



Azarga Uranium Corp.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended June 30, 2019
(Expressed in U.S. Dollars)

AZARGA URANIUM CORP.

Management's Discussion and Analysis

For the six months ended June 30, 2019

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Azarga Uranium Corp. ("Azarga Uranium") for the six months ended June 30, 2019 and up to the date of this MD&A, and 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, 2018 (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, 2018, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the six months ended June 30, 2019.

All financial information in this MD&A is derived from the Company's condensed consolidated interim financial statements for the six months ended June 30, 2019 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 August 12, 2019.

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). Azarga Uranium, together with its subsidiaries (collectively referred to as the "Company"), is an integrated uranium exploration and development company.

The Company controls eleven uranium projects and prospects in the United States of America (the "USA"), located in South Dakota, Wyoming, Utah and Colorado, and in the Kyrgyz Republic, with a primary focus of developing in-situ recovery ("ISR") uranium projects in the USA. The Dewey Burdock ISR uranium project in South Dakota (the "Dewey Burdock Project") is the Company's initial development priority and has received its Nuclear Regulatory Commission 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, uranium exploration properties in Wyoming, Utah and Colorado and 93% of the Kyzyl Ompul Project in the Kyrgyz Republic.

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OPERATIONAL HIGHLIGHTS

The Company's significant events and highlights for the six months ended June 30, 2019 and to the date of this MD&A are as follows:

- **Private Placement** – In March 2019, the Company closed a non-brokered private placement for gross proceeds of \$2,266,169 (C\$3,014,391) through the issuance of 13,106,046 units at a price of C\$0.23 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\$0.31 per share until March 20, 2022.
- **Dewey Burdock Project permitting update** – In May 2019, the Company announced that the Atomic Safety and Licensing Board (the "ASLB") issued an order granting the Nuclear Regulatory Commission (the "NRC") staff's motion to set a schedule for an evidentiary hearing pertaining to the final contention for the Dewey Burdock Project NRC license. The Company's NRC license for the Dewey Burdock Project continues to remain in good standing and the ASLB decision provides the NRC staff and the Company with an opportunity to resolve the final contention for the Dewey Burdock NRC license within legally established timelines. The Company plans to fully support the NRC staff throughout the evidentiary hearing process in an effort to resolve the final contention. The timeline established by the ASLB sets November 29, 2019 as the ASLB decision date on this matter.
- **Kyzyl Ompul Project – Kyrgyz Republic** – During the six months ended June 30, 2019, the Company recognized an impairment charge of \$4,140,444 for the Kyzyl Ompul Project (see Kyzyl Ompul details below).

INDUSTRY TRENDS AND OUTLOOK

Although uranium prices have recovered from their lows in the fourth quarter of 2016, 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 943¹ nuclear reactors that are operable, under construction, planned or proposed. Of the 943 nuclear reactors, 447 reactors are operable¹. A total of 166¹ nuclear reactors are under construction or planned, which represents approximately 37% of the current operating fleet. China, Russia and India lead the world in terms of the number of nuclear power plants under construction, with twelve, six and seven, respectively¹. China continues to accelerate their nuclear

¹ World Nuclear Association – *World Nuclear Power Reactors & Uranium Requirements (July 2019)*

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growth plans and intends to have 120-150 GWe of installed capacity by 2030² (currently 43 GWe¹).

- **Current prices will constrain supply** – low prices are forcing producers to curtail mining, development and exploration. In 2016, Cameco Corp. (“Cameco”) suspended production and transitioned its Rabbit Lake Mine to care and maintenance, which produced 4.2 million pounds of uranium in 2015³, curtailed its United States operations and announced production halts at its McArthur River and Cigar Lake mines for periods in 2017. In 2017, Cameco announced temporary production suspensions at its McArthur River/Key Lake operation, which Cameco expected would remove 18 million pounds of uranium from the market in 2018⁴. In July 2018, Cameco announced the decision to continue the shutdown of McArthur River/Key Lake indefinitely. Further, Kazatomprom announced a 20% production cut over a period of three years commencing in January 2018, which equates to approximately 7.5% of global uranium production for 2018 as forecast by UxC (UMO Q4)⁵.
- **United States Nuclear Working Fuel Group** – the Company understands that President Trump has established the United States Nuclear Fuel Working Group (the “Working Group”) to develop recommendations for reviving and expanding domestic nuclear fuel production. President Trump also announced that the United States Department of Commerce determined that uranium imports are a threat to United States national security. President Trump has established the Working Group to not only address this concern, but also to ensure a complete review and reinvigoration of the United States nuclear fuel supply chain, consistent with the United States national security and nonproliferation goals. The Working Group will submit its findings and make its recommendations to the President within 90 days of July 12, 2019.

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 is working to resolve the only remaining contention on the NRC license and to receive the final EPA permits. 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.

² World Nuclear Association – *Nuclear Power in China (July 2019)*

³ Cameco 2016 Annual Information Form dated March 23, 2017

⁴ Cameco Corp. Management Discussion & Analysis for the quarter ended June 30, 2018

⁵ NAC Kazatomprom JSC news release December 4, 2017

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- **Complete updated PEA at the Dewey Burdock Project and identify uranium resources at the Dewey Terrace Project** – in December 2018, the Company published an increased resource estimate for the Dewey Burdock Project and expects to publish an updated preliminary economic assessment (“PEA”) in the third quarter of 2019. The Company is also continuing the evaluation and analysis of historical data at the Dewey Terrace Project with the goal of identifying additional uranium mineralization.
- **Focus on ISR amenability at the Gas Hills Project** – the Company has 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 US-focused ISR uranium projects.
- **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 move higher in the near to medium term;
- the December 2018 resource estimate demonstrates that the Dewey Burdock Project is one of the United States’ leading undeveloped ISR uranium deposits;
- 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.

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Summary of Mineral Resources

In December 2018, the Company filed an updated National Instrument ("NI") 43-101 compliant independent resource estimate for the Dewey Burdock Uranium Project prepared by Rough Stock Mining Services (the "Dewey Burdock Report") with an effective date of November 12, 2018.

Dewey Burdock Project ISR Mineral Resource estimate				
	Measured Resources	Indicated Resources	Measured plus Indicated Resources	Inferred Resources
Tons	5,200,000	2,328,000	7,528,000	732,000
Average grade (% U ₃ O ₈)	0.132	0.068	0.113	0.056
Average thickness (feet)	5.51	5.83	5.69	5.95
Average grade-thickness ("GT")	0.73	0.396	0.64	0.333
Uranium (pounds)	13,779,000	3,160,000	16,939,000	818,000

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 an additional 1,060,000 pounds of non-ISR (located above the water table) Measured resources at 0.057% U₃O₈. These resources are not included in the Measured resources presented in the table above.

Details of the assumptions and parameters used with respect to the Dewey Burdock Report, including information on data verification, are set out in the Dewey Burdock Report dated December 21, 2018, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

The Company's immediate objective is to complete an updated PEA based on the updated 2018 resource estimate and to obtain the necessary permits and licenses to advance the Dewey Burdock Project to the construction phase.

Summary of Permitting

Permit, License or Approval Name	Agency	Status
UIC Class III Permit UIC Class V Permit	EPA	<ul style="list-style-type: none"> • Draft permits issued March 2017 • Public comment period closed June 2017 • Working with EPA to obtain final permits

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Final Source and By-product Materials License	NRC	<ul style="list-style-type: none"> • Issued April 2014 and in good standing • Final contention pertaining to identification and protection of historic and cultural resources has path to completion
Ground Water Disposal Plan Water Rights Permit Large Scale Mine Plan Permit	DENR	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Approval anticipated on successful resolution of final NRC contention

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 NRC issued the final Supplemental Environment Impact Statement (“SEIS”) for the Dewey Burdock Project in the first quarter of 2014. 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.

In August 2014, an evidentiary hearing was held with the ASLB in regard to the contentions raised with respect to the Dewey Burdock Project. These ASLB hearings are normal practice and are undertaken after the NRC license has been granted to determine whether the NRC staff has considered all issues related to the NRC license. In April 2015, the ASLB ruled on seven contentions raised by the consolidated intervenors and the Oglala Sioux Tribe (collectively, the “Intervenors”) regarding the NRC license for the Dewey Burdock Project. For five contentions, including those related to groundwater

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usage, groundwater quality, ability to contain fluid migration, mitigation measures, and connected actions, the ASLB ruled in favor of the NRC staff and the Company. For the remaining two contentions, which related to identification and protection of historic and cultural resources, the ASLB requested additional consultation between the NRC staff and the Oglala Sioux Tribe. The ASLB also ruled inadmissible two new contentions that were filed by the Intervenors after the evidentiary hearing.

Subsequent to the ASLB partial initial decision in April 2015, the Company and the NRC staff filed petitions for review of the ASLB decision to the NRC Commission with respect to their ruling that additional consultation efforts were required between the Oglala Sioux Tribe and the NRC staff regarding the two contentions relating to the identification and protection of historic and cultural resources. The Intervenors filed petitions for review of the ASLB decision to the NRC Commission covering most of the contentions heard by the ASLB. Upon consideration of the information presented, the NRC Commission denied the party's petitions for review of the ASLB decision, with the exception of 1) the NRC staff's and the Company's petition for review with respect to the ASLB's direction to the NRC staff regarding the resolution of the outstanding two contentions relating to the identification and protection of historic and cultural resources, in which the NRC Commission ultimately affirmed the ASLB's decision and 2) a petition for review filed by the Oglala Sioux Tribe claiming that the draft SEIS had been issued without the requisite scoping process, in which the NRC Commission affirmed the ASLB's decision and dismissed the contention.

In August 2017, the Company received notice that the NRC staff filed a motion for summary disposition before the ASLB to resolve the remaining two contentions from the ASLB partial initial decision. The Company filed a brief in support of the NRC staff motion, while the Intervenors filed briefs opposing the motion. In October 2017, the ASLB issued a memorandum and order pertaining to this motion. With respect to the outstanding contention requiring additional consultation between the NRC staff and the Oglala Sioux Tribe under the National Historic Preservation Act, the ASLB granted the motion for summary disposition in favor of the NRC staff and the Company. With respect to the outstanding contention pertaining to the identification and protection of historic and cultural resources for the purposes of compliance with the National Environmental Policy Act ("NEPA"), the ASLB did not grant the motion for summary disposition. As a result, the Company filed an appeal with the NRC Commission in an effort to resolve the remaining contention; however, the appeal was not successful.

In 2018, the Company, the NRC staff and the Oglala Sioux Tribe agreed, in principle, to a process for resolving the remaining contention, however due to differences in approach between the Oglala Sioux Tribe and the NRC staff, both parties filed motions for summary disposition. The Company filed a brief in support of the NRC staff motion. The ASLB denied the Oglala Sioux Tribe's motion for summary disposition and its request to stay or revoke the Company's Dewey Burdock Project NRC license and the NRC staff's summary disposition motion to resolve the remaining contention. In May 2019, the ASLB issued an order granting the NRC staff's motion to set a schedule for an evidentiary hearing pertaining to the final contention. The ASLB decision provides the NRC staff and the

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Company with an opportunity to resolve the final contention for the Dewey Burdock NRC license within legally established timelines. The NRC staff have determined that an evidentiary hearing, one of the two options previously presented by the ASLB to address the only remaining contention, is the most appropriate path forward as the other approach did not have a reasonable expectation of agreement in an acceptable timeframe. The evidentiary hearing is scheduled to commence on August 28, 2019 with the ASLB decision to follow on November 29, 2019. The Company plans to fully support the NRC staff throughout the evidentiary hearing process in an effort to resolve the final contention in a timely manner.

In February 2017, the Oglala Sioux Tribe filed an appeal of the decision made by the NRC Commission to the United States Court of Appeals for the District of Columbia Circuit (the "DC Circuit Court"). On July 23, 2018, the Company reported that the DC Circuit Court issued an order dismissing most of the rulings challenged by the Oglala Sioux Tribe due to lack of jurisdiction; however, the DC Circuit Court remanded the decision to keep the Company's NRC license in effect to the NRC Commission due to the unresolved NEPA contention. On January 31, 2019, the NRC Commission issued a decision upholding the effectiveness of the Company's NRC license in consideration of the remand from the DC Circuit Court.

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, including resolution of the one outstanding contention related to NEPA. In March 2017, the Company received notice that the EPA issued draft Class III and Class V UIC permits completing a major regulatory milestone.

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

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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 subsequent to the successful resolution of the remaining contention on the NRC license, at which point it is also anticipated that the BLM will prepare an environmental assessment and issue its Record of Decision.

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

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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 U₃O₈ (2.4 million tons at an average grade of 0.098% U₃O₈) and inferred uranium resources of 2.5 million pounds U₃O₈ (2.3 million tons at an average grade of 0.054% U₃O₈) at a 0.1 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

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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. The Company will continue to evaluate future ISR development options at the Gas Hills Project.

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

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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 U₃O₈, cash operating costs of \$34.95/lb U₃O₈ and capital costs of \$71.1 million. The Centennial PEA included indicated uranium resources of 10,371,571 pounds at 0.09% U₃O₈ and inferred uranium resources of 2,325,514 pounds at 0.09% U₃O₈ 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.

The Company is currently analyzing alternatives for the Centennial Project including using best efforts to renegotiate the purchase option agreement on the project. If the purchase option agreement cannot be renegotiated by September 2019, the Company will no longer own 5,760 mineral acres containing the majority of the NI 43-101 uranium resources at the Centennial Project and as a result, the Centennial Project would likely be impaired.

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

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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 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 U₃O₈ (5.1 million tons at an average grade of 0.058% U₃O₈) and inferred uranium resources of 0.2 million pounds U₃O₈ (0.1 million tons at an average grade of 0.085% U₃O₈) at a 0.1 GT cut-off.

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.

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 U₃O₈, total direct operating costs of \$39.77/lb U₃O₈ and capital expenditures of \$36.7 million.

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 consists 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

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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 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% U₃O₈ and inferred uranium resources of 101,255 pounds at 0.119% U₃O₈ 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% U₃O₈. 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 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.

Kyzyl Ompul Project (93% interest) – Kyrgyz Republic

The uranium deposit/prospects of the Kyzyl Ompul Project are located in the Kyrgyz Republic, approximately 125 kilometers east of the capital of Bishkek. The Kyzyl Ompul Project is 100% owned and operated by UrAsia in Kyrgyzstan Limited Liability Company ("UrAsia"), in which the Company owns a 93% interest, and consists of one exploration license with an area of 42,379 hectares. The license is valid until December 31, 2020 and permits exploration for uranium.

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In April 2014, Ravensgate Mining Industry Consultants ("Ravensgate") prepared a maiden NI 43-101 compliant independent resource estimate for the Kok Moinok deposit located within the Kyzyl Ompul Project. Ravensgate estimated that the Kok Moinok deposit contained inferred uranium resources of 7.51 million pounds at 225.2 parts per million U₃O₈ using a cut-off of 100 parts per million as at December 31, 2013, the effective date of the resource estimate. Details of the assumptions and parameters used for the resource estimate at Kyzyl Ompul, including information on data verification, are set out in the Kyzyl Ompul Technical Report dated April 14, 2014, a copy of which is available under the Company's profile at www.sedar.com. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In April 2018, as amended, UrAsia entered into an earn-in agreement (the "Earn-in Agreement") with Central Asian Uranium Company Limited Liability Company ("Central") pursuant to which Central has an option to earn a 100% interest in the Kyzyl Ompul Project in exchange for \$5,850,000 in cash payments and a commitment to fund \$1,500,000 of exploration and development expenditures through December 1, 2020.

In 2018, Central made cash payments of \$290,000 to the Company. During the six months ended June 30, 2019, Central made cash payment to UrAsia of \$130,000. The remaining cash payments of \$5,430,000 are payable as follows: \$95,104 on April 30, 2019 (not received), \$16,828 per month from April 1 to September 1, 2019 (April to August 2019 not received), \$245,828 per month from October 1 to December 1, 2019, \$378,911 from January 1 to September 1, 2020, and \$362,082 per month from October 1 to December 1, 2020. Cash payments received from Central over the course of the Earn-in Agreement are not refundable if Central does not exercise its purchase option.

Aggregate exploration and development expenditures are expected to be incurred as follows: \$400,000 by December 31, 2018, \$1,000,000 by December 31, 2019 and \$1,500,000 by December 1, 2020. Central exceeded the minimum exploration and development expenditures required by December 31, 2018.

Subject to Central completing all required funding and exercising its option to acquire a 100% interest in the Kyzyl Ompul Project, UrAsia will retain a 2% net smelter return royalty that is payable on commencement of commercial production and is subject to a minimum of \$2,500,000 and a maximum of \$5,000,000.

If Central fails to make any of the payments under the Earn-in Agreement, UrAsia will retain its 100% interest in the Kyzyl Ompul Project. Subsequent to June 30, 2019, UrAsia issued Central a notice of default, which if Central fails to cure, will result in the termination of the Earn-in Agreement.

In May 2019, the Kyrgyz Republic's parliament voted to ban uranium exploration and mining in the country. However, before this ban can be implemented into law, an established lawmaking process must be followed, including but not limited to further parliamentary readings and the President's sign-off of the proposed law. The Company has not received official notification from the State Committee on Industry, Energy and

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Subsoil Use or the Government of the Kyrgyz Republic that the Kyzyl Ompul Project license has been revoked; however, the Kyzyl Ompul Project license has been suspended due to force majeure circumstances resulting from the Kyrgyz government's actions. The Company will continue to evaluate the situation and work with its other stakeholders to ensure that the Company's rights are preserved.

These events in the Kyrgyz Republic cast significant doubt over the future validity of the Company's exploration license on the Kyzyl Ompul Project as well as on the future cash flows expected from Central. Accordingly, during the six months ended June 30, 2019, the Company recognized an impairment charge of \$4,140,444 for the Kyzyl Ompul Project.

On May 23, 2019, the Company acquired an additional 23% interest from two minority shareholders for a nominal cost giving the Company a 93% interest in UrAsia.

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 - SIX MONTHS ENDED JUNE 30, 2019

The consolidated net loss for the six months ended June 30, 2019 was \$4,684,468 compared to \$864,434 for the six months ended June 30, 2018.

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

Administrative expenses totaled \$849,019 for the six months ended June 30, 2019 compared to \$811,382 for the six months ended June 30, 2018. The increase in administrative expenses primarily related to increased share-based compensation expense partially off-set by reduced salaries and benefits.

Finance costs totaled \$4,938 for the six months ended June 30, 2019 compared to \$147,889 for the six months ended June 30, 2018. The current period amount related to interest expense on the Company's operating lease obligations while the comparative period amount related primarily to interest expense on the \$1,776,000 shareholders' loan which was settled in July 2018 through the issuance of common shares of the Company.

The Company recognized an unrealized gain of \$239,064 for the six months ended June 30, 2019 compared to an unrealized loss of \$31,115 for the six months ended June 30, 2018. The unrealized gain and loss for the respective periods related to the revaluation

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of the warrant liability.

During the six months ended June 30, 2019, the Company recognized an impairment charge of \$4,140,444 for the Kyzyl Ompul Project (see Kyzyl Ompul details above).

RESULTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30, 2019

The consolidated net loss for the three months ended June 30, 2019 was \$4,492,364 compared to \$238,442 for the three months ended June 30, 2018.

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

Administrative expenses totaled \$407,557 for the three months ended June 30, 2019 compared to \$373,657 for the three months ended June 30, 2018. The increase in administrative expenses primarily related to increased share-based compensation expense partially off-set by reduced salaries and benefits.

Finance costs totaled \$2,549 for the three months ended June 30, 2019 compared to \$73,501 for the three months ended June 30, 2018. The current period amount related to interest expense on the Company's operating lease obligations while the comparative period amount related primarily to interest expense on the \$1,776,000 shareholders' loan which was settled in July 2018 through the issuance of common shares of the Company.

The Company recognized an unrealized loss of \$10,839 for the three months ended June 30, 2019 compared to an unrealized gain of \$25,540 for the three months ended June 30, 2018. The unrealized gain and loss for the respective periods related to the revaluation of the warrant liability.

During the three months ended June 30, 2019, the Company recognized an impairment charge of \$4,140,444 for the Kyzyl Ompul Project (see Kyzyl Ompul details above).

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SUMMARY OF QUARTERLY RESULTS

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

	3 Months Ended June 30, 2019	3 Months Ended March 31, 2019	3 Months Ended December 31, 2018	3 Months Ended September 30, 2018
Total revenues	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (4,492,364)	\$ (192,104)	\$ (986,839)	\$ (557,452)
Net loss per share, basic and diluted	\$ (0.03)	\$ (0.00)	\$ (0.01)	\$ (0.00)

	3 Months Ended June 30, 2018	3 Months Ended March 31, 2018	3 Months Ended December 31, 2017	3 Months Ended September 30, 2017
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (238,442)	\$ (625,992)	\$ 1,782,760	\$ (6,438,864)
Net income (loss) per share, basic and diluted	\$ (0.00)	\$ (0.01)	\$ 0.02	\$ (0.08)

LIQUIDITY AND CAPITAL RESOURCES

The Company began the fiscal year with a cash balance of \$352,001. During the six months ended June 30, 2019, the Company expended \$1,062,738 on operating activities net of working capital changes, \$283,677 on investing activities, and received \$2,249,616 from financing activities, with a positive \$24,677 effect of foreign exchange on cash to end at June 30, 2019 with a cash balance of \$1,279,879.

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In March 2019, the Company closed a non-brokered private placement for gross proceeds of \$2,266,169 (C\$3,014,391) through the issuance of 13,106,046 units at a price of C\$0.23 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\$0.31 per share until March 20, 2022. The Company paid cash finder's fees of \$5,696 and other share issue costs of \$10,857.

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.

The consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business as they fall due. To date, the Company has not generated revenues from operations and is currently in the exploration and development stage. As at June 30, 2019, the Company had working capital of \$429,679 and an accumulated deficit of \$23,359,294 and will continue incurring losses in the foreseeable future. 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. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. 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.

At the date of this MD&A, the Company has 15,076,155 exercisable warrants outstanding at exercise prices ranging from C\$0.31 to C\$0.36, and 10,977,503 exercisable stock options outstanding at exercise prices ranging from C\$0.075 to C\$1.20, that if exercised will raise additional capital for the Company.

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CONTRACTUAL OBLIGATIONS AND COMMITMENTS

	Within 1 year	2-4 years	Over 4 years	Total
Annual license payments *	\$ 880,694	\$ 888,249	\$ 1,408,223	\$ 3,177,166
Centennial option agreement **	3,165,000	-	-	3,165,000
Dewey Burdock option agreements	62,500	187,500	1,737,500	1,987,500
	<u>\$ 4,108,194</u>	<u>\$ 1,075,749</u>	<u>\$ 3,145,723</u>	<u>\$ 8,329,666</u>

* annual license payments include lease, mineral claim, and exploration license payments

** the Company will use best efforts to renegotiate the Centennial Project option agreement before the contingent payment is due in September 2019

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

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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	
	June 30, 2019	December 31, 2018
Amortized cost		
Cash	\$ 1,279,879	\$ 352,001
Restricted cash	40,087	39,963
Right-of-use assets	133,001	-
Reclamation bonds	-	99,000
	<u>\$ 1,452,967</u>	<u>\$ 490,964</u>

Financial liabilities	As at	
	June 30, 2019	December 31, 2018
Amortized cost		
Trade and other payables	\$ 952,947	\$ 1,452,085
Decommissioning liabilities	240,412	223,442
Operating lease obligations	135,178	-
Fair value through profit or loss		
Warrant liabilities	396,516	247,654
	<u>\$ 1,725,053</u>	<u>\$ 1,923,181</u>

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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 and trade and other payables 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, right-of-use assets, 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, 2018.

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RELATED PARTY TRANSACTIONS

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 June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Salaries and benefits *	\$ 173,544	\$ 159,166	\$ 347,083	\$ 358,330
Consulting and professional fees	33,150	29,083	65,782	59,031
Share-based compensation	96,604	20,653	135,347	56,712
	\$ 303,298	\$ 208,902	\$ 548,212	\$ 474,073

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

Related party liabilities

	As at	
	June 30,	December 31,
	2019	2018
Trade and other payables - current	\$ 149,637	\$ 176,422
Trade and other payables - non-current	100,000	150,000
	\$ 249,637	\$ 326,422

Included in trade and other payables as at June 30, 2019 and December 31, 2018 is \$249,637 and \$326,422, respectively, owing to related parties of the Company, of which \$180,000 and \$230,000, respectively, is owed to a former director of the Company pursuant to a severance agreement. During the six months ended June 30, 2019, the Company paid the former director \$50,000 towards the outstanding balance. The Company has classified \$80,000 as current and \$100,000 as non-current as at June 30, 2019.

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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 June 30, 2019 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, June 30, 2019	183,719,147	15,076,155	15,035,836
Issuance of shares for ESPP	266,667	-	-
Issuance of shares for DSA	70,566	-	-
Issuance of shares for employee remuneration	900,000	-	-
Balance as at the date of this MD&A	184,956,380	15,076,155	15,035,836

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, 2018 consolidated annual financial statements. There were no material changes to the significant accounting judgments and estimates from December 31, 2018.

RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of new standards, interpretations and amendments

The Company adopted the requirements of IFRS 16 – Leases ("IFRS 16") as of January 1, 2019. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the leased asset. For assets that meet the definition of a lease, IFRS 16 requires a single, on-balance sheet accounting model similar to finance lease accounting, with exceptions for short-term leases, leases of low value assets, and mineral exploration leases. Accordingly, IFRS 16 applies only to the Company's office leases. The Company has applied IFRS 16 on a prospective basis.

On January 1, 2019 the Company recorded right-of-use assets totaling \$152,214 with a corresponding entry to operating lease obligations. The Company calculated the present value of the minimum lease payments using an interest rate of 7% and an exchange rate of \$/C\$ 1.3642. Thereafter, the right-of-use assets are depreciated on a straight-line basis over the term of the leases which range from 2 to 5 years.

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Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2019 and have not been applied in preparing the Company's condensed consolidated interim financial statements. In addition, none of these standards are applicable to the Company.

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

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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.