Consolidated Financial Statements of

GoviEx Uranium Inc.

Year Ended December 31, 2019

(In U.S. Dollars)

Deloitte.

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Independent Auditor's Report

To the Shareholders of GoviEx Uranium Inc.

Opinion

We have audited the consolidated financial statements of GoviEx Uranium Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $8,650,000 during the year ended December 31, 2019, and has incurred cumulative losses since inception of $208,075,000 million at December 31, 2019. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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 David Macdonald.

/s/ Deloitte LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 24, 2020

GoviEx Uranium Inc.

Consolidated Statements of Financial Position

(Stated in thousands of U.S. dollars)

	Notes	**December 31, 2019**	December 31, 2018
		$	$
Assets			
Current assets			
Cash		**761**	1,100
Amounts receivable		**6**	11
Loan receivable	5	**50**	2,880
Marketable security	3	**46**	106
Prepaid expenses and deposit		**14**	19
		877	4,116
Non-current assets			
Long-term deposit	10(b)	**140**	140
Plant and equipment		**40**	56
Mineral properties	4	**69,591**	69,591
		69,771	69,787
Total assets		**70,648**	73,903
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**684**	708
Mine permit acquisition payable	4	**-**	8,011
Non-current liabilities		**684**	8,719
Area tax payable	4	**2,077**	-
		2,761	8,719
Equity			
Share capital	6	**243,254**	240,697
Contributed surplus		**19,888**	19,178
Deficit		**(208,075)**	(194,691)
Equity attributable to GoviEx Uranium Inc.		**55,067**	65,184
Non-controlling interest	4	**12,820**	-
		67,887	65,184
Total liabilities and equity		**70,648**	73,903

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

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

Approved and authorized for issue on behalf of the Board of Directors on April 24, 2020.

/s/ "Christopher Wallace"
Director

/s/ "Matthew Lechtzier"
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	**2019**	2018
		$	$
Expenses			
Exploration and evaluation	8	**(2,176)**	(2,154)
Area tax	4	**(2,022)**	-
General and administrative	9	**(1,812)**	(1,948)
		(6,010)	(4,102)
Other income and (expenses)			
Change in fair value of marketable security	3	**(60)**	(137)
Depreciation		**(16)**	(15)
Foreign exchange loss		**(102)**	(227)
Gain on uranium loan		**-**	5,062
Impairment of loan receivable	5	**(1,925)**	-
Interest on uranium loan		**-**	(485)
Interest income		**174**	192
Share-based compensation	7(a)	**(711)**	(656)
		(2,640)	3,734
Loss and comprehensive loss for the year		**(8,650)**	(368)
Loss and comprehensive loss attributable to:			
GoviEx Uranium Inc.		**(8,423)**	(368)
Non-controlling interest		**(227)**	-
Net loss for the year		**(8,650)**	(368)
Net loss per share, basic and diluted	**$**	**(0.02)**	$ (0.00)
Weighted average number of common shares outstanding		**417,425,803**	376,733,455

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, January 1, 2018 (as reported)		351,151,146	234,384	18,227	(194,064)	58,547	-	58,547
Impact of adoption IFRS 9 on January 1, 2018		-	-	259	(259)	-	-	-
Balance, January 1, 2018 (restated)		351,151,146	234,384	18,486	(194,323)	58,547	-	58,547
Shares issued for cash, net of share issue costs		41,554,322	5,255	86	-	5,341	-	5,341
Shares issued for stock options exercised		1,245,778	157	(50)	-	107	-	107
Shares issued for warrants exercised		8,114,616	901	-	-	901	-	901
Share-based compensation		-	-	656	-	656	-	656
Net loss for the year		-	-	-	(368)	(368)	-	(368)
Balance, December 31, 2018		402,065,862	240,697	19,178	(194,691)	65,184	-	65,184
Shares issued for cash, net of share issue costs	6	20,600,000	2,507	-	-	2,507	-	2,507
Shares issued for warrants & options exercised		656,500	50	(1)	-	49	-	49
Share-based compensation		-	-	711	-	711	-	711
Non-controlling interest	4	-	-	-	-	-	8,086	8,086
Issuance of shares to Niger government		-	-	-	(4,961)	(4,961)	4,961	-
Net loss for the year		-	-	-	(8,423)	(8,423)	(227)	(8,650)
Balance, December 31, 2019		**423,322,362**	**243,254**	**19,888**	**(208,075)**	**55,067**	**12,820**	**67,887**

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, 2019	2018
		$	$
Operating activities			
Loss for the year		**(8,650)**	(368)
Adjustments for non-cash items			
Area tax		**2,022**	-
Change in fair value of marketable security		**60**	137
Depreciation		**16**	15
Gain on uranium loan settled		**-**	(5,062)
Impairment of loan receivable		**1,925**	-
Interest on uranium loan		**-**	485
Interest income		**(147)**	(130)
Share-based compensation		**711**	656
Unrealized foreign exchange (gain) loss		**(29)**	381
Changes in non-cash operating working capital items			
Amounts receivable		**5**	(2)
Prepaid expenses and deposit		**5**	12
Accounts payable and accrued liabilities		**(24)**	336
Cash used in operating activities		**(4,106)**	(3,540)
Financing activities			
Loan receivable	5	**1,052**	(2,750)
Net proceeds from share issuances		**2,556**	6,349
Uranium loan payment		**-**	(4,500)
Cash provided by (used in) financing activities		**3,608**	(901)
Effect of foreign exchange on cash		**159**	(457)
Decrease in cash		**(339)**	(4,898)
Cash, beginning of year		**1,100**	5,998
Cash, end of year		**761**	1,100

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

1. Nature of Operations and Going Concern

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

The Company has one business segment, the exploration of mineral properties, with 94% of its non-current assets located in Niger. The underlying value of the amounts recorded as mineral properties represents the acquisition costs and does not reflect current or future values. The Company's continued existence is dependent upon the economic recoverability of mineral reserves and its ability to obtain funding to complete exploration activities.

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 2019, the Company incurred a net loss of $8,650,000 and had an accumulated deficit of $208,075,000.

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. On February 13, 2020, the Company closed a non-brokered private placement for gross proceeds of Canadian dollars ("**CAD**") 2,300,000 (note 15). 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 working capital for the next 12 months combined with the COVID-19 pandemic 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., GoviEx Niger S.A., Compagnie Miniere Madaouela SA ("**COMIMA**"), 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) Significant accounting estimates and 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.

The critical judgments made are related to the economic recoverability of its 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 the entity operates. The functional currency for the Company and all of its subsidiaries is USD.

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

d) Mineral properties

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

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the mineral properties are transferred to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

The carrying values of capitalized amounts are reviewed when indicators of impairment are present. Recorded amounts of mineral properties are not intended to reflect present or future values of the properties. The recorded costs are subject to measurement uncertainty, and it is reasonably possible, based on existing knowledge, that changes in future conditions could have a material impact on the recognized amount.

e) Impairment

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

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

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

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

f) Financial instruments

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

- at amortized cost, if they are held to collect contractual cash flows which solely represent payments of principal and interest;

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

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

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

g) Share-based compensation

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

h) Provisions

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

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

The Company had no material provisions on December 31, 2019 and 2018.

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 recovered, 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.

k) Adoption of IFRS 16 Leases

Effective January 1, 2019, the Company adopted IFRS 16 Leases.

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.

Due to a termination clause, the Company has elected to apply for the recognition exemption not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The lease payments associated with these leases are recognized as an expense basis over the lease term. As such, the adoption of IFRS 16 does not have a significant impact on these consolidated financial statements.

3. Marketable Security

The Company holds 1,210,975 common shares of Kincora Copper Limited with a market value of $46,000 as of December 31, 2019 (December 31, 2018 - $106,000). During the year ended December 31, 2019, an unrealized loss of $60,000 (2018 - $137,000) was recognized for these securities in the consolidated statements of loss and comprehensive loss.

4. Mineral Properties

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

Capitalized acquisition costs for the mineral properties are listed below:

	December 31, 2019	December 31, 2018
(In thousands of U.S. dollars)	**$**	**$**
Madaouela, Niger	**65,234**	65,234
Mutanga, Zambia	**2,908**	2,908
Falea, Mali	**1,449**	1,449
	69,591	69,591

Madaouela project

The Madaouela Project located in north-central Niger includes 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, the Company reapplied for expired licenses, Madaouela II, III, IV and Anou Melle, which government approval is expected in 2020. As of December 31, 2019, licenses for Eralral and Agaliouk are in good standing.

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 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 was required to transfer a 10% free-carried non-dilutable equity interest in the shares of a new Nigerien company to the Niger government. The Niger government also had an option to purchase up to a maximum additional 30% equity interest in the Nigerien company at fair market value.

In July 2019, GoviEx signed the definitive agreements with the Niger government to jointly progress the Madaouela Project. Key commercial terms are summarized below:

i) To incorporate a Nigerien operating company to hold the Madaouela I mining permit (incorporated);
ii) to issue a 10% free carried interest in the capital of COMIMA to Niger government (issued);

iii) to transfer an additional 10% working interest in COMIMA to Niger government in exchange for the $8,086,000 mining permit payable and previously challenged area taxes amounting to $6,505,000 for the years 2016 – 2018 (transferred);
iv) to defer the annual area tax without interest, penalties or fees, from January 2019, until the earlier of the date GoviEx closes a project financing or July 2022 (accrued for 2019);
v) to revise the Madaouela I mining permit to include Miriam deposit within the Agaliouk license (revised);
vi) to grant new 9-year exploration licenses for Madaouela II, III, IV, and Anou Melle, which expired on January 28, 2019 (pending approval).

Following the signing of the above commercial framework, a Nigerien operating company, COMIMA, was created on July 18, 2019, and is owned 20% and 80% by the Niger government and GoviEx, respectively.

Non-controlling interest (“**NCI**”)

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to NCI is presented as a component of equity; their share of net income (loss) and other comprehensive income (loss) is recognized directly in equity.

The Company recognizes transactions with the Niger government as transactions with an equity shareholder. Changes in the Company’s ownership interest in COMIMA that do not result in loss of control are accounted for as equity transactions.

NCI was recognized and measured at a net asset of $65,234,000 upon the share issuance of the 20% Niger government ownership. During the year 2019, $251,594 incorporation costs and 2019 area tax of $2,021,881 (CFA 1,216,000,000) were attributed to the Niger government based on its working interest. As of December 31, 2019, the Company consolidated a 100% interest in COMIMA and reported the carrying value of the NCI as below:

In thousands of U.S. dollars	$
Balance, beginning	13,047
Incorporation costs	(25)
Area tax	(202)
Balance, at December 31, 2019	12,820

Mutanga and Falea projects

The Company has a 100% interest in the Mutanga project, located south of Lusaka, Zambia, which consists of three contiguous mine permits. The initial two mining permits were acquired in June 2016 from Denison Mines Corp. (“**Denison**”), and the third mining permit was purchased from African Energy Resources Ltd. in October 2017.

The Company acquired a 100% interest in the Falea project in Mali from Denison in June 2016. It contains three exploration licenses, which are all in good standing as of December 31, 2019.

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 $4,500,000 as a precondition for conclusion of the Termination.

On July 3, 2018, the Company provided a $2,750,000 short-term loan (the “**Loan**”), subsequently amended, to Linkwood to ensure the completion of the SPA. The Loan bore an annual interest rate of 9.5% with a monthly repayment from February 2019 to June 2019.

On July 15, 2019, to allow Linkwood sufficient ability to service the outstanding debt, the Company and Linkwood entered into a forbearance agreement whereby the unpaid principal and accrued interest of $2,187,111 were restructured into a monthly repayment over the next 12 months. The forbearance agreement does not waive any portion of interest or principal, bears an annual interest rate of 11.5%, and will expire on July 31, 2020.

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

Linkwood repaid a total of $1,051,834 during 2019 and $50,000 after the year-end. Linkwood is still expected to repay the outstanding amounts; however, in light of the significant uncertainties around the timing and potential liquidation of the collaterals under the market conditions, the Company determined the Loan was impaired. As a result, a $1,925,000 impairment was recorded in the consolidated statements of loss and comprehensive loss for the year-end 2019.

(In thousands of U.S. dollars)	$
Balance, beginning	2,750
Accrued interest income	130
Balance, December 31, 2018	2,880
Accrued interest income	147
Payments received	(1,052)
Impairment	(1,925)
Balance, December 31, 2019	50

6. Share Capital

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

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

During 2019, 550,000 stock options and 106,500 warrants were exercised at CAD 0.1 and $0.075 per share, respectively.

On June 5, 2018, and December 31, 2018, the Company closed non-brokered private placements by issuing 35,674,911 and 5,879,411 units, respectively, for CAD 0.17 per unit for total gross proceeds of $5,300,000 (CAD 7,060,000). Each unit consists of one 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 $59,153 (CAD 79,109) finders' fees in cash.

During 2018, the Company issued 8,114,616 and 1,245,778 common shares related to warrants and the stock option exercised, respectively, for total gross proceeds of $1,008,565.

7. Share-based Compensation

a) Stock options

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

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

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

Stock option transactions and the number of stock options are summarized as follows:

	December 31, 2019		December 31, 2018	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding, beginning	35,105,000	0.20	27,745,778	0.24
Granted	8,230,000	0.10	10,380,000	0.16
Exercised	(550,000)	(0.08)	(1,245,778)	(0.09)
Expired	(2,255,000)	(1.06)	(500,000)	(0.21)
Forfeited	(445,000)	(0.16)	(1,275,000)	(0.23)
Outstanding, ending	40,085,000	0.13	35,105,000	0.20
Exercisable, ending	28,172,500	0.13	20,785,000	0.23

On August 26, 2019, 8,230,000 stock options were granted exercisable at CAD 0.135 per share and vested 25% on the grant date, thereafter 25% on each anniversary.

The following table lists the stock options outstanding and exercisable, with a weighted average remaining life of 2 years on December 31, 2019:

Exercise Price		Expiry date	December 31, 2019 Outstanding	December 31, 2019 Exercisable	December 31, 2018 Outstanding	December 31, 2018 Exercisable
$	2.15	June 19, 2019	-	-	1,040,000	1,040,000
CAD	0.30	January 28, 2020	2,115,000	2,115,000	2,115,000	2,115,000
CAD	0.10	November 19, 2020	5,175,000	5,175,000	6,025,000	4,518,750
CAD	0.12	June 20, 2021	9,800,000	9,800,000	10,300,000	7,781,250
CAD	0.22	July 9, 2021	500,000	500,000	500,000	-
CAD	0.32	March 17, 2022	5,220,000	3,940,000	5,620,000	2,860,000
CAD	0.22	September 25, 2023	9,045,000	4,585,000	9,505,000	2,470,000
CAD	0.14	August 26, 2024	8,230,000	2,057,500	-	-
			40,085,000	28,172,500	35,105,000	20,785,000

The Company applies the fair value method of accounting for stock options. The weighted average fair value of options granted during the year ended December 31, 2019, was $0.06 (2018 - $0.10). The weighted average fair value was estimated on the date of grant using the Black-Scholes model with the following assumptions:

	December 31, 2019	December 31, 2018
Annualized volatility	75%	75%
Expected life	5	5
Estimated forfeiture rate	0%	0%
Risk free interest rate	1.24%	2.30%
Dividend rate	Nil	Nil

On January 28, 2020, 2,115,000 stock options expired unexercised.

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

b) Common share purchase warrants

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

	December 31, 2019		December 31, 2018	
	Number of warrants	Weighted average exercise price ($)	Number of warrants	Weighted average exercise price ($)
Outstanding, beginning	161,680,338	0.19	128,240,632	0.16
Warrants granted	20,600,000	0.21	41,554,322	0.21
Warrants exercised	(106,500)	(0.075)	(8,114,616)	(0.11)
Warrants expired	(70,509,516)	(0.14)	-	-
Outstanding, ending	111,664,322	0.20	161,680,338	0.19

Common share purchase warrants were issued and outstanding were listed below:

Exercise price ($)	Expiry date	December 31, 2019	December 31, 2018	Acceleration Price (CAD)
0.15	June 10, 2019	-	22,420,180	
0.14	June 10, 2019	-	26,526,456	
0.075	December 19, 2019	-	127,500	NA
0.31	December 22, 2019	-	21,541,880	NA
0.23	October 30, 2020	1,600,000	1,600,000	≥0.36
0.24/0.28*	June 5, 2021	35,674,911	35,674,911	N/A
0.15	December 19, 2021	45,339,856	45,339,856	NA
0.15	December 22, 2021	2,570,144	2,570,144	NA
0.24/0.28*	December 31, 2021	5,879,411	5,879,411	N/A
0.21/0.24/0.28*	April 21, 2022	20,600,000	20,600,000	N/A
		111,664,322	112,733,702	

* Exercise price by each anniversary.

8. Exploration and Evaluation

Exploration and evaluation expenses for the Company are summarized as follows (certain amounts have been reclassified to conform to current presentation):

(In thousands of U.S. dollars)	**Year ended December 31, 2019**				Year ended December 31, 2018			
	Madaouela (Niger)	**Mutanga (Zambia)**	**Falea (Mali)**	**Total**	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total
	$	**$**	**$**	**$**	$	$	$	$
Salaries	**353**	**234**	**183**	**770**	471	281	185	937
Consulting	**310**	**37**	**2**	**349**	301	22	-	323
Professional fees	**253**	**10**	**14**	**277**	23	17	12	52
Office expenses	**162**	**56**	**48**	**266**	181	68	65	314
License and taxes	**78**	**102**	**1**	**181**	75	128	46	249
Community	**145**	**25**	**10**	**180**	22	31	3	56
Camp	**55**	**35**	**33**	**123**	69	60	40	169
Travel	**27**	**3**	**-**	**30**	51	-	3	54
	1,383	**502**	**291**	**2,176**	1,193	607	354	2,154

9. Administrative Expenses

Administrative expenses are summarized as follows:

(In thousands of U.S. dollars)	Year ended December 31, **2019**	2018
	$	$
Salaries	**891**	1,048
Professional fees	**287**	183
Investor relations	**282**	264
Office expenses	**190**	218
Travel	**88**	137
Regulatory fees	**74**	98
	1,812	1,948

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. Directors' fees are paid semi-annually; as of December 31, 2019 and 2018, $50,000 fees earned for the second half of each year were included in the accounts payable and accrued liabilities, respectively.

The following table list compensation awarded to key management:

	Year ended December 31,	
(In thousands of U.S. dollars)	**2019**	2018
	$	$
Salaries	**592**	594
Bonus	**-**	145
Committees' fees	**103**	111
Share-based compensation	**545**	498
	1,240	1,348

b) Global Mining Management Corporation (“**GMM**”)

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

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

	Year ended December 31,	
(In thousands of U.S. dollars)	**2019**	2018
	$	$
Salaries and benefits	**301**	288
Corporate overhead	**65**	70
	366	358

As of December 31, 2019, $69,026 (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 for temporary working capital needs under a one-time credit agreement between Denison and GoviEx. The credit facility was unsecured, bearing an annual interest rate of 7.5%, and was payable upon the closing of an equity financing by GoviEx for gross proceeds no less than CAD 2,000,000.

On April 11, 2019, the Company repaid Denison $192,229 (CAD 256,164), including the principal and interest.

11. Commitments and Contingencies

a) Under various mining conventions for the Company’s exploration licenses in Niger and Mali, the Company is required to incur total exploration expenditures of $11,955,599 in Niger from 2020 to 2023 and $271,753 in Mali in 2020.
b) In the second half of 2019, the Company received two invoices for $390,670 (CFA 228,756,084) relating to service charges, including taxes, from its Nigerien notary related to the creation of COMIMA and the share transfer to the Niger government. The Company has disputed these charges at a Niger court and is vigorously defending its position. As a result, $59,000 cash was in escrow, and $50,000 was accrued for this dispute as of December 31, 2019. The Company believes the outcome would not have a material adverse effect on its consolidated financial statements.
c) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects. In addition to the above matters, the Company and its

subsidiaries are also subject to routine legal proceedings and tax audits. The Company does not believe that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated net earnings, cash flow or financial positions.

12. Capital Risk Management

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

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

The Company monitors actual expenses to budget on all exploration projects and overheads to manage costs, commitments and exploration activities. There were no changes in the Company's approach to capital management during the year ended December 31, 2019.

13. Financial Instruments and 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 risk to which it is exposed and assesses the impact and likelihood of those risks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows. As discussed in Note 1 and Note 12, the Company requires additional funds from shareholders or lenders to meet its obligations as they came due in 2019. 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 Linkwood loan receivable, cash held in a large financial institution and long-term deposits. The Company believes the carrying amount of its cash and receivables represents its maximum credit exposure.

Foreign currency risk

Foreign currency risk is the risk that the fair value of financial instruments of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates internationally with the head office located in Canada; thus, the Company is exposed to foreign currency risk arising from transactions denominated in Canadian dollars, CFA Franc, and other currencies.

Market risk

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

Interest rate risk

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

14. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision for fiscal 2019 and 2018 is provided as follows:

In thousands of U.S. dollars	2019	2018
	$	$
Loss before income taxes	(8,650)	(368)
Canadian statutory tax rate	27.00%	27.00%
Expected income tax recovery	(2,336)	(99)
Different effective tax rates in foreign jurisdictions	675	14
Permanent differences	447	287
Foreign exchange movement	(170)	231
Tax rate change	-	(55)
Change in unrecognized tax benefits	1,384	(378)
Income tax recovery	-	-

For the duration of the exploration activities, the Company is exempt from income tax in Niger. The income tax rate in Niger is 30%. Claiming of 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, 2019, and 2018, 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:

In thousands of U.S. dollars	2019	2018
	$	$
Unrecognized deductible temporary differences		
Non-capital loss carryforwards	51,081	48,614
Tax value over book value of loans	5,514	3,736
Share issue costs, investment, PPE and Capital loss	828	624
Tax value over book value of mineral properties	63,503	61,860
Unrecognized deductible temporary differences	120,926	114,834

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 carry forwards of $51,080,916 that may be available for tax purposes, if not utilized, will expire between 2026 and 2039.

As of December 31, 2019 and 2018, the Company had unrecognized deferred tax liabilities of $883,000 and unrecognized deferred tax assets of $3,007,000 due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of Rockgate, Muchinga Energy Resources and Chirundu Joint Ventures Zambia Ltd.

During the year ended December 31, 2019, the Company identified certain adjustments to its prior-year deferred income tax estimates. As a result, the unrecognized temporary differences have been adjusted to reflect these revisions. As these temporary differences are unrecognized, there has been no impact on the consolidated statements of financial position, loss and comprehensive loss, equity or cash flows.

15. Subsequent Events

a) On February 13, 2020, the Company announced and 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 Class A common share and one common share purchase warrant exercisable at $0.15 per share until February 13, 2025.

   The Company paid $63,438 (CAD 90,000) finders' fees in cash.

b) In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impacts on global commerce are anticipated to be far-reaching. To date, there have been significant stock market declines, and the movement of people and goods has become restricted.

   The impact of these factors on the Company is not yet determinable. As the Company does not have production activities, the ability to fund ongoing exploration and future development is affected by the availability of financing. As a result, impairment indicators for mineral properties could arise in 2020 if current COVID-19 conditions persist.

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

For the year ended December 31, 2019

This Management's Discussion and Analysis ("**MD&A**") of GoviEx Uranium Inc. ("**GoviEx**" or the "**Company**") is dated April 24, 2020, and provides an analysis of the Company's financial results for the year ended December 31, 2019, including events up to the date of this MD&A. It should be read in conjunction with the Company's audited December 31, 2019 consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are expressed in US dollars unless otherwise noted.

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

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

DESCRIPTION OF BUSINESS AND OUTLOOK

GoviEx is a mineral resource company focused on the exploration and development of its uranium properties in Africa. The Company's principal asset is its 80% interest in the mine-permitted Madaouela Project (“**Madaouela Project**”) located in north-central Niger. On June 19, 2014, GoviEx successfully closed its initial public offering on the Canadian Securities Exchange and transferred its listing to the TSX-V on July 11, 2016. GoviEx's principal objective is to become a significant uranium producer through the continued exploration and development of its Madaouela Project, its 100% owned mine-permitted Mutanga project in Zambia and its exploration project Falea in Mali.

Nuclear power, fueled by uranium, is a carbon-free, efficient, reliable and abundant source of electricity. Uranium does not trade on an open market like other commodities; buyers and sellers negotiate contracts privately; prices are published by independent market consultants, UxC, LLC.

Given the cuts to primary production over the past couple of years, today's uranium market is positioning itself to return to where price reflects an economic return on primary production. The market in 2019 was primarily affected by trade policy issues. Even though the spot uranium price declined slightly during 2019, we believe the demand cycle is on an upswing while the production cycle had swung down, reducing available global metal inventories. In March 2020, several major uranium mining operations announced COVID-19 related temporary closures, and this reduction in mined uranium supply has highlighted the increasing production supply gap and the uranium spot price in March and April 2020 responded positively.

COVID-19 quickly evolved into a worldwide health crisis that caused significant turmoil and heightened uncertainty in the global financial markets. GoviEx responded quickly by having transitioned to a remote work environment and urged its employees to behave responsibly. If the outbreak worsens, it could negatively affect the financing availability to GoviEx, interrupt its activities in Africa, and cause impairment indicators to rise in 2020.

Despite this unprecedented challenge, GoviEx plans to continue focusing on the updated pre-feasibility study ("**PFS**") for the Madaouela Project and provide an update on the project economics in the middle of 2020. The Company remains committed to the development of the Madaouela Project as soon as uranium prices support the financial decision.

CORPORATIVE DEVELOPMENT

Significant milestone achieved on the Madaouela Project in Niger

In July 2019, the Company signed definitive agreements with the Niger government to progress the Madaouela Project. As a result, a Nigerien operating company named *Compagnie Miniere Madaouela SA* ("**COMIMA**") was incorporated and is owned by GoviEx and the Niger government at 80% and 20%, respectively. As part of the definitive agreements, GoviEx settled all outstanding debts with the Niger government in exchange for a 10% working interest in COMIMA in addition to the government's statutory 10% free-carried interest. The Niger government also agreed to defer annual area tax payment related to the Madaouela Project for three years starting 2019.

In September 2019, the Niger government approved the revision to the shape of the Madaouela I mining permit to include additional mineral resources associated with the Miriam deposit discovered within the Agaliouk exploration license of the Madaouela Project.

Completion of Non-Brokered Private Placements

On April 10, 2019, the Company completed a non-brokered private placement of 20,600,000 units at CAD 0.17 per unit for total gross proceeds of $2,623,450 (CAD 3,502,000). 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.

On February 13, 2020, the Company announced and 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 Class A common share and one common share purchase warrant exercisable at $0.15 per share until February 13, 2025.

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

On February 28, 2018, GoviEx and Toshiba Corporation signed a Termination and Mutual Release Agreement ("**Termination**") to settle a uranium loan entered in April 2012 with a fair market value of $9,438,368 on February 28, 2018. The uranium loan was secured against all the Company's assets in Niger, including the Madaouela Project's mineral licenses. As part of the Termination, Toshiba was paid $4,500,000 from GoviEx on April 26, 2018, and agreed to sell its 28,395,466 Class A common shares of

GoviEx to Linkwood for $4,500,000. On July 3, 2018, the Company advanced a $2,750,000 short-term loan to Linkwood ("**Loan**") to complete the share purchase. On July 9, 2018, the Company announced the conclusion of the Termination, including the release of the uranium loan security.

The Loan was also made for a strategic reason, in addition to collect cash flows from principal and interest. The credit risk for the Loan has remained high since its initial recognition.

On July 15, 2019, to allow Linkwood time to repay the full amount, the Company entered into a forbearance agreement with Linkwood whereby the unpaid principal and accrued interest of $2,187,111 were restructured into monthly installment with a final instalment due by July 2020. Linkwood paid $1,051,834 in 2019 and $50,000 after the year-end.

In early February 2020, Linkwood was unable to liquidate securities that are collateralized by the Loan due to regulatory trade restrictions, thus defaulted on its February and March 2020 payments. After review the collateral value and the market condition, the Company believes there is significant uncertainty as to when and in what amount future payments will be made by Linkwood. As a result, the Company wrote down the Loan to $50,000 and recognized a $1,925,000 impairment loss in 2019. GoviEx will continue to work with Linkwood toward maximizing the recovery of the loan. Future loan payments, if any, will be recorded as recovery when funds are received.

MINERAL PROPERTIES

GoviEx has the following resources 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_8)	eU_3O_8 (Mlb)	Tons (Mt)	Grade (%eU_3O_8)	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 Integrated Development Plan for the Madaouela Project, Niger", August 11, 2015, revised August 20, 2015 prepared by SRK.
(2) "NI 43-101 Technical Report on a Preliminary Economic Assessment of the Mutanga Uranium Project in Zambia", November 30, 2017, prepared by SRK.
(3) "Technical Report on the Falea Uranium, Silver and Copper Deposit, Mali, West Africa" prepared by Roscoe Postle Associates Inc. October 26, 2015.

From 2007 to 2019, GoviEx spent a total of $135,710,000 in acquisition and exploration expenditures in Niger, $4,957,000 in Zambia and $2,611,000 in Mali.

Niger – Madaouela Project

The Madaouela Project, located in the heart of a historically prolific uranium-producing district, originally consists of seven contiguous tenements, known as Madaouela I, II, III, IV, Anou Melle, Eralrar and Agaliouk. The Madaouela Project was initially acquired in June 2007 for Euro 32,000,000 (Euro 25,000,000 paid), with a final acquisition payment of Euro 7,000,000 due when one of the Madaouela Project tenements formally converts from an exploration license to a mining permit.

On January 26, 2016, the Madaouela I large-scale mining permit was granted to GoviEx. On June 13, 2018, the Niger government made an election to hold its statutory 10% free carried interest in the Nigerien operating company that would hold the Madaouela I mining permit. The Niger government also requested the annual area taxes of CFA 1,216,000,000 from 2016 to 2018 for the Madaouela I miming permit. Under Niger's mining code, an area tax will become a liability of the new Nigerien operating company once it is incorporated, in which the Niger government would own a minimum of 10% interest.

In July 2019, the Company signed definitive agreements with the Niger government whereby the Niger government agreed to convert the remaining Euro 7,000,000 acquisition payable and the three years (2016-2018) of contested area taxes into an additional 10% working interest in COMIMA.

In 2018, the Company engaged SRK Consulting (UK) Ltd and SGS Bateman (Pty) Ltd to begin the feasibility study for the Madaouela Project. During 2019 as part of the feasibility study GoviEx decided as an interim step to complete an updated PFS for the Madaouela Project. The updated PFS would allow the Company to include the positive effects of certain optimizations, which were not available at the time the current PFS was produced.

Zambia – Mutanga Project

The Mutanga project, consisting of three contiguous mining permits, is located approximately 200 kilometers south of Lusaka, Zambia. It has excellent infrastructure with access to a gravel road, groundwater and grid power.

In August 2019, the Zambian government announced all dormant mining and exploration licenses would be revoked to pave the way for new owners. As of April 24, 2020, the Company has not received any government notification to rescind any of its licenses. The Company became aware in early 2020 that its Chirundu mining permit had been placed on a default list. The Company has communicated with the Ministry of Mines and expects this to be resolved positively.

RESULTS OF OPERATIONS

During the year ended December 31, 2019, the Company incurred a loss of $8,650,000 compared to $368,000 in the prior year. Significant differences in the comparative amounts were mainly caused by a $1,925,000 write down on Linkwood Loan and a deferred area tax expense of $2,022,000 in 2019, compared to the non-cash $5,062,000 gain in the uranium loan settled in 2018.

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.

During 2019, the Company incurred a total of $2,176,000 in exploration expenditures, primarily in Niger. Among those expenditures, 35% were for local personnel costs, with the remaining expenses being incurred for office rental, professional fees, technical consultants, governmental fees, and camp costs.

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

General and administrative expenses

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

During 2019, the Company incurred $1,812,000 in administrative expenses compared to $1,948,999 in 2018. The majority of administrative costs were lower in 2019 than in 2018, except for professional fees related to the creation of COMIMA and investor relations activities.

Three months ended December 31, 2019

For the three months ended December 31, 2019, the Company impaired the Linkwood Loan and recorded a $1,925,000 loss.

Selected Annual Information

(in thousands of U.S. dollars except for per share amounts)	December 31, **2019**	2018	2017
Financial performance	**$**	$	$
Total revenue	**-**	-	-
Net loss for the year	**(8,650)**	(368)	(6,054)
Basic and diluted loss per share	**(0.02)**	(0.00)	(0.01)
Financial position			
Total assets	**70,648**	73,903	67,996
Non-current liabilities	**-**	-	-
Working capital (deficiency)	**193**	(4,603)	(3,168)
Cash dividends declared	**-**	-	-

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ended with December 31, 2019:

(in thousands of U.S. dollars except for per share amounts)	Q4'19	Q3'19	Q2'19	Q1'19	Q4'18	Q3'18	Q2'18	Q1'18
	$	$	$	$	$	$	$	$
Exploration and evaluation	(707)	(550)	(459)	(460)	(653)	(469)	(406)	(626)
Area tax	-	(2,022)	-	-	-	-	-	-
General and administrative	(273)	(646)	(450)	(443)	(546)	(364)	(624)	(414)
	(980)	(3,218)	(909)	(903)	(1,199)	(833)	(1,030)	(1,040)
Foreign exchange (loss) gain	(55)	(137)	(103)	193	57	7	(116)	(175)
Change in fair value of marketable security	(13)	(61)	48	(34)	(39)	21	(7)	(112)
Gain on uranium loan	-	-	-	-	-	-	4,049	1,013
Impairment of loan receivable	(1,925)	-	-	-	-	-	-	-
Interest and other	-	67	35	56	77	71	(251)	(205)
Share-based compensation	(127)	(276)	(142)	(166)	(173)	(305)	(66)	(112)
Net (loss) income for period	(3,100)	(3,625)	(1,071)	(854)	(1,277)	(1,039)	2,579	(631)
(Loss) income per share	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	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 stages and priorities of the exploration program.
- Share-based compensations are equity-settled and fair valued through the Black-Scholes pricing model when stock options are granted and vested. Any change in the assumptions used will impact the share-based expense recorded in the period.
- Foreign exchange gains and losses arise because the Company conducts certain of its activities and holds financial assets in U.S. Dollars, Canadian dollars and other currencies, and reports its financial results in U.S. Dollars

LIQUIDITY AND CAPITAL RESOURCES

The Company is at an advanced exploration and development stage with no source of operating cash flow and has been dependent on raising funds through the issuance of shares and/or debt arrangements. Material increases or decreases in the Company's liquidity and capital resources will be determined by the Company's ability to maintain its mineral licenses and mining permits, obtaining equity or other sources of financing.

During 2019, the Company spent $4,106,000 in operating activities, or $342,167 per month, closed a non-brokered private placement of net proceeds of $2,507,299, received $1,052,000 repayment from Linkwood, and $49,000 from warrants and stock option exercises.

GoviEx continues to work with Linkwood towards maximizing the recovery of the Linkwood Loan, given the market condition and the restricted collateral shares, the chance for any future repayment is uncertain.

Subsequent to the 2019 year-end, the Company raised $1,736,017 (CAD 2,300,000) by issuing 15,333,334 units at CAD 0.15 per unit. Cash as of April 24, 2020 is $1,200,000.

The Company is required to finance the development for the Madaouela Project and start paying accrued area taxes in July 2022. The Company also needs to incur certain exploration expenditures for exploration licenses in Niger & Mali. Please refer to note 1, Nature of Operations and Going Concern in the company's consolidated financial statements for the year ended December 31, 2019.

TRANSACTIONS WITH RELATED PARTIES

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

These transactions have occurred in the normal course of the business and measured at their fair value.

OUTSTANDING SHARE CAPITAL

As of April 24, 2020, the Company has:

- 438,655,696 class A common shares issued and outstanding;
- 37,970,000 options outstanding with exercise prices ranging from CAD 0.10 to CAD 0.32; and
- 126,997,656 warrants exercisable from $0.15 to $0.28 expiring from October 30, 2020, through February 13, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance arrangements other than those described in Note 12 Commitments and Contingencies in the consolidated financial statements for the year ended December 31, 2019.

PROPOSED TRANSACTIONS

None

CHANGES IN ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements are consistent with those applied and disclosed in Note 2 of the Company's 2019 audited consolidated financial statements. Adoption of IFRS 16 – Leases had no material impact on the Company's financial position or financial performance on the transition date.

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 be materially different. Please refer to Note 2 of the 2019 consolidated financial statements for a description of the critical accounting estimates and judgment.

NOTE TO U.S. READERS

The Company uses the Canadian Institute of Mining, Metallurgy and Petroleum definitions for the terms "measured resources," "indicated resources," and "inferred resources." U.S. investors are advised that while the terms "measured resources," "indicated resources" and "inferred resources" are recognized and required by Canadian regulations, including NI 43-101, the SEC does not recognize these terms. Accordingly, the information contained in this MD&A contains descriptions of mineral deposits that may not be comparable to similar information made public by U.S. companies that are not required to comply with NI43-101 and 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 part of an inferred mineral resource will ever be upgraded to a higher category.

FORWARD-LOOKING STATEMENTS

The MD&A contains certain statements that may be deemed "Forward-Looking Statements." Forward-Looking Statements may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future prices of uranium, the estimation of mineral resources, the realization of mineral resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, licences, and conversions under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results ''may", "could", "would", ''might" or "will" be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events and operating performance and speak only as of the date of this MD&A.

RISK FACTORS

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

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

The Company has received no revenue to date from the exploration activities on its properties and has negative cash flow from operating activities. As of December 31, 2019, the Company had an accumulated deficit of $208,075,000. In the event 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 source of revenue and has significant cash requirements to meet its exploration and development commitments to fund administrative overhead and to maintain its mineral interests. The Company will need to raise sufficient funds to meet these obligations as well as fund ongoing 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 estimating of mineral resources is a subjective process, and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource estimate, and the actual deposits encountered, and the economic viability of a deposit may differ materially from the Company's estimates.

Estimated mineral resources may have to be re-estimated based on further exploration or development activity. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates.

Mineral resources are not mineral reserves, and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

The regulations pursuant to which the Company holds its interests in certain of its properties provide that the Company must make a series of payments over certain time periods or expend certain minimum amounts on the exploration of the properties. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in those properties. Further, even if the Company does complete exploration activities, it may not be able to 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

Although the title to the properties in which the Company holds an interest was reviewed by or on behalf of the Company, and title opinions were obtained by the Company with regard to its properties upon their acquisition, there still may be undetected title defects affecting such properties. 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 in the transfers of any mineral interest. Title may be affected by, among other things, undetected defects, including legal defects. The Company does not maintain title insurance, which is generally not available for projects in Niger, Mali or Zambia.

Metal Price Volatility

The Company's activities will be focussed on the exploration and development of its uranium mining properties. The price of uranium is thus an important factor in the future profitability of the Company and, in turn, the market price of the common shares. Historically, the price of uranium has varied widely and is subject to factors outside of the Company's control. Such factors include, among others: demand for nuclear power, political and economic conditions in uranium producing and consuming countries, the public and political response to a nuclear accident, improvements in nuclear reactor efficiencies, reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, sales of excess civilian and military inventories (including the dismantling of nuclear weapons) by governments and industry participants, and production levels and production costs in key uranium-producing countries. Any such variation in the price of uranium in the future could cause the market price of the Common Shares to fluctuate and could increase the Company's cost of capital.

Future Shareholders Dilution

The Company may need to obtain additional resources in the future to execute the Company's growth strategy, including the possible acquisition of new businesses and assets. The Company may issue additional equity securities to finance such operations, development, acquisitions or other projects. The Company cannot predict the size or frequency of such future issuances if any. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share.

Volatility of the Company's Common Shares

In recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Common Shares could similarly be subject to wide fluctuations in response to a number of factors that some of them are beyond the Company's control. This could cause the market price of the Common Shares to volatile significantly.

Competition

Significant and increasing competition exists for mineral deposits in each of the jurisdictions 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 in the recruitment and retention of qualified directors, officers and employees.

Insurance Risk

The mining industry is subject to significant risks that could result in damage to or destruction of 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 for companies at a similar stage. The Company carries liability insurance with respect to its mineral exploration operations but is not currently covered by any form of environmental liability insurance since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, 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 largely dependent on the efforts and abilities of its management team. Investors must be willing to rely to a significant extent on their discretion and judgment. The Company does not maintain key employee insurance on any of its employees. The Company depends on key personnel and cannot provide assurance that it will be able to 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 and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers of the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, 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 in accordance with the procedures set forth 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 in accordance with 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 which 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 thereof 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 the jurisdiction of the courts in Canada. A foreign court process may be conducted under rules and procedures that are different than 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 with respect to a government or entity or instrumentality because of the doctrine of sovereign immunity. Any adverse or arbitrary decision of a foreign court may have a materially adverse impact on the Company's business, results of operations, financial condition and prospects.