



Condensed Interim Consolidated Financial Statements of

**GoviEx Uranium Inc.**

For the nine months ended September 30, 2020

(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.

## Codensed Interim Consolidated Statements of Financial Position

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

|  | Notes | September 30,<br>2020 | December 31,<br>2019 |
|--|-------|-----------------------|----------------------|
|  |       | \$                    | \$                   |
| <b>Assets</b>                              |       |                       |                      |
| Current assets                             |       |                       |                      |
| Cash                                       |       | 3,421                 | 761                  |
| Amounts receivable                         |       | 9                     | 6                    |
| Loan receivable                            |       | -                     | 50                   |
| Marketable security                        | 3     | 91                    | 46                   |
| Prepaid expenses and deposit               |       | 21                    | 14                   |
|  |       | <b>3,542</b>          | <b>877</b>           |
| Non-current assets                         |       |                       |                      |
| Long-term deposit                          |       | 140                   | 140                  |
| Plant and equipment                        |       | 30                    | 40                   |
| Mineral properties                         | 4     | 69,591                | 69,591               |
|  |       | <b>69,761</b>         | <b>69,771</b>        |
| <b>Total assets</b>                        |       | <b>73,303</b>         | <b>70,648</b>        |
| <b>Liabilities</b>                         |       |                       |                      |
| Current liabilities                        |       |                       |                      |
| Accounts payable and accrued liabilities   |       | 443                   | 684                  |
| Non-current liabilities                    |       |                       |                      |
| Area tax payable                           | 4 (a) | 4,353                 | 2,077                |
|  |       | <b>4,796</b>          | <b>2,761</b>         |
| <b>Equity</b>                              |       |                       |                      |
| Share capital                              | 5     | 248,402               | 243,254              |
| Contributed surplus                        |       | 20,437                | 19,888               |
| Deficit                                    |       | (212,918)             | (208,075)            |
| Equity attributable to GoviEx Uranium Inc. |       | 55,921                | 55,067               |
| Non-controlling interest                   | 4 (a) | 12,586                | 12,820               |
|  |       | <b>68,507</b>         | <b>67,887</b>        |
| <b>Total liabilities and equity</b>        |       | <b>73,303</b>         | <b>70,648</b>        |

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

Nature of Operations and Going Concern (note 1)

Approved and authorized for issue on behalf of the Board of Directors on November 17, 2020.

/s/ "Govind Friedland"

Director

/s/ "Christopher Wallace "

Director

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

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

|  | Notes | Three months ended September 30, Nine months ended September 30, |             |             |             |
|--|-------|--|-------------|-------------|-------------|
|  |       | 2020   | 2019        | 2020        | 2019        |
|  |       | \$   | \$          | \$          | \$          |
| <b>Expenses</b>                                      |       |  |             |             |             |
| Exploration and evaluation                           | 7     | (548)  | (550)       | (1,410)     | (1,469)     |
| Area tax   | 4(a)  | -  | (2,022)     | (2,043)     | (2,022)     |
| General and administrative                           | 8     | (315)  | (646)       | (1,033)     | (1,539)     |
|  |       | (863)  | (3,218)     | (4,486)     | (5,030)     |
| <b>Other income (expenses)</b>                       |       |  |             |             |             |
| Change in fair value of marketable security          | 3     | (42)   | (61)        | 45          | (47)        |
| Depreciation   |       | (3)  | (4)         | (10)        | (12)        |
| Foreign exchange (loss) gain                         |       | (162)  | (137)       | (275)       | (47)        |
| Recovery of loan receivable                          |       | 80   | -           | 100         | -           |
| Interest income (expenses)                           |       | 5  | 71          | 13          | 170         |
| Share-based compensation                             | 6(a)  | (233)  | (276)       | (464)       | (584)       |
|  |       | (355)  | (407)       | (591)       | (520)       |
| Loss and comprehensive loss for the period           |       | (1,218)  | (3,625)     | (5,077)     | (5,550)     |
| Loss and comprehensive loss attributable to:         |       |  |             |             |             |
| GoviEx Uranium Inc.                                  |       | (1,201)  | (3,423)     | (4,843)     | (5,348)     |
| Non-controlling interest                             |       | (17)   | (202)       | (234)       | (202)       |
| Net loss for the period                              |       | (1,218)  | (3,625)     | (5,077)     | (5,550)     |
| Net loss per share, basic and diluted                |       | \$ (0.00)  | \$ (0.01)   | \$ (0.01)   | \$ (0.01)   |
| Weighted average number of common shares outstanding |       | 460,405,650  | 423,223,271 | 443,553,004 | 415,458,509 |

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

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Changes in Equity

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

|  | Notes | Number of Shares   | Share capital  | Contributed surplus | Deficit          | Equity attributable to GoviEx | Non-controlling Interest | Total equity  |
|--|-------|--------------------|----------------|---------------------|------------------|-------------------------------|--------------------------|---------------|
|  |       |                    | \$             | \$                  | \$               | \$                            | \$                       | \$            |
| <b>Balance, December 31, 2018</b>                |       | 402,065,862        | 240,697        | 19,178              | (194,691)        | 65,184                        | -                        | 65,184        |
| Shares issued for cash, net of share issue costs |       | 20,600,000         | 2,507          | -                   | -                | 2,507                         | -                        | 2,507         |
| Shares issued for warrants & options exercised   |       | 556,000            | 43             | (1)                 | -                | 42                            | -                        | 42            |
| Share-based compensation                         |       | -                  | -              | 584                 | -                | 584                           | -                        | 584           |
| Non-controlling interest                         |       | -                  | -              | -                   | -                | -                             | 8,086                    | 8,086         |
| Issuance of shares to Niger government           |       | -                  | -              | -                   | (4,961)          | (4,961)                       | 4,961                    | -             |
| Net loss for the period                          |       | -                  | -              | -                   | (5,348)          | (5,348)                       | (202)                    | (5,550)       |
| <b>Balance, September 30, 2019</b>               |       | <b>423,221,862</b> | <b>243,247</b> | <b>19,761</b>       | <b>(205,000)</b> | <b>58,008</b>                 | <b>12,845</b>            | <b>70,853</b> |
| <b>Balance, December 31, 2019</b>                |       | 423,322,362        | 243,254        | 19,888              | (208,075)        | 55,067                        | 12,820                   | 67,887        |
| Shares issued for cash, net of share issue costs |       | 51,047,620         | 5,090          | 103                 | -                | 5,193                         | -                        | 5,193         |
| Shares issued for options exercised              |       | 480,000            | 58             | (19)                | -                | 39                            | -                        | 39            |
| Share-based compensation                         |       | -                  | -              | 465                 | -                | 465                           | -                        | 465           |
| Net loss for the period                          |       | -                  | -              | -                   | (4,843)          | (4,843)                       | (234)                    | (5,077)       |
| <b>Balance, September 30, 2020</b>               |       | <b>474,849,982</b> | <b>248,402</b> | <b>20,437</b>       | <b>(212,918)</b> | <b>55,921</b>                 | <b>12,586</b>            | <b>68,507</b> |

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

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Cash Flow

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

|   | Note | Nine months ended September 30, |              |
|---|------|---------------------------------|--------------|
|   |      | 2020                            | 2019         |
|   |      | \$                              | \$           |
| <b>Operating activities</b>                         |      |                                 |              |
| Loss for the period                                 |      | (5,077)                         | (5,550)      |
| Adjustments for non-cash items                      |      |                                 |              |
| Area tax  |      | 2,043                           | 2,022        |
| Change in fair value of marketable security         |      | (45)                            | 47           |
| Depreciation  |      | 10                              | 12           |
| Share-based compensation                            |      | 464                             | 584          |
| Unrealized foreign exchange (gain) loss             |      | 271                             | (94)         |
| Changes in non-cash operating working capital items |      |                                 |              |
| Amounts receivable                                  |      | (3)                             | (6)          |
| Prepaid expenses and deposit                        |      | (7)                             | -            |
| Accounts payable and accrued liabilities            |      | (241)                           | (308)        |
| Cash used in operating activities                   |      | (2,585)                         | (3,293)      |
| <b>Financing activities</b>                         |      |                                 |              |
| Loan receivable                                     |      | 50                              | 905          |
| Net proceeds from share issuances                   |      | 5,232                           | 2,549        |
| Cash provided by financing activities               |      | 5,282                           | 3,454        |
| Effect of foreign exchange on cash                  |      | (37)                            | 21           |
| Increase in cash                                    |      | 2,660                           | 182          |
| Cash, beginning of period                           |      | 761                             | 1,100        |
| <b>Cash, end of period</b>                          |      | <b>3,421</b>                    | <b>1,282</b> |

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

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2020

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

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### 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.

On February 13 and August 6, 2020, the Company closed non-brokered private placements for total gross proceeds of \$5,473,000 or Canadian dollars ("**CAD**") 7,300,000 (note 5). The Company has no source of revenue and has significant cash requirements to maintain its mineral interests, meet its administrative overhead, and pay its liabilities. Although the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. The lack of sufficient 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.

The condensed interim 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 business's normal course. Should the Company be unable to continue as a going concern, its assets' net realizable value may be materially less than the amounts on the consolidated statements of financial position. These condensed interim 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. Basis of Presentation

#### a) Statement of compliance

These condensed interim consolidated financial statements have been prepared under International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("**IFRS**"). The Company's significant accounting policies applied in these financial statements are consistent with those described in note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2019.

#### b) Critical 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.

### 3. Marketable Security

The Company holds 1,210,975 common shares of Kincora Copper Limited with a market value of \$91,000 as of September 30, 2020. During the nine months ended September 30, 2020, the Company recorded an unrealized gain of \$45,000 in the condensed interim consolidated statements of loss.

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2020

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

### 4. Mineral Properties

The Company has one business segment, the exploration of mineral properties, with 94% of its mineral property value attributable to 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 has two mine permitted projects: Madaouela I in Niger (80%) and Mutanga in Zambia (100%). The Company also has a 100% interest in the Falea project comprising three exploration licenses located in Mali.

#### a) Madaouela I project, Niger

The Madaouela I large-scale mining permit was granted on January 26, 2016, valid for ten years and renewable twice for ten years each. *Compagnie Minière Madaouela SA ("COMIMA")* was created in July 2019 in Niger to hold the Madaouela I mining permit and is owned 20% and 80% by the Niger government and GoviEx, respectively.

Under the mining code in Niger, a large-scale mining permit is subject to an annual area tax of CFA 5,000,000 per square kilometre. According to the definitive agreements signed with the Niger government in July 2019, the annual area tax of CFA 1,216,000,000 for Madaouela I would be deferred to the earlier of the date of GoviEx closes a project financing or July 2022. As of September 30, 2020, \$4,353,000 (CFA 2,432,000,000) area taxes for 2019 and 2020 were accrued as non-current liabilities.

Non-controlling interest represents the 20% ownership of the Niger government in COMIMA:

| In thousands of U.S. dollars       | Non-controlling interest |
|------------------------------------|--------------------------|
|                                    | \$                       |
| Balance, July 18, 2019             | 13,047                   |
| Incorporation costs                | (25)                     |
| Area tax 2019                      | (202)                    |
| Balance, December 31, 2019         | 12,820                   |
| Area tax 2020                      | (204)                    |
| Technical study                    | (19)                     |
| Computer                           | (11)                     |
| <b>Balance, September 30, 2020</b> | <b>12,586</b>            |

#### b) Mutanga Project, Zambia

The Mutanga project consists of three contiguous mining permits: Mutanga and Dibwe were granted on March 26, 2010, and Chirundu on October 9, 2009; all permits are valid for 25 years. The three mining permits' total annual maintenance fees are ZMW 1,209,000 (\$70,000).

On June 25, 2020, the Mining Cadastre Department of Zambia issued a letter to the Company revoking the Chirundu mining permit due to the breach of the Mines and Minerals Development Act provisions 2015, including failures to develop the permitted mining areas and carry on mining operations.

The Company filed a notice of appeal on July 24, 2020. Should the appeal be unsuccessful, \$593,000 would be written off from the mineral property's carrying value.

### 5. Share Capital

On February 13, 2020, the Company 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 common share and one share purchase warrant exercisable at \$0.15 per share until February 13, 2025. Both common shares and warrants are subject to a one-year hold until February 13, 2021.



# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2020

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

If the Company's common shares trade at a closing price of no less than CAD 0.40 for 15 consecutive days, the Company may accelerate the expiry date by providing notice to the warrant holders; in such case, the warrants will expire on the thirtieth day after the notice is given.

The Company incurred \$77,000 share issue cost including \$63,438 (CAD 90,000) finders' fees paid in cash.

On August 6, 2020, the Company closed a non-brokered private placement by issuing 35,714,286 units at CAD 0.14 per unit for gross proceeds of \$3,736,950 (CAD 5,000,000). Each unit consists of one Class A common share and one common share purchase warrant exercisable at \$0.15 per share until August 6, 2025.

The Company paid \$169,658 (CAD 225,000) finders' fees in cash and issued 1,607,142 agent warrants exercisable at CAD 0.14 to acquire one common share until August 6, 2025.

The agent warrants issued are considered equity-settled share-based payments for the services provided related to share issuance. Thus these warrants were valued at \$103,000 under the Black-Scholes option-pricing model and recorded in equity with the assumptions: volatility 71%, expected life five years, risk-free interest rate 0.32%, and dividend rate nil.

### 6. Share-based Payments

#### a) Stock options

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

|                                 | Number<br>of options | Weighted average<br>exercise price (CAD) |
|---------------------------------|----------------------|--|
| Outstanding, December 31, 2019  | 40,085,000           | 0.18                                     |
| Granted                         | 8,100,000            | 0.14                                     |
| Exercised                       | (480,000)            | (0.08)                                   |
| Expired                         | (2,115,000)          | (0.30)                                   |
| Forfeited                       | (1,105,000)          | (0.15)                                   |
| Outstanding, September 30, 2020 | 44,485,000           | 0.17                                     |
| Exercisable, September 30, 2020 | 32,115,000           | 0.17                                     |

The following table lists the stock options outstanding and exercisable with a weighted average remaining life of 2.5 years on September 30, 2020:

| Exercise<br>Price (CAD) | Expiry date        | Stock Options |             |
|-------------------------|--------------------|---------------|-------------|
|                         |                    | Outstanding   | Exercisable |
| 0.10                    | November 19, 2020  | 4,475,000     | 4,475,000   |
| 0.12                    | June 20, 2021      | 9,300,000     | 9,300,000   |
| 0.22                    | July 9, 2021       | 500,000       | 500,000     |
| 0.32                    | March 17, 2022     | 5,070,000     | 5,070,000   |
| 0.22                    | September 25, 2023 | 8,900,000     | 6,675,000   |
| 0.14                    | August 26, 2024    | 8,140,000     | 4,070,000   |
| 0.14                    | August 27, 2025    | 8,100,000     | 2,025,000   |
|                         |                    | 44,485,000    | 32,115,000  |

The fair value of the 8,100,000 options granted on August 27, 2020, was estimated using the Black-Scholes option-pricing model with the following assumptions: volatility 71%, expected life five years, risk-free interest rate 0.43%, and dividend rate nil.

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2020

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

### b) Common share purchase warrants

Common share purchase warrants issued and outstanding are listed below:

| Exercise price (\$) | Expiry date       | September 30, 2020 | December 31, 2019  | Acceleration Price (CAD) |
|---------------------|-------------------|--------------------|--------------------|--------------------------|
| 0.23                | October 30, 2020  | 1,600,000          | 1,600,000          | ≥0.36                    |
| 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                      |
| 0.24/0.28*          | April 21, 2022    | 20,600,000         | 20,600,000         | N/A                      |
| 0.15                | February 13, 2025 | 15,333,334         | -                  | ≥0.40                    |
| 0.15                | August 6, 2025    | 35,714,286         | -                  | N/A                      |
| CAD 0.14            | August 6, 2025    | 1,607,142          | -                  | N/A                      |
|                     |                   | <b>164,319,084</b> | <b>111,664,322</b> |                          |

\* Exercise price at each anniversary.

## 7. Exploration and Evaluation

| (In thousands of U.S. dollars) | Nine months ended September 30, 2020 |                  |              |              | Nine months ended September 30, 2019 |                  |              |              |
|--------------------------------|--------------------------------------|------------------|--------------|--------------|--------------------------------------|------------------|--------------|--------------|
|                                | Madaouela (Niger)                    | Mutanga (Zambia) | Falea (Mali) | Total        | Madaouela (Niger)                    | Mutanga (Zambia) | Falea (Mali) | Total        |
|                                | \$                                   | \$               | \$           | \$           | \$                                   | \$               | \$           | \$           |
| Salaries                       | 230                                  | 128              | 124          | 482          | 272                                  | 166              | 109          | 547          |
| Consulting                     | 375                                  | 9                | 16           | 400          | 257                                  | 20               | -            | 277          |
| Camp                           | 89                                   | 34               | 35           | 158          | 45                                   | 29               | 19           | 93           |
| Office expenses                | 127                                  | 49               | 44           | 220          | 128                                  | 43               | 36           | 207          |
| License and taxes              | 33                                   | 51               | 9            | 93           | 71                                   | 73               | 5            | 149          |
| Community                      | 24                                   | 10               | 8            | 42           | 128                                  | 11               | 9            | 148          |
| Professional fees              | -                                    | 1                | 10           | 11           | -                                    | 10               | 11           | 21           |
| Travel                         | 3                                    | -                | 1            | 4            | 24                                   | 3                | -            | 27           |
|                                | <b>881</b>                           | <b>282</b>       | <b>247</b>   | <b>1,410</b> | <b>925</b>                           | <b>355</b>       | <b>189</b>   | <b>1,469</b> |

## 8. Administrative Expenses

| (In thousands of U.S. dollars) | Three months ended September 30, |            | Nine months ended September 30, |              |
|--------------------------------|----------------------------------|------------|---------------------------------|--------------|
|                                | 2020                             | 2019       | 2020                            | 2019         |
|                                | \$                               | \$         | \$                              | \$           |
| Salaries                       | 194                              | 199        | 650                             | 638          |
| Investor relations             | 28                               | 15         | 151                             | 252          |
| Office expenses                | 40                               | 47         | 111                             | 116          |
| Regulatory fees                | 20                               | 13         | 55                              | 57           |
| Travel                         | -                                | 22         | 10                              | 65           |
| Professional fees              | 33                               | 350        | 56                              | 411          |
|                                | <b>315</b>                       | <b>646</b> | <b>1,033</b>                    | <b>1,539</b> |

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2020

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

### 9. Related Party Disclosures

Related parties include the board of directors and executive officers, close family members and enterprises controlled by these individuals, and certain consultants performing similar functions.

#### a) Key management compensation

Key management includes the board of directors and the Company's executive officers. Compensation awarded to key management is listed below:

| (In thousands of U.S. dollars) | Three months ended September 30, |      | Nine months ended September 30, |      |
|--------------------------------|----------------------------------|------|---------------------------------|------|
|                                | 2020                             | 2019 | 2020                            | 2019 |
|                                | \$                               | \$   | \$                              | \$   |
| Salaries                       | 149                              | 147  | 444                             | 441  |
| Committees' fees               | -                                | -    | 48                              | 50   |
| Share-based compensation       | 164                              | 209  | 341                             | 455  |
|                                | 313                              | 356  | 833                             | 946  |

#### 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 has maintained a prepaid balance of \$140,000 (CAD 175,000) with GMM.

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

| (In thousands of U.S. dollars) | Three months ended September 30, |      | Nine months ended September 30, |      |
|--------------------------------|----------------------------------|------|---------------------------------|------|
|                                | 2020                             | 2019 | 2020                            | 2019 |
|                                | \$                               | \$   | \$                              | \$   |
| Salaries and benefits          | 78                               | 79   | 238                             | 223  |
| Corporate overhead             | 18                               | 19   | 55                              | 51   |
|                                | 96                               | 98   | 293                             | 274  |

On September 30, 2020, \$73,747 (December 31, 2019 – \$69,026) was owed to GMM and included in the Company's accounts payable and accrued liabilities.



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

### Quarterly Highlights

This Management's Discussion and Analysis ("MD&A") of GoviEx Uranium Inc. ("GoviEx" or the "Company"), dated November 17, 2020, should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2020 and the audited consolidated financial statements for the year ended December 31, 2019. These financial statements have been prepared under International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in U.S. dollars unless otherwise noted.

GoviEx is a 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 I project located in north-central Niger. 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 at [www.govix.com](http://www.govix.com) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### Highlights

- Completion of Non-Brokered Private Placements for Gross Proceeds of CAD 7,300,000

On February 13 and August 6, 2020, the Company closed non-brokered private placements for gross proceeds of CAD 2,300,000 and CAD 5,000,000, respectively, by issuing a total of 51,047,620 units. Each unit consists of one common share and one warrant exercisable at \$0.15 per share within five years from the issuance dates.

The net proceeds will fund ongoing exploration and development activities Niger, Zambia and Mali and for general working capital purposes.

- Positive Gold Sampling at Falea Project, Mali

The Company completed a soil and termitaria sampling program on the Falea project in Mali during May – June 2020. On July 6, 2020, the Company announced that the geochemical results highlighted significant gold in soil anomalies at Falea's project and already known uranium-copper-silver resources.

The Company is encouraged by this evidence and plans a diamond core assay and an IP geophysical program to test multi-element mineralization potential within 2020, and a drilling program to test the soil and termite anomalies in early 2021.

# GoviEx Uranium Inc.

## MD&A Quarterly Highlights

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- Chirundu Mining Permit, Zambia

On July 7, 2020, the Company announced that the Mining Cadastre Department of Zambia had terminated its Chirundu mining permit due to a breach of Section 35 of the Mines and Mineral Development Act, 2015.

Section 35 stipulates, among other things, that a mining permit holder is required to develop the permitted mining areas, carry out mining operations and comply with proposed capital investments of such permit. Since the mining permit was granted, the uranium price declined to such an extent that the license's commercial development was not feasible.

The Company filed a notice of appeal on July 24, 2020. The Company has received notice from the Minister of Mines that he is willing to accept the appeal subject to additional information review.

Should the appeal fail, \$593,000 would be written off from the carrying value of the mineral property.

## Outlook

The Company does not generate revenue. As a result, the Company continues to be dependent on financing to keep exploration and development on its properties, maintain capacity and meet contractual obligations. Accordingly, the Company's future activities will be most affected by its access to financing, whether debt, equity or other means. Access to such funding is affected by general economic conditions, uranium prices, exploration & political risks and other factors.

During the rest of the year, the Company plans to complete an updated pre-feasibility study on Madaouela I focused on improving the project's economic potential, an IP survey and an initial drilling program for Falea in Mali, and soil sampling and geological mapping in Zambia.

The COVID-19 outbreak has disrupted operations and tightened cash flow for many businesses, no matter the size or industry. The Company's primary focus remains on maintaining a safe and healthy work environment for the entire GoviEx family and contributing to the virus's containment in the broader community. Since mid-March 2020, GoviEx has requested its employees to work remotely and eliminated all non-essential travels. So far, the extent of COVID-19 impacts to the Company has been limited.

## Review of Operations and Financial Results

During the nine months ended September 30, 2020, the Company incurred \$5,077,000 losses compared to \$5,550,000 in 2019. Annual area tax related to the Madaouela I mining permit was accrued in both periods.

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.

# GoviEx Uranium Inc.

## MD&A Quarterly Highlights

General administrative expenses are comprised of salaries, investor relations and general corporate head office expenses. During the nine months ended September 30, 2020, the Company incurred \$718,000 less in administrative costs than in 2019, mainly due to reduced legal fees and investor relations.

### Summary of Quarterly Results

The scale and nature of the Company's operations have remained relatively consistent over the periods presented below. Quarterly fluctuation has mainly been caused by the level of its exploration and evaluation activities and corporate development initiatives.

The following table sets forth a comparison of information for the previous eight quarters ended with September 30, 2020:

| <i>(in thousands of U.S. dollars except for per share amounts)</i> | Q3'20   | Q2'20  | Q1'20   | Q4'19   | Q3'19   | Q2'19   | Q1'19  | Q4'18   |
|--|---------|--------|---------|---------|---------|---------|--------|---------|
|  |         | \$     | \$      | \$      | \$      | \$      | \$     | \$      |
| Exploration and evaluation   | (548)   | (416)  | (446)   | (707)   | (550)   | (459)   | (460)  | (653)   |
| Area tax   | -       | -      | (2,043) | -       | (2,022) | -       | -      | -       |
| General and administrative   | (315)   | (383)  | (335)   | (273)   | (646)   | (450)   | (443)  | (546)   |
|  | (863)   | (799)  | (2,824) | (980)   | (3,218) | (909)   | (903)  | (1,199) |
| Foreign exchange (loss) gain                                       | (162)   | (47)   | (66)    | (55)    | (137)   | (103)   | 193    | 57      |
| Change in fair value of marketable security                        | (42)    | 99     | (12)    | (13)    | (61)    | 48      | (34)   | (39)    |
| Recovery of loan receivable  | 80      | 20     | -       | -       | -       | -       | -      | -       |
| Impairment of loan receivable                                      | -       | -      | -       | (1,925) | -       | -       | -      | -       |
| Interest and other   | 2       | (1)    | 2       | (90)    | 2       | 35      | 56     | 77      |
| Share-based compensation   | (233)   | (108)  | (123)   | (127)   | (276)   | (142)   | (166)  | (173)   |
| Net loss for period  | (1,218) | (836)  | (3,023) | (3,190) | (3,690) | (1,071) | (854)  | (1,277) |
| Loss per share   | (0.00)  | (0.00) | (0.01)  | (0.01)  | (0.01)  | (0.00)  | (0.00) | (0.00)  |

### Liquidity and Capital Resources

The Company is at an advanced exploration stage and has had no revenue from mining operations since its inception. GoviEx 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 obtain equity or other financing sources and maintain its mineral licenses and mining permits.

During the nine months ended September 30, 2020, the Company spent \$2,585,000 in operating activities or \$287,000 per month. Year to date, the Company closed two non-brokered private placements for aggregate gross proceeds of \$5,473,000 (CAD 7,300,000), received 39,000 (CAD 53,000) from stock options exercised, and \$150,000 in loan repayments from Linkwood Holdings Pte Ltd. ("**Linkwood**"). The Company continues to work with Linkwood toward maximizing the loan's recovery, which was written down in 2019. Any future repayments will be recorded as recovery when the funds are received.

# GoviEx Uranium Inc.

## MD&A Quarterly Highlights

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Cash as of November 17, 2020 is \$2,800,000.

The Company has to raise funds to finance the development of its mine-permitted properties, meet the required exploration commitments for exploration licenses in Niger and Mali, and pay its administrative overhead. Even though 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.

### Transactions with Related Party

According to a cost-sharing shareholders' agreement with Global Mining Management Corp. ("**GMM**"), a private company owned by its shareholders, the Company paid \$293,000 (CAD 398,000) 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 November 17, 2020, the Company has 474,849,982 common shares issued and outstanding; 44,485,000 options outstanding with exercise prices ranging from CAD 0.10 to CAD 0.32; and 162,719,084 warrants are exercisable from CAD 0.14 to \$0.28 expiring from June 5, 2021, through August 6, 2025.

### Forward-Looking Statements and Risk Factors

This MD&A contains forward-looking statements relating to the Company's potential future activities and performance. These forward-looking statements are based on the beliefs, expectations, and opinions of management on the date these statements are made. The Company undertakes no obligation to update any forward-looking statement should circumstances or estimates or opinions change, except by applicable securities laws.

The Company is subject to many risks and uncertainties, each of which could have an adverse effect on the results, business prospects or financial position. The Company's securities should be considered a highly speculative investment, and investors should carefully consider all of the information disclosed in the Company's regulatory filings before investing in the Company. For a comprehensive list of the risks and uncertainties applicable to the Company, please refer to the section entitled "Risk Factors" in the Company's most recent annual MD&A.