Azarga Uranium Corp.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2020
(Expressed in U.S. Dollars)

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Azarga Uranium Corp. ("Azarga Uranium"), together with its subsidiaries (collectively referred to as the "Company"), for the three months ended March 31, 2020 and up to the date of this MD&A. The MD&A has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended December 31, 2019 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2019, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2020.

All financial information in this MD&A is derived from the Company's condensed consolidated interim financial statements for the three months ended March 31, 2020 prepared in accordance with International Financial Reporting Standards ("IFRS"). All references to $ in this MD&A refer to the United States dollar and all references to C$ refer to the Canadian dollar.

Additional information relating to the Company, including the Annual Information Form, is available under the Company's profile on SEDAR at www.sedar.com

The effective date of this MD&A is May 13, 2020.

DESCRIPTION OF THE BUSINESS

Azarga Uranium was incorporated on February 10, 1984 under the laws of the Province of British Columbia, Canada. Azarga Uranium's common shares are publicly traded on the Toronto Stock Exchange ("TSX") (Symbol: AZZ), the Frankfurt Stock Exchange (Symbol: P8AA), and the OTCQB Venture Market (Symbol: AZZUF). The Company is an integrated uranium exploration and development company.

The Company controls uranium properties in the United States of America (the "USA"), located in South Dakota, Wyoming, Utah and Colorado, with a primary focus of developing in-situ recovery ("ISR") uranium projects. The Dewey Burdock ISR uranium project in South Dakota, USA (the "Dewey Burdock Project") is the Company's initial development priority and has received its Nuclear Regulatory Commission ("NRC") license and draft Class III and Class V Underground Injection Control ("UIC") permits from the Environmental Protection Agency (the "EPA"). The Company also owns the Gas Hills, Juniper Ridge, Dewey Terrace and Aladdin Projects in Wyoming, the Centennial Project in Colorado, and uranium exploration properties in Wyoming, Utah, and Colorado.

OPERATIONAL HIGHLIGHTS

The Company's significant events and highlights for the three months ended March 31, 2020 and to the date of this MD&A are as follows:

- **Dewey Burdock Project** – In January 2020, the Company filed a National Instrument 43-101 ("NI 43-101") Technical Report and Preliminary Economic Assessment ("PEA") for the Dewey Burdock Project. The base case economic assessment resulted in a pre-income tax internal rate of return ("IRR") of 55% and a pre-income tax net present value ("NPV") of $171.3 million when applying an eight percent discount rate. Using the same discount rate, the post-income tax IRR is 50% and the post-income tax NPV is $147.5 million.

- **Private Placement** – In April 2020, the Company closed a non-brokered private placement for gross proceeds of approximately C$1.6 million through the issuance of 10,933,333 units at a price of C$0.15 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of C$0.20 per share until April 17, 2023.

- **Gas Hills Project** – In April 2020, the Company announced additional uranium mineralization at its Gas Hills Uranium Project in Wyoming, USA (the "Gas Hills Project"). The Company identified this additional uranium mineralization through the analysis of historical data procured by the Company. The analysis identified 147 mineralized drill holes with 173 intercepts equal to or exceeding a 0.2 grade-thickness cutoff using a 0.02% grade cutoff with an average U_30_8 grade of 0.137% and an average thickness of 5.3 feet and expanded the envelope of uranium mineralization indicating the potential to supplement the existing Gas Hills Project resource estimate. The Gas Hills Project is located approximately 250 miles from the Dewey Burdock Project and has the potential to become a satellite project to the Dewey Burdock Project.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse impacts of the outbreak and its effects on the Company's business or ability to raise funds.

INDUSTRY TRENDS AND OUTLOOK

Although uranium prices have recovered, the Company believes that the following key elements will contribute to further improvements in the uranium sector:

- **Global reactor pipeline indicates growth** – the global reactor pipeline consists of 933[1] nuclear reactors that are operable, under construction, planned or proposed. Of the 933 nuclear reactors, 440 reactors are operable[1]. A total of 164[1] nuclear reactors are under construction or planned, which represents approximately 37% of the current operating fleet. China and India lead the world in terms of the number of nuclear power plants under construction, with twelve and seven, respectively[1]. China continues to accelerate their nuclear growth plans and intends to have 120-150 GWe of installed capacity by 2030[2] (currently 46 GWe[1]).

- **Nuclear reactor requirements significantly exceed primary production** – in 2020, expected uranium demand is 179[3] million pounds, whereas, expected primary production is 142[4] million pounds. Further, approximately 55% of global uranium production has recently come offline due to COVID-19, representing in approximately 6.5 million pounds of lost production per month[5].

- **United States Nuclear Fuel Working Group** – in February 2020, President Trump's fiscal 2021 budget proposal requested an annual allocation of US$150 million for a 10-year period, totaling US$1.5 billion, to establish a United States uranium reserve. Subsequently, in April 2020, the United States Nuclear Fuel Working Group ("NFWG") released its report detailing the Strategy to Restore American Nuclear Energy Leadership. This strategy is designed to restore America's competitive nuclear advantages and proposes, among other items, that the U.S. Government "take immediate and bold action to revive and strengthen the uranium mining industry". The strategic objectives will "restore the viability of the entire front-end of the nuclear fuel cycle". A summary of the other most relevant points included in the NFWG report pertaining to the U.S. uranium mining industry include:

    - U.S. government purchases of 17-19 million pounds of uranium, beginning in 2020, from domestic producers.
    - The Department of Energy will end the uranium bartering program and reevaluate the Department of Energy's excess uranium inventory management policy.

[1] World Nuclear Association – *World Nuclear Power Reactors & Uranium Requirements (May 2020)*
[2] World Nuclear Association – *Nuclear Power in China (January 2020)*
[3] TD Securities Inc. *(December 2019)*
[4] Eight Capital *(December 2019)*
[5] Eight Capital *(April 2020)*

- Streamlined regulatory reform and land access for uranium extraction.
- Department of Commerce efforts will be supported to extend the Russian Suspension Agreement to protect against future uranium dumping in the U.S. market.

Despite the Company's belief that a uranium sector turnaround has commenced, its strategies are focused on making prudent plans to progress its business, while conserving its financial resources. At this time, the Company's strategy involves the following key elements:

- **Continue with the advancement of the Dewey Burdock Project –** the Company remains focused on working with the EPA to obtain the final Class III and Class V UIC permits in the near-term. In August 2019, the EPA issued revised draft permits that addressed the majority of the comments submitted by the Company. In parallel with advancing the Dewey Burdock Project on the permitting front, the Company will continue to evaluate project-financing options, with a view to having a funding solution in place prior to or concurrent with the finalization of permits.

- **Focus on identifying uranium resources at the Dewey Terrace Project –** the Company is continuing the evaluation and analysis of historical data at the Dewey Terrace Project with the goal of identifying additional uranium mineralization.

- **Focus on identifying additional uranium resources and ISR amenability at the Gas Hills Project –** the Company is continuing its review of historical data at the Gas Hills Project with the goal of identifying additional uranium mineralization. The Company has also completed hydrological studies, which indicate that permeability and piezometric surface conditions are suitable for ISR uranium mining. The Company will continue to evaluate future ISR development options at Gas Hills, consistent with the Company's strategy of developing ISR uranium projects in the USA.

- **Future uranium production off-take –** the Company will continue engaging with potential customers for future uranium production off-take. Although the Company plans to continue these discussions, in parallel with the advancement of the Dewey Burdock Project, the level of these activities will be dependent on the market environment.

The Company expects to successfully execute its strategy as the Company believes that:

- uranium prices will continue to move higher in the near to medium term;
- the December 2019 PEA demonstrates that the Dewey Burdock Project is one of the United States' preeminent undeveloped ISR uranium projects;

- on completion of permitting at the Dewey Burdock Project, the Company expects to be able to attract financing and move into the construction phase;
- the Company's asset suite includes mineral properties at various stages of development, providing a pipeline for continued growth; and
- management and the Board of Directors have extensive experience in uranium, the broader mining sector, and financial markets.

MINERAL PROPERTIES

The Dewey Burdock Project (100% interest) – South Dakota, USA

The Company's 100% owned Dewey Burdock Project is an ISR uranium project located in the Edgemont uranium district, in South Dakota, USA. Through property purchase agreements, mining leases and/or mining claims, the Dewey Burdock Project is comprised of approximately 12,613 surface acres and 16,962 net mineral acres. The Dewey Burdock Project is the Company's initial development priority.

Summary of Mineral Resources and PEA

In January 2020, the Company filed a NI 43-101 compliant independent Technical Report and PEA for the Dewey Burdock Project prepared by Woodard & Curran and Rough Stock Mining Services (the "Dewey Burdock PEA") with an effective date of December 3, 2019.

Dewey Burdock Project ISR Mineral Resource Estimate				
	Measured Resources	Indicated Resources	Measured plus Indicated Resources	Inferred Resources
Tons	5,419,779	1,968,443	7,388,222	645,546
Average grade (% U_3O_8)	0.132	0.072	0.116	0.055
Average thickness (feet)	5.56	5.74	5.65	5.87
Average grade-thickness ("GT")	0.733	0.413	0.655	0.324
Uranium (pounds) at a 0.20 GT cut-off	14,285,988	2,836,159	17,122,147	712,624

Note: mineral resources that are not mineral reserves do not have demonstrated economic viability.

In addition to the ISR mineral resource estimate, the NI 43-101 resource estimate includes a non-ISR (located above the water table) mineral resource estimate containing measured resources of 857,186 pounds at 0.060% U_3O_8, indicated resources of 407,851 pounds at 0.053% U_3O_8 and inferred resources of 114,858 pounds at 0.051% U_3O_8 at a

0.20 GT cut-off. The non-ISR mineral resource estimate is not included in the mineral resource figures presented in the economic analysis for the Dewey Burdock PEA. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Dewey Burdock PEA resulted in a pre-income tax NPV of $171.3 million at a discount rate of 8% and an IRR of 55% compared to a post-income tax NPV of $147.5 million at a discount rate of 8% and an IRR of 50%. The Dewey Burdock PEA post- income tax calculations do not include a corporate level assessment of income tax liabilities; taxes have only been calculated at the Dewey Burdock Project level. The estimate of income tax at the corporate level is subject to a number of additional considerations that have not been factored in when calculating income taxes at the project level, including, but not limited to, the capital structure to finance the Dewey Burdock Project, which has not yet been determined and loss carry forwards available at the corporate level.

The Dewey Burdock PEA estimated uranium prices of $55/lb U_3O_8, direct cash operating costs of $10.46 per pound of production and royalties and local taxes (excluding property tax) of $5.15 per pound of production. The total pre-income tax cost of uranium production is estimated to be $28.88 per pound of production. Income taxes are estimated to be $3.39 per pound of production.

Initial capital expenditures are estimated at $31.7 million. The Dewey Burdock Project is forecast to produce 14.3 million pounds of U_3O_8 over its 16 years of production and the projected cash flows of the Dewey Burdock Project are expected to be positive in the second year of production, two years after the commencement of construction.

Details of the assumptions and parameters used with respect to the Dewey Burdock PEA, including information on data verification, are set out in the "NI 43-101 Technical Report Preliminary Economic Assessment, Dewey Burdock Uranium ISR Project, South Dakota, USA, dated January 17, 2020, with an effective date of December 3, 2019, a copy of which is available under the Company's profile at www.sedar.com. The Dewey Burdock PEA is preliminary in nature; it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Dewey Burdock PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Summary of Permitting

Permit, License or Approval Name	Agency	Status
UIC Class III Permit UIC Class V Permit	EPA	• Revised draft permits issued August 2019 • Working with EPA to obtain final permits in near-term
Final Source and By-product Materials License	NRC	• Issued April 2014 and in good standing
Ground Water Disposal Plan Water Rights Permit Large Scale Mine Plan Permit	DENR	• Applications complete and recommended for conditional approval by DENR staff • Hearings for final approval commenced in late-2013, continuance ordered until completion of federal regulatory approvals (NRC and EPA)
Plan of Operations	BLM	• Working with the BLM to obtain approval in the near-term

DENR	South Dakota Department of Environment and Natural Resources
EPA	United States Environmental Protection Agency
NRC	United States Nuclear Regulatory Commission
BLM	Bureau of Land Management

The Section 106 programmatic agreement ("PA") was executed on April 7, 2014 by the Advisory Council on Historic Preservation, the NRC, the South Dakota State Historic Preservation Office, and the BLM. Subsequent to the PA being executed, the NRC issued a final Safety Evaluation Report and the Company's Dewey Burdock Project received its Source and Byproduct Materials License SUA-1600 on April 8, 2014, covering 10,580 acres. In the fourth quarter of 2016, the Company received approval from the NRC for the first amendment to the NRC license, which completed certain NRC license conditions. The Company controls the mineral and surface rights for the area pertaining to the NRC license.

The consolidated intervenors and the Oglala Sioux Tribe have filed an appeal to the NRC Commission for two contentions previously resolved in favor of the Company and the NRC Staff by the Atomic Safety and Licensing Board related to identification and protection of historic and cultural resources. The Company expects that this appeal will be not be granted. The NRC license for the Dewey Burdock Project continues to remain in good standing.

The Company continues to be in compliance with the existing conditions of the NRC license and other permitting and licensing requirements. Prior to commencing construction and operations at the Dewey Burdock Project, the Company requires regulatory approvals from two other major agencies, the EPA and the DENR. These approvals include the final Class III and Class V UIC permits from the EPA and three state permits to be issued by the DENR.

Additional requirements that need to be addressed prior to commencing construction and operations at the Dewey Burdock Project include the satisfaction of pre-operational conditions under the NRC license and the development and implementation of mitigation plans for protection of cultural resources under the PA.

In August 2019, the Company received notice that the EPA issued revised draft permits for the Dewey Burdock Project. The revised draft permits incorporate comments submitted to the EPA on the original draft permits, including comments submitted by the Company and pertain to the Company's planned Class III and Class V UIC activities. The revised draft EPA permits addressed the majority of the comments submitted by the Company. This is a significant step towards the issuance of the final EPA permits and continues to advance the Dewey Burdock Project towards development. The Company remains focused on working with the EPA to obtain the final permits in the near-term.

The Company submitted applications to the DENR in 2012 for its Groundwater Discharge Plan ("GDP"), Water Rights ("WR") and Large Scale Mine Plan ("LSM") permits. All permit applications have been deemed complete and have been recommended for conditional approval by the DENR staff. The GDP and WR permits are subject to hearing with public participation. The hearing commenced on October 28, 2013 and continued through November 25, 2013, at which point it was determined that the hearing will resume once the NRC and EPA have ruled and set the federal surety. The LSM permit has been finalized subject to continuation of a hearing before the Board of Minerals and Environment, which commenced the week of September 23, 2013 and continued through November 5, 2013, at which point it was determined that the hearing will resume once the NRC and EPA have ruled and set the federal surety. Subject to improved market conditions, the Company plans to re-commence the regulatory process with the DENR once the final EPA Class III and Class V UIC permits have been issued.

On July 8, 2014, the BLM requested additional information on the Company's plan of operations for the Dewey Burdock Project. The Company submitted the requested information and anticipates that the BLM will approve the plan of operations in the near-term.

Dewey Terrace Project (100% interest) – Wyoming, USA – adjacent to Dewey Burdock

The Company's 100% owned Dewey Terrace Project is located in the Weston and Niobrara Counties of Wyoming. The Company acquired this project primarily through the staking of federal mining claims, along with the acquisition of lease agreements. Through mining leases and mining claims, the Dewey Terrace Project is comprised of approximately 1,874 acres of surface rights and approximately 7,514 acres of net mineral rights. The Dewey Terrace Project is located adjacent to the Company's NRC licensed Dewey Burdock Project.

The Company has identified uranium mineralization at the Dewey Terrace Project through the review and analysis of historical data owned by the Company (the "Data Set"). The Data Set identified 259 mineralized drill holes indicating significant potential for a new resource area at the Dewey Terrace Project. Further, deposition is consistent with sand channel systems categorized within the Dewey Burdock Project and conditions that indicate possible ISR amenability. Several drill holes encountered multiple intercepts demonstrating a vertically stacked group of separate mineralized zones similar to those at the Dewey Burdock Project. The uranium mineralization covers seven separate mineralized zones over a trend of approximately 2.5 miles.

As announced on October 31, 2017, the Data Set analysis has identified 91 mineralized drill holes with 129 intercepts equal to or exceeding a 0.2 GT cutoff using a 0.02% grade cutoff with an average eU_3O_8 grade of 0.062% and an average thickness of 7.4 feet. The Company also identified 93 drill holes with 112 intercepts that had GT values ranging from 0.1 to 0.2 GT based on review of the Data Set. These intercepts had an average thickness of 4.1 feet with an average grade of 0.041% eU_3O_8. The remaining 187 drill holes reviewed range from barren to an average GT of 0.1.

The Data Set includes historical drilling information that has been reviewed by the Company's geological team, as well as 20 exploratory drill holes completed by the Company in a previous exploration campaign. The exploratory drill holes completed by the Company confirm the presence of uranium mineralization at the Dewey Terrace Project. The Company's review of the records and information within the Data Set reasonably substantiate the validity of this information; however, the Company cannot directly verify the accuracy of the historical data, including the procedures used for sample collection and analysis. Therefore, the Company encourages investors not to place undue weight on these results.

The objective of the Data Set analysis is to identify uranium mineralization in a cost-effective manner in the vicinity of the Company's Dewey Terrace and Dewey Burdock Projects. The Company is continuing its review of the Data Set with the objective of identifying additional uranium mineralization.

Gas Hills Project (100% interest), Wyoming, USA

The Company's 100% owned Gas Hills Project is located in the historic Gas Hills uranium district situated 45 miles east of Riverton, Wyoming. The Gas Hills Project consists of approximately 1,280 surface acres and 12,960 net mineral acres of unpatented lode mining claims, a State of Wyoming mineral lease, and private mineral leases, within a brownfield site which has experienced extensive development including mine and mill site production.

Summary of Mineral Resources

In June 2017, a technical report was prepared by BRS Inc. on the Gas Hills Project titled "Amended and Restated Gas Hills Uranium Project, Mineral Resource and Exploration Target NI 43-101 Technical Report, Fremont and Natrona Counties, Wyoming, USA" (the "Gas Hills Report") with an effective date of June 9, 2017. The Gas Hills Project contains indicated uranium resources of 4.7 million pounds U_3O_8 (2.4 million tons at an average grade of 0.098% U_3O_8) and inferred uranium resources of 2.5 million pounds U_3O_8 (2.3 million tons at an average grade of 0.054% U_3O_8) at a 0.10 GT cut-off. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The uranium mineralization is contained in roll-front deposits hosted by arkosic sandstone beds of the Eocene Wind River Formation. The deposits are stratabound and occur from the surface to depths of approximately 450 feet in areas amenable to open-pit mining, and to depths in excess of 1,200 feet, which may be amenable to ISR. Based on areas of wide-spaced limited historical drilling and areas of past mine production, the Company believes that there is sufficient geological evidence to interpret that mineralization may extend from current mineral resource areas along identified trends. Based on a detailed review of previous work, the Company has outlined five high priority exploration targets within the project for follow-up including Day Loma, Day Loma/Loco-Lee, Loco-Lee, George-Ver, and Bullrush.

Details of the assumptions and parameters used with respect to the Gas Hills Report, including quality estimates and information on data verification, are available under the SEDAR profile of URZ Energy at www.sedar.com.

Subsequent to issuing the Gas Hills Report, the Company commenced detailed ISR studies on the Gas Hills Project. These studies focused on piezometric surface conditions and permeability of the Wind River formation confined aquifer, the primary host of uranium mineralization at the Company's Gas Hills Uranium Project. The first study, announced by URZ Energy on May 1, 2018, focused on piezometric surface conditions and demonstrated that three of the primary deposits at the Gas Hills property, being Day Loma, George-Ver and Loco-Lee, were principally located within a confined aquifer that contains current hydrostatic head well above the minimum requirements to allow for the successful use of ISR mining techniques.

The second study focused on permeability (also referred to as hydraulic conductivity). A comprehensive review of pump test data for the Gas Hills Project and pump test data for other mining operations and planned mining operations in Wyoming proximal to the Gas Hills Project was conducted by Hydro-Engineering L.L.C ("Hydro-Engineering"). A summary of the review is presented below for each project:

Project Name and Owner	Hydraulic Conductivity Range (feet/day)	Permeability Range (darcy)
Gas Hills; Azarga Uranium	1.0 to 5.7	0.8 to 2.7
Gas Hills (Peach); Cameco	0.5 to 6.0	0.3 to 2.89
Lost Creek; Ur-Energy	0.27 to 2.78	0.13 to 1.3

Hydro-Engineering concluded that the hydraulic conductivity at the Gas Hills Project is comparable to hydraulic conductivity values at other ISR mining operations and planned mining operations in Wyoming proximal to the Gas Hills Project. Thus, the permeability of the mineralized Wind River formation confined aquifer at Gas Hills is suitable for ISR uranium mining.

The favorable report on permeability coupled with the favorable piezometric surface conditions confirms that these two important hydrologic parameters are suitable for ISR uranium mining.

As announced on April 6, 2020, the Company has identified additional uranium mineralization at the Gas Hills Project. The Company identified this additional uranium mineralization through the analysis of historical data procured by the Company (the "Gas Hills Data Set"). The analysis of the Gas Hills Data Set identified 147 mineralized drill holes with 173 intercepts equal to or exceeding a 0.2 grade-thickness cutoff using a 0.02% grade cutoff with an average U_3O_8 grade of 0.137% and an average thickness of 5.3 feet and expanded the envelope of uranium mineralization indicating the potential to supplement the existing Gas Hills Project resource estimate. Further, the analysis confirms that the uranium mineralization occurs in sandstone-hosted roll fronts located below the water table, indicating the potential for ISR amenability. The analysis of the Gas Hills Data Set has not yet been completed and as the Company continues its review, it is expected that further uranium mineralization will be identified at the Gas Hills Project.

The Gas Hills Data Set includes historical drilling information that has been reviewed by the Company's geological team. The Company's review of the records and information within the Gas Hills Data Set reasonably substantiate the validity of this information; however, the Company cannot directly verify the accuracy of the historical data, including the procedures used for sample collection and analysis. Therefore, the Company encourages investors to exercise appropriate caution when evaluating these results.

The Centennial Project (100% interest) – Colorado, USA

The Company's 100% owned Centennial Project is located in the western part of Weld County in north-eastern Colorado. Through property purchase and lease agreements, the Centennial Project is comprised of approximately 1,365 acres of surface rights and 6,238 acres of net mineral rights.

Historical exploration work included drilling, recovery tests, water well tests and environmental studies. At the request of the Colorado Division of Reclamation, Mining and Safety, the Company prepared and submitted an updated Site Characterization Plan in April 2009. All the required environmental surveys and studies have been completed and the draft reports have been received. The Company completed its application to the EPA for a Class I UIC Permit in November 2010. In December 2010, the EPA informed the Company that the application was deemed complete; however, the Company withdrew its application in the fourth quarter of 2018. The EPA will retain the application should the Company wish to resume the process. The majority of the major mine permit applications for the Centennial Project have not been prepared or submitted to date.

In August 2010, a NI 43-101 compliant independent PEA (the "Centennial PEA") was prepared by SRK Consulting (U.S.), Inc. and Lyntek Incorporated with an effective date of June 2, 2010. The Centennial PEA indicated that the Centennial Project can be developed using the ISR method and resulted in a pre-tax net present value of $51.8 million at a discount rate of 8% and an internal rate of return of 18%. The Centennial PEA assumed uranium prices of $65/lb U_3O_8, cash operating costs of $34.95/lb U_3O_8 and capital costs of $71.1 million. The Centennial PEA included indicated uranium resources of 10,371,571 pounds at 0.09% U_3O_8 and inferred uranium resources of 2,325,514 pounds at 0.09% U_3O_8 at a 0.20 GT cut-off and annual production of 700,000 lbs per annum, which resulted in a 14-year mine life.

Details of the assumptions and parameters used with respect to the Centennial PEA, including information on data verification, are set out in the Centennial PEA dated August 6, 2010, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. The Centennial PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Centennial PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Subsequent to the Centennial PEA being completed, certain lease agreements with respect to the Centennial Project were not renewed and certain parcels of redundant land at the Centennial Project were sold; however, the impact to the Centennial PEA is immaterial.

In 2006, the Company entered into an option agreement, as amended, to purchase uranium rights on certain areas of the Centennial Project for consideration of $1,895,000 plus contingent payments of $3,165,000. Pursuant to the agreement, the contingent payments are payable upon receipt of regulatory permits and licenses allowing uranium production on the area of the Centennial Project pertaining to these uranium interests. Further, unless otherwise agreed, if the Company does not obtain such permits and licenses by September 27, 2019, the uranium rights, at the option of the seller, can be transferred back to the seller. To date, the Company has neither obtained the required regulatory permits and licenses nor has the Company been able to renegotiate the option agreement. However, the Company is attempting to renegotiate the option agreement and the seller has not exercised its option to have the uranium rights transferred back.

Juniper Ridge Project (100% interest), Wyoming, USA

The Company's 100% owned Juniper Ridge Project is located in the southwest portion of Wyoming, approximately 10 miles west of the town of Baggs. The Juniper Ridge Project consists of approximately 640 surface acres and 3,240 net mineral acres of unpatented lode mining claims and a State of Wyoming mineral lease and is located within a brownfield site which has experienced extensive exploration, development, and mine production.

In June 2017, a technical report was prepared by BRS Inc. and T.P. McNulty and Associates Inc. on the Juniper Ridge Project titled "Juniper Ridge Uranium Project, Amended and Restated NI 43-101 Mineral Resource and Preliminary Economic Assessment Technical Report" (the "Juniper Ridge PEA") with an effective date of June 9, 2017. The Juniper Ridge Project contains indicated uranium resources of 6.0 million pounds U_3O_8 (5.1 million tons at an average grade of 0.058% U_3O_8) and inferred uranium resources of 0.2 million pounds U_3O_8 (0.1 million tons at an average grade of 0.085% U_3O_8) at a 0.10 GT cut-off.

The Juniper Ridge PEA resulted in a pre-tax net present value of $27.3 million at a discount rate of 8% and an internal rate of return of 26% compared to a post-tax net present value of $19.9 million at a discount rate of 8% and an internal rate of return of 22% based on open pit mining and heap leach extraction of uranium. The Juniper Ridge PEA assumed uranium prices of $65/lb U_3O_8, total direct operating costs of $39.77/lb U_3O_8 and capital expenditures of $36.7 million.

Details of the assumptions and parameters used with respect to the Juniper Ridge PEA, including quality estimates and information on data verification, are available under the SEDAR profile of URZ Energy at www.sedar.com. The Juniper Ridge PEA is preliminary in nature; it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Juniper Ridge PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

While local mineralization displays some of the characteristics of known uranium deposits in the Gas Hills uranium district and in the Powder River Basin of Wyoming, the mineralization at the Juniper Ridge Project is sandstone hosted. Data sources for the estimation of uranium mineral resources for the Juniper Ridge Project consist of 2,716 drill holes including radiometric equivalent data for 2,167 drill holes completed before 2011, Uranium Spectral Analysis Tool assay data for 400 drill holes completed during the 2011 drilling program, and radiometric equivalent and PFN assay data for 149 drill holes completed in 2012.

The Company intends to continue to evaluate and review project geophysical logs and other data associated with the project to evaluate the possibility of future alternatives including updates to resource estimates and project economics.

The Aladdin Project (100% interest) – Wyoming, USA

The Aladdin Project is comprised of private leases that cover approximately 5,166 acres of surface rights and 4,618 acres of net mineral rights located in Wyoming along the Wyoming/South Dakota border on the northwestern flank of the Black Hills Uplift, within sandstones of the Lower Cretaceous-age Inyan Kara Group. The Aladdin Project is 80 miles northwest of the Dewey Burdock Project. Uranium resources at the Aladdin Project have developed within the same host rocks that contain the Dewey Burdock Project uranium resources.

In June 2012, the Company completed a NI 43-101 compliant technical report for the Aladdin Project, with an effective date of June 21, 2012, describing the results of the Company's confirmation drilling program and continued evaluation of the historic exploration drilling data from the Teton Exploration Company. The Aladdin Project contains indicated uranium resources of 1,038,023 pounds at 0.111% U_3O_8 and inferred uranium resources of 101,255 pounds at 0.119% U_3O_8 at a 0.20 GT cut-off. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In addition, using the same cut-off, the quantity of mineralization for the exploration target was determined to be 5.0 to 11.0 million pounds of uranium, averaging 0.11% - 0.12% U_3O_8. In over 80% of the project area, the density of exploration drilling is light and insufficient to calculate resources. In these lightly explored areas, there is sufficient drill hole control for subsurface geochemical mapping and thirteen mineralized trends were identified. This estimation used a range of i) mineralized trend lengths, ii) widths of mineralization and iii) grades of mineralization. The grade and quantity of this exploration target is conceptual in nature and there has been insufficient exploration work performed with respect to the exploration target to define a NI 43-101 compliant resource. It is uncertain whether further exploration of the exploration target will result in the delineation of a NI 43-101 compliant resource.

Details of the assumptions and parameters used with respect to the Aladdin NI 43-101 compliant technical report, including quality estimates and information on data verification, are available under the Company's profile on SEDAR at www.sedar.com.

Subsequent to the NI 43-101 compliant technical report being completed, certain lease agreements/claims were not renewed; however, the impact to the Aladdin NI 43-101 technical report is immaterial.

The Company is currently evaluating the Aladdin Project in order to determine how to maximize the value that can be extracted from this project.

QUALIFIED PERSON

Disclosure of a scientific or technical nature in this MD&A has been reviewed and approved by John Mays, P.E., Chief Operating Officer and a "qualified person" as defined under NI 43-101.

RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2020

The consolidated net loss for the three months ended March 31, 2020 was $206,918 compared to $192,104 for the three months ended March 31, 2019.

The significant changes between the current period and the comparative period are discussed below:

Administrative expenses totaled $355,148 for the three months ended March 31, 2020 compared to $425,029 for the three months ended March 31, 2019. The decrease in administrative expenses primarily related to reduced consulting and professional fees due to cost cutting measures.

The Company recognized an unrealized gain on warrant liabilities of $139,282 for the three months ended March 31, 2020 compared to $249,903 for the three months ended March 31, 2019.

SUMMARY OF QUARTERLY RESULTS

The following tables provide selected quarterly financial information for the most recent eight quarters.

	3 Months Ended March 31, 2020	3 Months Ended December 31, 2019	3 Months Ended September 30, 2019 (1)	3 Months Ended June 30, 2019 (2)
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ (206,918)	$ (170,830)	$ (2,882,698)	$ (4,492,364)
Net loss per share, basic and diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.03)

	3 Months Ended March 31, 2019	3 Months Ended December 31, 2018	3 Months Ended September 30, 2018	3 Months Ended June 30, 2018
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ (192,104)	$ (986,839)	$ (557,452)	$ (238,442)
Net loss per share, basic and diluted	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)

(1) The three months ended September 30, 2019 included an impairment charge of $2,422,398 for the Centennial Project.
(2) The three months ended June 30, 2019 included an impairment charge of $4,140,444 for the Kyzyl Ompul Project.

LIQUIDITY AND CAPITAL RESOURCES

The Company began the period with a cash balance of $184,447. During the three months ended March 31, 2020, the Company expended $182,110 on operating activities, net of working capital changes, and $179,691 on its exploration and evaluation assets, and received $245,089 from loan proceeds, with a positive $6,821 effect of foreign exchange on cash to end at March 31, 2020 with a cash balance of $74,556.

The Company's capital risk management objectives have been established to safeguard the Company's ability to continue as a going concern in order to support the Company's permitting and exploration and development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, progress on permitting, results from the exploration and development of its properties and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

To date, the Company has not generated revenues from operations and is currently in the exploration and development stage. As at March 31, 2020, the Company had a working capital deficit of $1,029,203 and an accumulated deficit of $27,198,436 and will continue incurring losses for the foreseeable future.

In April 2020, the Company closed a non-brokered private placement for gross proceeds of approximately C$1.6 million through the issuance of 10,933,333 units at a price of C$0.15 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of C$0.20 per share until April 17, 2023. The Company paid cash finder's fees of C$34,400.

However, additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing, at terms that are acceptable to the Company, will be available. Further, at present, the COVID-19 pandemic is negatively impacting financial markets globally and this may adversely affect the Company's ability to raise capital for future operations and exploration and development of the Company's mineral properties. The Company has successfully raised financing in the past and will continue to assess available alternatives; however, there is no assurance that the Company will be able to raise additional funds in the future. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

At the date of this MD&A, the Company has 15,921,155 exercisable share purchase warrants outstanding at exercise prices ranging from C$0.20 to C$0.36 and 11,725,000 exercisable stock options outstanding at exercise prices ranging from C$0.075 to C$0.36, that if exercised will raise additional capital for the Company.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

	Within 1 year	2-4 years	Over 4 years	Total
Annual license payments *	$ 546,538	$ 459,533	$ 1,749,465	$ 2,755,536
Centennial option agreement **	-	-	3,165,000	3,165,000
Dewey Burdock option agreements	62,500	255,000	1,638,750	1,956,250
	$ 609,038	$ 714,533	$ 6,553,215	$ 7,876,786

* annual license payments include lease and mineral claim payments
** the contingent payments are payable upon receipt of regulatory permits and licenses allowing uranium production on the area of the Centennial Project pertaining to these uranium interests. Further, since the required licenses and permits were not received by September 27, 2019, the uranium rights, at the option of the seller, can be transferred back to the seller. The Company is attempting to renegotiate the Centennial Project option agreement.

Certain of the Company's commitments may provide the Company with the ability to avoid funding those commitments; however, the Company discloses the contractual maturities of the Company's commitments based on management's intent.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss; fair value through other comprehensive income (loss); or, at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial assets	As at March 31, 2020	As at December 31, 2019
Amortized cost		
Cash	$ 74,156	$ 184,447
Restricted cash	22,716	22,716
	$ 96,872	$ 207,163

Financial liabilities	As at March 31, 2020	As at December 31, 2019
Amortized cost		
Trade and other payables	$ 923,380	$ 863,864
Loans payable	234,627	-
Decommissioning liabilities	255,323	251,550
Operating lease obligations	105,179	115,459
Fair value through profit or loss		
Warrant liabilities	116,800	265,029
	$ 1,635,309	$ 1,495,902

Fair value

The fair value of financial assets and financial liabilities measured at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities measured at amortized cost approximates their fair value.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The fair value of the Company's warrant liabilities is recorded at fair value using Level 3 of the fair value hierarchy. The carrying value of warrant liabilities is determined using the Black-Scholes option pricing model.

The carrying values of cash, trade and other payables and loans payable approximate their fair values because of the short-term nature of these financial instruments and are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

The carrying values of restricted cash, decommissioning liabilities, and operating lease obligations approximate their fair values and are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2019.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

The remuneration of the Company's directors and other key management personnel, who have the authority and responsibility for planning, directing and controlling the activities of the Company, consisted of the following:

	Three months ended March 31, 2020		2019
Salaries and benefits *	$	173,539	$	173,539
Consulting and professional fees		33,118		32,632
Share-based compensation		30,019		38,743
	$	236,676	$	244,914

* Salaries and benefits are included in administrative expenses and exploration and evaluation assets.

Related party liabilities

		As at March 31, 2020		December 31, 2019
Trade and other payables - current	$	341,666	$	276,042
Trade and other payables - non-current		55,000		70,000
	$	396,666	$	346,042

OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

The Company has authorized the issuance of an unlimited number of common and preferred shares with no par value. As at March 31, 2020 and through the date of this MD&A, the following common shares, share purchase warrants and stock options are issued and outstanding:

	Common Shares	Share Purchase Warrants	Stock Options
Balance, March 31, 2020	186,089,087	10,454,490	14,542,500
Private placement	10,933,333	5,466,665	-
Issuance of shares for ESPP	261,568	-	-
Issuance of shares for DSA	172,627	-	-
Balance as at the date of this MD&A	197,456,615	15,921,155	14,542,500

USE OF ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Information about judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are included in Note 2.4 to the Company's December 31, 2019 consolidated annual financial statements. There were no material changes to the significant accounting judgments and estimates from December 31, 2019.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, amendments to standards and interpretations are not yet effective as of March 31, 2020 and have not been applied in preparing these condensed consolidated interim financial statements. These standards are not expected to materially impact the Company's financial position or results of operations.

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. There is currently no proposed asset or business acquisitions or dispositions, other than those discussed in this MD&A and those in the ordinary course, before the Board of Directors for consideration. While we remain focused on our plans to continue exploration and development on our material property, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

DISCLOSURE CONTROLS AND PROCEDURES

There has been no significant change in the Company's disclosure controls and procedures that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no significant change in the Company's internal controls over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

DISCLAIMER FOR FORWARD-LOOKING STATEMENTS

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that the Company or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by the Company and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although the Company believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of the Company is subject to a number of risks and uncertainties, including those risk factors listed under "Risk Factors" in the Company's Annual Information Form and the documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, of the Company may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Unless otherwise required by law, the Company expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and the Company does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.