Condensed Interim Consolidated Financial Statements of

GoviEx Uranium Inc.

For the six months ended June 30, 2018

(Unaudited – Stated In U.S. Dollars)

Notice to Reader

The accompanying condensed interim consolidated 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 performed a review of these condensed interim consolidated financial statements.

GoviEx Uranium Inc.

Condensed interim consolidated statements of financial position

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

	Notes	**June 30, 2018**	December 31, 2017
		$	$
Assets			
Current assets			
Cash		**4,795**	5,998
Amounts receivable		**12**	9
Marketable securities	3	**124**	243
Prepaid expenses and deposit		**74**	31
		5,005	6,281
Non-current assets			
Long-term deposit		**140**	140
Plant and equipment		**63**	71
Mineral properties	4	**69,591**	61,504
		69,794	61,715
Total assets		**74,799**	67,996
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		**497**	372
Mine permit acquisition payable	4	**8,087**	-
Uranium loan	5	**-**	9,077
		8,584	9,449
Equity			
Share capital	6	**239,926**	234,384
Contributed surplus		**2,278**	2,278
Share-based payment reserve		**16,386**	16,208
Investment revaluation reserve	2(b)	**-**	(259)
Deficit		**(192,375)**	(194,064)
		66,215	58,547
Total equity and liabilities		**74,799**	67,996

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

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 13)

Approved and authorized for issue on behalf of the Board of Directors on August 23, 2018.

/s/ "Matthew Lechtzier"
Director

/s/ "Christopher Wallace"
Director

GoviEx Uranium Inc.

Condensed interim consolidated statements of income (loss) and comprehensive income (loss)

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

		Three months ended June 30,		Six months ended June 30,	
	Notes	**2018**	2017	**2018**	2017
		$	$	**$**	$
Expenses					
Exploration and evaluation	**8**	**(406)**	(645)	**(1,032)**	(1,357)
General and administrative	**9**	**(624)**	(528)	**(1,038)**	(956)
		(1,030)	(1,173)	**(2,070)**	(2,313)
Other income and (expenses)					
Depreciation		**(4)**	(9)	**(8)**	(12)
Gain on derivative liability		**-**	997	**-**	82
Loss on marketable securities	**3**	**(7)**	-	**(119)**	-
Foreign exchange (loss) gain		**(116)**	120	**(291)**	114
Gain on uranium loan	**5**	**4,049**	1,543	**5,062**	93
Interest on uranium loan	**5**	**(262)**	(208)	**(485)**	(440)
Interest and other income		**15**	9	**37**	521
Share-based payment		**(66)**	(320)	**(178)**	(632)
		3,609	2,132	**4,018**	(274)
Net income (loss) for the period		**2,579**	959	**1,948**	(2,587)
Other comprehensive loss					
Net change in fair value of marketable securities	**2(b)**	**-**	(110)	**-**	(175)
Income (loss) and comprehensive income (loss) for the period		**2,579**	849	**1,948**	(2,762)
Net income (loss) per share, basic and diluted	**$**	**0.01**	$ 0.00	**(0.00)**	(0.01)
Weighted average number of common shares outstanding		**363,584,032**	321,693,632	**363,817,730**	320,307,898

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

GoviEx Uranium Inc.

Condensed interim consolidated statements of changes in equity

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

	Number of Shares	Share capital	Contributed surplus	Share-based payment reserve	Investment revaluation reserve	Deficit	Total
		$	$	$	$	$	$
Balance, January 1, 2017	314,937,338	228,320	2,204	15,418	-	(188,010)	57,932
Shares issued for stock options exercised	150,000	13	-	(2)	-	-	11
Shares issued for warrants exercised	6,782,150	802	-	-	-	-	802
Share-based payments	-	-	-	632	-	-	632
Other comprehensive loss	-	-	-	-	(175)	-	(175)
Net loss for the period	-	-	-	-	-	(2,587)	(2,587)
Balance, June 30, 2017	321,869,488	229,135	2,204	16,048	(175)	(190,597)	56,615
Balance, January 1, 2018 (as reported)	351,151,146	234,384	2,278	16,208	(259)	(194,064)	58,547
Impact of adoption IFRS 9 on January 1, 2018 (Note 2(b))	-	-	-	-	259	(259)	-
Balance, January 1, 2018 (restated)	351,151,146	234,384	2,278	16,208	-	(194,323)	58,547
Shares issued for cash, net of share issue costs	35,674,911	4,640	-	-	-	-	4,640
Shares issued for stock options exercised	125,000	10		-	-	-	10
Shares issued for warrants exercised	7,994,616	892	-	-	-	-	892
Share-based payments	-	-	-	178	-	-	178
Net income for the period	-	-	-	-	-	1,948	1,948
Balance, June 30, 2018	**394,945,673**	**239,926**	**2,278**	**16,386**	**-**	**(192,375)**	**66,215**

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

GoviEx Uranium Inc.

Condensed interim consolidated statements of cash flow

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

	Note	Six months ended June 30, 2018	2017
		$	$
Operating activities			
Income (loss) for the period		**1,948**	(2,587)
Adjustments for non-cash items			
Depreciation		**8**	12
Gain on derivative liability		**-**	(82)
Interest expense	4	**485**	440
Share-based payment		**178**	632
Gain on uranium loan	4	**(5,062)**	(93)
Other income		**-**	(502)
Loss on marketable securities		**119**	-
Changes in non-cash operating working capital items			
Amounts receivable		**(3)**	(21)
Prepaid expenses and deposit		**(43)**	32
Accounts payable and accrued liabilities		**125**	(103)
Cash used in operating activities		**(2,245)**	(2,272)
Financing activities			
Uranium loan payment	4	**(4,500)**	-
Net proceeds from share issuance	6	**5,542**	813
Cash provided by financing activities		**1,042**	813
Decrease in cash		**(1,203)**	(1,459)
Cash, beginning of period		**5,998**	4,308
Cash, end of period		**4,795**	2,849

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

1. Nature of operations and going concern

GoviEx Uranium Inc. ("**GoviEx**" or the "**Company**") is a Canadian mineral resources company focused on the exploration and future development of uranium properties located in Africa. The head office, principal address, registered and records office of the Company is located at 999 Canada Place, Suite 654, Vancouver, British Columbia, Canada, V6C 3E1.

The condensed interim consolidated financial statements for the six months ended June 30, 2018 (the "**Interim Financial Statements**") have been 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. As of June 30, 2018, the Company had a working capital deficiency of $3.6 million (December 31, 2017 - $3.2 million).

Continuation of the Company as a going concern is dependent upon the confirmation of economically recoverable reserves, negotiation of the timing and terms of the Euro 7 million ($8.1 million) payment to the Niger government in connection with the receipt of a mining permit for its Madaouela I tenement (Note 4), and the ability of the Company to obtain further financing to develop its mineral properties. During the six months ended June 30, 2018, the Company concluded a Termination Agreement and Mutual Release (the "**Termination Agreement**") with Toshiba Corporation ("**Toshiba**") as described in Note 5, and closed a non-brokered private placement for gross proceeds of $4.7 million. The Company has no source of revenue, and has significant cash requirements required to maintain its mineral interests, meet its administrative overhead, and pay its liabilities. Although the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. The lack of sufficient committed funding casts significant doubt upon the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on the statements of financial position. These Interim Financial Statements do not reflect adjustments to the carrying value and classification of assets and liabilities that might be necessary in the event of going concern and such adjustments could be material.

2. Summary of significant accounting policies

a) Statement of compliance

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards, ("**IFRS**"). The Company's significant accounting policies and critical accounting estimates applied in these Interim Financial Statements are the same as those applied in the Company's annual consolidated financial statements, except for the adoption of IFRS 9, *Financial Instruments* ("**IFRS 9**") effective January 1, 2018, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017.

b) Accounting policy change

The Company adopted IFRS 9 effective January 1, 2018, on a retrospective basis, without restatement of prior year financial statements. The Company has elected to measure its equity instruments at fair value through profit and loss ("**FVTPL**") instead of through other comprehensive income (loss) ("**OCI**"). As a result, $259,000 investment revaluation reserve previously included in OCI has been reclassified to deficit as of January 1, 2018.

The approach in IFRS 9 is based on how the Company manages its financial instruments and the contractual cash flow characteristics of the financial asset. The application of IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities except for equity securities as described above. There was also no impact to the carrying value of any of the Company's financial assets or liabilities on the transition date.

c) Critical accounting estimates and judgments

The Company's management makes estimates and uses judgments when determining the assets, liabilities and expenses reported in these Interim Financial Statements. These estimates and judgments are reviewed on an ongoing basis based on historical experience, current economic conditions, and include expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates. The critical estimates and judgments applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 2 to the consolidated financial statements for the year ended December 31, 2017.

3. Marketable securities

The Company holds 1,210,975 common shares of Kincora Copper Limited with a market value of $124,151 as of June 30, 2018 (December 31, 2017 - $243,168).

During the six months ended June 30, 2018, a loss of $119,017 was recognized in the net loss following the adoption of IFRS 9 (see Note 2(b)).

4. Mineral properties

The Company has following mineral property interests in Africa:

a) 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.

   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 would be required to transfer a 10% free-carried non-dilutable equity interest in the shares of a Nigerien company which is to be formed to hold the mining permit, to the Niger government. The Niger government would also have the option to purchase an additional 30% equity interest in the Nigerien company at fair market value. In June 2018, the Niger government made an election to only hold a 10% free carried interest in the Nigerien company, and requested the final Euro 7 million acquisition payment as a result of the grant of the Madaouela I mining permit. The Company is in the process negotiating with the Niger government as to the timing and the terms of this payment.

b) Mutanga Project – a 100% interest, located south of Lusaka, Zambia includes three contiguous mining permits, and two exploration license one of which is pending for issuance.
c) Falea Project – a 100% interest, located in Mali, includes two exploration licenses and one exploration licenses renewal applications submitted in February 2018 which is pending for approval by the Malian government.

5. Uranium loan settlement

On April 18, 2012, the Company entered into a bond purchase agreement with Toshiba, as subsequently amended, pursuant to which the Company issued Toshiba a convertible debenture in the principal amount of $30 million (the "**Bond A**"), and a non-convertible bond (the "**Bond B**" or the "**Uranium Loan**") in the principal amount of 200,000 pounds of uranium concentrate U_3O_8, (the Bond A and Bond B collectively the "**Bond Financing**"). The Bond Financing was secured by a floating charge on all assets of the Company in Niger.

Concurrent with the Bond Financing, the Company entered into Sale and Purchase of Uranium Concentrates Agreement (the "**Off-take Agreement**") with Toshiba.

On June 19, 2014, the Company redeemed Bond A by issuing 28,395,466 Class A common shares to Toshiba for a total fair value of $60.3 million including accrued interest. The Uranium Loan was to mature on April 19, 2020 at an interest rate of 12% compounded annually subject to early redemption.

On March 2, 2018, the Company announced the signing of the Termination Agreement with Toshiba whereby both parties agreed to settle the Uranium Loan, terminate the Off-take Agreement and to provide a mutual release to each other subject to certain conditions set out in the Termination Agreement. Pursuant to the Termination Agreement, Company paid Toshiba $4.5 million on April 26, 2018.

As part of the Termination Agreement, Toshiba entered into a share purchase agreement (“**SPA**”) with Linkwood Holdings Pte Ltd. (“**Linkwood**”) whereby Linkwood agreed to acquire all of the 28,395,466 common shares of GoviEx held by Toshiba for $4.5 million which was a condition to concluding the Termination Agreement.

On July 3, 2018, the Company entered into a short-term loan agreement and lent $2.75 million to Linkwood to enable Linkwood to complete the SPA. The loan bears an interest rate of 9.5% calculated daily for a period of six-months with an optional three-month extension at which time it is due and payable.

On July 9, 2018, the Company announced the conclusion of the Termination Agreement.

(In thousands U.S. dollars expect for pounds)	**U_3O_8**	**June 30, 2018**	U_3O_8	December 31, 2017
	Pounds	**$**	Pounds	$
Balance, beginning of period	**382,193**	**9,077**	341,244	6,910
Unrealized loss	**-**	**-**	-	1,262
	382,193	**9,077**	341,244	8,172
Accrued interest	**22,177**	**485**	40,949	905
	404,370	**9,562**	382,193	9,077
Cash payment	**(404,370)**	**(4,500)**	-	-
Realized gain	**-**	**(5,062)**	-	-
Balance, end of period	**-**	**-**	382,193	9,077

6. Share capital

The Company is authorized to issue an unlimited number of Class A and Class B common shares with no par value.

On June 5, 2018, the Company closed a non-brokered private placement by issuing 35,674,911 units at a price of CAD$0.17 per unit for gross proceeds of CAD$6.1 million ($4.7 million). Each unit consists of one Class A common share and one common share purchase warrant exercisable at $0.21, $0.24 and $0.28 per share until June 5, 2019, 2020 and 2021, respectively.

The Company paid $32,334 (CAD$42,867) finders’ fees in cash.

During the six months ended June 30, 2018, the Company issued 7,994,616 and 125,000 Class A common shares related to warrants and stock option exercised for a total gross proceed of $902,089.

7. Share-based payment

a) Stock options

A continuity summary of the stock option granted under the Company’s stock option plan is listed as follows:

	Number of options	Weighted average exercise price ($)
Outstanding, January 1, 2018	27,745,778	0.24
Exercised	(125,000)	(0.08)
Expired	(500,000)	(0.21)
Forfeited	(725,000)	(0.20)
Outstanding, June 30, 2018	26,395,778	0.21
Exercisable, June 30, 2018	19,435,778	0.23

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

The following table lists the stock options outstanding and exercisable as of June 30, 2018 with a weighted average remaining life of 3 years:

Exercise price		Expiry date	Outstanding	Exercisable
CAD	0.1125	December 31, 2017*	1,120,778	1,120,778
$	2.15	June 19, 2019	1,040,000	1,040,000
CAD	0.30	January 28, 2020	2,115,000	2,115,000
CAD	0.10	November 19, 2020	6,025,000	4,518,750
CAD	0.12	June 20, 2021	10,375,000	7,781,250
CAD	0.27	April 1, 2018	-	-
CAD	0.32	March 17, 2019	-	-
CAD	0.32	March 17, 2022	5,720,000	2,860,000
			26,395,778	19,435,778

*the origianl expiry date December 31, 2017 has been extended to September 6, 2018 due to blackout restriction.

Subsequent to June 30, 2018, 500,000 stock options were granted at an exercise price of CAD$0.22 per share until July 9, 2021.

b) Common share purchase warrants

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

	Number of warrants	Weighted average exercise price ($)
Outstanding, January 1, 2018	128,240,632	0.16
Warrants granted	35,674,911	0.21
Warrants exercised	(7,994,616)	(0.11)
Warrants expired	-	-
Outstanding, June 30, 2018	155,920,927	0.19

Common share purchase warrants were issued and outstanding as of June 30, 2018 were listed below:

Exercise price ($)	Expiry date	Number of warrants outstanding
0.15/0.18	June 10, 2019	22,420,180
0.14	June 10, 2019	26,526,456
0.075	December 19, 2019	247,500
0.15	December 19, 2021	45,339,856
0.15	December 22, 2021	2,570,144
0.23	October 30, 2020	1,600,000
0.28 / 0.31**	December 22, 2019	21,541,880
0.21/0.24/0.28**	June 5, 2021	35,674,911
		155,920,927

* Exercise price at 1st, 2nd or 3rd anniversary.

With respect to the warrants expiring on June 10, 2019 with $0.15 exercise price, if not exercised after the acceleration notice is received, the exercise price will increase to $0.18 with an expiry date of December 10, 2018.

Acceleration clause is based on the Company's share prices closed at the threshold listed above for 15 consecutive trading days, which, if triggered, the Company may provide the warrants holders with written notices for 30 or 60 days to exercise those warrants under the original terms.

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)	Three months ended June 30, 2018				Six months ended June 30, 2018			
	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	**Total**	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	**Total**
	$	$	$	**$**	$	$	$	**$**
Salaries	94	61	42	**197**	219	128	87	**434**
Office expenses	63	16	15	**94**	109	33	29	**171**
Consulting	48	4	-	**52**	107	9	-	**116**
Exploration	1	-	-	**1**	20	-	-	**20**
License and taxes	(21)	3	18	**-**	50	93	19	**162**
Camp	6	9	7	**22**	19	24	18	**61**
Professional fees	30	6	3	**39**	30	10	6	**46**
Travel	1	-	-	**1**	19	-	3	**22**
	222	**99**	**85**	**406**	**573**	**297**	**162**	**1,032**

(In thousands of U.S. dollars)	Three months ended June 30, 2017				Six months ended June 30, 2017			
	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total
	$	$	$	$	$	$	$	$
Salaries	121	60	36	217	236	124	79	439
Office expenses	-	23	18	41	97	41	30	168
Consulting	51	31	-	82	116	38	-	154
Exploration	119	-	33	152	151	-	65	216
License and taxes	-	3	-	3	79	99	-	178
Camp	14	14	9	37	29	27	15	71
Professional fees	90	8	6	104	90	8	6	104
Travel	5	-	4	9	23	-	4	27
	400	139	106	645	821	337	199	1,357

9. Administrative expenses

Administrative expenses for the Company are summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
(In thousands of U.S. dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Salaries	**416**	270	**617**	465
Investor relations	**59**	38	**136**	143
Travel	**17**	29	**64**	61
Office expenses	**41**	56	**81**	98
Professional fees	**61**	118	**93**	157
Regulatory fees	**30**	17	**47**	32
	624	528	**1,038**	956

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 certain consultants performing similar functions.

Key management compensation

Key management includes the board of directors and the Company's executive officers. Compensation awarded to key management is listed below, bonus were issued to the Company's executive Chairman and CEO:

	Three months ended June 30,		Six months ended June 30,	
(In thousands of U.S. dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Salaries	**149**	136	**301**	275
Bonus	**145**	-	**145**	-
Committees' fees	**60**	80	**60**	80
Share-based payments	**49**	239	**144**	478
	403	455	**650**	833

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

GMM is a private company, incorporated in British Columbia, Canada, owned equally by its nine shareholders one of which is the Company. GMM provides the Company with furnished head office space, equipment and communications facilities, administrative, finance and accounting support, and certain corporate personnel on a cost recovery basis.

The following fees were incurred in the normal course of operations including the CFO charges:

	Three months ended June 30,		Six months ended June 30,	
(In thousands of U.S. dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Salaries and benefits	**69**	70	**146**	147
Corporate overhead	**17**	18	**34**	39
	86	88	**180**	186

As of June 30, 2018, $29,686 (December 31, 2017 – $33,118) was owed to GMM and included in the accounts payable and accrued liabilities of the Company.

11. Financial instruments

The Company has designated its financial assets and financial liabilities as follows:

- “Cash” is classified as financial assets at amortized cost;
- “Marketable securities” are classified as FVTPL; and
- “Accounts payable and accrued liabilities”, “Mine permit acquisition payable”, and “Uranium loan” are classified as financial liabilities.

The Company’s accounts payable and accrued labilities approximate fair value due to their short term nature.

The fair value of the Company’s marketable securities is determined by reference to the closing price of an open market at the reporting date, and thus is a Level 1 fair value measurement.

12. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions with 94% of the Company’s non-current assets are located in Niger.

13. Commitments and contingencies

a) The Company has received requests for payment of area taxes from the Niger government in relation to the Madaouela I mining permit. Under Niger’s Mining Code an area tax of $2.2 million (CFA 1,216 million) per annum will only start to become payable by the Nigerien company once it is incorporated (see Note 4).
b) 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 condensed interim consolidated net earnings, cash flow or financial positions.

GoviEx URANIUM

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

Quarterly Highlights

This MD&A of GoviEx Uranium Inc. (the "**Company**" or "**GoviEx**"), dated **August 23, 2018**, provides a brief update on the Company's business activates, financial condition, and financial performance for the six months ended June 30, 2018, and excludes information discussed in its most recent annual MD&A. It should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended June 30, 2018 (the "**Q2 Financial Statements**"), audited consolidated financial statements for the year ended December 31, 2017 and MD&A for the year ended December 31, 2017 (the "**2017 annual MD&A**").

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

Description of Business

GoviEx is a mineral resource company focused on the exploration and development of uranium projects in Africa. The Company currently holds a 100% interest in its Madaouela project in Niger, its Mutanga project in Zambia and Falea project in Mali. The Company's principal objective is to become a uranium producer through the continued exploration and development of these uranium projects.

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

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

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results for the current periods are not necessarily indicative of the results for any future periods. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as they are subject to significant risks and uncertainties as disclosed in the 2017 annual MD&A, which may cause projected results of events to differ materially from actual results or events.

Highlights

a) On March 2, 2018, the Company announced a Termination Agreement and Mutual Release (the "**Termination Agreement**") with Toshiba Corporation ("**Toshiba**") whereby both parties agreed to settle a bond purchase agreement entered on April 18, 2012 related to the 200,000 pounds of uranium concentrate (the "**Bond B**" or "**Uranium Loan**").
b) On April 5, 2018, the Company announced significant positive results of a membrane separation review study focused on optimizing the capital and operating costs of the Madaouela project.
c) On May 1, 2018, the Company confirmed $4.5 million cash payment to Toshiba under the Termination Agreement.
d) On June 5, 2018, the Company closed a non-brokered private placement for gross proceeds of $4.7 million (CAD$6.1 million).
e) On July 9, 2018, the Company announced the conclusion of the Termination Agreement with Toshiba.

Madaouela Project, Niger

The Madaouela Project, located in the heart of a historically prolific uranium producing district, originally consisted of seven contiguous tenements, known as Madaouela I, II, III, IV, Anou Melle, Eralrar and Agaliouk (the "**Madaouela Project**"). The Madaouela Project was initially acquired in June 2007 for Euro 32 million (Euro 25 million paid) pursuant to mining conventions between Niger government and the Company. A final payment of Euro 7 million would be due when, among other things, one of the Madaouela Project tenements is formally converted from an exploration license to a mining permit.

On January 26, 2016, a 10-year mine permit was granted for the Madaouela I tenement. Under the terms of the 2006 Niger mining code and the Company's mineral conventions, the Company is required to transfer a 10% free-carried equity interest in the shares of a Nigerien company that will be formed to hold the Madaouela I mining permit, to the Niger government. In addition, the Niger government has the right to acquire, in cash or in kind, at fair market value up to an additional 30% equity interest in the project.

On June 13, 2018, Niger Ministry made an election to hold only the free carried interest 10% in the Nigerien company, and requested the final Euro 7 million acquisition payment. In addition, the Niger government has requested annual area taxes of $2.2 million (CFA 1,216 million) related to the Madaouela I mining permit. Under Niger's mining code an area tax will only start to become payable by the Nigerien company once it is incorporated. The Company is actively negotiating these items, including the timing and terms of the Euro 7 million payment, with Niger government.

Toshiba Bond Settlement

On April 18, 2012, the Company entered into a bond purchase agreement with Toshiba, as subsequently amended, pursuant to which the Company issued the following to Toshiba (collectively, the "**Bond Financing**"):

a) a $30 million convertible debenture (the "**Bond A**") at an interest rate of 15% compounded annually and maturing April 19, 2019. On June 19, 2014, following the Initial Public Offering, the Company redeemed the Bond A by issuing 28,395,466 common shares to Toshiba for a total value of $60.3 million including interest.

b) the Uranium Loan at an interest rate of 12% compounded annually and maturing April 19, 2020, subject to early redemption. The principal and interest are stated in pounds of U_3O_8, and at maturity date the Company would have to repay Toshiba a total of 495,193 pounds of U_3O_8 including interest accrued.

The Bond Financing was secured by a floating charge on all assets of the Company in Niger.

Concurrent with the Bond Financing, the Company entered into a Sale and Purchase of Uranium Concentrates Agreement (the "**Off-take Agreement**") whereby Toshiba had the right and obligation to purchase up to 600,000 pounds of U_3O_8 per year for 14 years commencing January 1, 2019.

On February 28, 2018, the Company signed the Termination Agreement with Toshiba to settle the Bond B, terminate the Off-take Agreement, and provide a mutual release to each other in accordance with the terms and conditions set out in the Termination Agreement. On April 26, 2018, the Company paid Toshiba $4.5 million in cash.

As a part of the Termination Agreement, Toshiba entered into a share purchase agreement ("**SPA**") with Linkwood Holdings Pte Ltd. ("**Linkwood**") to whom Toshiba agreed to sell 28,395,466 common shares of GoviEx it holds for $4.5 million.

On July 3, 2018, the Company entered into a short-term loan agreement with Linkwood and advanced $2.75 million to Linkwood in order to allow Linkwood to complete the SPA. The$2.75 million loan is for a period of six months with an optional three-month extension at an interest rate of 9.5% per annum.

On July 9, 2018, the Company announced the conclusion of the Termination Agreement.

As a result, a $5.06 million gain was recognized in the statement of income (loss) and comprehensive income (loss) to the Q2 Financial Statements.

Results of Operations

During the six months ended June 30, 2018, the Company recorded a net income of $1.95 million compared to a net loss of $2.3 million for the same period in 2017. Quarterly fluctuations in income or loss have mainly been driven by non-cash fair value on the Uranium Loan, derivative liability and share-based payments.

Exploration and evaluation expenses

Exploration and evaluation expenditures can vary depending on the stages and priorities of the exploration program.

During the six months ended June 30, 2018, the Company incurred total $1.03 million exploration expenditures including $0.57 million in Niger, $0.30 million in Zambia, and $0.16 million in Mali. Among those expenditures, 42% were for local personnel costs, followed by 16% in government fees and taxes. The remaining expenditures cover office rental, supplies, technical consultants, and camp costs.

General and administrative expenses

The scale and nature of the Company's corporate and administrative activity have remained relatively consistent over the periods presented.

The $1.04 million administrative and general office expenses incurred during six months ended June 30, 2018, were mainly comprised of 59% corporate salaries, followed by 13% in investor relations. The remaining expenditures relate to Vancouver head off office costs, audit and legal fees, and regulatory filing and stock exchange listing required to operate the Company as a publicly traded company.

On February 28, 2018, the Company terminated agreement with Palisade Global Investments Ltd. who was engaged on February 1, 2017, to assist the Company to expand liquidity and investor awareness through focused marketing, distribution and research.

On July 9, 2018, the Company engaged Red Cloud Klondike Strike Inc. ("**Red Cloud**") to provide capital market advisory services including roadshows and social and traditional media support for the Company at a monthly rate of CAD$10,000 for an initial term of six months and thereafter on a monthly basis. Pursuant to the terms of the engagement, the Company granted Red Cloud 500,000 stock options exercisable at CAD$0.22 per share until July 9, 2021.

The following table sets forth a comparison of information for the previous eight quarters ending with June 30, 2018:

(in thousands of U.S. dollars except for per share amounts)	Q2'18	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	Q4'16	Q3'16
	$	$	$	$	$	$	$	$
Exploration and evaluation	(406)	(626)	(584)	(511)	(645)	(712)	(546)	(424)
General and administrative	(624)	(414)	(504)	(261)	(528)	(428)	(462)	(293)
	(1,030)	(1,040)	(1,088)	(772)	(1,173)	(1,140)	(1,008)	(717)
Foreign exchange gain (loss)	(116)	(175)	45	85	120	(6)	(86)	39
Gain (loss) on derivative liability	-	-	112	309	997	(915)	(283)	59
Loss on marketable securities	(7)	(112)	-	-	-	-	-	-
Other (expenses) income	11	18	(6)	4	-	509	20	(3)
Interest on uranium loan	(262)	(223)	(251)	(214)	(208)	(232)	(191)	(224)
Gain (loss) on uranium loan	4,049	1,013	(1,301)	(54)	1,543	(1,450)	1,161	1,048
Share-based payment	(66)	(112)	(60)	(116)	(320)	(312)	(208)	(119)
Write-off of assets	-	-	(160)	-	-	-	-	-
Net income (loss) for period	2,579	(631)	(2,709)	(758)	959	(3,546)	(595)	83
Income (loss) per share	0.01	(0.00)	(0.01)	(0.00)	0.00	(0.01)	(0.00)	(0.00)

Liquidity and Capital Resources

The Company is currently at an advanced 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 success of the Company in renewing its mineral licenses, maintaining its mining permits and obtaining equity or other sources of financing.

On June 5, 2018, the Company closed a non-brokered private placement at a unit price of CAD$0.17 for gross proceeds of CAD$6.1 million ($4.7 million) by issuing 35.67 million shares. 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 until June 5, 2019, 2020 and 2021, respectively.

On July 3, 2018, the Company lent $2.75 million to Linkwood at an interest rate of 9.5% per annum (11.5% in the event of default) to enable Linkwood to complete the SPA with Toshiba. Linkwood is required to repay the loan with interest by no later than April 3, 2019.

With respect of the Madaouela 1 mining permit, the Company is actively negotiating with Niger government for the final payment of Euro 7 million ($8.1 million) plus $2.2 million annual area taxes which will be due and payable when the new Nigerien company is formed to hold the Madaouela I mining permit. The Company is also required to incur certain exploration expenditures when exploration licenses are granted or renewed for the Madaouela Project and Falea project.

The ability of the Company to continue its exploration and development activities is dependent on the continuing success of its uranium project development coupled with its ability to secure additional funding through equity, debt, joint venture or other means of financing. Failure to obtain such additional financing could result in material uncertainty of the Company's ability to continue as a going concern.

Transactions with Related Party

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

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

Key management, consisting of personnel having authority and responsibility for planning, directing, and controlling the Company, includes the Board of Directors, Executive Chairman, CEO and CFO.

Outstanding Share Capital

As of August 23, 2018, the Company has:

- 394,945,673 class A common shares issued and outstanding;
- 26,895,778 stock options outstanding with exercise prices ranging from CAD$0.10 to $2.15; and
- 155,920,927 share purchases warrants exercisable ranging $0.075 to $0.28 expiring from June 10, 2019 through December 22, 2021.

Financial Instrument Risks

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. There has been no change to the Company's approach to either capital management or management of financial instrument risks during the six months ended June 30, 2018.

Accounting Policy Change

Effective January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, retrospectively without restatement of prior year financial statements. On adoption of IFRS 9, there were no other changes to the measurement and classifications of the Company's financial assets or financial liabilities other than the reclassification of the marketable securities, as per Note 2(b) in the Q2 Financial Statements.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, no capital lease agreements and no long-term obligations other than those contained in Note 13, Commitments and Contingencies to the Q2 Financial Statements.

Proposed Transactions

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

Note to U.S. Readers

The Company uses Canadian Institute of Mining, Metallurgy and Petroleum definitions for the terms "measured resources", "indicated resources" and "inferred resources". U.S. investors are advised that while the terms "measured resources", "indicated resources" and "inferred resources" are recognized and required by Canadian regulations, including National Instrument 43-101 ("**NI43-101**"), the Securities and Exchange Commission (the "**SEC**") does not recognize these terms. Accordingly, 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. In addition, the factors described or referred to in the section entitled "Financial Risks and Management Objectives" in the MD&A for the year ended December 31, 2017, of GoviEx, which is available on the SEDAR website at www.sedar.com, should be reviewed in conjunction with the information found in this MD&A.