Consolidated Financial Statements of

GoviEx Uranium Inc.

Year Ended December 31, 2020

(In U.S. Dollars)

Independent auditor's report

To the Shareholders of GoviEx Uranium Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of GoviEx Uranium Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statement of loss and comprehensive loss for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flow for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

Comparative information

The financial statements of the Company for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on April 24, 2020.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 23, 2021

GoviEx Uranium Inc.

Consolidated Statements of Financial Position

(Stated in thousands of U.S. dollars)

	Notes	**December 31, 2020**	December 31, 2019
		$	$
Assets			
Current assets			
Cash		**2,539**	761
Amounts receivable		**11**	6
Loan receivable	5	**-**	50
Marketable securities	3	**118**	46
Prepaid expenses and deposit		**16**	14
		2,684	877
Non-current assets			
Long-term deposit	10 (b)	**140**	140
Plant and equipment		**33**	40
Mineral properties	4	**69,591**	69,591
		69,764	69,771
Total assets		**72,448**	70,648
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**600**	684
Non-current liabilities			
Area tax payable	4	**4,537**	2,077
		5,137	2,761
Equity			
Share capital	6	**248,321**	243,254
Contributed surplus		**20,693**	19,888
Deficit		**(213,900)**	(208,075)
Equity attributable to GoviEx Uranium Inc.		**55,114**	55,067
Non-controlling interest	4	**12,197**	12,820
		67,311	67,887
Total liabilities and equity		**72,448**	70,648

The accompanying notes are an integral part of the Consolidated Financial Statements.

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 15)

Approved and authorized for issue on behalf of the Board of Directors on April 23, 2021.

/s/ “Christopher Wallace”	*/s/ “Benoit La Salle”*
Director	Director

GoviEx Uranium Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Stated in thousands of U.S. dollars, except for shares and per share amounts)

				Year ended December 31,
	Notes		**2020**	2019
			$	$
Area taxes	4		**(2,043)**	(2,022)
Exploration and evaluation	8		**(2,128)**	(2,176)
General and administration	9		**(1,558)**	(1,812)
			(5,729)	(6,010)
Change in fair value of marketable securities	3		**72**	(60)
Depreciation			**(14)**	(16)
Foreign exchange (loss) gain			**(331)**	(102)
Recovery (impairment) of loan receivable			**100**	(1,925)
Interest income			**19**	174
Share-based compensation	7 (a)		**(565)**	(711)
			(6,448)	(8,650)
Loss and comprehensive loss for the year			**(6,448)**	(8,650)
Loss and comprehensive loss attributable to:				
GoviEx Uranium Inc.			**(5,825)**	(8,423)
Non-controlling interest	4		**(623)**	(227)
Loss and comprehensive loss for the year			**(6,448)**	(8,650)
Net loss per share, basic and diluted		**$**	**(0.01)**	$ (0.02)
Weighted average number of common shares outstanding			**451,564,290**	417,425,803

The accompanying notes are an integral part of the Consolidated Financial Statements.

GoviEx Uranium Inc.

Consolidated Statements of Changes in Equity

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

	Notes	Number of Shares	Share Capital	Contributed Surplus	Deficit	Equity attributable to GoviEx	Non-controlling Interest	Total Equity
			$	$	$	$	$	$
Balance, December 31, 2018		402,065,862	240,697	19,178	(194,691)	65,184	-	65,184
Shares issued for cash, net of share issue costs		20,600,000	2,507	-	-	2,507	-	2,507
Shares issued for warrants & options exercised		656,000	50	(1)	-	49	-	49
Share-based compensation		-	-	711	-	711	-	711
Non-controlling interest		-	-	-	-	-	8,086	8,086
Issuance of shares to Niger government		-	-	-	(4,961)	(4,961)	4,961	-
Net loss for the year		-	-	-	(8,423)	(8,423)	(227)	(8,650)
Balance, December 31, 2019		**423,321,862**	**243,254**	**19,888**	**(208,075)**	**55,067**	**12,820**	**67,887**
Shares issued for cash, net of share issue costs		51,047,620	4,916	277	-	5,193	-	5,193
Shares issued for options exercised		1,430,000	151	(37)		114	-	114
Share-based compensation		-	-	565	-	565	-	565
Net loss for the year		-	-	-	(5,825)	(5,825)	(623)	(6,448)
Balance, December 31, 2020		**475,799,482**	**248,321**	**20,693**	**(213,900)**	**55,114**	**12,197**	**67,311**

The accompanying notes are an integral part of the Consolidated Financial Statements.

GoviEx Uranium Inc.

Consolidated Statements of Cash Flow

(Stated in thousands of U.S. dollars)

		Year ended December 31,	
	Note	**2020**	2019
		$	$
Operating activities			
Loss for the year		**(6,448)**	(8,650)
Adjustments for non-cash items			
Area tax		**2,043**	2,022
Change in fair value of marketable securities		**(72)**	60
Depreciation		**14**	16
Impairment of loan receivable		**-**	1,925
Interest income		**-**	(147)
Share-based compensation		**565**	711
Unrealized foreign exchange loss (gain)		**317**	(29)
Changes in non-cash operating working capital items			
Amounts receivable		**(5)**	5
Prepaid expenses and deposit		**(2)**	5
Accounts payable and accrued liabilities		**(84)**	(24)
Cash used in operating activities		**(3,672)**	(4,106)
Investing activities			
Plant and equipment		**(7)**	-
Cash used in investing activities		**(7)**	-
Financing activities			
Loan receivable		**50**	1,052
Net proceeds from share issuances		**5,307**	2,556
Cash provided by financing activities		**5,357**	3,608
Effect of foreign exchange on cash		**100**	159
Increase (decrease) in cash		**1,778**	(339)
Cash, beginning of year		**761**	1,100
Cash, end of year		**2,539**	761

The accompanying notes are an integral part of the Consolidated Financial Statements.

1. Nature of Operations and Going Concern

GoviEx Uranium Inc. (together with its subsidiaries, "**GoviEx**" or the "**Company**") is a Canadian mineral resources company focused on the exploration and future development of uranium properties located in Africa. The Company was incorporated in the British Virgin Islands on June 16, 2006, and continued under the Business Corporation Act (British Columbia) in Canada on March 1, 2011. The head office, principal address, registered and records office is located at 999 Canada Place, Suite 654, Vancouver, British Columbia, Canada, V6C 3E1.

The Company has one business segment, the exploration of mineral properties, with 94% of its non-current assets located in Niger. The Company capitalizes acquisition costs only and expenses exploration and evaluation costs related to its mineral properties. The underlying value and the recoverability of the amounts recorded as mineral properties do not reflect current or future values. The Company's continued existence depends on the economic recoverability of mineral reserves and its ability to obtain funding to advance its uranium properties.

The consolidated financial statements are prepared on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. During the year 2020, the Company incurred a net loss of $6,448,000 (2019 - $8,650,000) and used cash in operating activities of $3,672,000 (2019 - $4,106,000) had an accumulated deficit of $213,900,000 (2019 - $208,075,000). As at December 31, 2020, the Company had a working capital of $2,084,000 (2019 - $193,000) and had accumulated deficit of $213,900,000 (2019 - $208,075,000). On January 21, 2021, the Company closed a non-brokered private placement for gross proceeds of Canadian dollars ("**CAD**") 8,000,000 (note 15(a)).

The Company has no source of revenue and has significant cash requirements in order to pay accrued annual area taxes related to the Madaouela project in Niger (note 4), maintain its mineral property interests, and meet its administrative overheads. Although the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. These factors represent material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on the consolidated statements of financial position. These consolidated financial statements do not reflect adjustments to the carrying value and classification of assets and liabilities that might be necessary in the event of going concern. Such adjustments could be material.

2. Significant Accounting Policies

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

These consolidated financial statements incorporate the financial statements of GoviEx and its subsidiaries: GoviEx Niger Holdings Ltd. ("**GNH**"), GoviEx Niger S.A., Compagnie Miniere Madaouela S.A. ("**COMIMA**")**,** Rockgate Capital Corp., GoviEx Uranium Zambia Limited, Chirundu Joint Venture Zambia Limited, Muchinga Energy Resources Limited, and Delta Exploration Mali SARL.

The Company consolidates an entity when it has power over that entity, is exposed, or has rights to variable returns from its investment with that entity and can affect those returns through its power over that entity. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

b) Estimation uncertainty and accounting policy judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the applicable policies, reported amounts and disclosure. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgements, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods. There are no areas of estimation uncertainty that are expected to have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the following year.

Accounting policy judgments are made related to the economic recoverability of the Company's mineral properties, the determination of functional currency for the Company and its subsidiaries and the assumption that the Company will continue as a going concern.

c) Functional currency and foreign currency translation

The Company's presentation currency is the U.S. dollar ("**$**" or **"USD"**). Items included in the consolidated financial statements of the Company and each of its subsidiaries are measured in each entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and all of its subsidiaries is USD.

In preparing the consolidated financial statements, transactions in currencies other than an entity's functional currency ("**foreign currencies**") are recorded at the exchange rates at the dates of the transactions. At each balance sheet date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the consolidated statement of loss and comprehensive loss.

d) Mineral properties

Mineral properties are exploration and evaluation assets that consist of payments to acquire mineral exploration rights, licenses and mining permits. Acquisition costs are capitalized and deferred until such a time as the mineral property is put into production, sold or abandoned, or impaired.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, a mineral property is transferred to property and equipment. Exploration and evaluation assets are tested for impairment immediately before the reclassification to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

The carrying values of capitalized amounts are reviewed when indicators of impairment are present.

e) Impairment

Mineral properties are assessed for impairment only when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount and/or when the Company has sufficient information to conclude the technical feasibility and commercial viability.

Exploration and evaluation assets are tested for impairment if one of the following circumstances applies:

- the right to explore no longer exists;
- the absence of further substantive planned or budgeted exploration expenditures;
- exploration for and evaluation of mineral properties in the specific area have not led to the discovery of commercially viable quantities of mineral properties;
- sufficient data exists to indicate that, although development in the specific area is likely to proceed, the carrying amount of the mineral properties is unlikely to be recovered in full; or
- adverse changes in the taxation and regulatory environment.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that this does not exceed the original carrying amount if no impairment loss had been recognized.

f) Financial instruments

Financial instruments are recognized in the statement of financial position when the Company becomes a party to a contractual obligation. At initial recognition, the Company classifies and measures its financial instruments as one of the following:

- at amortized cost, if they are held to collect contractual cash flows which solely represent payments of principal and interest;
- at fair value through other comprehensive income (**"FVOCI**") if they are held to both collect contractual cash flows and to sell where those cash flows represent solely payments of principal and interest;
- otherwise, they are classified at fair value through profit or loss ("**FVPL**").

Financial assets are classified and measured at fair value with subsequent changes in fair value recognized in profit and loss as they arise unless restrictive criteria are met for classifying and measuring the asset at either amortized cost or FVOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at fair value through profit and loss or are measured at fair value at the Company's election.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred all risks and rewards of ownership substantially. Financial liabilities are derecognized when the obligations specified in the contract are discharged, cancelled, or expired.

At each reporting date, the Company uses the expected credit loss model to assess the impairment of its loans and receivables. The expected losses represent possible outcomes weighted by the probability of their occurrence, and the model focuses on the risk of default rather than whether a loss has been incurred. If there has been a significant increase in credit risk, an allowance would be recognized in the consolidated statements of loss and comprehensive loss.

g) Share-based compensation

Share-based compensation to employees is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model and is amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or at the fair value of the equity instruments issued and is recorded at the date the goods or services are received. Expected volatility is based on the historical share price of the Company and a selection of comparable companies.

h) Provisions

Provisions are recognized when a present legal or constructive obligation exists because of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

The Company had no material provisions on December 31, 2020 and 2019.

i) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

j) Income taxes

The Company follows the asset and liability method of accounting for income taxes whereby deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as for the benefit of losses available to be carried forward to future years for tax purposes. Deferred tax assets and liabilities expected to be recovered or settled are measured using enacted or substantively enacted tax rates. They are recorded in the financial statements if realization is considered probable. To the extent that the Company does not consider it probable that a deferred tax asset will be realized, the deferred tax asset is reduced. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the substantive enactment date.

3. Marketable Securities

The Company holds 403,658 common shares of Kincora Copper Limited with a market value of $118,000 as of December 31, 2020 (December 31, 2019 - $46,000). During the year ended December 31, 2020, an unrealized gain of $72,000 (2019 - $60,000 loss) was recognized for these securities in the consolidated statements of loss and comprehensive loss.

4. Mineral Properties

The Company has two projects with mine permits: Madaouela I in Niger (80%) and Mutanga in Zambia (100%). The Company also has a 100% interest in the Falea project comprising three exploration licenses located in Mali.

Capitalized acquisition costs for the mineral properties are listed below:

	December 31, 2020	December 31, 2019
(In thousands of U.S. dollars)	**$**	**$**
Madaouela, Niger	**65,234**	65,234
Mutanga, Zambia	**2,908**	2,908
Falea, Mali	**1,449**	1,449
	69,591	69,591

Madaouela Project, Niger

The Madaouela Project, located in north-central Niger, was initially comprised of five mining agreements for a 20-year term with the Niger government for the Madaouela I, II, III, and IV, and Anou Melle exploration licenses. These licenses were held under GoviEx's wholly-owned subsidiary GNH. Exploration efforts have been concentrated primarily on Madaouela I.

An exploration license is valid for three years and is renewable for two further three-year periods subject to the relinquishment of 50% of the surface area and field works. An exploration license also confers the right to a mining permit if a viable deposit is discovered. The duration of an exploration license may be extended if more favourable economic conditions exist within the license area.

Upon the grant of a mining permit, the recipient of the permit must issue to the Niger government such number of shares in the capital of a Nigerien mining company that holds the permit equal to 10% of the mining company's issued and outstanding shares, free and clear of any costs. The Niger government is entitled to participate at no cost in any subsequent share issuances in order to maintain its 10% carried interest.

The Company paid Euro 25,000,000 ($34,647,000) in May 2007 for the Madaouela Project and would be required to pay a further one-time Euro 7,000,000 on the conversion of any one of the exploration licenses to a mining permit.

Concurrently with the acquisition of these exploration licenses, GNH entered into a shareholder agreement with a private consulting firm that initially identified the availability of the Madaouela tenements through GNH, of which both GoviEx and the consulting firm were shareholders. In July 2008, GoviEx purchased all of the consulting firm's interest in GNH in exchange for the issuance of 10,000,000 common shares at a deemed price of $2.25 per share ($22,500,000).

On November 22, 2012, the Company reapplied for the two halves of Madaouela I and IV that it had to relinquish as part of the renewal, which have been renamed Agaliouk and Eralrar. These two licenses were issued, renewed, and remained in good standing as of December 31, 2020.

On June 30, 2015, GNH applied for the Madaouela I large mining permit that was granted on January 26, 2016 on behalf of the Nigerien mining company to be incorporated. The mining permit has an initial term of 10 years and is renewable until the resource has been fully depleted. On June 13, 2018, the Niger government made an election to hold its statutory 10% free carried interest in the Nigerien mining Company. The Niger government also requested the annual area taxes of West African CFA Franc (**XOF**) 1,216,000,000 from 2016 to 2018 for the Madaouela I permit. Under Niger's mining code, an area tax will become a liability of the new Nigerien mining company once it is incorporated, in which the Niger government would own a minimum of 10 % free-carried non-dilutive interest and can acquire an additional 30% equity interest at fair market value.

In July 2019, the Company signed definitive agreements with the Niger government to convert the final Euro 7,000,000 ($8,087,000) acquisition payable and the three years (2016-2018) of contested area taxes into an additional 10 % working interest of the Niger government in the Nigerien mining company.

As a result, the Nigerien mining Company, COMIMA, was incorporated in July 2019, owned 80% by GoviEx and 20% by the Niger government. The Niger government also agreed to defer annual area tax payments related to the Madaouela I permit for three years starting 2019. As of December 31, 2020, $4,537,000 (XOF 2,432,000,000) area taxes for 2019 and 2020 were accrued as non-current liabilities and are due and payable along with the 2021 area tax in July 2022. Annual taxes for the Madaouela I permit are otherwise due and payable annually in the amount of XOF 1,216,000,000.

As part of the definitive agreements, the Niger government agreed to grant the exploration license for Madaouela II, III, IV and Anou Melle that had expired in January 2019. As of December 31, 2020, these four licenses were yet to be granted.

In September 2019, the Niger government approved the revision to the shape of the Madaouela I permit to include additional mineral resources previously within the Agaliouk exploration license.

Non-controlling interest ("**NCI**")

Non-controlling interest represents the 20% ownership of the Niger government in COMIMA. It was initially recognized and measured based on net assets of $65,234,000 upon the share issuance of the 20% Niger government ownership.

As of December 31, 2020, the Company consolidated COMIMA and reported the carrying value of the NCI as below:

In thousands of U.S. dollars	Non-Controlling Interest
	$
Balance, July 18, 2019	13,047
Incorporation costs	(25)
Area tax	(202)
Balance, December 31, 2019	12,820
Overhead expenses	(54)
Technical study	(77)
Foreign exchange	(83)
Area tax	(409)
Balance, December 31, 2020	**12,197**

Mutanga Project, Zambia

The Company has a 100% interest in the Mutanga project, located south of Lusaka, Zambia, which consists of three contiguous mine permits: Mutanga and Dibwe, acquired from Denison Mines Corp in June 2016, and Chirundu mine permit from African Energy Resources Ltd. in October 2017.

Mutanga and Dibwe permits were granted on March 26, 2010, and Chirundu was granted on October 9, 2009. All mine permits are valid for 25 years.

On June 25, 2020, the Mining Cadastre Department of Zambia issued a letter to the Company revoking the Chirundu mining permit based on breach of the Mines and Minerals Development Act provisions 2015, including failure to develop the permitted mining areas and carry-on mining operations.

The Company filed a notice of appeal on July 24, 2020, argued carrying on the required mining in a prolonged lower uranium price market does not make economic sense. Should the appeal be unsuccessful, $593,000 would be written off from the mineral property-carrying value.

Falea Project, Mali

The Company acquired a 100% interest in the Falea project in Mali from Denison in June 2016. It contains three exploration licenses, which are all in good standing as of December 31, 2020.

5. Loan Receivable

In April 2012, the Company entered into a bond purchase agreement with Toshiba Corporation ("**Toshiba**") pursuant to which the Company issued Toshiba a $30,000,000 convertible debenture (the "**Bond A**") and borrowed 200,000 pounds of uranium concentrate U_3O_8 (the "**Bond B**" or the "**Uranium Loan**"). Bond A and Bond B bore compound annual interest of 15% and 12%, with an expiry date of April 19, 2019, and April 19, 2020, respectively. Both Bonds were secured by a floating charge in all assets of the Company at that time.

Concurrent with the above bond purchases, the Company entered into an off-take agreement with Toshiba whereby Toshiba would purchase up to 600,000 pounds of U_3O_8 per year for a period of 14 years commencing January 1, 2019.

On June 19, 2014, the Company redeemed Bond A by issuing 28,395,466 common shares to Toshiba for a total value of $60,341,000, including interest.

On February 28, 2018, the Company signed a Termination and Mutual Release Agreement (the "**Termination Agreement**") with Toshiba whereby both parties agreed to settle the Uranium Loan for $4,500,000, terminate the off-take agreement and provide a mutual release to each other subject to the completion of the share purchase agreement ("**SPA**").

The SPA was entered between Toshiba and Linkwood Holdings Pte Ltd. ("**Linkwood**"), whereby Linkwood agreed to acquire all of the 28,394,466 GoviEx shares held by Toshiba for $4,500,000. On July 3, 2018, the Company provided a $2,750,000 short-term loan (the "**Loan**") to Linkwood to complete the SPA, and on July 19, 2018, the Company announced the conclusion of the Termination Agreement.

The Loan bore an annual interest rate of 9.5%, 11.5% upon default and was to expire in July 2019. On July 15, 2019, to allow Linkwood sufficient ability to service the outstanding Loan, the Company and Linkwood entered into a forbearance agreement for the unpaid principal and accrued interest at that time of $2,187,111. The forbearance agreement does not waive any portion of interest or principal, and the Loan continues to bear an annual interest rate of 11.5%.

The Loan collaterals consist of security in the form of shares in publicly traded and private companies; one of the companies completed its initial public offering and started trading on the Australian Securities Exchange in February 2020.

On December 31, 2019, based on the significant doubt over the collectability and illiquidity of the collateral, the Company impaired the Loan to $50,000 (which amount was received in the first quarter of 2020) and recorded a $1,925,000 impairment loss. Linkwood repaid a total of $1,051,834 during 2019 and a further $150,000 in 2020.

On December 31, 2020, the remaining unpaid principal was $1,960,816 and accrued interest of $82,784.

6. Share Capital

On February 13, 2020, the Company closed a non-brokered private placement by issuing 15,333,334 units at CAD 0.15 per unit for gross proceeds of $1,736,017 (CAD 2,300,000). Each unit consists of one common share and one share purchase warrant, exercisable at $0.15 per share until February 13, 2025. Both the common shares and the warrants are subject to a one-year hold until February 13, 2021.

If the Company's common shares trade at a closing price of no less than CAD 0.40 for 15 consecutive days, the Company may accelerate the expiry date of the warrants by providing notice to the warrant holders; in such case, the warrants will expire on the thirtieth day after the notice is given.

The Company incurred $77,000 in share issue costs, including $63,438 (CAD 90,000) finders' fees paid in cash.

On August 6, 2020, the Company closed a non-brokered private placement by issuing 35,714,286 units at CAD 0.14 per unit for gross proceeds of $3,736,950 (CAD 5,000,000). Each unit consists of one Class A common share and one common share purchase warrant, exercisable at $0.15 per share until August 6, 2025.

The Company paid $169,658 (CAD 225,000) finders' fees in cash and issued 1,607,142 agent warrants exercisable at CAD 0.14 to acquire one common share until August 6, 2025.

The agent warrants issued are considered equity-settled share-based payments for the services provided related to the share issuance. Thus, these warrants were valued at $103,000 under the Black-Scholes option-pricing model and recorded in equity with the assumptions: volatility 71%, expected life five years, risk-free interest rate 0.32%, and dividend rate nil.

During 2020, 1,430,000 stock options (2019 – 550,000) were exercised at an average price of CAD 0.10 (CAD 0.08), and nil (2019 – 106,500) warrants were exercised.

On April 10, 2019, the Company closed a non-brokered private placement by issuing 20,600,000 units at CAD 0.17 per unit for gross proceeds of $2,623,450 (CAD 3,502,000). Each unit consists of one Class A common share and one common share purchase warrant exercisable at $0.21, $0.24 and $0.28 per share at each anniversary over three years from the issuances' date.

The Company paid $103,218 (CAD 137,445) in cash finders' fees, which were included in the total $116,151 share issue costs.

7. Share-based Compensation

a) Stock options

The Company has a stock option plan, which authorizes the Company to issue options up to 10% of the issued and outstanding common shares. Share options are granted at an exercise price equal to the estimated value of the Company's common shares on the grant's date.

Options are forfeited if optionees leave before the options vest, and options vested shall expire 30 days after the employees leave, unless otherwise determined by the Board of Directors.

(Stated in U.S. dollars; tabular amounts in thousands except for shares and per share amounts)

A summary of the Company's stock option movements is as follows:

	December 31, 2020		December 31, 2019	
	Number of options	Weighted average exercise price (CAD)	Number of options	Weighted average exercise price (CAD)
Outstanding, beginning of year	40,085,000	0.18	35,105,000	0.20
Granted	8,100,000	0.14	8,230,000	0.135
Exercised	(1,430,000)	(0.10)	(550,000)	(0.08)
Expired	(6,667,500)	(0.17)	(2,255,000)	(1.06)
Forfeited	(77,500)	(0.15)	(445,000)	(0.16)
Outstanding, end of year	40,010,000	0.17	40,085,000	0.18
Exercisable, end of year	27,640,000	0.19	28,172,500	0.18

The following table lists the stock options outstanding and exercisable, with a weighted average remaining life of 2 years on December 31, 2020:

Exercise		December 31, 2020		December 31, 2019	
Price (CAD)	Expiry date	Outstanding	Exercisable	Outstanding	Exercisable
0.300	January 28, 2020	-	-	2,115,000	2,115,000
0.100	November 19, 2020	-	-	5,175,000	5,175,000
0.120	June 20, 2021	9,300,000	9,300,000	9,800,000	9,800,000
0.220	July 9, 2021	500,000	500,000	500,000	500,000
0.320	March 17, 2022	5,070,000	5,070,000	5,220,000	3,940,000
0.215	September 25, 2023	8,900,000	6,675,000	9,045,000	4,585,000
0.135	August 26, 2024	8,140,000	4,070,000	8,230,000	2,057,500
0.140	August 27, 2025	8,100,000	2,025,000	-	-
		40,010,000	27,640,000	40,085,000	28,172,500

The Company applies the fair value method of accounting for stock options. The weighted average fair value of options granted during the year ended December 31, 2020, was $0.06 (2019 - $0.06). The weighted average fair value was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	December 31, 2020	December 31, 2019
Annualized volatility	71%	75%
Expected life	5	5
Estimated forfeiture rate	0%	0%
Risk free interest rate	0.43%	1.24%
Dividend rate	Nil	Nil

b) Common share purchase warrants

A summary of the Company's issued and outstanding share purchase warrants is as follows:

	December 31, 2020		December 31, 2019	
	Number of warrants	Weighted average exercise price ($)	Number of warrants	Weighted average exercise price ($)
Outstanding, beginning of year	111,664,322	0.20	161,680,338	0.19
Warrants granted	51,047,620	0.15	20,600,000	0.21
Agent warrants granted	1,607,142	0.11	-	-
Warrants exercised	-	-	(106,500)	(0.075)
Warrants expired	(1,600,000)	(0.23)	(70,509,516)	(0.14)
Outstanding, end of year	162,719,084	0.19	111,664,322	0.20

Common share purchase warrants issued and outstanding are as follows:

Exercise price ($)	Expiry date	December 31, 2020	December 31, 2019	Acceleration Price (CAD)
0.23	October 30, 2020	-	1,600,000	≥0.36
0.28	June 5, 2021	35,674,911	35,674,911	N/A
0.15	December 19, 2021	45,339,856	45,339,856	NA
0.15	December 22, 2021	2,570,144	2,570,144	NA
0.28	December 31, 2021	5,879,411	5,879,411	N/A
0.24/0.28*	April 21, 2022	20,600,000	20,600,000	N/A
0.15	February 13, 2025	15,333,334	-	≥0.40
0.15	August 6, 2025	35,714,286	-	N/A
0.11	August 6, 2025	1,607,142	-	N/A
		162,719,084	111,664,322	

* Exercise price by each anniversary.

8. Exploration and Evaluation

Exploration and evaluation expenses for the Company are summarized as follows:

(In thousands of U.S. dollars)	Year ended December 31, 2020				Year ended December 31, 2019			
	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	**Total**	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	**Total**
	$	$	$	$	$	$	$	$
Salaries	315	170	193	**678**	353	234	183	**770**
Consulting	328	13	73	**414**	310	37	2	**349**
Assay	60	-	77	**137**	-	-	-	**-**
Camp	39	39	61	**139**	55	35	33	**123**
Office expenses	190	68	110	**368**	162	56	48	**266**
License and taxes	20	57	-	**77**	78	102	1	**181**
Community	33	33	8	**74**	145	25	10	**180**
Professional fees	217	1	14	**232**	253	10	14	**277**
Travel	9	-	-	**9**	27	3	-	**30**
	1,211	381	536	**2,128**	1,383	502	291	**2,176**

9. General and Administration

Administrative expenses are summarized as follows:

(In thousands of U.S. dollars)	Year ended December 31, **2020**	2019
	$	$
Salaries	**907**	891
Investor relations	**232**	282
Office expenses	**225**	190
Professional fees	**104**	287
Regulatory fees	**76**	74
Travel	**14**	88
	1,558	1,812

10. Related Party Disclosures

Related parties include the board of directors and officers, close family members and enterprises controlled by these individuals, and consultants performing similar functions.

a) Key management compensation

Key management includes the board of directors and the Company's executive officers. Directors' fees are paid semi-annually.

The following table lists compensation awarded to key management:

(In thousands of U.S. dollars)	Year ended December 31, **2020**	2019
	$	$
Salaries	**598**	592
Committees' fees	**97**	103
Share-based compensation	**412**	545
	1,107	1,240

b) Global Mining Management Corporation ("**GMM**")

GMM is a private company owned by its shareholders, one of which is the Company. GMM provides GoviEx's Vancouver office with furnished office space, equipment and communication facilities, corporate administrative, and finance and accounting support on a cost-recovery basis. GoviEx has been a shareholder of GMM since October 25, 2007, and maintains a prepaid balance of $140,000 (CAD 175,000) with GMM.

The following charges were incurred in the ordinary course of operations, including the salary of the CFO:

	Year ended December 31,	
(In thousands of U.S. dollars)	**2020**	2019
	$	$
Salaries and benefits	**322**	301
Corporate overhead	**77**	65
	399	366

As of December 31, 2020, $42,695 (December 31, 2019 – $69,026) was owed to GMM and included in the accounts payable and accrued liabilities of the Company.

11. Commitments and Contingencies

a) Under various mining conventions for the Company's exploration licenses in Niger and Mali, the Company is required to incur total exploration expenditures of $1,400,000 in Niger (on the Agaliouk and Eralrar licenses) and $752,000 in Mali from 2021 to 2022.

b) In the second half of 2019, the Company was billed a total of $390,670 (XOF 228,756,084) notary fees, including taxes, associated with the creation of COMIMA and the share transfer to the Niger government. The Company was not made aware of these charges in advance and is currently seeking a final settlement to close the dispute in 2021. During the year ended December 31, 2020, the Company paid $110,000 to the notary pursuant to a court order and accrued $50,000 legal fees related to the final settlement on December 31, 2020. The Company believes this dispute's outcome does not have a material impact on its consolidated financial statements.

12. Capital Risk Management

The Company's objective in managing its capital is to ensure sufficient financial flexibility to continue developing its uranium projects and maximize shareholder return through enhancing the share value. The Company's operations have been and will continue to be funded by debt and/or equity finance arrangements.

The Company's capital includes the components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests and associated administrative expenses. To maintain or adjust the capital structure, the Company may attempt to issue new shares, debt and acquire or dispose of mineral rights.

The Company monitors actual expenses to budget on all exploration projects and overheads to manage costs, commitments and exploration activities. There were no changes in the Company's approach to capital management during the year ended December 31, 2020.

13. Financial Instruments and Risks

The board of directors has overall responsibility for establishing and oversight of the Company's risk management framework. The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows. As discussed in Note 1 and Note 11, the Company requires additional funds from shareholders or lenders to meet its obligations as they came due. The Company is engaged in discussions with various parties for potential financings. However, there can be no assurance that these discussions will be completed successfully.

(Stated in U.S. dollars; tabular amounts in thousands except for shares and per share amounts)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash held in a large financial institution and long-term deposits. As of December 31, 2020, the Company believes the carrying amount of its cash represents its maximum credit exposure.

Foreign currency risk

Foreign currency risk is the risk that the fair value of financial instruments of future cash flows will fluctuate due to changes in foreign exchange rates. The Company operates internationally with its head office in Canada; thus, the Company is exposed to foreign currency risk from transactions denominated in Canadian dollars, Euro, British pound, and Zambian Kwacha.

Market risk

The Company is exposed to the market risk of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Marketable securities are adjusted to fair value at each reporting date.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the short-term interest rates through the interest earned on cash balances. Management does not believe this exposure is significant.

14. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision for fiscal 2020 and 2019 is provided as follows:

	2020	2019
	$	$
Loss before income taxes	**(6,448)**	(8,650)
Canadian statutory tax rate	**27%**	27%
Expected income tax recovery	**(1,741)**	(2,336)
Different effective tax rates in foreign jurisdictions	**748**	675
Permanent differences	**105**	447
Foreign exchange movement	**(20)**	(170)
Tax rate change	**(56)**	-
True up	**(122)**	-
Change in unrecognized tax benefits	**1,086**	1,384
Income tax recovery	**-**	-

During the validation of exploration licenses, the Company is exempt from income tax in Niger. The income tax rate in Niger is 30%. Claiming tax depreciation is mandatory; however, unused depreciation can be deferred indefinitely and applied to reduce future taxable profit. Tax losses can be carried forward and applied to reduce future taxable profit for three years. These rules are included and described in a bi-lateral convention signed by the Company and the Government of Niger and are consistent with Niger's Mining Code.

The Company is subject to assessments by various taxation authorities, which may interpret tax legislation and tax filing positions differently from the Company. The Company provides for such differences when it is probable that a taxation authority will not sustain the Company's filing position, and the amount of tax exposure can be reasonably estimated. As of December 31, 2020, and 2019, no provisions have been made in the financial statements for any estimated tax liability.

(Stated in U.S. dollars; tabular amounts in thousands except for shares and per share amounts)

The Company's unrecognized deductible temporary differences and unused tax losses consist of the following amounts:

	2020	2019
	$	$
Unrecognized deductible temporary differences		
Non-capital loss carry forwards	**52,902**	51,081
Tax value over book value of loans	**5,414**	5,514
Share issue costs, investment, PPE and Capital loss	**853**	828
Tax value over book value of mineral properties	**65,112**	63,503
Unrecognized deductible temporary differences	**124,281**	120,926

The realization of income tax benefits related to these potential tax deductions is uncertain and cannot be viewed as probable. Accordingly, no deferred income tax assets have been recognized for accounting purposes.

The Company has Canadian non-capital tax loss carryforwards of $52,902,000 that may be available for tax purposes, and if not utilized, will expire between 2026 and 2040.

As of December 31, 2020, and 2019, the Company had unrecognized deferred tax liabilities of $883,000 and unrecognized deferred tax assets of $3,004,000 due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of Rockgate, Muchinga Energy Resources and Chirundu Joint Ventures Zambia Ltd.

15. Subsequent Events

a) On January 21, 2021, the Company announced and closed a non-brokered private placement by issuing 32,000,000 units at CAD 0.25 per unit for gross proceeds of $6,286,471 (CAD 8,000,000). Each unit consists of one Class A common share and one common share purchase warrant, exercisable at $0.30 per share until January 21, 2023.

   The Company paid $340,339 (CAD 433,391) finders' fees in cash.

b) Subsequent to December 31, 2020, 22,815,725 common shares were issued on the exercise of 3,668,658 stock options and 19,147,067 warrants. Proceeds to the Company were $346,665 and $3,146,560 for the options and warrants, respectively.

c) 1,000,000 stock options were granted to new directors, exercisable at CAD 0.31 until March 18, 2026.

Management's Discussion and Analysis ("MD&A")

For the year ended December 31, 2020

This Management's Discussion and Analysis ("**MD&A**") of GoviEx Uranium Inc. ("**GoviEx**" or the "**Company**") is dated April 23, 2021, and provides an analysis of the Company's financial results for the year ended December 31, 2020, including events up to the date of this MD&A. It should be read in conjunction with the Company's audited December 31, 2020 consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are expressed in U.S. dollars unless otherwise noted.

This MD&A contains forward-looking statements relating to the Company's potential future activities and performance. The Company cautions readers that any forward-looking statements are not guarantees of future results as they are subject to significant risks and uncertainties discussed at the end of this MD&A.

GoviEx is based in Vancouver, British Columbia, Canada; its common shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "GXU" and trade on the OTCQB Venture Market in the United States under the symbol "GVXXF." Additional information related to GoviEx is available on the Company's website www.goviex.com or the SEDAR website, at www.sedar.com.

PERFORMANCE HIGHLIGHTS

- Completion of Updated Pre-Feasibility Study for the Madaouela Project in Niger

  On February 18, 2021, the Company announced the results of its updated pre-feasibility study ("**PFS**") for the Madaouela project. The PFS highlighted the improved economics of the project, including respective reduction of 15% and 20% in capital and operating expenses during open-pit mining in early years, 66% reduction in captive water source and consumption, and potential debt service of $150,000,000 - $180,000,000 to fund mine development.

  The Company filed the PFS on SEDAR on April 5, 2021, and published it on its website.

- Completion of Non-Brokered Private Placements

  On February 13 and August 6, 2020, the Company closed non-brokered private placements for total gross proceeds of CAD 7,300,000 by issuing 51,047,620 units. Each unit consists of one common share and one warrant exercisable at $0.15 per share within five years from the issuance dates.

  On January 21, 2021, the Company closed another non-brokered private placement of CAD 8,000,000 by issuing 32,000,000 units at CAD 0.25 per unit. Each unit consists of one common share and one common share purchase warrant, exercisable at $0.30 per share until January 21, 2023.

The private placements' net proceeds are used to fund ongoing exploration and development activities on the Company's uranium projects and for general corporate purposes.

- Positive Gold Sampling at Falea Project, Mali

  The Company completed a soil and termitaria sampling program on the Falea project in Mali during May – June 2020. On July 6, 2020, the Company announced that the sampling program results highlighted significant gold in soil anomalies at the Falea Project in addition to the already known uranium-copper-silver resources.

  Encouraged by the soil sampling work, the Company conducted a core sampling and geophysics programme during the fourth quarter of 2020, which identified a significant correlation between the Birimian geology, the fault structures (particularly the Road Fault) and the geophysical Chargeability anomalies in relation to gold mineralization.

  In January 2021, the Company announced a 6,000-metre air core drilling program to test the gold potential associated with the soil anomalies on its Falea project. Assay results are anticipated in the second quarter of 2021.

- Chirundu Mining Permit, Zambia

  In August 2019, the President of Zambia directed the Ministry of Mines and Mineral Development (MoM) to review and cancel licenses for mining and exploration companies that have remained dormant for a long time. On July 7, 2020, the Company announced that the Mining Cadastre Department of Zambia had terminated its Chirundu mining permit due to a breach of Section 35 of the Mines and Mineral Development Act, 2015.

  Section 35 stipulates, among other things, that a mining permit holder is required to develop the permitted mining areas, carry out mining operations and comply with proposed capital investments of such permit. Since the mining permit was granted, the uranium price declined to such an extent that the license's commercial development was not feasible.

  The Company filed a notice of appeal on July 24, 2020. On October 27, 2020, the Minister of Mines acknowledged the receipt of the appeal and requested additional supporting documents to assist in an informative decision. The Company anticipates the Chirundu mining permit is likely to be reinstated on certain conditions.

  Should the appeal fail, $593,000 would be written off from the mineral property's carrying value.

DESCRIPTION OF URANIUM BUSINESS AND OUTLOOK

GoviEx is a mineral resource company focused on the exploration and development of its uranium properties in Africa. The Company's principal asset is its Madaouela I large-scale mining permit controlled 100% by the Company's subsidiary, the Nigerien mining company, Compagnie Miniere Madaouela SA ("**COMIMA**"). It is also advancing the development and exploration of the Mutanga and Falea projects located in Zambia and Mali. On June 19, 2014, GoviEx closed its initial public offering on the Canadian Securities Exchange, and on July 11, 2016 transferred its listing to the TSX-V. GoviEx's principal objective is to become a significant uranium producer by exploring and developing the above mineral properties.

GoviEx remains committed to exploring and developing its uranium properties. The Company's future activities will be most affected by its access to financing, whether debt, equity or other means. Access to such funding is affected by general economic conditions, uranium prices, exploration & political risks and other factors.

The COVID-19 outbreak has had a significant impact on the global economy. Since mid-March 2020, the Company has implemented a range of measures to maintain a safe and healthy work environment and contribute to the virus's containment in the broader community. At present, there are no imminent COVID-19 related circumstances that are expected to disrupt the Company's operations. The Company is continuously assessing the evolving situation, including the health and safety risks to the Company's employees and contractors at its various offices and campsites.

In 2021, following the positive results of the updated PFS, the Company has commenced preparation for the Madaouela bankable Feasibility Study ("**FS**") to be completed in the first half of 2022. A key benefit from the Updated PFS was the simplification and optimization of the Madaouela Project – which has also simplified the scope of the remaining test work expected in support of the FS. As a result, the Company announced a drilling program on April 13, 2021, to further understand the molybdenum mineralization and confirmatory metallurgical test work.

Meanwhile, the Company is seeking financial advisory services to help obtain sufficient financing for the Madaouela mine construction.

According to the World Nuclear Association, nuclear power fueled by uranium is the world's second-largest source of low-carbon power and provides approximately 10% of the world's electricity from about 440 power reactors. Many countries depend in part on nuclear-generated power whose credentials for contributing towards sustainable development have earned growing recognition.

Uranium prices continued to trend higher in 2020 as inventories were drawn down faster due to lower global uranium production. Given cuts to primary production and inventory optimization by utilities and producers, the uranium market is expected to slowly become more production-driven, where prices more closely correlate to the marginal cost of uranium production. To the extent that today's uranium prices do not incent producers to increase production levels, utilities and suppliers will continue to purchase available secondary supplies, thus further reducing excess material and placing upward pressure on spot prices.

Although reactor requirements are relatively flat through 2025, there is significant demand growth from 2026 to 2035 that will necessitate new production as resources are exhausted at several uranium projects. In addition to transitioning to a production-driven market, a large percentage of production exists in high geopolitical risk regions, making the uranium market vulnerable to future disruptions and price volatility.

MINERAL PROPERTIES

GoviEx has the following resources as defined under National Instrument 43-101 ("**NI 43-101**"):

	Measured			Indicated			Inferred		
	Tons (Mt)	Grade (% eU_3O_8)	eU_3O_8 (Mlb)	Tons (Mt)	Grade (%eU_3O)	eU_3O_8 (Mlb)	Tons (Mt)	Grade (%eU_3O)	eU_3O_8 (Mlb)
Madaouela (1)	11.76	0.12%	31.4	25.25	0.14%	79.4	9.46	0.13%	27.7
Mutanga(2)	5.9	0.04%	4.8	15.7	0.03%	10.4	74.6	0.03%	44.9
Falea(3)	-	-	-	6.88	0.115%	17.4	8.78	0.069%	13.4

(1) "An Updated Pre-Feasibility Study for the Madaouela Project, Niger," April 5, 2021, prepared by SRK Consulting.
(2) "N.I. 43-101 Technical Report on a Preliminary Economic Assessment of the Mutanga Uranium Project in Zambia", November 30, 2017, prepared by SRK Consulting.
(3) "Technical Report on the Falea Uranium, Silver and Copper Deposit, Mali, West Africa" prepared by Roscoe Postle Associates Inc. October 26, 2015.

Madaouela Project, Niger

The Madaouela Project is located approximately 10km south of Arlit in north-central Niger, adjacent to the Somiar and Cominak mines owned by Orano (formerly "Areva"). The Madaouela Project is at the pre-feasibility study stage, for which five deposits, Marianne, Marilyn, Miriam, MSNE and Maryvonne, have been advanced to a high level of confidence.

Pursuant to the mining convention in May 2007 and definitive agreements with the Niger government in July 2019, COMIMA, a Nigerien mining company, was incorporated, owned 80% by GoviEx and 20% by the Niger government, of which 10% is a statutory free-carry.

In 2018, the Company engaged SRK Consulting (U.K.) Ltd ("**SRK**") and SGS Bateman (Pty) Ltd to begin the feasibility study for the Madaouela Project. In 2020 as an interim step, GoviEx decided to complete an updated PFS and announced the results in February 2021, as summarized below.

Open Pit Mining

The mining operations are planned to be based initially on standard truck and shovel open pit mining for the Miriam deposit at a planned rate of 1 Mt per annum of ore feed to the process plant, which results in an initial six years of mining operations at Miriam. This production rate ensures that the life of the Miriam deposit would exceed the expected potential debt tenor.

The life of pit stripping ratio was reduced to 9.9:1 from the 12:1 set out in the 2015 PFS, partly due to steeper final pit walls at 53 degrees versus 51 degrees previously used in the 2015 PFS. Post initial capital pre-strip stripping ratio was reduced from 8:1 to 7:1. Mining operating and capital costs have been updated with a high degree of confidence as they are based on the current supplier quotes to define owner-operator operating costs of $2.3/tonne mined.

Underground Mining

The Marianne-Marilyn ("**M&M**") and MNSE-Maryvonne deposits are planned to be mined by room and pillar, similar to the adjacent Cominak mine. Ore mining is designed to be undertaken at a rate of approximately 1.4 Mt per annum. Mined ore is to be fed onto a conveyor via feed breakers at each panel. Run of mine ore is then planned to be sorted by X-ray fluorescence ("**XRF**") to remove waste dilution. Post XRF sorted ore is designed to be trucked to the process plant at a rate of 1.0 Mtpa. Underground mining operations are forecast to mine at an average of $31.71 /ROM tonne.

Calculations for the Mineral Reserves reported in accordance with the Canadian Institute of Mining Metallurgy and Petroleum ("**CIM**") standards and guidelines, under the Updated PFS, were based on a $55 per pound U_3O_8 price. Total Probable Mineral reserves are reported as 24.9 million run-of-mine ore tonnes with an average ore grade of 0.85 kg/tU, the contained uranium of 21,054 tU (54.7 Mlb U_3O_8).

Project Probable Mineral Reserves as of February 18, 2021

	Classification	Cut-off (kg/tU)	ROM Mt	Grade (kg/tU)	Tonnes U
Open Pit					
Miriam **	Probable	0.3	7.8	0.85	6,601
Underground					
Marianne-Marylin ("M&M")*	Probable	0.6	10.5	0.88	9,180
MNSE-Maryvonne *	Probable	0.6	6.7	0.79	5,273
Total	Probable		24.9	0.85	21,054

* Underground Mineral Reserves for M&M and MSNE-Maryvonne are reported at a cut-off grade of 0.60 kg/t eU. Cut-off grades are based on a price of $50 /lb of U_3O_8 and uranium recoveries of 89.3%, without considering revenues from other metals. Note Mineral Reserves include both Measured and Indicated Resources.

**Open Pit Mineral Reserves are reported within a designed pit shell at a cut-off grade of 0.3 kg/t eU. Cut-off grades are based on a price of $50 /lb of U_3O_8 and uranium recoveries of 93.0%, without considering revenues from other metals. Note Mineral Reserves include both Measured and Indicated Resources.

The Qualified Person responsible for the declaration of Mineral Reserves is Tim McGurk, Corporate Consultant (Mining). Tim is a full-time employee of SRK, a Fellow of the IOM3 and has the required experience in reporting Mineral Reserve statement relevant to the Madaouela Project.

Mineral Processing

Process plant and associated mine infrastructure has been moved from its previously planned site next to the proposed M&M underground works to adjacent the Miriam open pit to reduce the ore hauling costs in the early years.

Due to the insufficient commercial operations of Ablation and Solvent Extraction ("**SX**") as process routes, which are contemplated in the 2015 PFS, the Company undertook a considerable program of processing test-work with an aim to reduce the technical risks associated with the application of these two process routes, targeting ore upgrading, acid consumption reduction and general reduction of costs. The test work completed included: de-sliming, Energy X-ray Transmission "(**XRT**") sensor sorting, gravity, nano-filtration, Ion Exchange ("**IX**") and flotation.

In addition, work focused on the differing mineralogy of the Miriam deposit geology in comparison to that of the M&M deposit, from which historical bulk samples were used to define metallurgical test work. Substantially lower calcite and dolomite composition of the Miriam ore relative to M&M ore results in a markedly lower forecast acid consumption.

Consequently, a pragmatic approach was adopted to utilize a simple and proven flowsheet including whole ore leaching to treat the ore arising from the open-cast Miriam operation, which has relatively low gangue-acid consumers ("**GAC**"), and then add XRF based ore sorting and reverse flotation in later years, when the underground ore with higher acid consumption is treated. The resulting simplified flowsheet adheres to the following steps:

During the early years when low GAC ore from the Miriam deposit is to be treated:

- Secondary crushing and milling
- Two-stage tank acid leaching of the whole ore to produce a pregnant leach solution containing uranium molybdenum, iron and other impurities
- Belt filtration for leach residue dewatering followed by tailings disposal by dry stacking
- Recovery of molybdenum by IX using Purolite S970 resin
- Recovery of uranium by SX using Alamine 336
- Precipitation of uranium using ammonia

The resultant process plant design simultaneously reduces acid and water consumption while improving uranium and molybdenum recovery.

Key Process Design Parameters

	Parameters
Annual ore feed to process plant	1,000,000 tpa
Uranium recovery	94.5% O/P, 92.5% U/G
Molybdenum recovery	84.7%
Acid Consumption per tonne ore feed	30.5 kg/t
Raw Water Feed	102 m3/hr

As a result of the revision in ore reserves and resulting associated mining and operations, the Project's life is forecast to last 20 years, producing an estimated total uranium sales of 49.65 Mlbs U_3O_8, averaging 2.48 Mlb U_3O_8 per annum life of mine.

The simplification of the process flow sheet and the extensive level of test work already completed by the

Company readily translates to a feasibility study that should require minimal confirmatory test work. Any test work that will be required will likely focus on optimizing the leaching and ion exchange recovery processes.

The Updated PFS includes a high level of detail on all aspects of other costs. This includes detailed quotations covering security operations, on-site administration costs and, importantly, sales and transport costs to North America and Europe of the finished product. The table below summarizes unit operating costs of production for the initial four years of operation and life of mine. The Company reports that for the first four years of operation, the cash operating costs, excluding royalties and including credits for molybdenum, have been reduced by approximately 20% or $4.5 per pound of U_3O_8 sales to $18.3 per pound of U_3O_8 sales, and life of mine are reduced 8% to $22.2 per pound of U_3O_8.

Unit Operating Costs by Cost Section

	Year 1 - 4 USD/lb U_3O_8	LOM USD/lb U_3O_8
Mining	10.42	13.93
Processing	9.75	10.34
Tailings Disposal	0.47	0.49
Water Supply	0.22	0.24
EIA	0.04	0.04
Site G&A and Infrastructure	1.60	1.61
In country and Corporate Overheads	0.83	0.89
Transport of U_3O_8	0.44	0.44
Molybdenum Credit	(5.52)	(5.81)
Total Operating Costs	18.26	22.18

The table below shows the proposed capital requirements of the initial development and remaining life of mine sustaining capital costs. The majority of sustaining costs are related to the development costs associated with the M&M and MNSE-Maryvonne deposits.

Capital Costs

(USDm)	Initial Capital	Sustaining Capital
Pre-Strip	61.09	
Mining	37.96	276.45
Processing	209.00	15.07
Tailings	3.15	4.88
Infrastructure	25.10	-
Water	2.00	4.59
Owners	8.96	-
	347.26	300.98

A contingency of 10% is included in the capital figure quoted above.

The benefits of capital cost optimization and the delay in underground mines development result in a projected $66,000,000 reduction in capital over the first five years and contemplates that the project has an undiscounted payback by year 5 of commercial production.

Based on a uranium price of $55/lb U_3O_8 over the life of mine, the project is forecast to produce $525,000,000 in free cash flow, including capital expenditure, and is forecast to produce an annual average of $70,000,000 EBITDA.

Net Present Value and Internal Rate of Return

USD/lb U_3O_8	NPV 8%	IRR%
55	117	13.7
60	193	17.0
70	336	23.1

The Updated PFS focused on improving the project with several key targets that the Company was seeking to achieve and, on balance, these targets have been achieved and include:

- Ensure the Miriam open mining pit covers any potential debt tenor
- Simplify and reduce the technical risk associated with the process design
- Reduce the operating and capital costs of the project from that set out in the 2015 PFS
- Improved the level of detail of the project and ensure contingency coverage
- Simplify the requirement for completion of a feasibility study

The project's strength is highlighted by its potential to service $150,000,000 - $180,000,000 of debt finance based on a uranium price of $50-55/lb U_3O_8 and using conservative debt covenants.

RESULTS OF OPERATIONS

During the year ended December 31, 2020, the Company incurred losses of $6,448,000 compared to $8,650,000 in the prior year. Significant differences in the comparative amounts were mainly caused by the $1,925,000 write-down of the Linkwood Loan in 2019. Annual area tax related to the Madaouela I mining permit was accrued in both years.

Exploration and evaluation expenses

Exploration and evaluation expenditures are related to personnel, mineral property maintenance, and technical consulting costs in the Company's Africa subsidiaries. These costs can vary depending on the stages and priorities of the exploration program.

In 2020, the Company incurred a total of $2,128,000 (2019 - $2,176,000) in exploration expenditures, primarily in Niger. Among those expenditures, 32% were for local personnel costs, with the remaining expenses being incurred for office rental, professional fees, technical consultants, governmental fees, and camp costs.

The Company also has community and social responsibility projects in Niger, Mali, and Zambia by providing financial aid for building local schools, health clinics, and boreholes for clean water and providing educational and medical training support.

General and administrative expenses

General administrative expenses mainly comprise head office salaries, investor relations and general corporate head office expenses. The scale and nature of the Company's corporate activities have remained relatively consistent over the years. Fluctuations in costs are driven by the timing of certain expenses incurred, such as investor conferences, business travel and insurance renewals.

During 2020, the Company incurred $1,558,000 (2019 - $1,812,000) in administrative expenses. Due to COVID-19 restrictions, the Company incurred lower investor relations and travel costs in 2020, and the higher legal cost in 2019 was related to setting up COMIMA.

Selected Annual Information

(in thousands of U.S. dollars except for per share amounts)	December 31, **2020**	2019	2018
Financial performance	**$**	$	$
Total revenue	**-**	-	-
Net loss for the year	**(6,448)**	(8,650)	(368)
Basic and diluted loss per share	**(0.01)**	(0.02)	(0.00)
Financial position			
Total assets	**72,448**	70,648	73,903
Non-current liabilities	**4,537**	2,077	-
Working capital (deficiency)	**2,084**	193	(4,603)
Cash dividends declared	**-**	-	-

Summary of Quarterly Results

There were no significant activities that occurred in the three months ended December 31, 2020.

The following table sets forth a comparison of information for the previous eight quarters ended with December 31, 2020:

(in thousands of U.S. dollars except for per share amounts)	Q4'20	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19
	$	$	$	$	$	$	$	$
Area tax	-	-	-	(2,043)	-	(2,022)	-	-
Exploration and evaluation	(718)	(548)	(416)	(446)	(707)	(550)	(459)	(460)
General and administrative	(525)	(315)	(383)	(335)	(273)	(646)	(450)	(443)
	(1,243)	(863)	(799)	(2,824)	(980)	(3,218)	(909)	(903)
Foreign exchange (loss) gain	(56)	(162)	(47)	(66)	(55)	(137)	(103)	193
Change in fair value of marketable securities	27	(42)	99	(12)	(13)	(61)	48	(34)
Recovery of loan receivable	-	80	20	-	-	-	-	-
Impairment of loan receivable	-	-	-	-	(1,925)	-	-	-
Interest and other	2	2	(1)	2	-	67	35	56
Share-based compensation	(101)	(233)	(108)	(123)	(127)	(276)	(142)	(166)
Net loss for period	(1,371)	(1,218)	(836)	(3,023)	(3,100)	(3,625)	(1,071)	(854)
Loss per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)

The Company's results have been driven by the level of its exploration and evaluation activities. The Company has had no revenue from mining operations since its inception. Significant variations in costs can be attributed to the following:

- Exploration and evaluation expenditures can vary widely from quarter to quarter, depending on the exploration program's stages and priorities.
- Share-based compensation is equity-settled and fair valued through the Black-Scholes pricing model when stock options are granted and vested. Any change in the assumptions used will impact the share-based expense recorded in the period.
- Foreign exchange gains and losses arise because the Company conducts certain of its activities and holds financial assets in U.S. Dollars, Canadian dollars and other currencies, and reports its financial results in U.S. Dollars

LIQUIDITY AND CAPITAL RESOURCES

The Company is at an advanced exploration stage and has had no revenue from mining operations since its inception. GoviEx has been dependent on raising funds through the issuance of shares and/or debt arrangements. Material increases or decreases in the Company's liquidity and capital resources will be determined by the Company's ability to obtain equity or other financing sources and maintain its mineral licenses and mining permits.

Cash was $2,539,000 on December 31, 2020 (2019 - $761,000).

In 2020, the Company closed two non-brokered private placements for total net proceeds of $5,193,000 and received $114,000 from stock option exercises, and used cash in operating activities of $3,672,000 or $306,000 per month.

Subsequent to the 2020 year-end, the Company raised $6,286,471 (CAD 8,000,000) by issuing 32,000,000 units at CAD 0.25 per unit. An additional 22,815,725 common shares were issued related to warrant and stock option exercises for combined proceeds of $3,493,225 year to date in 2021. Cash on April 23, 2021 is $10,000,000.

The Company needs to finance the Madaouela Project's development and pay accrued area taxes in July 2022. The Company also needs to incur certain exploration expenditures for exploration licenses in Niger and Mali. The Company is pursuing opportunities to fund the start-up capital and consider debt/equity financing, off-take agreements, and other funding sources. However, there can be no assurance that such funding will be available and acceptable to the Company on a timely basis. Please refer to note 1, Nature of Operations and Going Concern in the Company's consolidated financial statements for the year ended December 31, 2020.

TRANSACTIONS WITH RELATED PARTIES

According to a cost-sharing shareholders' agreement with Global Mining Management Corp. ("**GMM**"), a private company owned by its shareholders, the Company paid $399,000 (2019 - $365,741) for the use of the Vancouver office premises and corporate personnel in Vancouver, Canada. The Company became a shareholder of GMM on October 25, 2007, and can terminate the agreement with GMM by providing 60-days written notice.

These transactions have occurred in the normal course of the business and are measured at the exchange amount of the services rendered.

Following Mr. Matthew Lechtzier and Mr. Robert Hanson's retirement on February 22, 2021, Ms. Salma Seetaroo and Mr. Eric Krafft joined the Company's board as independent directors.

April 1, 2021, Mr. Chrispopher Mark Lewis was appointed as the Company's Chief Marketing Officer.

OUTSTANDING SHARE CAPITAL

As of April 23, 2021, the Company has:

- 530,615,707 class A common shares issued and outstanding;
- 37,341,342 options outstanding with exercise prices ranging from CAD 0.12 to CAD 0.32 exercisable from June 20, 2021 to March 18, 2026; and
- 175,572,017 warrants are exercisable from $0.15 to $0.30, expiring from June 5, 2021, through August 6, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance arrangements other than those described in Note 11 Commitments and Contingencies in the consolidated financial statements for the year ended December 31, 2020.

PROPOSED TRANSACTIONS

None

CHANGES IN ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements are consistent with those applied and disclosed in Note 2 of the Company's 2020 audited consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period.

Although the Company regularly reviews the estimates and judgments made that affect the consolidated financial statements, actual results may differ. Please refer to Note 2 of the 2020 consolidated financial statements to describe the critical accounting estimates and areas of policy judgment.

NOTE TO U.S. READERS

The Company uses the Canadian Institute of Mining, Metallurgy and Petroleum definitions for the terms "measured resources," "indicated resources," and "inferred resources." U.S. investors are advised that while the terms "measured resources," "indicated resources," and "inferred resources" are recognized and required by Canadian regulations, including N.I. 43-101, the SEC does not recognize these terms. Accordingly, the information contained in this MD&A includes descriptions of mineral deposits that may not be comparable to similar information made public by U.S. companies that are not required to comply with NI43-101 and subject to the reporting requirements under the U.S. federal securities laws and the rules and regulations thereunder. U.S. readers are cautioned not to assume that any part or all of the material in these categories will be converted into reserves. It should not be assumed that any portion of an inferred mineral resource will ever be upgraded to a higher category.

FORWARD-LOOKING STATEMENTS

The MD&A contains certain statements that may be deemed "Forward-Looking Statements." Forward-Looking Statements 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.

RISK FACTORS

The following is a brief description of the Company's operations and industry's distinctive or unique characteristics, which may have a material impact on, or constitute risk factors in respect of the Company's financial performance, business and operations.

History of Net Losses; Uncertainty of Additional Financing; Negative Operating Cash Flow

The Company has received no revenue to date from the exploration activities on its properties and has negative cash flow from operating activities. As of December 31, 2020, the Company had an accumulated deficit of $214,212,000. If the Company undertakes development activity on any of its properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

The business of mining and exploration involves a high degree of risk, and there can be no assurance that current exploration and development programs will result in profitable mining operations. The Company has no revenue source and has significant cash requirements to meet its exploration and development commitments to fund administrative overhead and maintain its mineral interests. The Company will need to raise sufficient funds to meet these obligations and ongoing fund exploration, advance detailed engineering, and provide for capital costs of building its mining facilities.

Mineral Exploration and Development Activities are Inherently Risky

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into mineral deposits with significant value. Unusual or unexpected ground conditions, geological formation pressures, fires, power outages, labour disruptions, flooding, earthquakes, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing uranium and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

Uncertainty of Mineral Resources and Mineral Reserves

The figures presented for mineral resources in this MD&A are only estimates. The estimation of mineral resources is a subjective process. 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 essential 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 that are not mineral reserves do not have demonstrated economic viability.

Possible Loss of Interests in Exploration Properties; Possible Failure to Obtain Applicable Licenses

The regulations under which the Company holds its interests in certain of its properties provide that the Company must make a series of payments over certain periods or expend specific amounts on exploring the properties. If the Company fails to make such payments or expenditures quickly, the Company may lose its interest in those properties. Further, even if the Company does complete exploration activities, it may not obtain the necessary licenses or permits to conduct mining operations on the properties and thus would realize no benefit from its exploration activities on the properties. There is no assurance that further applications will be successful.

Title Risks

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 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 Niger, Mali, or Zambia projects.

Limited Ability to Manage Growth

Should the Company be successful in its efforts to develop mineral properties or to raise capital for such development or for the development of other mining ventures, it may experience significant growth in operations. Any expansion of the Company's business would place demands on management, operational capacity, and financial resources. The Company anticipates that it will need to recruit qualified personnel in all areas of operations. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Climate Change

Many governments and regulatory bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. These changes may create more stringent regulatory obligations, which may result in increased costs for the Company's operations. Further, these changes could also lead to new and/or more extensive monitoring and reporting requirements.

In addition, the risks of the physical climate change, including temperature and precipitation shifts and more frequent and severe extreme weather events, will affect the stability and effectiveness of infrastructure and equipment, environmental protection and site closure practices, and the availability of transportation routes. Climate change may also impact the stability and cost of water and energy supplies.

Therefore, climate change-related risks may have an impact on the Company's operations, financial position and market performance.

Metal Price Volatility

The Company's activities will be focused on the exploration and development of its uranium mining properties. The price of uranium is thus an essential factor in the Company's future profitability and, in turn, the market price of the common shares. Historically, the uranium price 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, the 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.

Future Shareholders Dilution

The Company may need to obtain additional resources in the future 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 earnings per share.

Volatility of the Company's Common Shares

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 these companies' operating performance. The market price of the Common Shares could similarly be subject to wide fluctuations in response to several factors that some of them are beyond the Company's control. This could cause the market price of the Common Shares to be volatile.

Competition

Significant and increasing competition exists for mineral deposits in each jurisdiction in which the Company conducts operations. As a result of this competition, much of which is with large established mining companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. The Company also competes with other mining companies to recruit and retain qualified personnel.

Insurance Risk

The mining industry is subject to significant risks that could damage or destroy property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets, and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company currently maintains insurance within ranges of coverage that it believes to be consistent with industry practice at a similar stage. The Company carries liability insurance concerning its mineral exploration operations. However, it is not currently covered by any form of environmental liability insurance since insurance against environmental risks (including pollution liability) or other hazards resulting from exploration and development activities are unavailable or prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company cannot fund the cost of remedying an environmental problem fully, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Dependence on Management

The success of the Company's activities and operations is mainly dependent on its management team's efforts and abilities. Investors must be willing to rely to a significant extent on their discretion and judgment. The Company does not maintain key employee insurance on any of its employees. The Company depends on key personnel and cannot assure that it will retain such personnel. Failure to retain such key personnel could have a material adverse effect on the Company's business and financial condition.

Conflicts of Interest

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. Consequently, such directors and officers can be in a position of conflict. Any decision made by any of such directors and officers should be made in the best interests of the Company and shareholders. Also, 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 following the procedures outlined in applicable laws.

Changes in Government Regulation

Mining, processing, development and mineral exploration activities 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 management believes that its exploration activities are currently carried out following 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 that 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 could adversely affect the business, results of operations, financial condition and prospects of the Company.

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 Canada's jurisdiction. A foreign court process may be conducted under rules and procedures different from 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 because of the sovereign immunity doctrine. Any adverse or arbitrary decision of a foreign court may materially negatively impact the Company's business, results of operations, financial condition, and prospects.