Consolidated Financial Statements of

GoviEx Uranium Inc.

Year Ended December 31, 2021

(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, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years 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.

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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 27, 2022

GoviEx Uranium Inc.

Consolidated Statements of Financial Position

(Stated in thousands of U.S. dollars)

	Notes		December 31, 2021		December 31, 2020
Assets					
Current assets					
Cash		$	9,588	$	2,539
Amounts receivable			20		11
Loan receivable	14 (c)		550		-
Marketable securities	3		35		118
Prepaid expenses and deposit			23		16
			10,216		2,684
Non-current assets					
Long-term deposit	9(b)		173		140
Plant and equipment			104		33
Mineral properties	4		69,591		69,591
			69,868		69,764
Total assets			80,084		72,448
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities			769		600
Area tax payable	4 (a)		6,327		-
Non-current liabilities			7,096		600
Area tax payable			-		4,537
			7,096		5,137
Equity					
Share capital	5		265,399		248,321
Contributed surplus			20,890		20,693
Deficit			(224,377)		(213,900)
Equity attributable to GoviEx Uranium Inc.			61,912		55,114
Non-controlling interest	4 (a)		11,076		12,197
			72,988		67,311
Total liabilities and equity		$	80,084	$	72,448

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

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 14)

Approved and authorized for issue on behalf of the Board of Directors on April 25, 2022.

/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		2021		2020
Expenses					
Area tax	4(a)	$	(2,252)	$	(2,043)
Exploration and evaluation	7		(7,207)		(2,128)
General and administration	8		(2,318)		(1,558)
			(11,777)		(5,729)
Other income (expenses)					
Change in fair value of marketable securities	3		(83)		72
Depreciation			(18)		(14)
Foreign exchange gain (loss)			523		(331)
Recovery of loan receivable	14(c)		550		100
Interest and other			54		19
Share-based compensation	6(a)		(847)		(565)
			179		(719)
Loss and comprehensive loss for the year			(11,598)		(6,448)
Loss and comprehensive loss attributable to:					
GoviEx Uranium Inc.			(10,477)		(5,825)
Non-controlling interest			(1,121)		(623)
Net loss and comprehensive loss for the year			(11,598)		(6,448)
Net loss per share, basic and diluted		$	(0.02)	$	(0.01)
Weighted average number of common shares outstanding			536,742,915		451,564,290

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, 2019		423,322,362	$	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 and comprehensive loss for the year		-		-		-		(5,825)		(5,825)		(623)		(6,448)
Balance, December 31, 2020		475,799,982		248,321		20,693		(213,900)		55,114		12,197		67,311
Shares issued for cash, net of share issue costs		32,000,000		5,917		-		-		5,917		-		5,917
Shares issued for warrants exercised		57,541,875		9,414		-		-		9,414		-		9,414
Shares issued for options exercised		10,794,158		1,747		(650)		-		1,097		-		1,097
Share-based compensation		-		-		847		-		847		-		847
Net loss and comprehensive loss for the year		-		-		-		(10,477)		(10,477)		(1,121)		(11,598)
Balance, December 31, 2021		576,136,015	$	265,399	$	20,890	$	(224,377)	$	61,912	$	11,076	$	72,988

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)

	Note		Year ended December 31, 2021		2020
Operating activities					
Loss for the year		$	(11,598)	$	(6,448)
Adjustments for non-cash items					
Area tax			2,252		2,043
Change in fair value of marketable securities			83		(72)
Depreciation			18		14
Recovery of loan receivable			(550)		-
Share-based compensation			847		565
Unrealized foreign exchange (gain) loss			(544)		317
Changes in non-cash operating working capital items					
Amounts receivable			(9)		(5)
Prepaid expenses and deposit			(40)		(2)
Accounts payable and accrued liabilities			169		(84)
Cash used in operating activities			(9,372)		(3,672)
Investing activities					
Plant and equipment			(89)		(7)
Cash used in investing activities			(89)		(7)
Financing activities					
Loan receivable			-		50
Proceeds from private placements			6,286		5,473
Share issue costs			(369)		(280)
Proceeds from warrants exercised			9,414		-
Proceeds from stock options exercised			1,097		114
Cash provided by financing activities			16,428		5,357
Effect of foreign exchange on cash			82		100
Increase in cash			7,049		1,778
Cash, beginning of year			2,539		761
Cash, end of year		$	9,588	$	2,539

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 606, Vancouver, British Columbia, Canada, V6C 3E1.

The Company has one business segment, exploring mineral properties, with its primary project 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 2021, the Company incurred a net loss of $11,598,000 (2020 - $6,448,000), used cash in operating activities of $8,822,000 (2020 - $3,672,000) and had an accumulated deficit of $224,377,000 (2020 - $213,900,000). As at December 31, 2021, the Company had working capital of $3,120,000 (2020 - $2,084,000).

The Company has no source of revenue and has significant cash requirements 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 requirements. Although the Company has successfully raised 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**") (80% owned)**,** 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. However, 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 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 on an individual property basis until l such property is put into production, sold or abandoned, or impaired. The rest exploration and administration costs are expensed as incurred.

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

e) Impairment

Mineral properties are reviewed for indication of impairment at each reporting period following IFRS 6 – *Exploration for and evaluation of mineral resources.* If any such indication exists, an estimate of the recoverable amount is undertaken. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. If the carrying amount exceeds its recoverable amount, an impairment loss is recognized in the consolidated statement of loss and comprehensive loss.

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.

Impairment is generally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generate cash inflows largely independent of the cash flows from other assets. An impairment loss is reversed if there is an indication of 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 the contractual provisions of the instrument. 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 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.

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, considering the risks and uncertainties surrounding the obligation.

A provision may be recognized if an obligation exists to restore the site as and when environmental disturbance occurs.

The Company had no material provisions on December 31, 2021 and 2020.

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 $35,000 as of December 31, 2021 (December 31, 2020 - $118,000). During the year ended December 31, 2021, an unrealized loss of $83,000 (2020 - $72,000 gain) 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 $65,234,000, $2,908,000 and $1,449,000 for Madaouela, Mutanga and Falea projects, respectively.

<u>Madaouela Project, Niger</u>

The Madaouela Project, located in north-central Niger, consists of one large mining permit, Madaouela I and five exploration licenses, of which four are to be granted. These licenses are currently held under GoviEx's wholly-owned subsidiary GoviEx Niger Holdings Ltd. Exploration efforts concentrated primarily on Madaouela I.

The Madaouela I large-scale mining permit was granted on January 26, 2016, valid for ten years and renewable twice for ten years each. Under 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.

Under the mining code in Niger, a large-scale mining permit is subject to an annual area tax based on its size at a prescribed rate. Area taxes for the Madaouela I permit are due and payable annually in the amount of West African CFA Franc (XOF) 1,216,000,000 or approximately $2,109,000. Under the definitive agreements entered in July 2019 with the Nigerien government, the three-year area taxes from 2019 to 2021 were deferred until July 2022. Thus, as of December 31, 2021, $6,327,000 (XOF 3,648,000,000) area taxes were accrued as a current liability and are due in July 2022.

As part of the definitive agreements, the Niger government agreed to grant the exploration license for Madaouela II, III, IV and Anou Melle, which had expired in January 2019. However, as of December 31, 2021, these four licenses are 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. The Agaliouk license was not renewed in October 2021 due to the lack of exploration merit.

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 for the 20% Niger government ownership.

As of December 31, 2021, the Company consolidated COMIMA and reported the carrying value of the NCI as below:

In thousands of U.S. dollars		Non-Controlling Interest
Balance, December 31, 2019	$	12,820
Overhead expenses		(54)
Technical study		(77)
Foreign exchange		(83)
Area tax		(409)
Balance, December 31, 2020		12,197
Overhead expenses		(48)
Drilling		(369)
Technical study		(346)
Foreign exchange		92
Area tax		(450)
Balance, December 31, 2021	$	11,076

The following table summarizes the financial information relating to COMIMA, the Company's non-wholly owned subsidiary with material NCI, before any intercompany eliminations:

In thousands of U.S. dollars		December 31, 2021		December 31, 2020
Current assets	$	-	$	-
Non-current assets		65,234		65,234
Current liabilities		(6,327)		-
Non-current liabilities		(3,528)		(4,250)
Net assets		55,379		60,984
Net assets attributable to NCI		11,076		12,197
Revenue	$	-	$	-
Net loss and comprehensive loss		(5,607)		(3,115)
Net loss and comprehensive loss attributable to NCI	$	(1,121)	$	(623)

Mutanga Project, Zambia

The Mutanga project consists of three contiguous mining permits: Mutanga and Dibwe were granted on March 26, 2010, and Chirundu on October 9, 2009; these mining 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 due to the breach of the Mines and Minerals Development Act, 2015 provisions. The Company filed a notice of appeal on July 24, 2020.

On May 5, 2021, the Chirundu mining permit was reinstated, subject to completion of exploration drilling and metallurgical testing by the end of 2023 while advancing the project towards a feasibility study.

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, all in good standing as of December 31, 2021.

5. Share Capital

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 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.

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 consisted of one 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.

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. 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.

6. 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 employee leaves unless otherwise determined by the Board of Directors. A summary of the Company's stock option movements is as follows:

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

	December 31, 2021			December 31, 2020		
	Number of options		Weighted average exercise price (CAD)	Number of options		Weighted average exercise price (CAD)
Outstanding, beginning of year	40,010,000	$	0.17	40,085,000	$	0.18
Granted	10,950,000		0.30	8,100,000		0.14
Exercised	(10,794,158)		(0.12)	(1,430,000)		(0.10)
Expired	(601,342)		(0.12)	(6,667,500)		(0.17)
Outstanding, ending of year	39,564,500		0.21	40,010,000		0.17
Exercisable, ending of year	25,142,000	$	0.21	27,640,000	$	0.19

The following table lists the stock options outstanding and exercisable:

Exercise Price (CAD)	Expiry date	December 31, 2021 Outstanding	December 31, 2021 Exercisable	December 31, 2020 Outstanding	December 31, 2020 Exercisable
0.12	June 20, 2021	-	-	9,300,000	9,300,000
0.22	July 9, 2021	-	-	500,000	500,000
0.32	March 17, 2022	5,070,000	5,070,000	5,070,000	5,070,000
0.215	September 25, 2023	8,379,500	8,379,500	8,900,000	6,675,000
0.135	August 26, 2024	7,577,500	5,542,500	8,140,000	4,070,000
0.14	August 27, 2025	7,625,000	3,575,000	8,100,000	2,025,000
0.31	March 18, 2026	1,000,000	250,000	-	-
0.273	June 29, 2026	500,000	125,000	-	-
0.245	August 27, 2026	8,912,500	2,200,000	-	-
0.39	December 1, 2026	500,000	-	-	-
		39,564,500	25,142,000	40,010,000	27,640,000

The Company applies the fair value method of accounting for stock options. 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, 2021		December 31, 2020	
Weighted average share price on options granted	$	0.19	$	0.11
Weighted average fair value of options granted	$	0.11	$	0.06
Weighted average share price on exercise of options	$	0.10	$	0.08
Annualized volatility		75%		71%
Expected life in years		5		5
Weighted average remaining life in years		3		2
Estimated forfeiture rate		0%		0%
Risk free interest rate		1.24%		0.43%
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, 2021			December 31, 2020		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	162,719,084	$	0.19	111,664,322	$	0.20
Warrants granted	32,000,000		0.30	51,047,620		0.15
Agent warrants granted	-		-	1,607,142		0.11
Warrants exercised	(57,541,875)		(0.17)	-		-
Warrants expired	(41,432,251)		(0.27)	(1,600,000)		(0.23)
Outstanding, end of year	95,744,958	$	0.22	162,719,084	$	0.19

Common share purchase warrants issued and outstanding are as follows:

Exercise price ($)	Expiry date	December 31, 2021	December 31, 2020	Acceleration Price (CAD)
0.28	June 5, 2021	-	35,674,911	N/A
0.15	December 19, 2021	-	45,339,856	NA
0.15	December 22, 2021	-	2,570,144	NA
0.28	December 31, 2021	-	5,879,411	N/A
0.28	April 10, 2022	15,873,530	20,600,000	N/A
0.15	February 13, 2025	12,000,000	15,333,334	≥0.40
0.15	August 6, 2025	34,264,286	35,714,286	N/A
CAD 0.14	August 6, 2025	1,607,142	1,607,142	N/A
0.30	January 21, 2023	32,000,000	-	N/A
		95,744,958	162,719,084	

7. Exploration and Evaluation

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

(In thousands of U.S. dollars)	Year ended December 31, 2021 Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total	Year ended December 31, 2020 Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total
Drilling & Assay	$ 1,919	$ 346	$ 484	$ 2,749	$ 60	$ -	$ 77	$ 137
Salaries	507	200	219	926	315	170	193	678
Consulting*	2,066	135	185	2,386	328	13	73	414
Camp	173	58	94	325	48	39	61	148
Office expenses	270	97	93	460	190	68	110	368
License and taxes	73	94	31	198	20	57	-	77
Community	33	41	27	101	33	33	8	74
Professional fees	35	3	24	62	217	1	14	232
	$ 5,076	$ 974	$ 1,157	$ 7,207	$ 1,211	$ 381	$ 536	$ 2,128

* Consulting in Niger is mainly due to the feasibility study in 2021.

8. General and Administration

Administrative expenses are summarized as follows:

	Year ended December 31,	
(In thousands of U.S. dollars)	2021	2020
Salaries	$ 1,195	$ 907
Professional fees	351	104
Investor relations	330	232
Office expenses	309	225
Regulatory fees	106	76
Travel	27	14
	$ 2,318	$ 1,558

9. 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:

	Year ended December 31,	
(In thousands of U.S. dollars)	2021	2020
Salaries	$ 738	$ 598
Directors' fees	112	97
Share-based compensation	590	412
	$ 1,440	$ 1,107

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 $173,000 (CAD 215,000) 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)	2021	2020
Salaries and benefits	$ 388	$ 322
Corporate overhead	107	77
	$ 495	$ 399

As of December 31, 2021, $68,497 (December 31, 2021 – $42,695) was owed to GMM and included in the Company's accounts payable and accrued liabilities.

10. Commitments and Contingencies

a) Under various mining conventions for the Company's exploration licenses in Mali, the Company is required to incur total exploration expenditures of approximately $1,500,000 in Mali from 2022 to 2024.

The Company is required to conduct exploration drilling and carry out a feasibility study by the end of 2023 to maintain its Chirundu mining permit in Zambia. The Company estimates the associated costs for 2022 to be approximately $3,000,000.

b) In the second half of 2019, the Company was billed $390,670 (XOF 228,756,084) for notary fees, including taxes, associated with the creation of COMIMA and the Nigerien government's equity ownership in COMIMA. The Company disputed the invoiced amount and was not made aware of the quantum of the fees in advance of billing. The Company believes the outcome does not have a material impact on its consolidated financial statements.

11. Capital 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 and debt and acquire or dispose of mineral rights.

The Company monitors actual expenses to budget for 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, 2021.

12. Financial Instruments and Risks

The board of directors has overall responsibility for establishing and overseeing 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.

Fair value

Certain of the Company's financial assets and liabilities are measured at a fair value and are classified into one of three levels based on the degree to which the significant inputs used to determine the fair value are observable.

As of December 31, 2021, the recorded amounts for cash, the amount receivable, loan receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The marketable securities are measured at Level 1 of fair value as their value is derived from quoted prices in an active market for identical assets.

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 10, the Company requires additional funds to meet its obligations as they come 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.

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, amounts receivable, and loan receivable. The Company manages its credit risk on cash by maintaining its cash balances at reputable Canadian banks and financial institutions. In addition, amounts receivable are goods and services tax refunds from the Canadian government. As a result, the Company believes the risk of loss to be minimal.

However, the Company's credit risk associated with the loan receivable is high due to the complex nature of the arrangement. Thus, the Company assessed the perceived recovery probability was remote and accordingly recognized the receivable amounts based on cash received.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risks.

Foreign currency risk

The Company operates internationally and is exposed to foreign currency risk from fluctuations in the exchange rate between the USD and various currencies, primarily the Canadian dollar and Euro, as per the table below. The Company has not headed its exposure to foreign currency fluctuations.

	December 31, 2021			December 31, 2020		
(In thousands)	CAD	Euro	Total USD Equivalent	CAD	Euro	Total USD Equivalent
Cash	2,882	-	2,273	3,091	-	$ 2,428
Accounts payable and accrued liabilities	(233)	(106)	(304)	(264)	(54)	(274)
Area tax payable	-	(5,561)	(6,312)	-	(3,708)	(4,546)
Net exposure	2,649	(5,667)	(4,343)	2,827	(3,762)	(2,392)
Total USD equivalent	2,089	(6,432)	(4,343)	2,220	(4,612)	(2,392)
Sensitivity to 5% FX change	104	(322)		111	(231)	

Interest rate risk

The Company's cash held in bank accounts earns interest at variable rates. Due to the short-term nature of the financial instrument, fluctuation in the market rates does not significantly impact the estimated fair value. In addition, the Company manages interest rate risk by focusing on preserving capital and liquidity. As a result, management does not believe this exposure is significant.

Other price risks

The Company's marketable securities are carried at market value and are therefore directly affected by fluctuations in the fair value of the underlying securities. The Company's sensitivity analysis suggests that a 10% change in the market prices would have no material impact on the value of the Company's marketable securities.

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

13. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision for fiscal 2021 and 2020 is provided as follows:

		2021		2020
Loss before income taxes	$	(11,598)	$	(6,448)
Canadian statutory tax rate		27%		27%
Expected income tax recovery		(3,131)		(1,741)
Different effective tax rates in foreign jurisdictions		843		748
Permanent differences		171		105
Foreign exchange movement		(13)		(20)
Tax rate change		-		(56)
True up		(2)		(122)
Change in unrecognized tax benefits		2,132		1,086
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, 2021, and 2020, no provisions have been made in the financial statements for any estimated tax liability.

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

		2021		2020
Unrecognized deductible temporary differences				
Non-capital loss carry forwards	$	55,475	$	52,902
Tax value over book value of loans		4,864		5,414
Share issue costs, investment, PPE and Capital loss		1,245		853
Tax value over book value of mineral properties		70,260		65,112
Unrecognized deductible temporary differences	$	131,844	$	124,281

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 $55,464,000 that may be available for tax purposes and, if not utilized, will expire between 2027 and 2041.

As of December 31, 2021, and 2020, the Company had unrecognized deferred tax liabilities of $883,000 and unrecognized deferred tax assets of $3,004,000 due to temporary differences arising from 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.

14. Subsequent Events

a) 2,439,500 stock options and 13,991,269 warrants were exercised for combined proceeds of $4,528,891; 1,882,261 warrants expired unexercised on April 10, 2022.

b) As per the Company's request, the Government of Niger confirmed a 50% reduction of the Madaouela 1 mining permit area, removing the section not previously explored. As a result, area taxes for 2023 and beyond will be lower by 50%. In addition, the Company has applied for the exploration license created on the 50% dropped and paid a 2022 area tax of $2,130,000 in early February 2022.

c) As part of the historical restructuring of various debt agreements, including an off-take agreement with Toshiba Corporation, the Company lent $2,7500,000 to Linkwood Holdings Pte Ltd. (the **Loan**) in July 2018. The Loan was impaired to $50,000 on December 31, 2019 due to significant doubt over collectability, concern about collateral liquidity, and a history of missed repayments. At December 31, 2021, the Company reassessed the expected credit losses associated with the Loan and reversed $550,000 of the original impairment. The Company received a repayment of the Loan principal of $550,000 from Linkwood on March 2, 2022.

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

For the year ended December 31, 2021

This Management's Discussion and Analysis ("**MD&A**") of GoviEx Uranium Inc. ("**GoviEx**" or the "**Company**") is dated April 25, 2022, and provides an analysis of the Company's financial results for the year ended December 31, 2021, including events up to the date of this MD&A. It should be read in conjunction with the Company's audited December 31, 2021 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 OTCQX 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

- Progressed Feasibility Study and Completed Drilling for the Madaouela Project, Niger

  On April 5, 2021, the Company filed its updated pre-feasibility study ("**PFS**") for the Madaouela project following the results announced on February 18, 2021. 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 the early years, 66% reduction in captive water source and consumption, and potential to service a debt of $150,000,000 - $180,000,000 to fund mine development.

  Following the positive results of the PFS, the Company has progressed the Madaouela project towards its feasibility study ("**FS**") with a 13,000-metre drilling program announced on April 13, 2021. The drilling program, focused on the Miriam deposit, was completed in October 2021 and was designed to generate an indicated mineral resource for molybdenum mineralization. Additional fieldwork focused on corroboration of the geotechnical slope designs and verification of water availability. The FS is due to be completed in mid-2022.

- Appointed Endeavour Financial as the Financial Advisor for the Madaouela Project

  On September 7, 2021, the Company announced the appointment of Endeavour Financial Limited (Cayman) ("**Endeavour Financial**") as the financial advisor to assist the Company in developing the optimum financing solution for the Madaouela Project. The financial advisory role includes support on debt advisory, offtake finance and technical and environmental guidance.

- Engaged Mr. Christopher Lewis to Head the Company's Uranium Marketing

  On April 1, 2021, the Company announced the engagement of Mr. Christopher Mark Lewis to head the Company's uranium marketing efforts focused on securing offtake contracts for the Madaouela project. Mr. Lewis has over 29 years of experience managing the sale and marketing of uranium and nuclear fuel conversion services to nuclear fuel buyers in Europe, Asia and the Americas with BHP, Cameco and Uranium One.

- Concluded a Non-Brokered Private Placement for CAD 8,000,000

  On January 21, 2021, the Company announced and closed a 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 net proceeds were used to fund the technical studies and drilling programs on the Company's uranium projects and for general corporate purposes.

- Continued Drilling at Falea Project, Mali

  On June 9, 2021, the Company reported drill results for the 142-hole (6,354 metres) air core drilling program to test the gold potential associated with the soil anomalies on its Falea project. The assay results highlighted some mineralized intercepts, which warrant follow-up exploration. The best intercept reported was 3.98 g/t Au over 2 metres, and there were several interesting continuous lengths of lower grades that intercept from section to section.

  On February 3, 2022, the Company announced a further 6,000-metre drill program at Falea, focusing on targets based predominantly on the induced polarization ("IP") targets below the known uranium resources, defined by IP surveys completed in 2020 and 2021.

- Reinstated Chirundu Mining Permit, Zambia

  In August 2019, the Zambia Ministry of Mines and Mineral Development ("**MoM**") started a review for mining and exploration companies and cancelled licenses that had remained dormant for a long time. As a result, the Company's Chirundu mining permit was revoked in June 2020.

  Following an appeal filed in July 2020, the Chirundu mining permit was reinstated in May 2021, subject to the completion of certain exploration and development milestones to advance the permit towards a feasibility study.

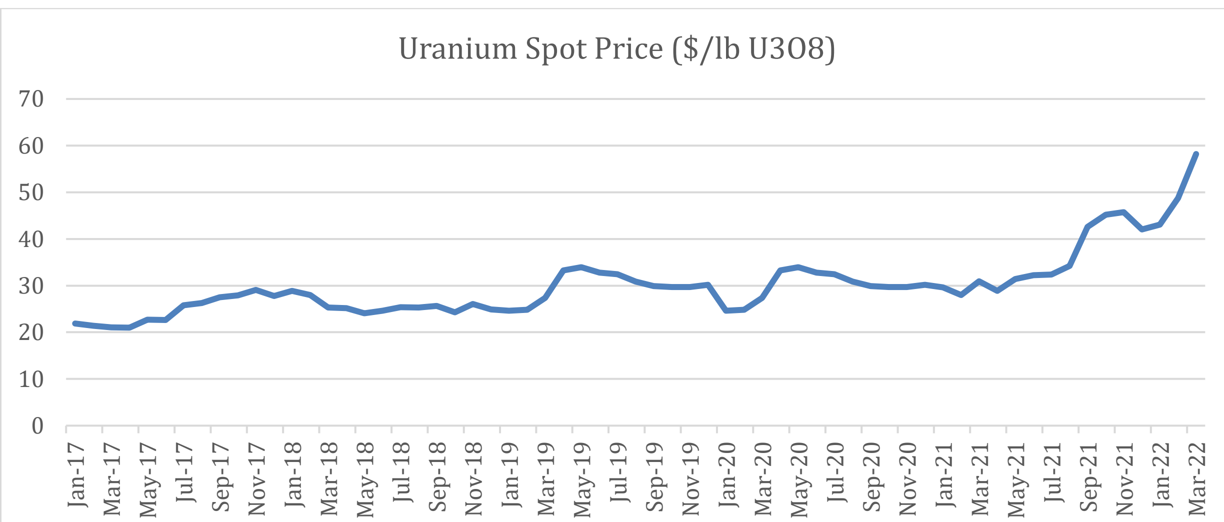
- Completed Drilling at Mutanga Project, Zambia

  On September 27, 2021, the Company announced the completion of its initial 8,000-metre infill drilling program that had commenced in May 2021 at the Dibwe East ore deposit of the Mutanga project. The results show that mineralization is continuous from hole to hole and section to section and shows a very close correlation to the current inferred resource interpreted ore boundaries. After taking into account disequilibrium, the average reported grade is 330 ppm e U_3O_8, highlighting the consistency of the deposit. In addition, the drill results show the potential to extend the mineralized zone beyond the initially interpreted ore boundary in some sections, especially as several holes finished in mineralization. The Mutanga Project area is still prospective for potential discoveries, and further target generation exercises are currently being undertaken.

DESCRIPTION OF URANIUM BUSINESS AND OUTLOOK

GoviEx is a mineral resource company focused on exploring and developing 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 also advances the exploration of the Mutanga and Falea projects located in Zambia and Mali.

The outlook for uranium has become increasingly positive, with uranium spot prices rising 39% in 2021. An increase in overall demand could lift prices further. The chart below shows the uranium spot price over the past five years:



Beyond the near term, supply may not be able to rise quickly enough to satisfy the greater appetite for uranium, supporting prices further. New mines are planned in Africa and the Americas, but the majority require at least $50 - $60 per pound of uranium to be profitable. In addition, with increased geopolitical risk, long-term contract buyers are looking to diversify their supply sources, particularly during these turbulent times.

Access to quality energy remains a daunting challenge for Africa. According to the African Development Bank, over 640 million people do not have access to energy, corresponding to an electricity access rate of just over 40% for African countries. Nuclear power, a clean, reliable, and baseload energy source, is critical in addressing Africa's energy poverty while mitigating climate change issues. In addition, it will allow the youthful continent, with a population expected to triple in the next 30 years, to industrialize quickly, solving the threats of poverty, inequality and unemployment.

GoviEx has diligently positioned itself and is preparing to become a uranium producer. The Company updated the PFS for its Madaouela project and is on track to finish the FS by mid-2022. Commercial production is currently targeted for 2025.

The mine-permitted Mutanga project in Zambia could be one of Africa's lowest capital cost-intensity uranium projects. In 2022, the Company plans to complete infill drilling and additional fieldwork focused on geotechnical designs, access to water and confirmatory metallurgical test work. In addition, the Company aims to upgrade mineral resources and improve technical confidence to the feasibility study level in 2023 and 2024.

However, 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 and political risks and other factors.

MINERAL PROPERTIES

GoviEx has the following resources 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. on 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, with five deposits, Marianne, Marilyn, Miriam, MSNE and Maryvonne, have been advanced to a high level of confidence.

According to the mining convention of 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 based 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, resulting in an initial six years of mining operations in Miriam. This production rate ensures that the life of the Miriam deposit would exceed the expected potential debt tenor. Mining operating costs based on supplier quotes and owner-operator operations average $2.3/tonne mined.

Underground Mining

The Marianne-Marilyn ("**M&M**") and MNSE-Maryvonne deposits will be mined by room and pillar, similar to the adjacent Cominak mine, after the Miriam deposit is depleted. Ore mining is designed to be undertaken at approximately 1.4 Mt per annum. Mined ore is 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 under 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 statements relevant to the Madaouela Project.

Mineral Processing

The PFS produced a pragmatic approach to utilize a simple and proven flowsheet including whole ore leaching to treat the ore arising from the open-pit Miriam operation, which has relatively low gangue-acid consumption ("**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 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 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 mine life, 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 conservative debt covenants.

RESULTS OF OPERATIONS

During the year ended December 31, 2021, the Company incurred losses of $11,598,000 compared to $6,448,000 in the prior year. Significant differences in the comparative amounts were mainly due to escalated exploration and associated activities in 2021.

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 2021, the Company concluded three drill programs in Niger, Zambia and Mali, progressed the Madaouela I to the FS stage and appointed Endeavour Financial as its financial advisor.

As a result, the Company incurred $7,207,000 (2020 - $2,128,000) or $5,079,000 higher exploration expenditures in 2021, primarily in Niger. Among those expenditures, $2,749,000 or 38% were for drill programs, $2,386,000 or 33% for the Madaouela FS and other technical consultants, $926,000 or 13% for local personnel, and $1,146,000 on remaining expenses for camps, general office, local communities, and property maintenances.

General and administrative expenses

General administrative expenses mainly comprise head office salaries, investor relations and general corporate head office expenses. During the year ended December 31, 2021, the Company incurred $2,318,000 (2020 - $1,558,000) or $760,000 higher in administrative costs in 2021, due to business growth and expansion.

In 2021, the Company strengthened the Board of Directors and management team by bringing in two additional independent directors and appointing a Chief Marketing Officer and Head of IR. In addition, the Company expanded its environmental, social, and governance (**ESG**) strategy and reviewed its corporate structure, resulting in higher professional fees in 2021.

Investor relations and travel started to pick up during 2021; these costs were lower in 2020 due to COVID-19 restrictions.

Selected Annual Information

(in thousands of U.S. dollars except for per share amounts)	December 31, 2021	2020	2019
Financial performance	$	$	$
Total revenue	-	-	-
Net loss and comprehensive for the year	(11,598)	(6,448)	(8,650)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)
Financial position			
Total assets	80,084	72,448	70,648
Non-current liabilities	-	4,537	2,077
Working capital	3,120	2,084	193
Cash dividends declared	-	-	-

Summary of Quarterly Results

During the three months ended December 31, 2021, the Company recognized a $550,000 loan receivable related to Linkwood Holdings Pte Ltd. ("**Linkwood**"). On July 3, 2018, the Company provided a $2,750,00 short-term loan (the "**Loan**") to Linkwood to conclude the various historical debt arrangements with Toshiba Corporation. Subsequently, the Loan was amended and restructured to allow Linkwood time to repay the Loan. Unfortunately, Linkwood defaulted in early 2020, and based on significant doubt over the collectability and illiquidity of the collateral, the Company impaired the Loan to $50,000 and recorded a $1,925,000 impairment loss as of December 31, 2019. The Company received a $550,000 repayment of loan principal from Linkwood on March 2, 2022.

The Company has received an aggregate of $1,752,000 from Linkwood, including $550,000 received in March 2022 (nil in 2021). Even though Linkwood remains committed to repaying the Loan in full, there is no guarantee it will be able to do so in the future.

Other than that, no significant activities occurred in the three months ended December 31, 2021.

The following table sets forth a comparison of information for the previous eight quarters ended on December 31, 2021:

(in thousands of U.S. dollars except for per share amounts)	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20	Q1'20
Area tax	$ -	$ -	$ -	$ (2,252)	$ -	$ -	$ -	$ (2,043)
Exploration and evaluation	(2,211)	(2,355)	(1,757)	(884)	(718)	(548)	(416)	(446)
General and administrative	(698)	(524)	(695)	(401)	(525)	(315)	(383)	(335)
	(2,909)	(2,879)	(2,452)	(3,537)	(1,243)	(863)	(799)	(2,824)
Foreign exchange (loss) gain	251	(94)	28	338	(56)	(162)	(47)	(66)
Change in fair value of marketable securities	(6)	(36)	4	(45)	27	(42)	99	(12)
Recovery of loan receivable	550	-	-	-	-	80	20	-
Impairment of loan receivable	-	-	-	-	-	-	-	-
Interest and other	9	6	11	10	2	2	(1)	2
Share-based compensation	(183)	(398)	(129)	(137)	(101)	(233)	(108)	(123)
Net loss for period	(2,288)	(3,401)	(2,538)	(3,371)	(1,371)	(1,218)	(836)	(3,023)
Loss per share	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)

The Company's results have been driven by 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. Accordingly, 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. As a result, GoviEx has been dependent on raising funds by issuing 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.

During the 2021 year-end, the Company raised $6,286,471 (CAD 8,000,000) by issuing 32,000,000 units at CAD 0.25 per unit and received $10,511,000 from warrants and options exercises. After the 2021 year-end, additional 16,430,769 common shares were issued for $4,528,89 1related to options and warrants exercised in 2022 year to date.

The Company doubled its exploration budget in 2021 and spent $9,372,000 in operations or $781,000 per month. Cash on April 25, 2022 is $8,500,000.

Although the Company paid the 2022 area tax for the Madaoula project in February 2022, $6,327,000 accrued area taxes for 2019 to 2021 are due in July 2022. The Company is pursuing opportunities to fund the start-up capital and considering debt/equity financing, offtake 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, 2021.

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 $495,000 (2020 - $399,000) for the use of 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 a 60-day written notice.

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

OUTSTANDING SHARE CAPITAL

As of April 25, 2022, the Company has:

- 592,566,784 class A common shares issued and outstanding;
- 32,055,500 options outstanding with exercise prices ranging from CAD 0.14 to CAD 0.39 exercisable from September 25, 2023 to December 1, 2026; and
- 79,871,428 warrants are exercisable from $0.15 to $0.30, expiring from January 21, 2023, through August 6, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance arrangements other than those described in Note 10 Commitments and Contingencies in the consolidated financial statements for the year ended December 31, 2021.

PROPOSED TRANSACTIONS

None

CHANGES IN ACCOUNTING POLICIES

The significant accounting policies applied in preparing the financial statements are consistent with those applied and disclosed in Note 2 of the Company's 2021 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 2021 consolidated financial statements to describe the critical accounting estimates and areas of policy judgment.

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 regarding 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 from the exploration activities on its properties and has negative cash flow from operating activities. As of December 31, 2021, the Company had an accumulated deficit of $224,377,000. 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 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. As a result, 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. Furthermore, mineral resources that are not mineral reserves have not 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. The 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 Shareholder 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, some of which 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 significantly 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 its 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.

COVID-19 outbreaks

The COVID-19 outbreaks and its variants have adversely impacted global markets. The speed, duration and intensity of the infectious disease have resulted in business disruptions and financial and social uncertainties.

The adverse effects on the economy, the stock market, and potentially the Company's share price could adversely impact the Company's ability to raise capital and pursue project development. The Company continuously assesses the evolving situation, including the health and safety risks to the Company's employees and contractors at its various offices and campsites.