



Condensed Interim Consolidated Financial Statements of

**GoviEx Uranium Inc.**

For the three months ended March 31, 2021

(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	March 31, 2021	December 31, 2020
		\$	\$
<b>Assets</b>			
Current assets			
Cash		10,772	2,539
Amounts receivable		10	11
Marketable securities	3	73	118
Prepaid expenses and deposit		10	16
		<b>10,865</b>	<b>2,684</b>
Non-current assets			
Long-term deposit		140	140
Plant and equipment		29	33
Mineral properties	4	69,591	69,591
		<b>69,760</b>	<b>69,764</b>
<b>Total assets</b>		<b>80,625</b>	<b>72,448</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		638	600
Non-current liabilities			
Area tax payable	4 (a)	6,531	4,537
		<b>7,169</b>	<b>5,137</b>
<b>Equity</b>			
Share capital	5	257,920	248,321
Contributed surplus		20,610	20,693
Deficit		(216,816)	(213,900)
Equity attributable to GoviEx Uranium Inc.		61,714	55,114
Non-controlling interest	4 (a)	11,742	12,197
		<b>73,456</b>	<b>67,311</b>
<b>Total liabilities and equity</b>		<b>80,625</b>	<b>72,448</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 May 28, 2021.

/s/ "Benoit La Salle"

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 March 31,	
		2021	2020
		\$	\$
<b>Expenses</b>			
Area tax	4(a)	(2,252)	(2,043)
Exploration and evaluation	7	(884)	(446)
General and administration	8	(401)	(335)
		(3,537)	(2,824)
<b>Other income (expenses)</b>			
Change in fair value of marketable securities	3	(45)	(12)
Depreciation		(4)	(4)
Foreign exchange gain (loss)		338	(66)
Interest and other		14	6
Share-based compensation	6(a)	(137)	(123)
		166	(199)
Loss and comprehensive loss for the period		(3,371)	(3,023)
Loss and comprehensive loss attributable to:			
GoviEx Uranium Inc.		(2,916)	(2,819)
Non-controlling interest		(455)	(204)
Net loss for the period		(3,371)	(3,023)
Net loss per share, basic and diluted	\$	(0.01)	\$ (0.01)
Weighted average number of common shares outstanding		509,052,501	431,155,696

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

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Changes in Equity

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

	Notes	Number of Shares	Share Capital	Contributed Surplus	Deficit	Equity attributable to GoviEx	Non- controlling Interest	Total Equity
			\$	\$	\$	\$	\$	\$
<b>Balance, December 31, 2019</b>		<b>423,322,362</b>	<b>243,254</b>	<b>19,888</b>	<b>(208,075)</b>	<b>55,067</b>	<b>12,820</b>	<b>67,887</b>
Shares issued for cash, net of share issue costs		15,333,334	1,659	-	-	1,659	-	1,659
Share-based compensation		-	-	123	-	123	-	123
Net loss for the period		-	-	-	(2,819)	(2,819)	(204)	(3,023)
<b>Balance, March 31, 2020</b>		<b>438,655,696</b>	<b>244,913</b>	<b>20,011</b>	<b>(210,894)</b>	<b>54,030</b>	<b>12,616</b>	<b>66,646</b>
<b>Balance, December 31, 2020</b>		<b>475,799,982</b>	<b>248,321</b>	<b>20,693</b>	<b>(213,900)</b>	<b>55,114</b>	<b>12,197</b>	<b>67,311</b>
Shares issued for cash, net of share issue costs		32,000,000	5,918	-	-	5,918	-	5,918
Shares issued for warrants exercised		18,962,067	3,114	-	-	3,114	-	3,114
Shares issued for options exercised		3,668,658	567	(220)	-	347	-	347
Share-based compensation		-	-	137	-	137	-	137
Net loss for the period		-	-	-	(2,916)	(2,916)	(455)	(3,371)
<b>Balance, March 31, 2021</b>		<b>530,430,707</b>	<b>257,920</b>	<b>20,610</b>	<b>(216,816)</b>	<b>61,714</b>	<b>11,742</b>	<b>73,456</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	Three months ended March 31,	
		2021	2020
		\$	\$
<b>Operating activities</b>			
Loss for the period		(3,371)	(3,023)
Adjustments for non-cash items			
Area tax		2,252	2,043
Change in fair value of marketable securities		45	12
Depreciation		4	4
Share-based compensation		137	123
Unrealized foreign exchange (gain) loss		(340)	71
Changes in non-cash operating working capital items			
Amounts receivable		1	2
Prepaid expenses and deposit		6	5
Accounts payable and accrued liabilities		38	(119)
Cash used in operating activities		(1,228)	(882)
<b>Financing activities</b>			
Loan receivable		-	50
Net proceeds from share issuances		9,379	1,659
Cash provided by financing activities		9,379	1,709
Effect of foreign exchange on cash		82	(104)
Increase in cash		8,233	723
Cash, beginning of period		2,539	761
<b>Cash, end of period</b>		<b>10,772</b>	<b>1,484</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 three months ended March 31, 2021

(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.

The Company has no source of revenue and has significant cash requirements to pay accrued annual area taxes related to the Madaouela project in Niger (note 4), maintain its mineral interests, and meet its administrative overhead. 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. These factors represent material uncertainties that may 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. 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, 2020.

#### 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 Securities

The Company holds 403,658 common shares of Kincora Copper Limited with a market value of \$73,000 as of March 31, 2021 (December 31, 2020 - \$118,000). During the three months ended March 31, 2021, an unrealized loss of \$45,000 (March 31, 2020 - \$12,000) was recognized for these securities in the condensed interim consolidated statements of loss and comprehensive loss.

### 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.

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021

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

The Company has two projects with mine permits: 80% owned Madaouela I in Niger and 100% owned Mutanga in Zambia. The Company also has a 100% interest in the Falea project comprising three exploration licenses located in Mali.

### a) Madaouela Project, Niger

The Madaouela Project, located in north-central Niger, consists of one large mining permit, Madaouela I and six exploration licenses, of which four are to be granted. These licenses are currently held under GoviEx's wholly-owned subsidiary GoviEx Niger Holdings Ltd. Exploration efforts have been concentrated primarily on Madaouela I.

The Madaouela I large-scale mining permit was granted on January 26, 2016, valid for ten years and renewable twice for ten years each. Pursuant to the mining convention in May 2007 and definitive agreements with the Niger government in July 2019, *Compagnie Minière Madaouela SA* ("**COMIMA**"), a Nigerien mining company, was incorporated, owned 80% by GoviEx and 20% by the Niger government, of which 10% is a statutory free-carry.

Under the mining code in Niger, a large-scale mining permit is subject to an annual area tax based on its size at a prescribed rate. Area taxes for the Madaouela I permit are due and payable annually in the amount of West African CFA Franc (**XOF**) 1,216,000,000. The definitive agreements in July 2019 granted a three-year deferral in area tax payments starting July 2019. Thus, as of March 31, 2021, \$6,531,000 (XOF 3,648,000,000) area taxes for 2019 to 2021 were accrued as non-current liabilities and are due and payable in July 2022.

As part of the definitive agreements, the Niger government agreed to grant the exploration license for Madaouela II, III, IV and Anou Melle that had expired in January 2019.

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

In thousands of U.S. dollars	Non-Controlling Interest	
Balance, December 31, 2019	\$	12,820
Overhead expenses		(54)
Technical study		(77)
Foreign exchange		(83)
Area tax		(409)
Balance, December 31, 2020		12,197
Overhead expenses		(14)
Technical study		(42)
Foreign exchange		51
Area tax		(450)
<b>Balance, March 31, 2021</b>	<b>\$</b>	<b>11,742</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.

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.

On May 10, 2021, the Company announced the Chirundu permit was restated subject to certain conditions.



# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021

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

### 5. Share Capital

On January 21, 2021, the Company announced and closed a non-brokered private placement by issuing 32,000,000 units at CAD 0.25 per unit for gross proceeds of \$6,286,471 (CAD 8,000,000). Each unit consists of one common share and one common share purchase warrant, exercisable at \$0.30 per share until January 21, 2023.

The Company paid \$340,339 (CAD 433,391) finders' fees in cash.

### 6. Share-based Payments

#### 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 grant's date.

During the three months ended March 31, 2021, 3,668,658 stock options were exercised for total CAD 440,239 (\$346,665), and 1,000,000 options exercisable at CAD 0.31 were granted.

The following table lists the stock options outstanding and exercisable with a weighted average remaining life of 2.8 years:

Exercise Price (CAD)	Expiry date	March 31, 2021		December 31, 2020	
		Outstanding	Exercisable	Outstanding	Exercisable
0.12	June 20, 2021	5,631,342	5,631,342	9,300,000	9,300,000
0.22	July 9, 2021	500,000	500,000	500,000	500,000
0.32	March 17, 2022	5,070,000	5,070,000	5,070,000	5,070,000
0.215	September 25, 2023	8,900,000	6,675,000	8,900,000	6,675,000
0.135	August 26, 2024	8,140,000	4,070,000	8,140,000	4,070,000
0.14	August 27, 2025	8,100,000	2,025,000	8,100,000	2,025,000
0.31	March 18, 2026	1,000,000	250,000	-	-
		<b>37,341,342</b>	<b>24,221,342</b>	40,010,000	27,640,000

The fair value of the 1,000,000 options granted on March 18, 2021, was estimated using the Black-Scholes option-pricing model with the following assumptions: volatility 71.5%, expected life five years, risk-free interest rate 0.71%, and dividend rate nil.

After the quarter-end, 500,000 stock options were exercised at CAD 0.12 for CAD 60,000.

#### b) Common share purchase warrants

During the three months ended March 31, 2021, 32,000,000 warrants were issued exercisable at \$0.30 until January 21, 2023. 18,962,067 warrants were exercised for \$3,114,110.

Common share purchase warrants issued and outstanding are listed below:

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021

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

Exercise price (\$)	Expiry date	March 31, 2021	December 31, 2020	Acceleration Price (CAD)
0.28	June 5, 2021	<b>35,674,911</b>	35,674,911	N/A
0.15	December 19, 2021	<b>29,377,789</b>	45,339,856	NA
0.15	December 22, 2021	<b>2,570,144</b>	2,570,144	NA
0.28	December 31, 2021	<b>5,879,411</b>	5,879,411	N/A
0.24/0.28*	April 21, 2022	<b>17,600,000</b>	20,600,000	N/A
0.15	February 13, 2025	<b>15,333,334</b>	15,333,334	≥0.40
0.15	August 6, 2025	<b>35,714,286</b>	35,714,286	N/A
CAD 0.14	August 6, 2025	<b>1,607,142</b>	1,607,142	N/A
0.30	January 21, 2023	<b>32,000,000</b>	-	N/A
		<b>175,757,017</b>	162,719,084	

\* Exercise price at each anniversary.

Additional 1,838,000 warrants were exercised after the quarter end for \$280,200.

### 7. Exploration and Evaluation

(In thousands of U.S. dollars)	Three months ended March 31, 2021				Three months ended March 31, 2020			
	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total
Salaries	\$ 88	\$ 39	\$ 50	\$ 177	\$ 78	\$ 44	\$ 28	\$ 150
Consulting	211	3	62	276	73	6	-	79
Camp	7	10	46	63	64	9	2	75
Drilling	-	-	139	139	-	-	-	-
Geology/Geophysics	13	13	40	66				
Office expenses	43	16	24	83	33	21	11	65
License and taxes	6	41		47	6	49	-	55
Community & other	4	-	1	5	15	4	-	19
Professional fees	26	-	2	28	-	-	3	3
	\$ 398	\$ 122	\$ 364	\$ 884	\$ 269	\$ 133	\$ 44	\$ 446

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021

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

### 8. General and Administration

(In thousands of U.S. dollars)	Three months ended March 31,	
	2021	2020
Salaries	\$ 239	\$ 202
Investor relations	86	81
Office expenses	46	28
Regulatory fees	22	11
Travel	-	7
Professional fees	8	6
	\$ 401	\$ 335

### 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 March 31,	
	2021	2020
Salaries	\$ 161	\$ 148
Directors' fees	8	-
Share-based compensation	108	94
	\$ 277	\$ 242

#### 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 March 31,	
	2021	2020
Salaries and benefits	\$ 95	\$ 82
Corporate overhead	23	18
	\$ 118	\$ 100

On March 31, 2021, \$39,278 (December 31, 2020 – \$42,695) was owed to GMM and included in the Company's accounts payable and accrued liabilities.