Consolidated Financial Statements of

GoviEx Uranium Inc.

For the Years Ended December 31, 2022 and 2021

(In thousands of U.S. Dollars except for shares and per share amounts)

Independent auditor's report

To the Shareholders of GoviEx Uranium Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of GoviEx Uranium Inc. and its subsidiaries (together, the Company) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flow for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of mineral properties *Refer to note 2(d) and (e) – Significant Accounting Policies and note 4 – Mineral Properties to the consolidated financial statements.* The carrying value of mineral properties related to the Madaouela, Mutanga and Falea projects amounted to $69.6 million as at December 31, 2022. At each reporting period-end, management applies judgment in assessing whether there are any indicators of impairment relating to its mineral properties. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mineral properties is	Our approach to address the matter included the following procedures, among others: • Evaluated the judgment made by management in assessing the impairment indicators, which included the following: – Obtained, for all existing claims, by reference to mining licences and permits and licence renewal applications, evidence to support (i) the right to explore the area and (ii) claim expiration dates. – Read the board of directors' minutes and obtained budget approvals to evidence continued and planned substantive expenditures, which included evaluating results of current year programs, and management's longer-term plans. – Assessed whether the exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, or whether sufficient data exists to indicate that the carrying value of mineral properties related to the Madaouela, Mutanga and Falea projects is unlikely to be recovered in full from successful development or by sale, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2022. We considered this a key audit matter due to (i) the significance of the mineral properties balance and (ii) the judgments made by management in its assessment of indicators of impairment related to its mineral properties, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 27, 2023

GoviEx Uranium Inc.

Consolidated Statements of Financial Position

(Stated in thousands of U.S. dollars)

	Notes		December 31, 2022		December 31, 2021
Assets					
Current assets					
Cash		$	3,289	$	9,588
Amounts receivable			24		20
Loan receivable	5		-		550
Marketable securities	3		831		35
Prepaid expenses and deposit			18		23
			4,162		10,216
Non-current assets					
Long-term deposit	10(b)		173		173
Plant and equipment			271		104
Mineral properties	4		69,591		69,591
			70,035		69,868
Total assets		**$**	**74,197**	**$**	**80,084**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	1,186	$	769
Area tax payable	4 (a)		-		6,327
			1,186		7,096
Equity					
Share capital	6		277,221		265,399
Contributed surplus			21,652		20,890
Deficit			(236,150)		(224,377)
Equity attributable to GoviEx Uranium Inc.			62,723		61,912
Non-controlling interest	4 (a)		10,288		11,076
			73,011		72,988
Total liabilities and equity		**$**	**74,197**	**$**	**80,084**

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

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

Approved and authorized for issue on behalf of the Board of Directors on April 27, 2023.

/s/ "Christopher Wallace"	*/s/ "Benoit La Salle"*
Director	Director

GoviEx Uranium Inc.

Consolidated Statements of Loss and Comprehensive Loss

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

	Notes		Year ended December 31, 2022		2021
Expenses					
Area tax	4(a)	$	(2,130)	$	(2,252)
Exploration and evaluation	8		(8,498)		(7,207)
General and administration	9		(2,602)		(2,318)
Share-based compensation			(1,087)		(847)
			(14,317)		(12,624)
Other income (expenses)					
Change in fair value of marketable securities	3		(12)		(83)
Depreciation			(64)		(18)
Foreign exchange gain			451		523
Recovery of loan receivable	5		1,323		550
Interest and other			58		54
Loss and comprehensive loss for the year			(12,561)		(11,598)
Loss and comprehensive loss attributable to:					
GoviEx Uranium Inc.			(11,773)		(10,477)
Non-controlling interest	4(a)		(788)		(1,121)
Net loss and comprehensive loss for the year			(12,561)		(11,598)
Net loss per share, basic and diluted		$	(0.02)	$	(0.02)
Weighted average number of common shares outstanding			597,296,811		536,742,915

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

GoviEx Uranium Inc.

Consolidated Statements of Changes in Equity

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

	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	5,917			5,917		5,917
Shares issued for warrants exercised	57,541,875	9,414			9,414		9,414
Shares issued for options exercised	10,794,158	1,747	(650)		1,097		1,097
Share-based compensation			847		847		847
Net loss and comprehensive loss for the year				(10,477)	(10,477)	(1,121)	(11,598)
Balance, December 31, 2021	**576,136,015**	**265,399**	**20,890**	**(224,377)**	**61,912**	**11,076**	**72,988**
Shares issued for cash, net of share issue costs	47,758,000	6,929			6,929		6,929
Shares issued for warrants exercised	13,991,269	3,933			3,933		3,933
Shares issued for options exercised	2,792,000	960	(325)		635		635
Share-based compensation			1,087		1,087		1,087
Net loss and comprehensive loss for the year				(11,773)	(11,773)	(788)	(12,561)
Balance, December 31, 2022	**640,677,284**	**$ 277,221**	**$ 21,652**	**$ (236,150)**	**$ 62,723**	**$ 10,288**	**$ 73,011**

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

GoviEx Uranium Inc.

Consolidated Statements of Cash Flow

(Stated in thousands of U.S. dollars)

	Note		Year ended December 31, 2022		2021
Operating activities					
Loss for the year		$	(12,561)	$	(11,598)
Adjustments for non-cash items					
Area tax			2,130		2,252
Change in fair value of marketable securities			12		83
Depreciation			64		18
Recovery of loan receivable			(1,323)		(550)
Share-based compensation			1,087		847
Unrealized foreign exchange gain			(765)		(544)
Changes in non-cash operating working capital items					
Amounts receivable			(4)		(9)
Prepaid expenses and deposit			5		(40)
Accounts payable and accrued liabilities			417		169
Area taxes paid	4(a)		(7,692)		-
Cash used in operating activities			(18,630)		(9,372)
Investing activities					
Proceeds from the sale of marketable securities			16		-
Receipts of loan receivable	5		1,049		-
Plant and equipment			(231)		(89)
Cash used in investing activities			834		(89)
Financing activities					
Proceeds from private placements			7,702		6,286
Share issue costs			(773)		(369)
Proceeds from warrants exercised			3,933		9,414
Proceeds from stock options exercised			635		1,097
Cash provided by financing activities			11,497		16,428
Effect of foreign exchange on cash			-		82
(Decrease) increase in cash			(6,299)		7,049
Cash, beginning of year			9,588		2,539
Cash, end of year		$	3,289	$	9,588

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

1. Nature of Operations and Going Concern

GoviEx Uranium Inc. (together with its subsidiaries, "**GoviEx**" or the "**Company**") is a Canadian mineral resources company focused on the exploration and future development of uranium properties located in Africa. The Company was incorporated in the British Virgin Islands on June 16, 2006, and continued under the Business Corporation Act (British Columbia) in Canada on March 1, 2011. The head office, principal address, registered and records office is located at 999 Canada Place, Suite 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. 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 consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the reporting period end. During the year 2022, the Company incurred a net loss of $12,561 (2021 - $11,598), used cash in operating activities of $18,630 (2021 - $9,372) and had an accumulated deficit of $236,150 (2021 - $224,377). As of December 31, 2022, the Company had cash of $3,289 (2021 - $9,588) and working capital of $2,976 (2021 - $3,120).

The Company has no source of revenue and has significant cash requirements to maintain its mineral property interests, including area tax payments, and meet its administrative overhead needs. 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.

These consolidated financial statements do not reflect adjustments to the carrying value and classification of assets and liabilities that might be necessary in the event of going concern. Such adjustments could be material.

2. Significant Accounting Policies

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

These consolidated financial statements incorporate the financial statements of GoviEx and its subsidiaries: GoviEx Niger Holdings Ltd. ("**Niger Holdings**"), GoviEx Niger S.A., Compagnie Miniere Madaouela S.A. ("**COMIMA**") (80% owned)**,** Rockgate Capital Corp., GoviEx Uranium Zambia Limited, Chirundu Joint Venture Zambia Limited, Muchinga Energy Resources Limited, and Delta Exploration Mali SARL ("**Delta Mali**").

The Company consolidates an entity when it has power over that entity, is exposed, or has rights to variable returns from its investment with that entity and can affect those returns through its power over that entity. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

b) Accounting policy judgement and estimation uncertainty

Preparing financial statements conforming 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 considered reasonable in the circumstances.

Uncertainty about these judgements, estimates and assumptions could result in a material adjustment to the asset's carrying amount or liability affected in future periods. There are no material areas of estimation uncertainty as of December 31, 2022.

Accounting policy judgments made by management are related to:

Estimated impairment of exploration and evaluation assets

The assessment for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist, including factors such as whether: the period for which the Company has the right to explore has expired or will expire in the future and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources or sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management reviewed the Company's exploration and evaluation assets for the year ended December 31, 2022 and did not identify any impairment indicators.

Determination of technical feasibility and commercial viability of the Madaouela Project

Determining when a mineral property's technical feasibility and commercial viability are demonstrable requires significant judgment and impacts the Company's financial statements as exploration and evaluation expenditures are expensed. In assessing the criteria, the Company considers the following factors i) established mineral resources and reserves; ii) the results of a completed feasibility study in compliance with N.I. 43-101 standards; iii) the status of environmental and mining permits and mineral access rights; iv) additional approvals required under relevant laws and regulations; and v) the availability of financial resources.

Non-current assets held for sale and discontinued operations

IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, requires that a long-lived asset be classified as held for sale when all the held-for-sale criteria are met. To qualify, the asset must be available for immediate sale in its present condition, and a sale must be highly probable.

c) Functional currency and foreign currency translation

The Company's presentation currency is the U.S. dollar ("**$**" or **"USD"**). Items included in the Company's consolidated financial statements and each of its subsidiaries are measured in each entity's functional currency, which is the currency of the primary economic environment in which the entity operates. Accordingly, the functional currency for the Company and all of its subsidiaries is USD.

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

d) Mineral properties

Mineral properties are exploration and evaluation assets that consist of payments to acquire mineral exploration rights, licenses and mining permits. Acquisition costs are capitalized and deferred on an individual property basis until such property is put into production, sold, abandoned, or impaired. All other exploration and evaluation costs are expensed as incurred.

A mineral property is transferred to property and equipment when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation assets are tested for impairment immediately before the reclassification to property and equipment. Capitalized costs will be depleted using the units-of-production method when a property is placed into commercial production.

e) Impairment

Mineral properties are reviewed for indication of impairment at each reporting period following IFRS 6 – *Exploration for and evaluation of mineral resources.* If any such indication exists, an estimate of the recoverable amount is undertaken. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. If the carrying amount exceeds its recoverable amount, an impairment loss is recognized in the consolidated statement of loss and comprehensive loss.

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. Future cash flows are estimated using the following significant assumptions: mineral reserves and mineral resources, production profile, operating costs, capital costs, commodity prices, foreign exchange rates and discount rates. All inputs used are those that an independent market participant would consider appropriate.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash-generating unit in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit for which estimates of future cash flows have not been adjusted.

Management reviews impairment indicators described under note 2(b) when evaluating exploration and evaluation assets.

Impairment is generally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generate cash inflows largely independent of the cash flows from other assets. Each of the Company's mineral properties is considered a separate cash-generating unit.

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

f) Financial instruments

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

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

Financial assets are classified and measured at fair value, with subsequent changes in fair value recognized in profit and loss as they arise unless restrictive criteria are met for classifying and measuring the asset at either amortized cost or FVOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at fair value through profit and loss or are measured at fair value at the Company's election. Investments in equity instruments that are held for trading are measured at FVPL.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred all risks and rewards of ownership substantially. Financial liabilities are derecognized when the obligations specified in the contract are discharged, cancelled, or expired. At each reporting date, the Company uses the expected credit loss model to assess the impairment of its loans and receivables. The expected losses represent possible outcomes weighted by the probability of their occurrence, and the model focuses on the risk of default rather than whether a loss has been incurred. If there has been a significant increase in credit risk, an allowance would be recognized in the consolidated statements of loss and comprehensive loss.

g) Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued using the Black-Scholes option pricing model and is amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or at the fair value of the equity instruments issued and is recorded at the date the goods or services are received.

h) Provisions

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

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

A provision may be recognized if an obligation exists to restore the site as and when an environmental disturbance occurs.

The Company had no material provisions on December 31, 2022 and 2021.

i) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similarly to basic earnings (loss) per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

j) Income taxes

The Company follows the asset and liability method of accounting for income taxes whereby deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as for the benefit of losses available to be carried forward to future years for tax purposes. Deferred tax assets and liabilities expected to be recovered or settled are measured using enacted or substantively enacted tax rates. They are recorded in the financial statements if realization is considered probable. To the extent that the Company does not consider it probable that a deferred tax asset will be realized, the deferred tax asset is reduced. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the substantive enactment date.

3. Marketable Securities

The Company holds common shares in publicly traded companies. The cost for these shares is recorded on the date acquired and revalued at each reporting date based on their closing share prices. Any fair value gain or loss is recognized in the loss for the period.

During the year ended December 31, 2022, the Company received 34 million shares of Tesoro Gold Inc. ("**Tesoro**"), a publicly-traded company listed on the Australian Securities Exchange, resulting from the loan settlement (note 5).

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

	Kincora Copper Limited			Tesoro Gold Ltd.		
	Number of Shares		Fair Value	Number of Shares		Fair Value
Balance, December 31, 2020	403,658	$	118	-	$	-
Change in fair value			(83)			
Balance, December 31, 2021	403,658		35	-		-
Received for loan settlement (note 5)				34,000,000		824
Disposal	(403,658)		(16)			
Change in fair value			(19)			7
Balance, December 31, 2022	**-**	**$**	**-**	**34,000,000**	**$**	**831**

4. Mineral Properties

The Company's mineral properties are listed below; carrying value represents the initial acquisition of the properties:

Mineral Properties		December 31, 2022		December 31, 2021
Madaouela, Niger, 80%	$	65,234	$	65,234
Muntanga, Zambia, 100%		2,908		2,908
Falea, Mali, 100%		1,449		1,449
	$	69,591	$	69,591

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 Miniere 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 Nigerien mining code, a large-scale mining permit is subject to an annual area tax based on size at a prescribed rate due and payable annually in West African CFA Franc ("**XOF**"). According to the definitive agreements entered in July 2019 with the Niger government, the three years of area tax for 2019-2021 were deferred and due for payment in 2022. Accordingly, the Company paid XOF 1,824 million each on July 14, 2022 ($2,783) and November 23, 2022 ($2,779).

In February 2022, the Niger government approved the Company's application to reduce the size of the Madaouela 1 mining permit by 50%, removing the previously unexplored section. The Company has also applied for an exploration license covering the area dropped.

The Company fully paid the 2022 area tax of XOF 1,216 million ($2,130) in February 2022 and will pay its 2023 area tax of XOF 608 million ($1,000) when due on June 30, 2023.

Non-controlling interest ("**NCI**")

Non-controlling interest represents the 20% ownership of the Niger government in COMIMA. It was initially recognized and measured based on net assets of $65,234 upon the share issuance of 20% Niger government ownership.

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

For the year ended December 31, 2022, the NCI totalled $10,288 (2021 - $11,076), and the net loss attributable to the NCI was $3,941 (2021 - $5,607). The net loss includes expenses on technical consulting, area taxes, shared Nigerien personnel, and related foreign exchange gain (loss).

The following table summarizes the financial information relating to COMIMA, the Company's non-wholly owned subsidiary with material NCI, before any intercompany eliminations:

		December 31, 2022		December 31, 2021
Non-current assets	$	65,234	$	65,234
Current liabilities		-		(6,327)
Non-current liabilities		(13,795)		(3,528)
Net assets		51,439		55,379
Net assets attributable to NCI	$	10,288	$	11,076
Revenue	$	-	$	-
Net loss and comprehensive loss		(3,940)		(5,607)
Net loss and comprehensive loss attribu	$	(788)	$	(1,121)

b) Muntanga Project, Zambia

The Muntanga project consists of three contiguous mining permits: Muntanga and Dibbwi were granted on March 26, 2010, and Chirundu on October 9, 2009; these 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, 2015 provisions. On May 5, 2021, the Chirundu mining permit was reinstated, subject to commencing a feasibility study in 2023 and commission mine development by the end of 2024.

c) Falea Project, Mali

The Falea project is a multi-element project containing three exploration licenses, Falea, Bala and Madi, held by Delta Mali.

5. Loan Receivable

In conjunction with the conclusion of the Toshiba Corporation Termination Agreement in July 2018, the Company lent $2,750 to Linkwood Holdings Pte Ltd. ("**Linkwood**") as a short-term loan (the "**Loan**").

In early February 2020, Linkwood failed to make certain installments and defaulted on the Loan. After reviewing the collateral value and market conditions, the Company believed there was significant uncertainty as to when and in what amount the future payments might be. Accordingly, the Company wrote down the Loan to $50 and recognized a $1,925 impairment loss for the year ended December 31, 2019.

In September 2022, the Company settled the remaining balance for 34 million common shares of Tesoro Gold Ltd. The fair value of these common shares was recognized on the date received (note 3).

As of December 31, 2022, the Company received aggregate repayments of $3,075, including $2,251 in cash and $824 in Tesoro shares.

6. Share Capital

The Company is authorized to issue unlimited number of common shares without par value.

In October 2022, the Company completed a bought-deal private placement, led by Sprott Capital Partners, of 47.758 million units at CAD 0.22 per unit for gross proceeds of $7,702 (CAD 10,507). Each unit consists of one Class A

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

common share, and one-half of the share purchase warrant exercisable at $0.24 per share for three years from the closing dates.
The Company incurred $773 share issuance, including $462 (CAD 630) in underwriter's fees and legal as well as regulatory approval.

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

The Company incurred $369 share issuance costs, including $340 (CAD 433) fees in cash and regulatory approval.

7. Share-based Compensation

a) Stock options

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

Options are forfeited if optionees leave before the options vest, and options vested shall expire 30 days after the employee leaves unless otherwise determined by the Board of Directors. A summary of the Company's stock option movements is as follows:

	December 31, 2022			December 31, 2021		
	Number of options		Weighted average exercise price (CAD)	Number of options		Weighted average exercise price (CAD)
Outstanding, beginning of year	39,564,500	$	0.21	40,010,000	$	0.17
Granted	13,455,000		0.225	10,950,000		0.30
Exercised	(2,792,000)		(0.29)	(10,794,158)		(0.12)
Expired	(2,865,000)		(0.32)	(601,342)		(0.12)
Outstanding, ending of year	47,362,500		0.20	39,564,500		0.21
Exercisable, ending of year	29,521,250	$	0.19	25,142,000	$	0.21

The following table lists the stock options outstanding and exercisable:

Exercise Price (CAD)	Expiry date	December 31, 2022 Outstanding	December 31, 2022 Exercisable	December 31, 2021 Outstanding	December 31, 2021 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	7,420,000	7,420,000	7,577,500	5,542,500
0.14	August 27, 2025	7,462,500	5,437,500	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	8,875,000	4,275,000	8,912,500	2,200,000
0.39	December 1, 2026	500,000	125,000	500,000	-
0.225	September 27, 2027	13,455,000	3,363,750	-	-
		47,362,500	29,521,250	39,564,500	25,142,000

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

The Company applies the fair value method of accounting for stock options. The weighted average fair value of options granted in 2022 was $1,087 (2021 - $847) using the Black-Scholes option-pricing model with the following assumptions:

	December 31, 2022		December 31, 2021	
Weighted average share price on options granted	$	0.17	$	0.19
Weighted average fair value of options granted	$	0.15	$	0.11
Weighted average share price on exercise of options	$	0.10	$	0.10
Annualized volatility		70%		75%
Expected life in years		5		5
Weighted average remaining life in years		3		3
Estimated forfeiture rate		0%		0%
Risk free interest rate		3.61%		1.24%
Dividend rate		Nil		Nil

b) Common share purchase warrants

A summary of the Company's issued and outstanding share purchase warrants is as follows:

	December 31, 2022			December 31, 2021		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	95,744,958	$	0.22	162,719,084	$	0.19
Warrants issued	23,879,000		0.24	32,000,000		0.30
Warrants exercised	(13,991,269)		(0.28)	(57,541,875)		(0.17)
Warrants expired	(1,882,261)		(0.28)	(41,432,251)		(0.27)
Outstanding, end of year	103,750,428	$	0.22	95,744,958	$	0.22

The share purchase warrants issued and outstanding are as follows:

Exercise price ($)	Expiry date	December 31, 2022	December 31, 2021	Acceleration Price (CAD)
0.28	April 10, 2022	-	15,873,530	N/A
0.30	January 21, 2023	32,000,000	32,000,000	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
0.24	October 25, 2025	23,106,500	-	
0.245	October 27, 2025	772,500	-	
		103,750,428	95,744,958	

On January 21, 2023, 32 million purchase warrants expired.

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

8. Exploration and Evaluation

	Year ended December 31, 2022				Year ended December 31, 2021			
	Madaouela (Niger)	Muntanga (Zambia)	Falea (Mali)	**Total**	Madaouela (Niger)	Muntanga (Zambia)	Falea (Mali)	**Total**
Consulting*	$ 2,449	$ 898	$ -	**$ 3,347**	$ 2,066	$ 135	$ 185	**$ 2,386**
Drill program	72	1,824	718	**2,614**	1,919	262	484	**2,665**
Personnel costs	366	309	261	**936**	507	200	219	**926**
License and taxes	44	416	4	**464**	73	178	31	**282**
Office expenses	217	79	66	**362**	270	97	93	**460**
Camp	36	163	107	**306**	173	58	94	**325**
Professional fees	264	6	27	**297**	35	3	24	**62**
Community and other	79	56	37	**172**	33	41	27	**101**
	$ 3,527	$ 3,751	$ 1,220	**$ 8,498**	$ 5,076	$ 974	$ 1,157	**$ 7,207**

* Consulting in Niger is mainly related to the feasibility study.

9. General and Administration

	Year ended December 31, 2022	2021
Personnel costs	$ 1,365	$ 1,195
Office expenses	392	309
Investor relations	345	330
Professional fees	301	351
Regulatory fees	104	106
Travel	95	27
	$ 2,602	$ 2,318

10. Related Party Disclosures

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

a) Key management compensation

Key management includes the board of directors and the Company's executive officers. Directors' fees are paid semi-annually.

The following table lists compensation awarded to key management:

	Year ended December 31, 2022	2021
Salaries	$ 628	$ 642
Bonus	28	-
Directors' fees	110	112
Share-based compensation	579	590
	$ 1,345	$ 1,344

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

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

GMM is a private company owned by its shareholders, including the Company. GMM provides GoviEx's Vancouver office with furnished office space, equipment and communication facilities, corporate administrative, and finance and accounting support on a cost-recovery basis. GoviEx has been a shareholder of GMM since October 25, 2007, and maintains a long-term deposit of $173 (CAD 215) with GMM.

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

		Year ended December 31,		
		2022		2021
Salaries and benefits	$	342	$	388
Corporate overhead		70		107
	$	412	$	495

As of December 31, 2022, $89 (2021 – $68) was owed to GMM and included in the Company's accounts payable and accrued liabilities.

11. Commitments and Contingencies

a) Under various mining conventions for the Company's exploration licenses in Mali, the Company is required to incur total exploration expenditures of approximately $737 in Mali in 2023.

The Company is required to conduct exploration drilling and carry out a feasibility study by the end of 2023 to maintain its Chirundu mining permit in Zambia.

b) In the second half of 2019, the Company was billed $391 (XOF 228 million) for notary fees, including taxes, associated with creating COMIMA and the Nigerien government's equity ownership in COMIMA. The Company disputed the invoiced amount and was unaware of the quantum of the fees in advance of billing. Accordingly, the Company believes the outcome does not have a material impact on its consolidated financial statements.

12. Capital Management

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

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

The Company monitors actual expenses to budget for all exploration projects and overheads to manage costs, commitments and activities. There were no changes in the Company's approach to capital management during the year ended December 31, 2022.

13. Financial Instruments and Risks

The board of directors is responsible for establishing and overseeing 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.

Fair value

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

Certain of the Company's financial assets and liabilities are measured at a fair value and are classified into one of three levels below based on the degree to which the significant inputs used to determine the fair value are observable.

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data.

As of December 31, 2022, the recorded amounts for cash, the amount receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The marketable securities are measured at Level 1 of fair value as their value is derived from quoted prices in an active market for identical assets.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows. As discussed in Note 1, the Company requires additional funds to meet its obligations as they come due. The Company's growth is funded through a combination of cash on hand and equity issuance. The Company is engaged in discussions with various parties for potential financings..

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash and amounts receivable. The Company manages its credit risk on cash by maintaining its cash balances primarily at Canadian Chartered banks and financial institutions. As a result, the Company believes the risk of loss to be minimal.

Market risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate due to changes in market prices. Market risk comprises three types of risks: currency, interest rate, and other price risks.

Foreign currency risk

The Company operates internationally and is exposed to foreign currency risk from fluctuations in the exchange rate between the USD and various currencies, primarily the Canadian dollar and Euro, as per the table below. The Company does not hedge its exposure to foreign currency fluctuations due to its cash position and volatile market.

	December 31, 2022			December 31, 2021		
	CAD	Euro	Total USD Equivalent	CAD	Euro	Total USD Equivalent
Cash	$ 3,751	$ 345	$ 3,138	$ 2,882	$ -	$ 2,273
Accounts payable and accrued liabilities	(172)	(7)	(134)	(233)	(106)	(304)
Area tax payable	-	-	-	-	(5,561)	(6,312)
Net exposure	3,579	338	3,004	2,649	(5,667)	(4,343)
Total USD equivalent	2,642	362	3,004	2,089	(6,432)	(4,343)
Sensitivity to 5% FX change	132	18		104	(322)	

Interest rate risk

The Company's cash held in bank accounts earns interest at variable rates. The Company manages interest rate risk by focusing on preserving capital and liquidity. As a result, management does not believe this exposure is significant.

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

14. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision for fiscal 2022 and 2021 is provided as follows:

		2022		2021
Loss before income taxes	$	(12,561)	$	(11,598)
Canadian statutory tax rate		27%		27%
Expected income tax recovery		(3,391)		(3,131)
Different effective tax rates in foreign jurisdictions		902		843
Permanent differences		116		171
Foreign exchange movement		204		(13)
True up		30		(2)
Change in unrecognized tax benefits		2,139		2,132
Income tax recovery	$	-	$	-

During the validation of exploration licenses, the Company is exempt from income tax in Niger. The income tax rate in Niger is 30%. Claiming tax depreciation is mandatory; however, unused depreciation can be deferred indefinitely and applied to reduce future taxable profit. Tax losses can be carried forward and applied to reduce future taxable profit for three years. These rules are included and described in a bilateral convention signed by the Company and the Government of Niger and are consistent with Niger's Mining Code.

The Company is subject to assessments by various taxation authorities, which may interpret tax legislation and tax filing positions differently from the Company. The Company provides for such differences when it is probable that a taxation authority will not sustain the Company's filing position, and the amount of tax exposure can be reasonably estimated. As of December 31, 2022, and 2021, no provisions have been made in the financial statements for any estimated tax liability.

The Company's unrecognized deductible temporary differences and unused tax losses consist of the following amounts:

		2022		2021
Unrecognized deductible temporary differences				
Non-capital loss carry forwards	$	57,965	$	55,475
Tax value over book value of loans		3,736		4,864
Share issue costs, investment, PPE and Capital loss		1,127		1,245
Tax value over book value of mineral properties		75,986		70,260
Unrecognized deductible temporary differences	$	138,814	$	131,844

The realization of income tax benefits related to these potential tax deductions is uncertain and cannot be viewed as probable. Accordingly, no deferred income tax assets have been recognized for accounting purposes.

The Company has Canadian non-capital tax loss carryforwards of $57,965 that may be available for tax purposes and, if not utilized, will expire between 2028 and 2042.

As of December 31, 2022, and 2021, the Company had unrecognized deferred tax liabilities of $883 and unrecognized deferred tax assets of $3,004 due to temporary differences arising from the initial recognition of the acquisition of all of the issued and outstanding common shares of Rockgate, Muchinga Energy Resources and Chirundu Joint Ventures Zambia Ltd.

15. Subsequent Events

a) On January 17, 2023, the Company entered into a Share Purchase Agreement (**SPA**) with African Energy Metals Inc. (**AEM**) to sell its three exploration licenses in Mali.

Under the terms of the agreement, AEM will acquire GoviEx's wholly-owned subsidiary, Delta Mali, for CAD 5,500 as follows: i) CAD 500 cash payment and the issuance of CAD 2,000 of AEM common shares; ii) subject to the re-issuance of the Falea license, a further CAD 3,000 of AEM common shares, and iii) a 3% net smelter royalty on the Falea project.

The SPA closing date was expected to be March 15, 2023, and has been extended twice further to May 30, 2023, subject to various conditions for closing.

b) On April 20, 2023, the Company announced a bought-deal private placement, led by Eight Capital and Sprott Capital Partners, of 68,572,000 units at CAD 0.175 per unit for gross proceeds of CAD 12,000, subsequently increased to 85,714,200 units for CAD 15,000.

Each unit will consist of one common share and one common share purchase warrant exercisable in the equivalent of CAD 0.25 per share for two years from the closing date.