



Condensed Interim Consolidated Financial Statements of

## **GoviEx Uranium Inc.**

For the six months ended June 30, 2023

(In thousands of U.S. Dollars except for shares and per share amounts)

## **Notice to Reader**

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

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Financial Position

(Stated in thousands of U.S. dollars)

	Notes	June 30, 2023	December 31, 2022
<b>Assets</b>			
Current assets			
Cash	\$	8,128	\$ 3,289
Amounts receivable		33	24
Marketable securities	3	679	831
Prepaid expenses and deposit		6	18
		<b>8,846</b>	<b>4,162</b>
Non-current assets			
Long-term deposit	9(b)	173	173
Plant and equipment		238	271
Mineral properties	4	69,591	69,591
		<b>70,002</b>	<b>70,035</b>
<b>Total assets</b>	<b>\$</b>	<b>78,848</b>	<b>\$ 74,197</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$	1,053	\$ 1,186
<b>Equity</b>			
Share capital	5	286,660	277,221
Contributed surplus		22,872	21,652
Deficit		(241,809)	(236,150)
Equity attributable to GoviEx Uranium Inc.		67,723	62,723
Non-controlling interest	4(a)	10,072	10,288
		<b>77,795</b>	<b>73,011</b>
<b>Total liabilities and equity</b>	<b>\$</b>	<b>78,848</b>	<b>\$ 74,197</b>

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

Nature of Operations and Going Concern (note 1)  
Subsequent Event (note 10)

Approved and authorized for issue on behalf of the Board of Directors on August 15, 2023.

/s/ "Christopher Wallace"

Director

/s/ "Benoit La Salle"

Director

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

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

	Notes	Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
<b>Expenses</b>					
Area tax	4(a)	-	-	\$ (1,017)	\$ (2,130)
Exploration and evaluation	7	(1,857)	(2,735)	(2,813)	(4,595)
General and administration	8	(746)	(742)	(1,633)	(1,414)
Share-based compensation		(223)	(179)	(448)	(349)
		(2,826)	(3,656)	(5,911)	(8,488)
<b>Other income (expenses)</b>					
Change in fair value of marketable securities	3	87	(23)	(152)	(19)
Depreciation		(17)	(18)	(33)	(35)
Foreign exchange gain		137	108	140	295
Recovery of loan receivable		-	499	-	499
Interest and other		61	10	81	16
<b>Loss and comprehensive loss for the period</b>		<b>(2,558)</b>	<b>(3,080)</b>	<b>(5,875)</b>	<b>(7,732)</b>
Loss and comprehensive loss attributable to:					
GoviEx Uranium Inc.		(2,558)	(2,985)	(5,659)	(7,078)
Non-controlling interest		-	(95)	(216)	(654)
<b>Net loss and comprehensive loss for the period</b>		<b>(2,558)</b>	<b>(3,080)</b>	<b>(5,875)</b>	<b>(7,732)</b>
<b>Net loss per share, basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
Weighted average number of common shares					
<b>outstanding</b>		<b>687,772,998</b>	<b>591,558,950</b>	<b>664,355,240</b>	<b>584,165,331</b>

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

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

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Equity Attributable to GoviEx	Non- Controlling Interest	Total Equity
Balance, December 31, 2021	576,136,015	\$ 265,399	\$ 20,890	\$ (224,377)	\$ 61,912	\$ 11,076	\$ 72,988
Shares issued for warrants exercised	13,991,269	3,932			3,932		3,932
Shares issued for options exercised	2,454,500	900	(303)		597		597
Share-based compensation			349		349		349
Net loss and comprehensive loss for the period				(7,078)	(7,078)	(654)	(7,732)
Balance, June 30, 2022	592,581,784	270,231	20,936	(231,455)	59,712	10,422	70,134
Balance, December 31, 2022	640,677,284	\$ 277,221	\$ 21,652	\$ (236,150)	\$ 62,723	\$ 10,288	\$ 73,011
Shares issued for cash, net of share issue costs	85,714,200	9,439	772		10,211		10,211
Share-based compensation			448		448		448
Net loss and comprehensive loss for the period				(5,659)	(5,659)	(216)	(5,875)
<b>Balance, June 30, 2023</b>	<b>726,391,484</b>	<b>\$ 286,660</b>	<b>\$ 22,872</b>	<b>\$ (241,809)</b>	<b>\$ 67,723</b>	<b>\$ 10,072</b>	<b>\$ 77,795</b>

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

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Cash Flow

(Stated in thousands of U.S. dollars)

	Note	Six months ended June 30,	
		2023	2022
<b>Operating activities</b>			
Loss for the period	\$	(5,875)	\$ (7,732)
Adjustments for non-cash items			
Change in fair value of marketable securities		152	19
Depreciation		33	35
Share-based compensation		448	349
Unrealized foreign exchange gain		(147)	(284)
Changes in non-cash operating working capital items			
Amounts receivable		(9)	(6)
Prepaid expenses and deposit		12	(6)
Accounts payable and accrued liabilities		(133)	198
Cash used in operating activities		(5,519)	(7,427)
<b>Investing activities</b>			
Receipts of loan receivable		-	550
Plant and equipment		7	(231)
Cash used in investing activities		7	319
<b>Financing activities</b>			
Proceeds from private placements		11,128	-
Share issue costs		(917)	-
Proceeds from warrants exercised		-	3,932
Proceeds from stock options exercised		-	597
Cash provided by financing activities		10,211	4,529
Effect of foreign exchange on cash		140	(231)
Increase (decrease) in cash		4,839	(2,810)
Cash, beginning of period		3,289	9,588
<b>Cash, end of period</b>	\$	<b>8,128</b>	\$ <b>6,778</b>

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

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2023

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

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### 1. Nature of Operations and Going Concern

GoviEx Uranium Inc. and its subsidiaries, "**GoviEx**" or the "**Company**," is a Canadian mineral resources company focused on the exploration and future development of uranium properties 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 projects in Niger and Zambia. 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 Financial Statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the reporting period end.

The Company has no source of revenue and has significant cash requirements to maintain its mineral property interests, including area tax payments, and meet its administrative overhead needs. Although the Company has successfully raised funds in the past (note 5), 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.

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. Such adjustments could be material.

### 2. Significant Accounting Policies

#### a) Statement of compliance

These Financial Statements have been prepared under 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, 2022.

#### b) Accounting policy judgement and estimation uncertainty

Preparing financial statements conforming 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 based on management's experience and other factors, including expectations of future events considered reasonable in the circumstances.

Uncertainty about these judgements, estimates and assumptions could result in a material adjustment to the asset's carrying amount or liability in future periods. There are no material areas of estimation uncertainty as of June 30, 2023.

Accounting policy judgments made by management are related to the economic recoverability of its mineral properties, determination of technical feasibility and commercial viability of the Madaouela Project.

### 3. Marketable Securities

Pursuant to a debt settlement agreement, the Company holds 34 million ordinary shares of Tesoro Gold Inc., a publicly-traded company listed on the Australian Securities Exchange. The cost for these shares is recorded on the

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2023

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

acquisition date and revalued at each reporting date based on the closing share prices. Any fair value gain or loss is recognized in the loss for the period.

	Kincora Copper Limited		Tesoro Gold Ltd.	
	Number of Shares	Fair Value	Number of Shares	Fair Value
Balance, December 31, 2021	403,658	\$ 35	-	\$ -
Received for loan settlement			34,000,000	824
Disposal	(403,658)	(16)		
Change in fair value		(19)		7
Balance, December 31, 2022	-	-	34,000,000	831
Change in fair value				(152)
<b>Balance, June 30, 2023</b>	<b>-</b>	<b>\$ -</b>	<b>34,000,000</b>	<b>\$ 679</b>

#### 4. Mineral Properties

The Company's mineral properties are listed below; carrying value represents the initial acquisition of the properties:

Mineral Properties	June 30, 2023	December 31, 2022
Madaouela, Niger, 80%	\$ 65,234	\$ 65,234
Muntanga, Zambia, 100%	2,908	2,908
Falea, Mali, 100%	1,449	1,449
	\$ 69,591	\$ 69,591

##### a) Madaouela Project, Niger

The Madaouela Project, located in north-central Niger, consists of one large mining permit, Madaouela I, and six exploration licenses under application to be renewed and granted.

The Madaouela I large-scale mining permit was granted on January 26, 2016, valid for ten years and renewable twice for ten years each. According to the mining convention in May 2007 and definitive agreements with the Niger government in July 2019, Compagnie Minière Madaouela SA ("**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 Nigerien mining code, a large-scale mining permit is subject to an annual area tax based on size at a prescribed rate due and payable annually in West African CFA Franc ("**XOF**").

In February 2022, the Niger government approved the Company's application to reduce the size of the Madaouela 1 mining permit by 50%, removing the previously unexplored section. The Company has also applied for an exploration license covering the area dropped.

As a result, the 2023 area tax of \$1,017 (XOF 608 million) is reduced by 50% from the previous years and was paid in May 2023.

##### 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 upon the share issuance of 20% Niger government ownership.



# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2023

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

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As of June 30, 2023, the NCI totalled \$10,072 (December 31, 2022 - \$10,288), and the net loss attributable to the NCI for the six months ended June 30, 2023 was \$1,080 (June 30, 2022 - \$3,270). The net loss includes expenses on area taxes, technical consulting, and related foreign exchange gain (loss).

### b) Muntanga Project, Zambia

The Muntanga project consists of three contiguous mining permits: Muntanga and Dibbwi were granted on March 26, 2010, and Chirundu on October 9, 2009; these 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. On May 5, 2021, the Chirundu mining permit was reinstated, subject to commencing a feasibility study in 2023 and commission mine development by the end of 2024.

### c) Falea Project, Mali

The Falea project is a multi-element project containing three exploration licenses, Falea, Bala and Madini, held by Delta Exploration Mali SARL.

On January 17, 2023, the Company entered into a Share Purchase Agreement ("**SPA**") with African Energy Metals Inc. ("**AEM**") to sell the Falea project for a combined value of CAD 5.5 million and a 3% net smelter royalty.

The SPA was terminated on June 3, 2023, because AEM did not meet various closing conditions.

## 5. Share Capital

On May 11, 2023, the Company closed a bought-deal private placement, led by Eight Capital and Sprott Capital Partners, of 85,714,20 units at CAD 0.175 per unit for gross proceeds of \$11,128 (CAD 15 million).

Each unit consists of one common share and one common share purchase warrant exercisable at \$0.19 until May 11, 2025.

The Company incurred \$917 share issuance costs, including \$746 underwriters' commission and expenses paid in cash and issued 2,566,426 underwriter compensation warrants exercisable at CAD 0.175 until May 11, 2025.

The agent warrants issued are considered equity-settled share-based payments for the services related to the share issuance. Thus, these warrants were valued at \$136 under the Black-Scholes option-pricing model and recorded in equity with the assumptions: 80% volatility, two years expected life, 3.65% risk-free interest rate and nil dividend rate.

## 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 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 as of June 30, 2023, is as follows:

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## Notes to the Condensed Interim Consolidated Financial Statements

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	Number of options	Weighted average exercise price (CAD)
Outstanding, beginning of period	47,362,500	0.21
Expired	(258,750)	(0.22)
Forfeited	(48,750)	(0.225)
Outstanding, ending of period	47,055,000	0.20
Exercisable, ending of period	30,097,500	0.19

The following table lists the stock options outstanding and exercisable as of June 30, 2023:

Price (CAD)	Expiry date	Outstanding	Exercisable
0.215	September 25, 2023	8,150,000	8,150,000
0.135	August 26, 2024	7,420,000	7,420,000
0.14	August 27, 2025	7,425,000	5,437,500
0.31	March 18, 2026	1,000,000	750,000
0.273	June 29, 2026	500,000	375,000
0.245	August 27, 2026	8,800,000	4,400,000
0.39	December 1, 2026	500,000	250,000
0.225	September 27, 2027	13,260,000	3,315,000
		47,055,000	30,097,500

### b) Common share purchase warrants

The share purchase warrants issued and outstanding are as follows:

Exercise price (\$)	Expiry date	June 30, 2023	December 31, 2022	Acceleration Price (CAD)
0.30	January 21, 2023	-	32,000,000	N/A
0.15	February 13, 2025	12,000,000	12,000,000	≥0.40
0.15	August 6, 2025	34,264,286	34,264,286	N/A
CAD 0.14	August 6, 2025	1,607,142	1,607,142	N/A
0.24	October 25, 2025	23,106,500	23,106,500	
0.245	October 27, 2025	772,500	772,500	
0.190	May 11, 2025	85,714,200	-	
CAD 0.175	May 11, 2025	2,566,426	-	
		160,031,054	103,750,428	

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2023

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

### 7. Exploration and Evaluation

	Six months ended June 30, 2023				Six months ended June 30, 2022			
	Madaouela (Niger)	Muntanga (Zambia)	Falea (Mali)	Total	Madaouela (Niger)	Muntanga (Zambia)	Falea (Mali)	Total
Consulting*	\$ 122	\$ 735	\$ -	\$ 857	1,627	238	-	\$ 1,865
Drilling and Assay	43	803	-	846	34	895	663	1,592
Personnel costs	151	187	78	416	199	136	134	469
Professional fees	207	37	33	277	65	4	7	76
Office expenses	72	73	26	171	98	68	42	208
Camp and fuel	13	92	12	117	14	128	80	222
License and taxes	28	40	5	73	22	52	-	74
Community and other	46	10	-	56	28	21	40	89
	\$ 682	\$ 1,977	\$ 154	\$ 2,813	\$ 2,087	\$ 1,542	\$ 966	\$ 4,595

\* Consulting in Zambia 2023 and Niger 2022 were mainly related to the ESIA and feasibility study.

### 8. General and Administration

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Personnel costs	\$ 438	\$ 350	\$ 750	\$ 648
Professional fees*	76	149	438	197
Investor relations	129	64	223	212
Office expenses	33	123	93	233
Regulatory fees	41	37	84	81
Travel	29	19	45	43
	\$ 746	\$ 742	\$ 1,633	\$ 1,414

\* High professional fees in 2023 were related to the Delta Mali SPA.

### 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:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Salaries	\$ 164	\$ 157	\$ 323	\$ 318
Directors' fees	44	54	44	54
Share-based compensation	119	114	244	229
	\$ 327	\$ 325	\$ 611	\$ 601

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2023

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

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

GMM is a private company owned by its shareholders, including 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 long-term deposit of \$173 (CAD 0.215 million) with GMM.

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Salaries and benefits	\$ 89	\$ 90	\$ 180	\$ 180
Corporate overhead	6	18	14	39
	\$ 95	\$ 108	\$ 194	\$ 219

As of June 30, 2023, \$54 (December 31, 2022 – \$89) was owed to GMM and included in the Company's accounts payable and accrued liabilities.

### 10. Subsequent Event

On July 26, 2023, the Presidential Guard in Niger overtook the incumbent government and detained President Mohamed Bazoum. Since July 30, 2023, the Economic Community of West African States ("**ECOWAS**") has imposed severe sanctions against Niger. At the reporting date of the Financial Statements, the situation remains uncertain.