



Condensed Interim Consolidated Financial Statements of

**GoviEx Uranium Inc.**

For the six months ended June 30, 2022

(Stated in thousands of 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

(Stated in thousands of U.S. dollars)

	Notes	June 30, 2022	December 31, 2021
<b>Assets</b>			
Current assets			
Cash		\$ 6,778	\$ 9,588
Amounts receivable		26	20
Loan receivable	5	-	550
Marketable securities	3	16	35
Prepaid expenses and deposit		29	23
		6,849	10,216
Non-current assets			
Long-term deposit	9(b)	173	173
Plant and equipment		300	104
Mineral properties	4	69,591	69,591
		70,064	69,868
<b>Total assets</b>		<b>\$ 76,913</b>	<b>\$ 80,084</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 967	\$ 769
Area tax payable	4 (a)	5,812	6,327
		6,779	7,096
<b>Equity</b>			
Share capital		270,231	265,399
Contributed surplus		20,936	20,890
Deficit		(231,455)	(224,377)
Equity attributable to GoviEx Uranium Inc.		59,712	61,912
Non-controlling interest	4 (a)	10,422	11,076
		70,134	72,988
<b>Total liabilities and equity</b>		<b>\$ 76,913</b>	<b>\$ 80,084</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 August 26, 2022.

/s/ "Benoit La Salle"

Director

/s/ "Christopher Wallace"

Director

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

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

	Notes	Three months ended June 30,		Six months ended June 30,	
		2022	2021	2022	2021
<b>Expenses</b>					
Area tax	4(a)	\$ -	\$ -	\$ (2,130)	\$ (2,252)
Exploration and evaluation	7	(2,735)	(1,833)	(4,595)	(2,717)
General and administration	8	(742)	(619)	(1,414)	(1,020)
		(3,477)	(2,452)	(8,139)	(5,989)
<b>Other income (expenses)</b>					
Change in fair value of marketable securities	3	(23)	5	(19)	(40)
Depreciation		(18)	(5)	(35)	(9)
Foreign exchange gain		108	27	295	365
Recovery of loan receivable	5	499	-	499	-
Interest and other		10	16	16	30
Share-based compensation		(179)	(129)	(349)	(266)
		397	(86)	407	80
<b>Loss and comprehensive loss for the period</b>		<b>(3,080)</b>	<b>(2,538)</b>	<b>(7,732)</b>	<b>(5,909)</b>
Loss and comprehensive loss attributable to:					
GoviEx Uranium Inc.		(2,985)	(2,348)	(7,078)	(5,264)
Non-controlling interest	4(a)	(95)	(190)	(654)	(645)
<b>Net loss and comprehensive loss for the period</b>		<b>(3,080)</b>	<b>(2,538)</b>	<b>(7,732)</b>	<b>(5,909)</b>
<b>Net loss per share, basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
Weighted average number of common shares outstanding					
		591,558,950	534,785,552	584,165,331	521,990,112

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

# GoviEx Uranium Inc.

## Condensed Interim Consolidated Statements of Changes in Equity

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

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Equity Attributable to GoviEx	Non- Controlling Interest	Total Equity
Balance, December 31, 2020	475,799,982	\$ 248,321	\$ 20,693	\$ (213,900)	\$ 55,114	\$ 12,197	\$ 67,311
Shares issued for cash, net of share issue costs	32,000,000	5,918	-	-	5,918	-	5,918
Shares issued for warrants exercised	21,250,000	3,462	-	-	3,462	-	3,462
Shares issued for options exercised	9,198,658	1,438	(553)	-	885	-	885
Share-based compensation	-	-	266	-	266	-	266
Net loss and comprehensive loss for the period	-	-	-	(5,264)	(5,264)	(645)	(5,909)
Balance, June 30, 2021	538,248,640	\$ 259,139	\$ 20,406	\$ (219,164)	\$ 60,381	\$ 11,552	\$ 71,933
Balance, December 31, 2021	576,136,015	\$ 265,399	\$ 20,890	\$ (224,377)	\$ 61,912	\$ 11,076	\$ 72,988
Shares issued for warrants exercised	13,991,269	3,932	-	-	3,932	-	3,932
Shares issued for options exercised	2,454,500	900	(303)	-	597	-	597
Share-based compensation	-	-	349	-	349	-	349
Net loss and comprehensive loss for the period	-	-	-	(7,078)	(7,078)	(654)	(7,732)
Balance, June 30, 2022	592,581,784	\$ 270,231	\$ 20,936	\$ (231,455)	\$ 59,712	\$ 10,422	\$ 70,134

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

# GoviEx Uranium Inc.

## Condensed Consolidated Statements of Cash Flow

(Stated in thousands of U.S. dollars)

	Note	Six months ended June 30,	
		2022	2021
<b>Operating activities</b>			
Loss for the period	\$	(7,732)	\$ (5,909)
Adjustments for non-cash items			
Area tax		-	2,252
Change in fair value of marketable securities		19	40
Depreciation		35	9
Share-based compensation		349	266
Unrealized foreign exchange gain		(284)	(379)
Changes in non-cash operating working capital items			
Amounts receivable		(6)	(7)
Prepaid expenses and deposit		(6)	(293)
Accounts payable and accrued liabilities		198	538
<b>Cash used in operating activities</b>		<b>(7,427)</b>	<b>(3,483)</b>
<b>Investing activities</b>			
Plant and equipment		(231)	(77)
<b>Cash used in investing activities</b>		<b>(231)</b>	<b>(77)</b>
<b>Financing activities</b>			
Loan receivable	5	550	-
Proceeds from private placements		-	6,287
Share issue costs		-	(369)
Proceeds from warrants exercised		3,932	3,462
Proceeds from stock options exercised		597	885
<b>Cash provided by financing activities</b>		<b>5,079</b>	<b>10,265</b>
Effect of foreign exchange on cash		(231)	148
(Decrease) increase in cash		(2,810)	6,853
Cash, beginning of period		9,588	2,539
<b>Cash, end of period</b>	\$	<b>6,778</b>	\$ <b>9,392</b>

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

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2022

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

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### 1. Nature of Operations and Going Concern

GoviEx Uranium Inc. (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, registered and records office is located at 999 Canada Place, Suite 606, Vancouver, British Columbia, Canada, V6C 3E1.

The Company has one business segment, exploring mineral properties, with its primary project in Niger. The Company capitalizes acquisition costs only and expenses exploration and evaluation costs related to its mineral properties. As a result, the underlying value and the recoverability of the amounts recorded as mineral properties do not reflect current or future values. The Company's continued existence depends on the economic recoverability of mineral reserves and its ability to obtain funding to advance its uranium properties.

The 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 property interests, and meet its administrative overheads requirements. Although the Company has successfully raised 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, 2021.

#### b) Critical accounting estimates and judgments

Preparing 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 based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Accordingly, uncertainty about these judgments, estimates, and assumptions could result in a material adjustment to the asset's carrying amount 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 \$16 as of June 30, 2022 (December 31, 2021 - \$35). During the six-month ended June 30, 2022, an unrealized loss of \$19 (June 30, 2021 - \$40 loss) was recognized for these securities in the condensed interim consolidated statements of loss and comprehensive loss.

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2022

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

### 4. Mineral Properties

The Company's mineral properties are listed below:

Mineral Properties	Carrying Value	Number of Mining Permit	Number of Exploration License
Madaouela, Niger, 80%	\$ 65,234	1	1
Mutanga, Zambia, 100%	2,908	3	1
Falea, Mali, 100%	1,449	Nil	3
	\$ 69,591	4	5

#### a) Madaouela Project, Niger

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

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

Under the 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 tax for the Madaouela I permit is due and payable annually in West African CFA Franc (XOF) 1,216 million or approximately \$2,000. Accordingly, the Company paid \$2,130 for the 2022 area tax on February 3, 2022, and accrued \$5,812 (XOF 3,648 million) for the 2019 to 2021 taxes as a current liability on June 30, 2022, according to the definitive agreements entered in July 2019.

In February 2022, the Niger government approved the Company's application for a 50% reduction in Madaouela 1 mining permit, removing the previously unexplored section. The Company has also applied for an exploration license covering the 50% area dropped. As a result, the annual area tax for 2023 and beyond will be approximately \$1,000 (XOF 608 million).

On July 15, 2022, the Company paid 50% of the deferred area taxes and was granted an extension for the remaining 50% until December 2022.

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

In thousands of U.S. dollars	Non-Controlling Interest
Balance, December 31, 2020	\$ 12,197
Overhead expenses	(48)
Drilling	(369)
Technical study	(346)
Foreign exchange	92
Area tax	(450)
Balance, December 31, 2021	\$ 11,076
Overhead expenses	(22)
Technical study	(309)
Foreign exchange	103
Area tax	(426)
Balance, June 30, 2022	\$ 10,422



# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2022

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

b) Zambia and Falea Project, Mali

The Mutanga project consists of three contiguous mining permits: Mutanga and Dibwe were granted on March 26, 2010, and Chirundu on October 9, 2009; these mining permits are valid for 25 years.

The Falea project Company contains three exploration licenses Falea, Madini and Bala.

### 5. Loan Receivable

On July 3, 2018, the Company provided a \$2,750 short-term loan (the "**Loan**") to Linkwood Holdings Pte Ltd. ("**Linkwood**") to conclude the various historical debt arrangements with Toshiba Corporation. Subsequently, the Loan was amended and restructured to allow Linkwood time to repay the Loan. Unfortunately, Linkwood defaulted in early 2020, and based on significant doubt over the collectability and illiquidity of the collateral, the Company impaired the Loan to \$50 and recorded a \$1,925 impairment loss on December 31, 2019.

On December 31, 2021, the Company reassessed the expected credit losses associated with the Loan and reversed \$550 of the original impairment. On March 2, 2022, the Company received the \$550 from Linkwood and another repayment of \$499 on May 31, 2022.

Linkwood has repaid an aggregate of \$2,251 since the Loan's origination while the Company continuously monitors and records future repayment, if any, when received.

### 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 six months ended June 30, 2022, 2,454,500 stock options were exercised at CAD 0.31 for total proceeds of \$597 (CAD 758). 2,860,000 stock options exercisable at CAD 0.32 expired on March 17, 2022.

The following table lists the stock options outstanding and exercisable with a weighted average remaining life of 3 years on June 30, 2022:

Exercise Price (CAD)	Expiry date	June 30, 2022		December 31, 2021	
		Outstanding	Exercisable	Outstanding	Exercisable
0.32	March 17, 2022	-	-	5,070,000	5,070,000
0.215	September 25, 2023	8,150,000	8,150,000	8,379,500	8,379,500
0.135	August 26, 2024	7,562,500	5,527,500	7,577,500	5,542,500
0.14	August 27, 2025	7,625,000	3,575,000	7,625,000	3,575,000
0.31	March 18, 2026	1,000,000	500,000	1,000,000	250,000
0.273	June 29, 2026	500,000	250,000	500,000	125,000
0.245	August 27, 2026	8,912,500	2,200,000	8,912,500	2,200,000
0.39	December 1, 2026	500,000	125,000	500,000	-
		34,250,000	20,327,500	39,564,500	25,142,000

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2022

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

### b) Common share purchase warrants

During the six months ended June 30, 2022, 13,991,269 warrants were exercised for total proceeds of \$3,932. Common share purchase warrants issued and outstanding are listed below:

Exercise price (\$)	Expiry date	June 30, 2022	December 31, 2021	Acceleration Price (CAD)
0.28	April 10, 2022	-	15,873,530	N/A
0.15	February 13, 2025	12,000,000	12,000,000	≥0.40
0.15	August 6, 2025	34,264,286	34,264,286	N/A
CAD 0.14	August 6, 2025	1,607,142	1,607,142	N/A
0.30	January 21, 2023	32,000,000	32,000,000	N/A
		79,871,428	95,744,958	

## 7. Exploration and Evaluation

	Six months ended June 30, 2022				Six months ended June 30, 2021			
	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total	Madaouela (Niger)	Mutanga (Zambia)	Falea (Mali)	Total
Drilling & Assay	\$ 34	\$ 895	\$ 663	\$ 1,592	\$ 712	\$ 282	\$ 224	\$ 1,218
Salaries	199	136	134	469	195	82	107	384
Consulting*	1,627	238	-	1,865	396	31	124	551
Camp	14	128	80	222	39	31	61	131
Office expenses	98	68	42	208	130	53	41	224
License and taxes	22	52	-	74	53	42	-	95
Community	28	21	40	89	5	7	25	37
Professional fees	65	4	7	76	70	3	4	77
	\$ 2,087	\$ 1,542	\$ 966	\$ 4,595	\$ 1,600	\$ 531	\$ 586	\$ 2,717

\* Consulting in Niger is mainly due to the feasibility study.

## 8. General and Administration

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Salaries	\$ 350	\$ 328	\$ 648	\$ 567
Professional fees	149	77	197	85
Investor relations	64	109	212	195
Office expenses	123	66	233	112
Regulatory fees	37	33	81	55
Travel	19	6	43	6
	\$ 742	\$ 619	\$ 1,414	\$ 1,020

# GoviEx Uranium Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2022

(Stated in thousands of U.S. dollars 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:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Salaries	\$ 157	\$ 162	\$ 318	\$ 323
Directors' fees	54	52	54	60
Share-based compensation	114	102	229	210
	\$ 325	\$ 316	\$ 601	\$ 593

#### 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 \$173 (CAD 215) with GMM.

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,	
	2022	2021	2022	2021
Salaries and benefits	\$ 90	\$ 98	\$ 180	\$ 193
Corporate overhead	18	24	39	47
	\$ 108	\$ 122	\$ 219	\$ 240

On June 30, 2022, \$53 (December 31, 2021 – \$68) was owed to GMM and included in the Company's accounts payable and accrued liabilities.