknown valid claims underlying portions of the Company’s interests, including claims from prior holders of mineral interests in the same area or technical defects in the granting or approval of mineral interests (including exploration licences) or in the transfers of any mineral interest. Title may be affected by, among other things, undetected defects, including legal defects. The Company does not maintain title insurance, which is generally not available for projects in Niger.

Uranium exploration can be difficult due to the nature of the deposits and therefore exploration costs may be difficult to estimate.

Many sophisticated techniques are used to find uranium such as geophysical and geochemical analyses, satellite and airborne radiometric surveys, water sampling, and drilling. Because uranium deposits usually occur in discrete sandstone rollfronts, rather than long continuous seams as with coal and oil, the exploration process can be difficult and expensive. A drill hole, for example, can slightly miss a large deposit, thereby giving a false indication that there is no uranium present. Likewise, the drill hole can also produce misleading results when it hits a tiny pocket of uranium. Therefore, many drill holes are usually needed to characterize the extent of the ore deposit. An increase in exploration costs could adversely affect the financial condition of the Company.

The Company will incur losses for the foreseeable future.

The Company expects to incur losses unless and until such time as its mineral projects generate sufficient revenues to fund continuing operations. The exploration and development of the Company’s mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants’ analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the control of the Company. The Company cannot provide assurance that it will ever achieve profitability.

The Company may not be able to enforce its legal rights in a dispute with foreign persons.

In the event of a dispute, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the courts in Canada. A foreign court process may be conducted under rules and procedures that are different than those found in countries with more familiar legal systems, and may not result in a fair hearing for the Company. The Company may also be hindered or prevented from enforcing its rights with respect to a government or entity or instrumentality because of the doctrine of sovereign immunity. Any adverse or arbitrary decision of a foreign court may have a materially adverse impact on the Company's business, results of operations, financial condition and prospects.

Changes in government regulation may restrict or prevent the Company's operations.

Mining, processing, development and mineral exploration activities in Niger are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, and other matters. Although the Company's management believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail future development or production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could adversely affect the business, results of operations, financial condition and prospects of the Company.

The Company's operations are subject to environmental regulation, which may impose costs on the Company and restrict the Company's operations.

The Company's operations are subject to environmental regulation including regular environmental impact assessments and the requirement to obtain and maintain certain permits. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and health and safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

The Company requires sufficient water to develop its projects, which may not be available

The mining of uranium on the Company's Madaouela Project will require a sufficient source of water. The Company has evaluated whether the ground water present on or near the Madaouela Project will be sufficient to support mining operations, and the data indicates that such will be the case. However, part of this water supply is located in the Agaliouk tenement, for which the Company's exploration permit is pending, and there can be no assurance it will be granted. While the Company believes the Madaouela Project could proceed without the water located on the Agaliouk tenement, there can be no assurance an inability to secure the supply would not have an adverse effect on the Company's development efforts at the Madaouela Project. In addition, failure of further works to support the findings to date could prevent or delay mining operations on the Company's Madaouela Project.

The Company currently maintains no insurance against any risks, other than directors' and officers' insurance and vehicle insurance in Niger.

The Company may acquire insurance in the future to protect against certain risks in such amounts as it considers reasonable. However, any insurance coverage obtained by the Company may not be adequate to cover any resulting liability. The Company may also be unable to maintain insurance to cover certain risks at economically feasible premiums. Insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining and exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons.

The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage actually taken out may cause substantial delays and require significant capital outlays, adversely affecting the Company's business, results of operations, financial condition and prospects.

Resignations by key personnel would materially impact the Company.

The Company believes that its growth and success depends in significant part on the continued employment of the Company's executive officers and key technical personnel. The Company must also continue to attract and retain key management, technical, finance and operating personnel. Experienced management and other highly skilled personnel are in great demand. If the Company is unable to attract or retain key personnel, it could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Because the Company incurs expenses in West African CFA Francs and Euros, it is subject to changes in foreign exchange rates.

The Company is exploring properties in Niger for uranium and incurring operating expenses in Euros and West African CFA Francs, an African currency tied to the Euro. However, the Company maintains its accounting records and reports its financial position and results in United States dollars. Exchange rate fluctuations in these currencies are beyond the Company's control and such fluctuations could have an adverse effect on the Company's business, financial condition and results of operations.

Certain directors of the Company may have conflicts of interest with the Company.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers of the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable laws.

The Company may be required to redeem the Tranche B Bond early.

Toshiba is entitled upon notice to the Company, such notice not to take effect prior to December 31, 2014, to have the Company repay the Tranche B Bond in full if: (i) the Company has not completed a feasibility study on the Madaouela Project prior to December 31, 2014; or (ii) the total production and capital costs per pound of U_30_8, as estimated in a feasibility study prepared in respect of the Madaouela Project, is not lower than $44. On October 30, 2014, the Company announced that Toshiba has agreed to extend the uranium debt to December 31, 2015. If Toshiba redeems the Tranche B Bond before its maturity date and the Company is unable to repay the amount owing in full, Toshiba may exercise its security on the shares of the Company's subsidiaries and/or the exploration licenses held by GoviEx Niger Holdings Ltd.

The Company may become subject to litigation.

All industries, including the mining industry, may be made subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Risks Related to Operations in Niger

Niger has experienced political instability and uncertainty in the past, and as such, future political stability and certainty cannot be assured.

Since obtaining its independence from France in 1960, Niger has had a succession of governments and experienced a military coup d'état in February 2010 after the previously elected president refused to leave office at the expiration of his term. See "*Republic of Niger – Geopolitical Issues*". Since the coup d'état, a new constitution has been adopted by round of elections held on March 2011 and resulted in a victory for Mahamadou Issoufou. The handover of power from the military junta to the elected government took place in April 2011, and stable government has remained in place since.

Notwithstanding the political uncertainties described above, all government ministries, including the Ministry of Mines and Industrial Development, have continued to operate normally under the direction of their respective Ministers. The Company's operations were largely unaffected by the February 2010 coup d'état and the institution of the transitional government. Furthermore, there has been little or no disruption to the supply of uranium from Niger. However, there can be no assurance that future unrest or any new government will continue to support uranium mining in Niger by the Company or any other party. In addition there can be no certainty that a duly elected government will remain in power and not be removed from power by undemocratic means. If any future government of Niger adopts policies that do not support mining activities in the country, or the activities of the Ministry of Mines and Industrial Development are disrupted or deviate from past practice, such events could have a negative impact on the Company's business, results of operations, financial condition and prospects.

Safety and security concerns may force the Company to curtail or cease exploration operations.

Niger has had to respond to the threat posed by regional terrorist organizations, primarily Al-Qaeda in the Islamic Maghreb ("**AQIM**"), which operates across the Sahara desert. In January 2011, two French citizens were kidnapped from a diplomatic neighbourhood in Niamey and later found dead. AQIM later claimed responsibility for the kidnappings, which makes it the third kidnapping by AQIM in Niger since April 2010. According to the press, AQIM was holding four French citizens, employees and contractors of the French company Areva, who were taken from Arlit in September 2010 and released in October 2013. In May 2013, suicide bombers staged separate attacks on a military barracks and at the Somiar uranium mining site near Arlit. The Niger Ministry of Defence minister says al-Qaeda-linked militants are suspected of carrying out the attacks.

In the past, the security situation in Niger has been unstable and may worsen with an increasing threat of kidnapping, an unpredictable political and security situation, a risk of armed banditry and clashes between Niger's security forces and rebel groups. Foreigners have in the past been targeted by militant groups operating in Niger, and attacks by such groups may have an adverse impact on the Company's operations, including its exploration activities. If the situation escalates and poses a risk to the health and safety of the Company's personnel operating in the area, then the Company may be forced to curtail or cease exploration activities in some or all areas, which may result in a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Risks Related to the Uranium Industry

Declines in the uranium price will adversely impact the Company.

The Company's activities will be focussed almost exclusively on the exploration and development of uranium mining properties in Niger. The price of uranium is thus an important factor in the future profitability of the Company and, in turn, the market price of the Common Shares. Historically, the price of uranium has varied widely and is subject to factors outside of the Company's control. Such factors include, among others: demand for nuclear power, political and economic conditions in uranium producing and consuming countries, public and political response to a nuclear accident, improvements in nuclear reactor efficiencies, reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, sales of excess civilian and military inventories (including the dismantling of nuclear weapons) by governments and industry participants, and production levels and production costs in key uranium producing countries. Any such variation in the price of uranium in the future could cause the market price of the Common Shares to fluctuate and could increase the Company's cost of capital.

The Company is subject to strong competition in the uranium industry and the field of nuclear energy.

According to the World Nuclear Association, ten mining companies produce nearly 90% of world production, while 73 electric utilities operate nuclear power plants and buy uranium fuel. The mining and mineral exploration industry and in particular, the international uranium industry, is competitive in all of its phases. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, uranium and uranium oxide. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Many of these companies also have mineral projects in production. As a result of this competition, the Company may be unable to acquire additional attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operations, financial condition and prospects could be adversely affected.

A failure of the nuclear power industry to expand could adversely affect the Company.

The expansion of nuclear power in the U.S. and Europe depends critically on regulatory and financial factors and appears likely to be modest. Much of the expansion of nuclear power is expected to be in China, India, South Korea and other parts of Asia, Russia, and in countries new to nuclear power, such as the United Arab Emirates. There are substantial uncertainties about the pace of these deployments.

If the nuclear power industry fails to expand, or if there is a reduction in demand by electric utilities for newly-produced uranium for any reason, it would adversely affect the Company's business, results of operations, financial condition and prospects and could materially impact the market price of the Common Shares.

The nuclear power industry is uniquely subject to the risk of a change in public opinion.

Nuclear energy competes with other sources of energy, including natural gas, coal and hydroelectricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of natural gas, coal and hydro-electricity, as well as the possibility of developing other low cost sources for energy, may result in lower demand for uranium. Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear power industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power, increase the regulation of the nuclear power industry, and delay the rate of construction of new nuclear power plants.

Any nuclear accident would reduce the demand for uranium and adversely affect the Company.

Nuclear power plant operations and the rate of construction of new plants are potentially subject to disruption by a nuclear accident. There have been three such accidents: the 1979 partial core meltdown at Three Mile Island in the United States, the 1986 Chernobyl accident in the Ukraine, and the 2011 accident in Fukushima, Japan following an earthquake and the resulting tsunami. While neither the Three Mile Island nor Chernobyl accident resulted in the shutdown of other nuclear power stations, these events substantially reduced the rate of deployment of new power plants.

As a consequence of the Japanese nuclear incident, most countries, while declaring their support for nuclear power, have called for technical reviews of all safety and security systems of existing nuclear plants and those under construction and a review of the nuclear safety regulations governing the industry. While the duration and magnitude of the total impact of the Fukushima accident on the nuclear power industry are impossible to predict, it can be expected to result in the premature closure of certain reactors, particularly older reactors, and to delay the forecast growth rate of nuclear capacity. Additionally, a future accident at a nuclear reactor anywhere in the world could result in the shutdown of existing plants or impact the continued acceptance by the public and regulatory authorities of nuclear energy and the future prospects for nuclear generators, each of which could have a material adverse effect on the Company.

Technical development in the field of nuclear energy could reduce demand for uranium.

Requirements for the Company’s products and services may be affected by technological changes in nuclear reactors, enrichment and used uranium fuel processing. These technical changes could reduce the demand for uranium. In addition, the Company’s competitors may adopt technological advancements that give them an advantage over the Company.

Risks Related to the Common Shares

The Company’s Common Shares were recently listed in the public market.

Prior to the IPO in June 2014, there was no public market for the Common Shares. There can be no assurance that an active trading market will develop for the Common Shares following the closing of the IPO, or if developed, that such a market will be sustained at the price level of the Offering. The price at which the Common Shares offered hereunder are being sold has been determined by negotiation between the Company and the Agent and may bear no relationship to the price at which the Common Shares will trade in the public market subsequent to the Offering.

If the Company issues shares to fund future growth, the shareholders of the Company will suffer dilution.

The Company may need to obtain additional resources in the future in order to execute the Company’s growth strategy, including the possible acquisition of new businesses and assets. The Company may issue additional equity securities to finance such operations, development, acquisitions or other projects. The Company cannot predict the size or frequency of such future issuances, if any. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company’s earning per share.

The market price for the Common Shares could fluctuate after the Offering based on factors which are not related to the Company’s business.

In recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Common Shares could similarly be subject to wide fluctuations in response to a number of factors, most of which the Company cannot control, including:

- the price of uranium;
- changes in securities analysts’ recommendations and their estimates of our financial performance;

- changes in market valuations of similar companies;
- investor perception of the Company’s industry or prospects or the country in which it operates;
- the public’s reaction to press releases, announcements and filings with securities regulatory authorities by other companies in the Company’s industry;
- changes in environmental and other governmental regulations; and
- changes in general conditions in domestic or international economies or, financial markets or in the mining industry.

The impact of any of these risks and other factors beyond the Company’s control could cause the market price of the Common Shares to decline significantly.

Future sales of Common Shares by existing shareholders could cause the Common Share price to fall.

Future sales of Common Shares by any major shareholder could decrease the market price of the Common Shares. The Company cannot predict the size of future sales by shareholders, or the effect, if any, that such sales will have on the market price of the Common Shares. However, sales of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares.

The Company does not intend to pay cash dividends in the foreseeable future.

No dividends on the Common Shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other cash resources, if any, for the future development and operation of its business. Payment of any future dividends, if any, will be at the discretion of the Company’s board of directors after taking into account many factors, including the Company’s operating results, financial condition, and current and anticipated cash needs. The Company does not intend to pay cash dividends in the foreseeable future. Moreover, under the terms of the Tranche B Bond, until that bond’s repayment or redemption the Company may not declare or pay any dividends or make any distributions on any of its securities (other than the payment of interest, principal, fees or costs on debt securities).

Other MD&A Requirements

The Company’s business of exploring, developing and mining mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company’s commons shares should be considered speculative.

Qualified person –Unless otherwise noted, Mr. Henri Sanguinetti, Head of Exploration for the Company who is the qualified person for the purpose of NI 43-101, has reviewed, verified and compiled the scientific and technical information in this MD&A in accordance with NI 43-101 standards of disclosure for mineral projects based on information contained in the technical report and news releases (“collectively the “Disclosure Documents”) available on the Company’s website http://www.goviexuranium.com/. Each Disclosure Document was prepared by or under the supervision of a qualified person (a “Qualified Person”) as defined in NI 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. The Disclosure Documents are each intended to be read as a whole and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Risks and Uncertainties

The Company's success depends on a number of factors, most of which are beyond the control of the Company. Typical risk factors include uranium price fluctuations, foreign currency fluctuations, and operating uncertainties encountered in the mining business. Future government, legal or regulatory changes could affect any aspect of the Company's business, including, among other things, environmental issues, land claims, permitting and taxation costs all of which could adversely affect the ability of the Company to develop its exploration projects. These risks and uncertainties are managed by experienced managers, advisors and consultants, by maintaining adequate liquidity, and by cost control initiatives.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management. The financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors. This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The external auditors, Deloitte LLP, have not audited nor reviewed the September 30, 2014 condensed interim consolidated financial statements of the Company.

Forward Looking Statements

The MD&A contains certain statements that may be deemed "forward-looking statements." Forward-looking information may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future prices of uranium, the estimation of mineral resources, the realization of mineral resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, licences, and conversions under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as ''plans'', ''expects'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'', or ''believes'' or variations (including negative variations) of such words and phrases, or state that certain actions, events or results ''may'', ''could'', ''would'', ''might'' or ''will'' be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events and operating performance and speak only as of the date of this MD&A.

Such forward-looking statements are based on a number of material factors and assumptions. The factors and assumptions contained in this MD&A that may prove to be incorrect include: general business, economic, competitive, political and social conditions; the results of current exploration activities; conclusions of economic evaluations and studies; the value of the United States dollar relative to the Canadian dollar, the Euro or the CFA franc; project parameters; future prices of uranium; anticipated ore grade or recovery rates; expectation that plant, equipment or processes operate as anticipated; obtaining governmental approvals or financing and the completion of development or construction activities.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation, those risks identified in Note 5 of the December 31, 2013 Company's audited financial statements, and to other factors including, the inability of the Company to obtain sufficient funding; the risk that mineral resource estimates may not be available; the limited infrastructure and mining supplies in the area of the Company's projects; unforeseen changes in government regulation; instability in Niger; disagreements between the government of Niger and local Tuareg groups; public perception of nuclear power; and uncertain results of studies, evaluations, exploration and other related activities.

This list is not exhaustive of the factors that may affect any of our forward-looking information and readers should refer to the heading "Risks and uncertainties" in this MD&A for further risks, uncertainties and other factors that could cause future events or conditions to differ materially from those reflected in the forward-looking information. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources.

This discussion uses the terms "measured resources" and "indicated resources". The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.