Azarga Uranium Corp.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2021
(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 nine months ended September 30, 2021 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, 2020 (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, 2020, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the nine months ended September 30, 2021.

All financial information in this MD&A is derived from the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2021 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 November 10, 2021.

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 been issued its Nuclear Regulatory Commission ("NRC") license and final 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.

PROPOSED TRANSACTION

On September 7, 2021, the Company entered into a definitive agreement with enCore Energy Corp. ("enCore") whereby enCore will acquire all of the issued and outstanding common shares of Azarga Uranium pursuant to a court-approved plan of arrangement (the "Transaction").

Under the terms of the agreement, Azarga Uranium shareholders will receive 0.375 common shares of enCore for each Azarga Uranium common share held (the "Exchange Ratio"). The Exchange Ratio implied consideration of C$0.71 per Azarga Uranium common share based on the closing price of the enCore common shares on the TSX Venture Exchange on September 3, 2021.

Additionally, the Exchange Ratio will be subject to an adjustment mechanism at the closing of the Transaction (the "Closing Exchange Ratio"). The Closing Exchange Ratio shall be equal to the greater of: (i) the Exchange Ratio; or (ii) an exchange ratio calculated as C$0.54 divided by enCore's 15-day volume weighted average price prior to the closing of the Transaction, subject to a maximum Closing Exchange Ratio of 0.49 common shares of enCore for each share of Azarga Uranium outstanding.

Transaction Highlights

- Creation of a top-tier American uranium ISR mining company with multiple assets at various stages of development;
- Two licensed ISR production facilities and multiple potential satellite exploration and development projects in South Texas;
- Advanced stage Dewey Burdock development project in South Dakota with key federal permits issued;
- Recently published preliminary economic assessment for the Gas Hills project in Wyoming;
- Large uranium resource endowment in New Mexico including the Marquez-Juan Tafoya project, for which a recent preliminary economic assessment was published and the Crownpoint and Hosta Butte project;
- Well positioned to benefit from America's nuclear renaissance, which boasts bi-partisan political support; and
- Management team and board with unrivaled experience in the permitting, development, and mining of ISR uranium deposits in the USA.

Transaction Details

Pursuant to the terms of the agreement, all of the issued and outstanding common shares of Azarga Uranium will be exchanged for common shares of enCore at the Closing Exchange Ratio. Outstanding and unexercised warrants and stock options to purchase common shares of Azarga Uranium will be adjusted in accordance with their terms based on the Closing Exchange Ratio.

The agreement includes standard deal protection provisions, including non-solicitation, right-to-match, and fiduciary out provisions, as well as certain representations, covenants and conditions that are customary for a transaction of this nature, along with a termination fee of C$4 million payable to enCore in certain circumstances.

The proposed Transaction will be effected by way of a plan of arrangement completed under the Business Corporations Act (British Columbia). The Transaction will require approval by at least 66 2/3% of the votes cast by Azarga Uranium shareholders and, if required by Multilateral Instrument 61-101, a simple majority of the votes cast by Azarga Uranium shareholders excluding certain interested or related parties, in each case by shareholders present in person or represented by proxy at a special meeting of the shareholders of Azarga Uranium (the "Azarga Uranium Special Meeting").

The Azarga Uranium Special Meeting is to be held November 16, 2021. An information circular detailing the terms and conditions of the Transaction was mailed to the shareholders of Azarga Uranium.

Closing of the Transaction is subject to the receipt of applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature, including, without limitation, court and stock exchange approval. Closing of the Transaction is anticipated to occur end of November 2021.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws.

Management and Board of Directors

The combined company will be managed by the current enCore executive team, led by Paul Goranson as CEO & Director, William Sheriff as Executive Chairman, Carrie Mierkey as Chief Financial Officer, and Dennis Stover, as Chief Technical Officer. Blake Steele, current President & CEO of Azarga Uranium, will continue as a Strategic Advisor to the combined company and John Mays, current COO of Azarga Uranium, will continue as Chief Operating Officer of the Azarga Uranium subsidiary, with a core focus to manage the continued advancement of the Dewey Burdock and Gas Hills projects.

Upon closing of the Transaction, Sandra MacKay, a current director of Azarga Uranium, will be appointed to the board of enCore.

In connection with the closing of the Transaction, enCore intends to seek the listing of its shares on the NYSE-AMEX or NASDAQ exchange which may include a share consolidation in order to meet initial listing requirements.

Board Recommendations

The agreement has been unanimously approved by the boards of directors of both enCore and Azarga Uranium, and Azarga Uranium's board unanimously recommends that its shareholders vote in favour of the Transaction.

OPERATIONAL HIGHLIGHTS

The Company's significant events and highlights for the nine months ended September 30, 2021 and to the date of this MD&A, in addition to the Transaction described above, are as follows:

- **Global X Uranium ETF Inclusion** – Further to an ordinary rebalance in the Solactive Global Uranium & Nuclear Components Total Return Index (the "Index"), effective August 2, 2021, the Company was included in the Index composition for the Global X Uranium ETF (NYSE:URA).

- **Gas Hills Project** – In May 2021, the Company filed an updated National Instrument 43-101 ("NI 43-101") resource estimate for its Gas Hills Uranium Project in Wyoming, USA (the "Gas Hills Project"). Measured and indicated uranium resources increased to 10.8 million pounds U_3O_8 from 4.7 million pounds U_3O_8, a 128% increase. Of the 10.8 million pounds U_3O_8, 7.7 million pounds U_3O_8 are located below the water table and ideally suited to ISR mining techniques. Subsequently, in August 2021, the Company filed a maiden independent preliminary economic assessment ("PEA") for the ISR resources at its Gas Hills Project. The base case economic assessment resulted in a pre-income tax internal rate of return ("IRR") of 116% and a pre-income tax net present value ("NPV") of $120.9 million when applying an eight percent discount rate. Using the same discount rate, the post-income tax IRR is 101% and the post-income tax NPV is $102.6 million.

- **Strategic Investor** – In March 2021, the Company announced that AK Jensen Investment Management Ltd through its Tees River Uranium Fund and Tees River Critical Resources Fund increased its ownership of the Company to 10.94% of the issued and outstanding common shares on a non-diluted basis and 12.58% on a fully diluted basis.

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. To date, this pandemic has had a limited impact on the Company's operations as the Company has continued to advance its business objectives and raise capital. However, it is not possible for the Company to ultimately 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

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 923[1] nuclear reactors that are operable, under construction, planned or proposed. Of the 923 nuclear reactors, 441 reactors are operable[1]. A total of 157[1] nuclear reactors are under construction or planned, which represents approximately 36% of the current operating fleet. China and India lead the world in terms of the number of nuclear power plants under construction, with eighteen and seven, respectively[1]. China continues to accelerate their nuclear growth plans and intends to have 70 GWe of installed capacity by 2025[2] (currently 50 GWe[1]).

- **Nuclear reactor requirements significantly exceed primary production –** in 2021, expected uranium demand is 181[3] million pounds, whereas, expected primary production is 127[3] million pounds.

- **United States Nuclear Fuel Working Group –** in February 2020, the fiscal 2021 budget proposal requested $1.5 billion over a 10-year period 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:

[1] World Nuclear Association – *World Nuclear Power Reactors & Uranium Requirements (October 2021)*
[2] TD Securities Inc. *(March 2021)*
[3] TD Securities Inc. *(November 2021)*

  - U.S. government purchases of 17-19 million pounds of uranium, through a competitive procurement process 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.
  - Streamlined regulatory reform and land access for uranium extraction.

  Further, in December 2020, the approved Omnibus Budget Bill appropriated $75 million to the Department of Energy to establish a United States uranium reserve.

- **Russian Suspension Agreement ("RSA") extended –** the RSA has been extended to 2040 and reduces the delivery of nuclear fuel into the USA from Russia. Under the previous agreement, Russian exports were limited to approximately 20% of USA enrichment demand; however, under the amended agreement, this percentage would drop to an average of 17% over a 20-year period. This has the potential to support increased domestic production in the USA.

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 EPA issued the Company their final Class III and Class V UIC permits in November 2020. The major federal permits, being the EPA permits and the NRC license, have now been issued for the Dewey Burdock Project. The Company is focused on finalizing the permitting process at the Dewey Burdock Project and moving into construction.

  In parallel with finalizing permitting at the Dewey Burdock Project, 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 and quantifying additional uranium mineralization.

- **Advancing the Gas Hills Project –** In August 2021, the Company filed a maiden independent PEA on its Gas Hills Project. The base case economic assessment resulted in a pre-income tax IRR of 116% and a pre-income tax NPV of $120.9 million when applying an eight percent discount rate. Using the same discount rate, the post-income tax IRR is 101% and the post-income tax NPV is $102.6 million. The Company is now focused on commencing the permitting process and growing the ISR-amenable resources at the Gas Hills Project.

- **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 Dewey Burdock and Gas Hills PEAs demonstrate that the projects are two of the preeminent undeveloped ISR uranium projects in the USA;
- 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 December 2020, the Company filed an amended and restated 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.

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 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. 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.

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 December 22, 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
Final UIC Class III Permit Final UIC Class V Permit	EPA	• Issued November 2020 • Appealed to Environmental Appeals Board
Final Source and By-product Materials License	NRC	• Issued April 2014 and in good standing • Appealed to DC Circuit Court
Ground Water Discharge Plan Water Rights Permit Large Scale Mine Plan Permit	DANR	• Applications complete and recommended for approval by DANR staff • Hearings for final approval commenced in late-2013, continuance ordered until completion of federal regulatory approvals • Focused on resuming hearings
Plan of Operations	BLM	• Working with the BLM to obtain approval in the near term

DANR	South Dakota Department of Agriculture and Natural Resources (formerly 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 Company's Dewey Burdock Project received its Source and Byproduct Materials License SUA-1600 on April 8, 2014 from the NRC, covering 10,580 acres. The Company controls the mineral and surface rights for the area pertaining to the NRC license.

In December 2020, a petition for review of contentions previously resolved in favor of the Company and the NRC staff was filed by certain petitioners with the United States Court of Appeals for the District of Columbia Circuit (the "DC Circuit Court"), which is the next court in line of jurisdiction. Final briefs in this proceeding were filed on July 22, 2021 and oral arguments were held on November 9, 2021. Despite any appeal, the current full effectiveness of the Company's NRC license for its Dewey Burdock Project remains in place and the Company does not expect this petition for review to be successful. The Company has previously prevailed at both the Atomic Safety and Licensing Board and the NRC Commission on these issues.

In November 2020, the EPA issued the Company their final Class III and Class V UIC permits, and associated aquifer exemption, for the Dewey Burdock Project. Subsequent to the permits being issued, the Class III and Class V UIC permits were appealed to the Environmental Appeals Board (the "EAB"). The aquifer exemption was appealed to the United States Court of Appeals for the Eight Circuit (the "Eighth Circuit"). The EAB proceeding has been stayed until such time as the DC Circuit Court renders a decision disposing of the challenge to the National Historic Preservation Act compliance in connection with the Dewey Burdock Project that is pending before the DC Circuit Court. Further, the proceeding before the Eighth Circuit has been held in abeyance pending the resolution of the EAB proceeding. The Company does not expect either of these appeals to be successful.

The Company submitted applications to the DANR 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 DANR 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. The Company is focused on recommencing the hearing process for the GDP, WR and LSM permits now that the EPA permits and NRC license have been issued. However, the Company has not yet been successful due to the ongoing appeals at the federal level.

The Company continues to be in compliance with existing permitting and licensing requirements. Prior to commencing construction and operations at the Dewey Burdock Project, the Company requires three state permits to be issued by the DANR, the EAB appeal to be denied or resolved in favour of the Company, certain pre-operational conditions under the Company's permits and licenses to be satisfied, certain minor permits to be obtained and the development and implementation of mitigation plans for protection of cultural resources under the programmatic agreement.

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 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 and quantifying 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 and PEA

In August 2021, the Company filed a maiden NI 43-101 compliant independent Technical Report and PEA for the Gas Hills Project prepared by WWC Engineering and Rough Stock Mining Services (the "Gas Hills PEA") with an effective date of June 28, 2021. The Gas Hills Project contains measured and indicated uranium resources of 10.8 million pounds U_3O_8 (7.0 million tons at an average grade of 0.077% U_3O_8) and inferred uranium resources of 0.5 million pounds U_3O_8 (0.5 million tons at an average grade of 0.048% U_3O_8) at a 0.10 GT cut-off. The effective date of the uranium resource estimate was March 29, 2021. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Importantly, an ISR resource estimate was established and supported by numerous hydrology studies confirming that the resources located below the water table are ideally suited for ISR mining techniques.

Gas Hills Project ISR Mineral Resource Estimate at 0.10 GT				
	Measured Resources	Indicated Resources	Measured plus Indicated Resources	Inferred Resources
Tons	993,928	2,835,339	3,829,267	409,330
Average grade (% U_3O_8)	0.103	0.100	0.101	0.052
Average thickness (feet)	5.4	4.9	5.0	5.9
Average GT	0.552	0.491	0.502	0.310
Uranium (pounds)	2,051,065	5,654,545	7,705,610	427,817

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

The Gas Hills PEA incorporates only the ISR mineral resource estimate and contemplates a satellite plant development approach with final processing occurring at a central processing facility to be constructed at the Company's Dewey Burdock Project. The Gas Hills PEA resulted in a pre-income tax NPV of $120.9 million at a discount rate of 8% and an IRR of 116% compared to a post-income tax NPV of $102.6 million at a discount rate of 8% and an IRR of 101%.

The Gas Hills PEA estimated uranium prices of $55/lb U_3O_8, direct cash operating costs of $11.52 per pound of production and royalties and local taxes of $3.62 per pound of production. The total pre-income tax cost of uranium production is estimated to be $28.20 per pound of production. Income taxes are estimated to be $3.82 per pound of production. The Gas Hills PEA post-income tax calculations do not include a corporate level assessment of income tax liabilities; taxes have only been calculated at the Gas Hills 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 Gas Hills Project, which has not yet been determined and loss carry forwards available at the corporate level.

Initial capital expenditures are estimated at $26.0 million. The Gas Hills Project is forecast to produce 6.5 million pounds of U_3O_8 over its 7 years of production and the projected cash flows of the Gas Hills Project are expected to be positive in the first year of production, two years after the commencement of construction.

The uranium mineralization is contained in roll-front deposits hosted by arkosic sandstone beds of the Eocene Wind River Formation. 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. The Company is now focused on commencing the permitting process and growing the ISR-amenable resources at the Gas Hills Project.

Details of the assumptions and parameters used with respect to the Gas Hills PEA, including information on data verification, are set out in the "NI 43-101 Technical Report Preliminary Economic Assessment, Gas Hills Uranium Project, Fremont and Natrona Counties, Wyoming, USA", dated August 10, 2021, with an effective date of June 28, 2021, a copy of which is available under the Company's profile at www.sedar.com. The Gas Hills 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 Gas Hills PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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 did 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.

As a result of the uncertainty surrounding this option agreement, which represents 5,760 of the 6,238 mineral acres at the Centennial Project, significant doubt over the future viability of this project exists. Accordingly, no amounts are being capitalized to the Centennial Project.

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.

Details of the assumptions and parameters used with respect to the Juniper Ridge PEA, including quality estimates and information on data verification, are available on the Company's website at www.azargauranium.com.

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.

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.

<u>The Aladdin Project (100% interest) – Wyoming, USA</u>

The Aladdin Project is comprised of private leases that cover approximately 5,166 acres of surface rights and 4,712 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 – NINE MONTHS ENDED SEPTEMBER 30, 2021

The consolidated net loss for the nine months ended September 30, 2021 was $7,410,987 compared to $1,134,779 for the nine months ended September 30, 2020.

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

Administrative expenses totaled $1,443,435 for the nine months ended September 30, 2021 compared to $1,138,135 for the nine months ended September 30, 2020. The increase in administrative expenses primarily related to increased corporate administration for investor relations activities and an increase in non-cash share-based compensation.

The Company recorded a gain on forgiveness of loan of $101,532 during the nine months ended September 30, 2021 related to a USA Payroll Protection Plan ("PPP") loan, which was forgiven in accordance with the terms of the PPP.

The Company recognized an unrealized loss on warrant liabilities of $6,168,527 for the nine months ended September 30, 2021 compared to an unrealized gain of $40,174 for the nine months ended September 30, 2020. The current period change was primarily driven by a significant increase in the Company's share price.

RESULTS OF OPERATIONS – THREE MONTHS ENDED SEPTEMBER 30, 2021

The consolidated net loss for the three months ended September 30, 2021 was $6,794,216 compared to $467,123 for the three months ended September 30, 2020.

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

Administrative expenses totaled $476,094 for the three months ended September 30, 2021 compared to $329,273 for the three months ended September 30, 2020. The increase in administrative expenses primarily related to increased corporate administration for investor relations activities and an increase in non-cash share-based compensation.

The Company recognized an unrealized loss on warrant liabilities of $6,453,505 for the three months ended September 30, 2021 compared to an unrealized loss of $102,645 for the three months ended September 30, 2020. This change is primarily driven by a significant increase in the Company's share price.

SUMMARY OF QUARTERLY RESULTS

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

	3 Months Ended September 30, 2021	3 Months Ended June 30, 2021	3 Months Ended March 31, 2021	3 Months Ended December 31, 2020
Total revenues	$ -	$ -	$ -	$ -
Net income (loss)	$ (6,794,216)	$ 120,876	$ (737,647)	$ (1,006,298)
Basic and diluted income (loss) per share	$ (0.03)	$ 0.00	$ (0.00)	$ (0.00)

	3 Months Ended September 30, 2020	3 Months Ended June 30, 2020	3 Months Ended March 31, 2020	3 Months Ended December 31, 2019
Total revenues	$ -	$ -	$ -	$ -
Net loss from continuing operations	$ (467,123)	$ (460,738)	$ (206,918)	$ (604,065)
Net loss	$ (467,123)	$ (460,738)	$ (206,918)	$ (170,830)
Basic and diluted loss per share from continuing operations	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)
Basic and diluted loss per share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company began the period with a cash balance of $2,400,060. During the nine months ended September 30, 2021, the Company expended $1,158,312 on operating activities, net of working capital changes, $931,326 on investing activities, and received $2,039,512 from financing activities, with a negative $2,985 effect of foreign exchange on cash to end September 30, 2021 with a cash balance of $2,346,949.

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, 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 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 September 30, 2021, the Company had working capital of $2,119,136 and an accumulated deficit of $36,540,565 and will continue incurring losses for 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. 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 11,445,255 exercisable and in-the-money share purchase warrants outstanding at exercise prices ranging from C$0.20 to C$0.31 and 12,166,458 exercisable and in-the-money stock options outstanding at exercise prices ranging from C$0.075 to C$0.32, that if exercised would raise additional capital for the Company.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

	Within 1 year	2-4 years	Over 4 years	Total
Annual license payments *	$ 467,428	$ 457,386	$ 1,616,241	$ 2,541,055
Centennial option agreement **	-	-	3,165,000	3,165,000
Dewey Burdock option agreements	31,250	457,500	1,342,500	1,831,250
	$ 498,678	$ 914,886	$ 6,123,741	$ 7,537,305

* 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 ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or, at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

	As at	
Financial assets	**September 30, 2021**	**December 31, 2020**
Amortized cost		
Cash	$ 2,346,949	$ 2,400,060
Restricted cash	720,020	952,472
	$ 3,066,969	$ 3,352,532

	As at	
Financial liabilities	**September 30, 2021**	**December 31, 2020**
Amortized cost		
Trade and other payables	$ 311,668	$ 580,904
Loan payable	-	101,284
Decommissioning liabilities	267,807	267,807
Lease obligations	57,275	79,209
Fair value through profit or loss		
Warrant liabilities	5,660,723	1,960,499
	$ 6,297,473	$ 2,989,703

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 the warrant liabilities is determined using the Black-Scholes option pricing model.

The carrying values of cash, trade and other payables and loan 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 lease obligations approximate their fair values as they are measured at amortized cost and discounted using appropriate rates.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2020.

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 September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Salaries and benefits *	$ 179,168	$ 169,181	$ 524,171	$ 507,500
Consulting and professional fees	33,744	32,938	102,662	98,526
Share-based compensation	55,440	30,615	253,187	177,249
	$ 268,352	$ 232,734	$ 880,020	$ 783,275

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

Related party liabilities

		As at	
		September 30, 2021	**December 31, 2020**
Chief Executive Officer	Expense reimbursement	$ -	$ 12,952
Chief Financial Officer	Expense reimbursement	1,199	1,647
Former Chief Executive Officer	Severance pay	70,000	115,000
		$ 71,199	$ 129,599

All amounts are included in trade and other payables

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 September 30, 2021 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, September 30, 2021	245,348,557	18,989,219	15,591,709
Issuance of shares for ESPP	172,008	-	-
Issuance of shares for DSA	11,467	-	-
Exercise of options	210,000	-	(210,000)
Exercise of warrants	7,543,964	(7,543,964)	-
Balance as at the date of this MD&A	253,285,996	11,445,255	15,381,709

USE OF ACCOUNTING ESTIMATES, JUDGMENTS 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, 2020 consolidated annual financial statements. There were no material changes to the significant accounting judgments and estimates from December 31, 2020.

RECENT ACCOUNTING PRONOUNCEMENTS

There have been no recent IFRS accounting pronouncements with respect to new standards, interpretations and amendments during the nine months ended September 30, 2021, as compared to the recent accounting pronouncements described under Note 3.19 in the Company's annual audited consolidated financial statements for the year ended December 31, 2020, which are of potential significance 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 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.