



## Management's Discussion and Analysis

### Quarterly Highlights

This Management's Discussion and Analysis ("**MD&A**") of GoviEx Uranium Inc. ("**GoviEx**" or the "**Company**") is dated May 28, 2021, and highlights the Company's financial results for the three months ended March 31, 2021, including events up to the date of this MD&A. It should be read in conjunction with the Company's most recent interim and the year-end 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 most recent year-end MD&A.

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

#### PERFORMANCE HIGHLIGHTS

- Filing of Updated Pre-Feasibility Study and Initiation of Drilling for the Madaouela Project in 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 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.

The Company has started the 13,000-metre drilling program for the Madaouela project announced on April 13, 2021. The drill program, focused on the Miriam deposit, is to confirm an indicated mineral resource for molybdenum mineralization, finalize corroboration of the geotechnical slope design, and verify sufficient water requirements. Positive results, if achieved, will potentially permit reduced operating and capital costs associated with a water supply and could also lower the potential environmental impact.

- Conclusion of 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

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and one common share purchase warrant, exercisable at \$0.30 per share until January 21, 2023. The net proceeds are used to fund the technical studies and drilling programs on the Company's uranium projects and for general corporate purposes.

- Completion of Drilling at Falea Project, Mali

The Company has completed the 6,000-metre air core drilling program announced on December 15, 2020 and anticipates assay results soon. The drill program is to test the gold potential associated with the soil anomalies on its Falea project.

- Reinstatement of Chirundu Mining Permit, Zambia

In August 2019, the President of Zambia directed the Ministry of Mines and Mineral Development (**MoM**) to review and cancel licenses for mining and exploration companies that have remained dormant for a long time. As a result, the Company's Chirundu mining permit was revoked in June 2020, and the Company filed a notice of appeal on July 24, 2020. On October 27, 2020, the Minister of MoM acknowledged the receipt of the appeal and requested additional supporting documents to assist in an informative decision.

On May 10, 2021, the Company announced the reinstatement of the Chirundu mining permit subject to the completion of certain exploration and development milestones to advance the permit towards the feasibility study.

### DESCRIPTION OF GOVIX AND OUTLOOK

GoviEx is a mineral resource company focused on the exploration and development of its uranium properties in Africa. The Company's principal asset is its Madaouela I large-scale mining permit controlled by the Company's subsidiary, the Nigerien mining company, Compagnie Minière Madaouela SA ("**COMIMA**"). It is also advancing the development and exploration of the Mutanga project in Zambia and the Falea project in Mali. GoviEx's principal objective is to become a significant uranium producer by exploring and developing the above mineral properties.

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

In 2021, following the positive results of the updated PFS, the Company has commenced preparation for the Madaouela bankable Feasibility Study ("**FS**") to be completed in the first half of 2022. A key benefit from the Updated PFS was the simplification and optimization of the Madaouela Project – which has also simplified the scope of the remaining test work expected in support of the FS. Meanwhile, the Company is seeking financial advisory services to help obtain sufficient financing for the Madaouela mine construction.

With the resolution of the Chirundu mining permit, the Company will recommence the exploration and technical studies on the Mutanga project, beginning with a drilling program planned for June 2021.

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### RESULTS OF OPERATIONS

During the three months ended March 31, 2021, the Company incurred losses of \$3,371,000 compared to \$3,023,000 in the same period the prior year. The increase in losses was mainly caused by Madaouela PFS costs, drilling in Mali, and the incremental support needed for the accelerated activity level in 2021. Annual area tax related to the Madaouela I mining permit was accrued in both periods.

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

### Summary of Quarterly Results

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

| <i>(in thousands of U.S. dollars except for per share amounts)</i> | Q1'21   | Q4'20   | Q3'20   | Q2'20  | Q1'20   | Q4'19   | Q3'19   | Q2'19   |
|--------------------------------------------------------------------|---------|---------|---------|--------|---------|---------|---------|---------|
|                                                                    | \$      | \$      | \$      | \$     | \$      | \$      | \$      | \$      |
| Area tax                                                           | (2,252) | -       | -       | -      | (2,043) | -       | (2,022) | -       |
| Exploration and evaluation                                         | (884)   | (718)   | (548)   | (416)  | (446)   | (707)   | (550)   | (459)   |
| General and administrative                                         | (401)   | (525)   | (315)   | (383)  | (335)   | (273)   | (646)   | (450)   |
|                                                                    | (3,537) | (1,243) | (863)   | (799)  | (2,824) | (980)   | (3,218) | (909)   |
| Foreign exchange (loss) gain                                       | 338     | (56)    | (162)   | (47)   | (66)    | (55)    | (137)   | (103)   |
| Change in fair value of marketable securities                      | (45)    | 27      | (42)    | 99     | (12)    | (13)    | (61)    | 48      |
| Recovery of loan receivable                                        | -       | -       | 80      | 20     | -       | -       | -       | -       |
| Impairment of loan receivable                                      | -       | -       | -       | -      | -       | (1,925) | -       | -       |
| Interest and other                                                 | 10      | 2       | 2       | (1)    | 2       | -       | 67      | 35      |
| Share-based compensation                                           | (137)   | (101)   | (233)   | (108)  | (123)   | (127)   | (276)   | (142)   |
| Net loss for period                                                | (3,371) | (1,371) | (1,218) | (836)  | (3,023) | (3,100) | (3,625) | (1,071) |
| Loss per share                                                     | (0.01)  | (0.00)  | (0.00)  | (0.00) | (0.01)  | (0.01)  | (0.01)  | (0.00)  |

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

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

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### LIQUIDITY AND CAPITAL RESOURCES

The Company is at an advanced exploration stage. Since its inception, the Company has had no revenue from mining operations and has been dependent on raising funds through common share issuances 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 first quarter of 2021, the Company closed a non-brokered private placement for total net proceeds of \$5,918,000 and received a combined \$3,461,000 from warrant and stock option exercises and an additional \$330,000 exercise funds after the quarter-end.

Cash used in operating activities was \$1,228,000 or \$409,000 per month during the first quarter of 2021. Cash balance on May 28, 2021 is \$9,500,000.

The Company needs to finance the Madaouela Project's development and pay accrued area taxes in July 2022. The Company is also to meet exploration milestones for its Chirundu mining permit in Zambia and incur certain exploration expenditures in Niger and Mali. The Company is pursuing opportunities to fund the start-up capital and consider debt/equity financing, off-take agreements, and other funding sources. However, there can be no assurance that such funding will be available and acceptable to the Company on a timely basis. Please refer to note 1, Nature of Operations and Going Concern in the Company's condensed interim consolidated financial statements for the period ended March 31, 2021.

### TRANSACTIONS WITH RELATED PARTIES

According to a cost-sharing shareholders' agreement with Global Mining Management Corp. ("**GMM**"), a private company based in Vancouver, Canada, the Company incurred \$118,000 (March 31, 2020 - \$100,000) for the use of Vancouver office premises and corporate personnel in Canada. These transactions have occurred in the normal course of business and are measured at the amount of the services rendered.

The Company became a shareholder of GMM on October 25, 2007, and can terminate the agreement with GMM by providing 60-days written notice. As of May 28, 2021, the Company maintains a prepaid balance of CAD 215,000 with GMM.

### OUTSTANDING SHARE CAPITAL

As of May 28, 2021, the Company has

- 532,768,707 class A common shares issued and outstanding;
- 36,841,342 options outstanding with exercise prices ranging from CAD 0.12 to CAD 0.32 exercisable from June 20, 2021 to March 18, 2026; and
- 173,919,017 warrants exercisable from \$0.15 to \$0.30, expiring from June 5, 2021, through August 6, 2025.