Condensed Interim Consolidated Financial Statements of

GoviEx Uranium Inc.

For the six months ended June 30, 2019

(Unaudited – Stated in U.S. Dollars)

Notice to Reader

The accompanying condensed interim consolidated financial statements of **GoviEx Uranium Inc.** (“**GoviEx**”) have been prepared by and are the responsibility of GoviEx’s management. The independent auditor of GoviEx has not reviewed these condensed interim consolidated financial statements.

GoviEx Uranium Inc.

Condensed interim consolidated statements of financial position

(Unaudited - Stated in thousands of U.S. dollars)

	Notes	June 30 2019	December 31, 2018
		$	$
Assets			
Current assets			
Cash		2,215	1,100
Amounts receivable		9	11
Loan receivable	5	2,187	2,880
Marketable security	3	120	106
Prepaid expenses and deposit		28	19
		4,559	4,116
Non-current assets			
Long-term deposit	10(b)	140	140
Plant and equipment		48	56
Mineral properties	4	69,591	69,591
		69,779	69,787
Total assets		74,338	73,903
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10 (b,c)	260	708
Mine permit acquisition payable	4	7,962	8,011
		8,222	8,719
Equity			
Share capital	6	243,247	240,697
Contributed surplus		2,364	2,364
Share-based compensation		17,121	16,814
Deficit		(196,616)	(194,691)
		66,116	65,184
Total liabilities and equity		74,338	73,903

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Nature of Operations and Going Concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors on August 22, 2019.

/s/ "Matthew Lechtzier" — Director

/s/ "Benoit La Salle" — Director

GoviEx Uranium Inc.

Condensed interim consolidated statements of loss

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

	Notes	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
		$	$	$	$
Expenses					
Exploration and evaluation	8	(459)	(406)	(919)	(1,032)
General and administrative	9	(450)	(624)	(893)	(1,038)
		(909)	(1,030)	(1,812)	(2,070)
Other income and (expenses)					
Depreciation		(4)	(4)	(8)	(8)
Gain (loss) on marketable security	3	48	(7)	14	(119)
Foreign exchange (loss) gain		(103)	(116)	90	(291)
Gain on uranium loan		-	4,049	-	5,062
Interest income (expenses)	5	39	(247)	99	(448)
Share-based compensation	7(a)	(142)	(66)	(308)	(178)
		(162)	3,609	(113)	4,018
Net (loss) income for the period		(1,071)	2,579	(1,925)	1,948
Net (loss) income per share, basic and diluted		$ (0.00)	$ 0.01	$ (0.00)	$ 0.01
Weighted average number of common shares outstanding		411,511,779	363,584,032	411,511,779	363,817,730

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

GoviEx Uranium Inc.

Condensed interim consolidated statements of changes in equity

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

	Number of Shares	Share capital	Contributed surplus	Share-based compensation reserve	Investment revaluation reserve	Deficit	Total
		$	$	$	$	$	$
Balance, January 1, 2018 (as reported)	351,151,146	234,384	2,278	16,208	(259)	(194,064)	58,547
Impact of adoption IFRS 9 on January 1, 2018	-	-	-	-	259	(259)	-
Balance, January 1, 2018 (restated)	351,151,146	234,384	2,278	16,208	-	(194,323)	58,547
Shares issued for cash, net of share issue costs	35,674,911	4,640	-	-	-	-	4,640
Shares issued for stock options exercised	125,000	10	-	-	-	-	10
Shares issued for warrants exercised	7,994,616	892	-	-	-	-	892
Share-based compensation	-	-	-	178	-	-	178
Net income for the period	-	-	-	-	-	1,948	1,948
Balance, June 30, 2018	**394,945,673**	**239,926**	**2,278**	**16,386**	**-**	**(192,375)**	**66,215**
Balance, December 31, 2018	402,065,862	240,697	2,364	16,814	-	(194,691)	65,184
Shares issued for cash, net of share issue costs	20,600,000	2,507	-	-	-	-	2,507
Shares issued for warrants & options exercised	556,000	43	-	(1)			42
Share-based compensation	-	-	-	308	-	-	308
Net loss for the period	-	-	-	-	-	(1,925)	(1,925)
Balance, June 30, 2019	**423,221,862**	**243,247**	**2,364**	**17,121**	**-**	**(196,616)**	**66,116**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

GoviEx Uranium Inc.

Condensed interim consolidated statements of cash flow

(Unaudited - Stated in thousands of U.S. dollars)

		Six months ended June 30,	
	Note	2019	2018
		$	$
Operating activities			
(Loss) income for the period		(1,925)	1,948
Adjustments for non-cash items			
Depreciation		8	8
Gain on uranium loan		-	(5,062)
(Gain) loss on marketable security		(14)	119
Interest expenses		-	485
Share-based compensation		308	178
Unrealized foreign exchange gain		(104)	-
Changes in non-cash operating working capital items			
Amounts receivable		2	(3)
Prepaid expenses and deposit		(9)	(43)
Accounts payable and accrued liabilities		(448)	125
Cash used in operating activities		(2,182)	(2,245)
Financing activities			
Uranium loan payment		-	(4,500)
Loan receivable	5	779	-
Net proceeds from share issuances		2,549	5,542
Cash provided by financing activities		3,328	1,042
Effect of foreign exchange on cash		(31)	-
Increase (decrease) in cash		1,115	(1,203)
Cash, beginning of period		1,100	5,998
Cash, end of period		2,215	4,795

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1. Nature of Operations and Going Concern

GoviEx Uranium Inc. ("**GoviEx**" or the "**Company**") is a Canadian mineral resources company that is engaged in the exploration and future development of uranium properties located in Africa. The Company is currently focusing on its mine permitted Madaouela Project located in Niger.

The head office, principal address, and registered and records office of the Company is at 999 Canada Place, Suite 654, Vancouver, British Columbia, Canada, V6C 3E1.

These condensed interim consolidated financial statements have been prepared on a going concern basis that assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As of June 30, 2019, the Company had a working capital deficiency of $3.66 million (December 31, 2018 - $4.60 million).

On April 10, 2019, the Company closed a non-brokered private placement for gross proceeds of $2.6 million (CAD 3.5 million) (Note 6).

Continuation of the Company as a going concern is dependent upon the confirmation of economically recoverable reserves and the ability of the Company to obtain further financing to develop its mineral properties. The Company has no source of revenue and has significant cash requirements to maintain its mineral interests, meet its administrative overhead, and pay its liabilities. Although the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. The lack of sufficient committed funding casts significant doubt upon 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 condensed interim consolidated statements of financial position. These 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 and such adjustments could be material.

2. Basis of Presentation and Accounting Policy Change

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared following International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards, ("**IFRS**"). The Company's significant accounting policies applied in these financial statements are consistent with those described in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2018, except to leases as described below.

b) Accounting policy change

The Company adopted the provisions of IFRS 16 *Leases* effective January 1, 2019.

IFRS 16, *Leases*, specifies how a lease is recognized, measured and disclosed. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Company has assessed whether a contract or part of a contract, contains a lease and determines the lease term accordingly. In initial recognition, the Company has made use of the optional exemption for its Niger office lease as a short-term lease.

As such, the adoption of IFRS 16 does not have a significant impact on these financial statements.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to exercise judgement in the process of applying its accounting policies and to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements. These estimates and judgments are reviewed on an ongoing basis based on historical experience, current economic conditions, and include expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates; differences may be material.

Critical judgments have been made in this period that may have a significant impact on the Company's condensed interim consolidated financial statements are related to the carrying value of its loan receivable and mineral properties as well as the assumption of the Company will continue as a going concern.

3. Marketable Security

The Company holds 1,210,975 common shares of Kincora Copper Limited with a market value of $120,292 as of June 30, 2019 (December 31, 2018 - $106,522). During the six months ended June 30, 2019, an unrealized gain of $13,771 was recognized for these securities in the condensed interim consolidated statements of loss.

4. Mineral Properties

The Company has two mine permitted projects: Madaouela in Niger, and Mutanga in Zambia. Also, the Company has a 100% interest in the Falea project comprising three exploration licenses located in Mali.

<u>Madaouela Project</u>

The Madaouela Project located in north central Niger, incudes one mining permit for Madaouela I and six adjoining exploration licenses for Madaouela II, III, IV, Anou Melle, Eralral and Agaliouk.

On January 28, 2019, four exploration licenses, Madaouela II, III, IV and Anou Melle, expired. The Company has applied for new nine-year exploration licenses on the above-mentioned expired licenses and the renewal of the Eralral license for a second three-year term. The Company anticipates the issuance of these exploration licenses by the Niger government in the second half of 2019.

On January 26, 2016, the Niger government granted the Company a large-scale mining permit Madaouela I valid for ten years and renewable twice for ten years each. Under the terms of the Niger mining code and the Company's mineral conventions, upon the conversion of an exploration license to a mining permit, the Company is required to transfer a 10% free-carried non-dilutable equity interest in the shares of the new operating company in Niger (the "**NewCo**") to hold the Madaouela I mining permit and make the final acquisition payment of Euro 7 million subject to certain conditions being met. The Niger government would also have the option to purchase up to a maximum additional 30% equity interest in the NewCo at fair market value at incorporation.

On April 8, 2019, the Company announced that Niger government agreed to convert the mine permit acquisition payable of Euro 7 million plus contested three-year area taxes from 2016-2018 ($6.6 million) for an additional 10% interest in the new operating Nigerien company subject to the signing of the definitive investment framework agreements (the "**Definitive Agreements**") between the Company and the Niger government.

On July 19, 2019, the Company and the Niger government finalized the Definitive Agreements to progress the Madaouela Project and incorporated the NewCo named *Compagnie Miniere Madaouela SA*.

Under the Definitive Agreements, the Niger government has agreed that the payment of area taxes required under the Niger mining code with respect to the Madaouela I mining permit shall be deferred, without interest, penalties or fees, from the period commencing January 1 2019, until the earlier of the date GoviEx closes a financing for the construction of a mine for the Madaouela I mining permit or three years from the incorporation of *Compagnie Miniere Madaouela SA*.

5. Loan Receivable

In conjunction with the Termination and Mutual Release Agreement with Toshiba Corporation ("**Toshiba**") dated February 28, 2018 (the "**Termination**"), Toshiba entered into a Share Purchase Agreement ("**SPA**") with Linkwood Holdings Pte Ltd. ("**Linkwood**") to sell its entire 28,395,466 common shares in GoviEx to Linkwood for $4.5 million as a precondition for conclusion of the Termination.

On July 3, 2018, the Company provided a $2.75 million six-month loan (the "**Loan**") to Linkwood at an interest rate of 9.5% to ensure the completion of the SPA. In December 2018, the Company extended the last repayment date of the Loan to June 30, 2019.

Due to financial and economic reasons, Linkwood was unable to meet the terms and conditions of the Loan. To allow Linkwood sufficient ability to service the outstanding debt, in July 2019, the Company granted Linkwood a forbearance, which restructured the monthly repayment of the outstanding principal and accrued interest, together with the increased interest at a rate of 11.5%, over the next 12 months.

The forbearance does not waive any portion of interest or principal, and the additional one-year extension does not have a detrimental impact on the estimated future cash flows of the Loan.

The Loan collateral consists of investments in both listed and private companies; one of the private companies is seeking a public listing.

Based on the Company's analysis of the modified terms and evaluation of the underlying collateral, the Company has determined the Loan does not meet the definition of "credit-impaired" and therefore no impairment losses were recognized as of June 30, 2019.

This is a significant judgment in interpreting and applying IFRS 9, *Financial Instruments*. Any adverse change in the collateral value or failure of Linkwood to meet the modified terms and conditions could result in an ultimate default that requires immediate recognition of impairment losses.

During the six months ended June 30, 2019, the Company received $779,164 in Loan repayments, which $215,109 was applied to interest with the balance to principal.

After the quarter end, the Company received July and August repayments as agreed.

6. Share capital

On April 10, 2019, the Company closed a non-brokered private placement by issuing 20.6 million units for CAD 0.17 per unit for gross proceeds of $2.6 million (CAD 3.5 million). Each unit consists of one Class A common share and one common share purchase warrant exercisable at $0.21, $0.24 and $0.28 per share at each anniversary over three years from the date of the issuances.

The Company paid $103,218 (CAD 137,445) in cash finders' fees.

7. Share-based Payments

a) Stock options

A continuity summary of the stock options granted under the Company's stock option plan listed below:

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

	Number of options	Weighted average exercise price ($)
Outstanding, December 31, 2018	35,105,000	0.20
Exercised	(550,000)	(0.08)
Expired	(2,255,000)	(1.06)
Forfeited	(445,000)	(0.16)
Outstanding, June 30, 2019	31,855,000	0.14
Exercisable, June 30, 2019	23,760,000	0.13

The following table lists the stock options outstanding and exercisable as of June 30, 2019 with a weighted average remaining life of 2 years:

Exercise price (CAD)	Expiry date	Outstanding	Exercisable
0.30	January 28, 2020	2,115,000	2,115,000
0.10	November 19, 2020	5,175,000	5,175,000
0.12	June 20, 2021	9,800,000	9,800,000
0.32	March 17, 2022	5,220,000	3,940,000
0.22	July 9, 2021	500,000	375,000
0.215	September 25, 2023	9,045,000	2,355,000
		31,855,000	23,760,000

The Company applies the fair value method of accounting for stock options. The $308,297 share-based compensation represented vested stock options during the six months ended June 30, 2019, with the following assumptions: volatility 75%, expected life five years, risk free interest rate 2.3%, and dividend rate nil.

b) Common share purchase warrants

A continuity summary of the issued and outstanding share purchase warrants is listed as below:

	Number of warrants	Weighted average exercise price ($)
Outstanding, December 31, 2018	161,680,338	0.16
Warrants granted	20,600,000	0.21
Warrants exercised	(6,000)	(0.075)
Warrants expired	(48,946,636)	(0.14)
Outstanding, June 30, 2019	133,327,702	0.21

Common share purchase warrants were issued and outstanding as of June 30, 2019 were listed below:

Exercise price ($)	Expiry date	Number of warrants	Acceleration Price (CAD)
0.075	December 19, 2019	121,500	NA
0.15	December 19, 2021	45,339,856	NA
0.15	December 22, 2021	2,570,144	NA
0.23	October 30, 2020	1,600,000	≥0.36
0.31	December 22, 2019	21,541,880	NA
0.24/0.28*	June 5, 2021	35,674,911	N/A
0.24/0.28*	December 31, 2021	5,879,411	N/A
0.21/0.24/0.28*	April 21, 2022	20,600,000	N/A
		133,327,702	

* Exercise price by each anniversary.

8. Exploration and Evaluation

Exploration and evaluation expenses are summarized as follows:

(In thousands of U.S. dollars)	Six months ended June 30, 2019				Six months ended June 30, 2018			
	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total
	$	$	$	$	$	$	$	$
Salaries	189	108	75	372	219	128	87	434
Office expenses	114	38	36	188	109	33	29	171
License and taxes	6	73	-	79	50	93	19	162
Professional fees	57	8	8	73	30	10	6	46
Consulting	119	8	-	127	107	9	-	116
Camp	26	22	15	63	39	24	18	81
Travel	16	1	-	17	19	-	3	22
	527	258	134	919	573	297	162	1,032

9. Administrative Expenses

Administrative expenses are summarized as follows:

(In thousands of U.S. dollars)	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
	$	$	$	$
Salaries	244	416	439	617
Investor relations	72	59	237	136
Office expenses	28	41	69	81
Professional fees	50	61	61	93
Travel	22	17	43	64
Regulatory fees	34	30	44	47
	450	624	893	1,038

10. Related Party Disclosures

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

a) Key management compensation

Key management includes the board of directors and the Company's executive officers. The following table list compensation awarded to key management:

	Three months ended June 30,		Six months ended June 30,	
(In thousands of U.S. dollars)	2019	2018	2019	2018
	$	$	$	$
Salaries	147	149	294	301
Bonus	-	145	-	145
Committees' fees	50	60	50	60
Share-based compensation	113	49	246	144
	310	403	590	650

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

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

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

	Three months ended June 30,		Six months ended June 30,	
(In thousands of U.S. dollars)	2019	2018	2019	2018
	$	$	$	$
Salaries and benefits	70	69	144	146
Corporate overhead	12	17	32	34
	82	86	176	180

As of June 30, 2019, $31,801 (December 31, 2018 – $53,422) was owed to GMM and included in the accounts payable and accrued liabilities of the Company.

c) Other

On December 12, 2018, the Company drew-down CAD 250,000 according to a credit agreement between Denison Mines Corp. ("**Denison**") and GoviEx. The credit facility was unsecured, interest bearing at 7.5% per annum and was payable on demand at any time after February 10, 2019 or immediately following the closing of an equity financing by GoviEx for gross proceeds equal or greater than CAD 2,000,000.

On April 11, 2019, the Company repaid the loan to Denison of CAD 256,164 including principal and interest.

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

Quarterly Highlights

This MD&A of GoviEx Uranium Inc. (the "**Company**" or "**GoviEx**"), dated August 22, 2019, provides a brief update on the Company's business activities, financial condition, and financial performance for the six months ended June 30, 2019, and excludes information discussed in its most recent annual MD&A. It should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended June 30, 2019 (the "**Interim Financial Statements**"), and audited consolidated financial statements and MD&A for the year ended December 31, 2018.

All of the financial information presented here is expressed in U.S. dollars unless otherwise indicated.

Description of Business

GoviEx is a mineral resource company focused on the exploration and future development of uranium projects in Africa. The Company currently focuses on further advancing its mine permitted Madaouela I in Niger.

The Company is based in Vancouver, British Columbia, Canada; its common shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "GXU", and trade on the OTCQB Venture Market in the United States under the symbol "GVXXF".

Additional information related to GoviEx is available on the Company's website www.goviex.com or under the Company's profile on SEDAR at www.sedar.com

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results for the current periods are not necessarily indicative of the results for any future periods. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as they are subject to significant risks and uncertainties as disclosed in the MD&A for the year ended December 31, 2018, which may cause projected results of events to differ materially from actual results or events.

Summary

- **Significant milestone achieved on the Madaouela Project in Niger**

  On July 19, 2018, the Company announced it had entered into definitive agreements with the Republic of Niger whereby commercial terms to progress the Madaouela Project are stipulated. Under the terms of these agreements, a Nigerien operating company named *Compagnie Miniere Madaouela SA* was incorporated by the Company into which the Madaouela I mining permit is to be transferred. In addition to a 10% free-carried equity interest prescribed by the Nigerien mining code, the Republic of Niger received a 10% working interest in *Miniere Madaouela SA* in exchange for the settlement of approximately $14.5 million of claims due by the Company to the Niger government.

  Key commercial terms of the definitive agreements include:

  i. adding mineral resources associated with the Miriam deposit discovered within Agaliouk exploration license to the Madaouela I mining permit;
  ii. granting new exploration licenses for Madaouela II, III, IV and Anou-Melle which expired on January 28, 2019, and renewing the Eralrar exploration license;

iii. deferring future area taxes on the mining permit from January 1, 2019, until the earlier of the successful completion of project financing for mine construction and project development, or three years after the incorporation of Compagnie Miniere Madaouela SA.

- **Completion of a Non-Brokered Private Placement**

  On April 10, 2019, the Company completed a non-brokered private placement of 20.6 million units at CAD 0.17 per unit for total gross proceeds of $2.6 million (CAD 3.5 million). Each unit consisted of one common share and one warrant exercisable for three years from the date of issuance at $0.21, $0.24, and $0.28 until April 10, 2020, 2021 and 2022 respectively.

- **Loan receivable – Linkwood Holdings Pte Ltd. ("Linkwood")**

  In July 2019, the Company entered into a forbearance agreement with Linkwood to allow it time to liquidate collateral and repay the loan in full by July 2020.

  The Linkwood loan was made for a strategic reason, other than simply to collect cash flows from principal and interest. Credit risk was high at origination and has remained high since then.

  The forbearance does not necessarily result in derecognition, and the loan does not meet the definition of "credit-impaired" under IFRS 9, *Financial Instruments*. Based on a combined evaluation of the past events, modified terms and the loan collateral, the Company has determined there is no expected loss to be recognized for the six months ended June 30, 2019.

  The Company is closely monitoring Linwood's activities and assessing collateral values that support the Loan.

Results of Operations

During the six months ended June 30, 2019, the Company recorded a net loss of $1.92 million compared to a net income of $1.95 million for the same period in 2018. The big difference is due to the realized gain on the uranium loan settlement with Toshiba in June 2018.

Exploration and evaluation expenses

During the six months ended June 30, 2019, the Company incurred exploration and evaluation expenses of $0.92 million including $0.53 million in Niger, $0.26 million in Zambia, and $0.13 million in Mali. Among those expenditures, 40% were for local personnel costs, with the remaining cover office rental, supplies, professional fees; mine permit maintenance fee for Mutanga project, and technical consultant for Madaouela I.

General and administrative expenses

General administrative expenses are mainly comprised of salaries and general corporate head office expenses.

The $0.89 million administrative and general office expenses for the six months ended June 30, 2019 were mainly comprised of 49% corporate salaries, followed by 27% in investor relations, with the remaining related to Vancouver head-office costs, professional fees, and regulatory filing and stock exchange listing required to operate the Company as a publicly traded company.

Higher investor relation costs represent the Company's expanded exposure to international capital markets.

The scale and nature of the Company's activities have remained relatively consistent over the periods presented. Fluctuations in losses or incomes have been mainly driven by the activity level of explorations and corporate initiatives, fair value adjustment of the marketable securities, stock-based compensation expenses, and timing of individual costs incurred such as investor relations conferences, travel and insurance coverage.

The following table sets forth a comparison of information for the previous eight quarters ending with June 30, 2019:

(in thousands of U.S. dollars except for per share amounts)	Q2'19	Q1'19	Q4'18	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17
	$	$	$	$	$	$	$	$
Exploration and evaluation	(459)	(460)	(653)	(469)	(406)	(626)	(584)	(511)
General and administrative	(450)	(443)	(546)	(364)	(624)	(414)	(504)	(261)
	(909)	(903)	(1,199)	(833)	(1,030)	(1,040)	(1,088)	(772)
Foreign exchange (loss) gain	(103)	193	57	7	(116)	(175)	45	85
Gain (loss) on marketable security	48	(34)	(39)	21	(7)	(112)	-	-
Gain on derivative liability	-	-	-	-	-	-	112	309
Gain (loss) on uranium loan	-	-	-	-	4,049	1,013	(1,301)	(54)
Interest and other	35	56	77	71	11	18	(6)	4
Interest on uranium loan	-	-	-	-	(262)	(223)	(251)	(214)
Share-based compensation	(142)	(166)	(173)	(305)	(66)	(112)	(60)	(116)
Write-off of assets	-	-	-	-	-	-	(160)	-
Net (loss) income for period	(1,071)	(854)	(1,277)	(1,039)	2,579	(631)	(2,709)	(758)
(Loss) income per share	(0.00)	(0.00)	(0.00)	(0.00)	0.01	(0.00)	(0.01)	(0.00)

Liquidity and Capital Resources

GoviEx is an advanced-stage exploration company with no source of operating cash flow. It has been dependent on its ability to raise funds through the issuance of its common shares and debt arrangements. Material increases or decreases in the Company's liquidity and capital resources will be determined by the success of the Company in maintaining its mining permits and exploration licenses, and obtaining equity, debt, joint venture or other means of financing.

The Company has to obtain significant additional funding to complete the definitive feasibility study and mine construction for Madaouela I and is required to incur certain exploration expenditures to maintain the good standing of its exploration licenses in Niger and Mali and monitoring expenses to its mine permits in Zambia. Although the Company has been successful in raising funds in the past, there is a risk that in the future, the Company may not be able to obtain the necessary capital to fund its operations. Please refer to Note 1 in the Interim Financial Statements.

Cash as of August 22, 2019, is approximately $1.7 million. Unless there is a significant cash flow from financing activities, the cash balance is expected to decrease from one period to the next.

As of August 22, 2019, the Company has received $859,164 in loan repayments from Linkwood, and expects to receive an additional $263,598 by December 31, 2019, and $2,053,894 by July 31, 2020. Any delay or default on the scheduled repayments could harm the Company's future cash flows.

During the six months ended June 30, 2019, the Company completed a non-brokered private placement for gross proceeds of $2.6 million (CAD 3.5 million) and received $41,266 from stock option and warrant exercises.

Outstanding Share Capital

As of August 22, 2019, the Company has:

- 423,221,862 class A common shares issued and outstanding;
- 31,855,000 options outstanding with exercise prices ranging from CAD 0.10 to CAD 0.32; and
- 133,327,702 share purchases warrant exercisable ranging from $0.075 to $0.31 expiring from December 19, 2019, through April 10, 2022.

Transactions with Related Party

The Company is a party to a shareholders' cost-sharing agreement with a private company, Global Mining Management Corp. ("**GMM**"), under which GMM provides the Company with furnished office space, equipment and communications facilities, corporate administrative, and finance and accounting support in Vancouver, British Columbia.

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

Key management, consisting of personnel having authority and responsibility for planning, directing, and controlling the Company, includes the board of directors and executive officers.

Under a credit agreement with Denison Mines Corp. ("**Denison**"), the Company drew down CAD 250,000 on December 12, 2018, to pay its corporate expenses. On April 11, 2019, CAD 256,164 (including accrued interest of CAD 6,164) was repaid to Denison.

Financial Instrument Risks

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. There has been no change in the Company's approach to capital management other than the credit risk related to the Linkwood loan. The Company has received additional collateral for the loan and is monitoring Linwood's financing activities and projected cash forecast.

Accounting Policy Change

Effective January 1, 2019, the Company adopted IFRS 16, *Leases*, retrospectively without restatement of prior year financial statements. IFRS 16 specifies how a lease is recognized, measured and disclosed. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Company has assessed whether a contract or part of a contract, contains a lease and determines the lease term. On initial recognition, the Company has made use of the optional exemption for its Niger office lease as a short-term lease. Accordingly, the adoption of IFRS 16 does not have a significant impact on these financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, no long-term leases and obligations other than those contained in Note 4 of the Interim Financial Statements.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company periodically reviews potential acquisition, dispositions, investment, joint venture and other opportunities that could enhance shareholder value. There are no proposed material transactions that would be considered by management to constitute a material change, if completed, in the affairs of the Company as at the date hereof.

Note to U.S. Readers

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

Forward Looking Statements

This MD&A contains certain forward-looking statements concerning anticipated developments in GoviEx's operations in future periods. Statements that are not historical fact are "forward-looking statements" as that term is defined in National Instrument 51-102 of the Canadian Securities Administrators. Forward-looking statements may include, but is not limited to, statements with respect to the anticipated completion of the key commercial terms of the definitive agreements with the Republic of Niger in relation to the Madaouela 1 mining permit, and generally with regard to the Madaouela Project; the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mineral exploration 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.

Forward-looking statements are statements about the future and are inherently uncertain, and actual results, performance or achievements of GoviEx and its subsidiaries may differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements due to a variety of risks, uncertainties and other factors. Such risks and other factors are included in the Company's 2018 annual MD&A dated April 24, 2019, which is available on the Company's website at www.goviex.com and under the Company's profile on SEDAR at www.sedar.com.