WESTERN URANIUM CORPORATION
Management's Discussion and Analysis
For the three and nine months ended September 30, 2015 & 2014

Dated November 30, 2015

INTRODUCTION

Western Uranium Corporation (the "Company" or "Western") is the issuer. This Management's Discussion and Analysis ("MD&A") provides a review of corporate developments, results of operations and financial position as at September 30, 2015 and for the three and nine months ended September 30, 2015. The MD&A is intended to supplement the unaudited condensed interim consolidated financial statements and notes thereto (the "Statements") of Western for the above-noted period.

All amounts included in the MD&A are presented in US dollars, unless otherwise specified. This report is dated November 30, 2015, and the Company's filings, including the comprehensive information included in the Company's application dated November 20, 2014 to be listed on the Canadian Securities Exchange ("CSE"), can be reviewed on the SEDAR website at www.sedar.com and on the CSE website at www.cnsx.ca

ABOUT THE COMPANY

Western was incorporated in December, 2006 under the Ontario Business Corporations Act. During 2014, the Company acquired 100% of the issued and outstanding shares of Pinon Ridge Mining LLC ("PRM"), a Delaware limited liability company. The transaction constituted a reverse takeover of Western by PRM. After obtaining appropriate shareholder approvals, the Company subsequently reconstituted its Board of Directors and senior management team and changed its name to Western Uranium Corporation.

On September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range"), an Australian company that was listed on the Australian Securities Exchange ("ASX") until the acquisition was completed. Western and Black Range entered into a definitive Merger Implementation Agreement, pursuant to which Western agreed to acquire all of the issued and outstanding shares of Black Range.

Western has registered offices at 2702-401 Bay Street, Toronto, Ontario, Canada, M5H 2Y4 and its common shares are listed on the CSE under the symbol "WUC". Its principal business activity is the acquisition and development of uranium resource properties in the states of Utah and Colorado in the United States of America ("USA").

GOING CONCERN

The accompanying consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

In this circumstance, the Company would be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

The Company has a working capital deficit of $2,263,628 as at September 30, 2015 and has incurred net losses of $440,527 and $973,025 for the three and nine months ended September 30, 2015, respectively. The Company will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. On October 16, 2015 the Company commenced an offering to raise gross proceeds of $1,500,000 (see below). These conditions indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

HIGHLIGHTS – For the nine months ended September 30, 2015

Private Placement – 1st Quarter, 2015

On February 4, 2015, the Company completed a private placement raising gross proceeds of CAD $1,760,000 (US$1,453,602) through the issuance of 640,000 common shares at a price of CAD $2.75 (US$2.27) per common share. In connection with this private placement, the Company paid broker fees, legal fees and other expenses of USD $99,809.

Private Placement Offering – 4th Quarter, 2015

On October 16, 2015, the Company commenced a non-brokered private placement to raise up to US$1,500,000 through the issuance of 352,000 common share units at a price of CAD $4.25 (US$3.51 as of October 16, 2015), each unit consisting of one common share plus one-half common share purchase warrant. Each whole common share purchase warrant shall entitle the holder to purchase one common share at the exercise price of CAD $5.75 (US$4.75 as of October 16, 2015) for a term of five years from the closing date of the offering. The Company may, at its discretion, sell additional common share units to raise additional capital of up to 50% of the gross proceeds of the offering.

The proceeds of the offering will be used to fund acquisition expenses incurred in connection with the Black Range transaction and to fund the development of the ablation mining technology ("Ablation Mining Technology", "AMT" or the "Technology"), mine rehabilitation and for working capital purposes.

Acquisition of Black Range

On September 16, 2015, Western completed its acquisition of Black Range, an Australian company that was listed on the ASX until the acquisition was completed. Western and Black Range entered into a definitive Merger Implementation Agreement, pursuant to which Western agreed to acquire all of the issued shares of Black Range by way of Scheme of Arrangement under the Australian *Corporation Act 2001 (Cth)* (the "Black Range Transaction"), with Black Range shareholders being issued shares of Western on a 1 for 750 basis. In addition, Western issued to certain employees, directors and consultants options to purchase Western common stock. Such

stock options were intended to replace Black Range stock options outstanding prior to the Black Range Transaction on the same 1 for 750 basis.

In connection with the Black Range Transaction, Western acquired the net assets of Black Range. These net assets consist principally of interests in a uranium complex of mines located in Colorado (the "Hansen-Taylor Complex") and a 100% interest in a 25 year license for ablation mining technologies and related patents from Ablation Technologies, LLC. The Hansen-Taylor Complex is principally a sandstone-hosted deposit that was discovered in 1977 which was permitted for mining in 1981. Ablation is a low cost, purely physical method of concentrating mineralization of uranium ore by applying a grain-size separation process to ore slurries.

As Black Range did not qualify as a business according to the definition in IFRS 3, the Black Range Transaction does not constitute a business combination. It has been treated as an issuance of shares and stock options by Western for the net monetary assets of Black Range.

The transaction therefore has been accounted for as an asset purchase, with Western being identified as the accounting acquirer and the equity consideration measured at fair value. The results of operations, cash flows and the assets and liabilities of Black Range have been included in these condensed interim consolidated financial statements since September 16, 2015, the acquisition date.

Synergies from the Black Range Transaction

Management believes that the Company may realize a several advantages of scale from the acquisition of Black Range, including a larger group of specialist employees, additional leverage with suppliers, consolidation of operations and enhanced marketing opportunities. The Black Range Transaction has created a larger-sized uranium and exploration company with a complementary resource base, which may attract a greater number of potential investors and a more diversified shareholder base, which could increase the liquidity in the trading of Western's securities. Further the Black Range Transaction provides the Company with full access to utilize and deploy AMT.

Updates on the Development of Ablation Mining Technology

Western has been field testing the AMT applicable to sandstone hosted uranium and vanadium deposits. It appears that the Technology will enhance economically recoverable resources as lower cut-off grades may be applied. Western intends to construct additional production ablation units to employ at its fully permitted Sunday Mine Complex. A detailed operational demonstration of the Ablation Mining Technology was undertaken on stockpiled ore from the October mine on the weekend of September 11-12, 2015. The 5 ton per hour AMT has been undergoing on-site testing and development for the past month or so and, in our view, has now been de-risked and is operational. Over the coming months, WUC will be working to optimize production efficiencies. When the operational efficiencies have been fully optimized, work will begin on the construction and development of a 20 ton per hour AMT unit for commercial production.

CAUTIONARY NOTE: The production results referred to above are for information purposes only and are derived from internal processes and calculations conducted on trial runs. The results are of a preliminary nature only. No independent technical or scientific report or economic analysis has been undertaken at this point. The statements have not been reviewed or considered by a qualified person. Accordingly the statements contained herein should not be relied upon.

Technical Report (NI 43-101) on the Sunday Mine Complex Uranium Property, San Miguel County, Colorado, USA for Western Uranium Corporation

The Company engaged Anthony R. Adkins, of Anthony R. Adkins, P. Geol., LLC to review the Sunday Mine Complex Project data and provide a Canadian National Instrument 43-101 complaint Technical Report describing the current status of the project, including a resource estimate. Mr. Adkins visited the property in the late 1970's and again on July 6, 2015. The Company is the owner and manager of the Sunday Mine Complex Uranium Project through its wholly owned subsidiary, PRM.

The Sunday Mine Complex is an advanced stage property with a significant drilling and production history. Mining and drilling occurred contemporaneously from the 1950's through the mid 1980's. From the 1980's to the present, mining and drilling occurred only sporadically, typically when uranium or vanadium prices were high. The last mining interval was from 2006 to 2009, and based on the available records, only in 2009 did any drilling take place since mid-1980. Past operators have generated abundant geologic and mining data. However, to date, only a small amount has been passed along to Western and the author of this report.

Geologically, the main hosts for uranium-vanadium mineralization in the Sunday Mine Complex are fluvial sandstone beds assigned to the upper part of the Salt Wash Member of the Jurassic Morrison Formation, with minor production coming from conglomeratic sandstones assigned to the lower portion of the Brushy Basin Member of the Morrison Formation. Mineralization from both members is present at the property, with the mine production coming from the Salt Wash Member. Beds generally strike NW-SE and dip SW, with some exceptions within fault bounded blocks adjacent to Big Gypsum Valley.

The Uravan Mineral Belt has a long history of exploration and mining for uranium and vanadium. The deposits have been well studied by public and private entities. Reserve and resource estimation methods have been a topic of interest for most of that long history. Both traditional methods and computer modeling have been used and each have their advantages and limitations. For the purpose of this report, and at the confidence levels that the data will allow, traditional methods such are areas of influence around drill holes and around mineralized areas were considered appropriate.

The resource estimate in this report is summarized in Table 1.1

Sunday Mine Complex Undiluted Geologic Resource Estimate Summary - This Report								
Measured			Indicated			Inferred		
Tons (st)	Lbs U3O8	Lbs V2O5	Tons (st)	Lbs U3O8	Lbs V2O5	Tons (st)	Lbs U3O8	Lbs V2O5
188,243	935,150	5,610,899	14,974	72,683	436,097	264,604	1,906,081	11,436,484
Grade (%)	0.25	1.49		0.24	1.49		0.36	2.16
Measured and Indicated	Tons (st)	Lbs U3O8	Lbs V2O5	Grade U3O8 (%)	Grade V2O5 (%)			
	203,170	1,007,830	6,047,000	0.25	1.49			

Table 1.1: Sunday Mine Complex undiluted geologic resource estimate summary

The Sunday Mine Complex, based on historical records and this 43-101 compliant resource estimate, appears to have very good to excellent potential to host in excess of 3,000,000 pounds of uranium-vanadium resources with characteristics suitable for underground mining. As per Items 15 through 22, an economic assessment of the resource base has yet to be conducted.

Two parallel paths of: (1) additional data acquisition and 3-D computer modeling, along with (2) a concurrent 10 hole drill program to verify and confirm trends is recommended. The first path is estimated to cost between US$50,000 and US$100,000 and the second at around US$185,500, for a total estimated cost from about US$235,500 to US$285,500.

Hansen / Taylor Ranch Uranium Project

The Hansen/Taylor Ranch Uranium Project (the "Project") is located approximately 30 kilometers northwest of Canon City in Colorado, USA. The Project hosts an indicated and inferred mineral resource estimate (2012 JORC Code) of approximately 90.4 million pounds U3O8 at a grade of 600 ppm (0.06%) U3O8 (see table 1.2 below), making it one of the largest uranium projects within the USA.

The Hansen uranium deposit (the "Hansen Deposit"), being the main deposit within the wider project area, is a sandstone-hosted deposit that was discovered in 1977 and fully permitted for mining in 1981. More than 1,000 holes were drilled and three feasibility studies completed. However, due to the collapse of the global benchmark uranium price, the Hansen Deposit was never brought to production.

Mineral Resource Summary

Table 1.2

2012 JORC-Code mineral resource estimate for the Hansen/Taylor Ranch Uranium Project

JORC Classification – Mineral Resources	Million Tonnes	Grade U_3O_8 (ppm)	Million Pounds U_3O_8
At 250ppm U_3O_8 (0.025%) Cut-off			
Indicated	28.6	620	39.4
Inferred	40.0	580	51.0
Total	**68.6**	**600**	**90.4**
At 750ppm U_3O_8 (0.075%) Cut-off			
Indicated	7.66	1210	20.4
Inferred	8.84	1190	23.2
Total	**16.5**	**1200**	**43.6**

Notes:
Western confirms that:

1) It is not aware of any new information or data that materially affects the information included in the Resource Announcement; and

2) All material assumptions and technical parameters underpinning the mineral resource estimate in the Resource Announcement continue to apply and have not materially changed.

During the 2015 financial year prior to acquisition, Black Range continued to acquire baseline environmental data for the Hansen/Taylor Ranch Uranium Project that will be required for mine permitting. The Company also continued to advance other mine permitting activities. This followed completion of the initial scoping study in 2012 and the installation of five additional water monitoring wells at the Hansen Deposit in 2013.

Change In Chief Financial Officer

Mr. Geoff Kritzinger submitted his resignation as Chief Financial Officer of the Company to the Board of Directors. Mr. Kritzinger was Chief Financial Officer of Homeland Uranium Inc. prior to its acquisition by Western in December, 2014.

Mr. Andrew Wilder, a director of Western, has been appointed Chief Financial Officer.

Summary of Quarterly Results

The table below reflects a summary of certain key financial results for each of the company's previous four quarters ended September 30, 2015:

Description	September, 2015 $	June, 2015 $	March, 2015 $	December, 2014 $
Balance sheet				
Cash	38,076	462,443	893,233	172,909
Mineral properties	9,645,218	1,543,218	1,545,218	1,543,218
Ablation IP	7,424,721	-	-	-
Land , building and improvements	1,125,000	-	-	-
Notes payable	700,994	692,210	683,604	927,020
Mortgage payable	1,051,000	-	-	-
Shareholders' equity	16,319,226	2,090,086	2,410,253	1,268,791
Income statement				
Loss on RTO transaction	-	-	-	680,577
Transaction listing costs	-	-	-	106,525
Mining expenditures	210,688	49,020	41,680	64,472
Professional fees	123,763	124,534	76,232	-
Net loss	(440,527)	(320,167)	(212,331)	(967,832)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash balance as of September 30, 2015 was $38,076. The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures incurred on exploration programs. The Company expects to require additional capital in order to continue the development of the Ablation Mining Technology. Management believes that in order to finance the development of the mining properties, the Company will be required to raise significant additional capital by way of debt and/or equity. This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities.

On February 4, 2015, the Company completed a private placement raising gross proceeds of CAD $1,760,000 (US$1,453,602) through the issuance of 640,000 common shares at a price of CAD $2.75 (US$2.27) per common share. In connection with this private placement, the Company paid broker fees, legal fees and other expenses of US$99,809.

On October 16, 2015, the Company commenced a non-brokered private placement to raise up to US$1,500,000 through the issuance of 352,000 common share units at a price of CAD $4.25 (US$3.51), each unit consisting of one common share plus one-half common share purchase warrant. Each whole common share purchase warrant shall entitle the holder to purchase one common share at the exercise price of CAD $5.75 (US$4.75) for a term of five years from the closing date of the offering. The Company may, at its discretion, sell additional common share units to raise additional capital of up to 50% of the gross proceeds of the offering.

The proceeds of the offering will be used to fund acquisitions incurred in connection with the Black Range transaction and to fund the development of the Ablation Mining Technology, mine rehabilitation and for working capital purposes.

RESULTS OF OPERATIONS

The condensed interim consolidated statement of loss and comprehensive loss reflects the following major expenditures for the three and nine months ended September 30, 2015 and 2014:

Three months ended September 30, 2015 as compared to the three months ended September 30, 2014

1) Professional fees for the three months ended September 30, 2015 was $123,763 as compared to professional fees of $26,653 for the three months ended September 30, 2014. Professional fees include audit fees and costs incurred in connection with the Black Range transaction.

2) Mining expenditures for the three months ended September 30, 2015 was $210,688 as compared to mining expenditures of $1,746 for the three months ended September 30, 2014. Mining expenses include the costs of developing the Ablation Mining Technology, permit costs and mine property maintenance costs.

3) Interest expense for the three months ended September 30, 2015 was $23,512 as compared to interest expense of $524 for the three months ended September 30, 2014. The interest

expense was incurred principally on the notes payable to EFHC and Nueco, including accrued interest and accretion of note discount as well as the mortgage assumed in connection with the Black Range Transaction.

4) Financial and consulting service fees for the three months ended September 30, 2015 was $49,420 as compared to the financial and consulting service fees of $0 for the three months ended September 30, 2014.

5) Office and general expense for the three months ended September 30, 2015 was $51,591 as compared to $28,138 for the three months ended September 30, 2014.

Nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014

1) Professional fees for the nine months ended September 30, 2015 were $324,529 as compared to the professional fees of $26,653 for the nine months ended September 30, 2014. Professional fees include audit fees and costs incurred in connection with the Black Range Transaction.

2) Mining expenditures for the nine months ended September 30, 2015 were $301,388 as compared to the mining expenditures of $1,746 for the nine months ended September 30, 2014. Mining expenses include the costs of developing the Ablation Mining Technology, permit costs and mine property maintenance costs.

3) Interest expense for the nine months ended September 30, 2015 was $68,588 as compared to the interest expense of $524 for the nine months ended September 30, 2014. The interest expense was incurred on the notes payable to EFHC and Nueco, including accrued interest and accretion of note discount as well as the mortgage assumed in connection with the Black Range Transaction.

4) Financial and consulting service fees for the nine months ended September 30, 2015 were $125,158 as compared to the financial and consulting service fees of $0 for the nine months ended September 30, 2014.

5) Office and general expenses for the nine months ended September 30, 2015 were $169,812 as compared to $41,712 for the nine months ended September 30, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2015, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

RELATED PARTY TRANSACTIONS

The Company has transacted with related parties pursuant to service agreements in the ordinary course of business, as follows:

(a) Entities controlled by a member of the Board of Directors incurred consulting fees totaling approximately $22,680 and $0, respectively during the three months ended September 30, 2015 and 2014. Entities controlled by a member of the Board of Directors incurred consulting fees totaling approximately $50,037, and $0, respectively, during the nine months ended September 30, 2015 and 2014. As at September 30, 2015, the Company has approximately $5,267 in accounts payable and accrued liabilities owing to this director.

(b) Pursuant to a consulting agreement, a US limited liability company owned by a person who is a director and the company's CFO entered into a contract with the Company effective January 1, 2015 to provide financial and consulting services at an annual fee of $100,000. The contract has a term of one year and is subject to a 90 day cancellation notice by either party, plus normal termination clauses for breach of contract.

During the three months ended September 30, 2015, consulting fees of $25,000 were charged under this consulting agreement. During the nine months ended September 30, 2015 consulting fees of $75,000 were charged under this consulting agreement. As at September 30, 2015, the Company has $0 in accounts payable and accrued liabilities under this consulting agreement.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to, the following:

Environmental rehabilitation provision

Provisions for environmental rehabilitation require judgement as to the time frame and amounts required to successfully complete such rehabilitations given factors such as weather conditions, the success of replanting efforts and limitations on access to the relative work areas.

Impairment of mineral properties

Management uses significant judgement in determining whether there is any indication that mineral properties may be impaired. Significant judgements include the spot price for uranium, the ability to obtain additional financing, the ability to defer spending requirements and the world-wide political environment towards the use of nuclear energy.

RISKS

There are a number of factors that could negatively affect the Company's business and the value of its securities, including the factors listed below. The following information pertains to the

outlook and conditions currently known to Western that could have a material impact on the financial condition of Western. Other factors may arise in the future that are currently not foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors.

Uranium and Vanadium Price Fluctuations

The Company's activities are significantly affected by the market price of uranium and vanadium, which is cyclical and subject to substantial fluctuations. The Company's earnings and operating cash flow are and will be particularly sensitive to the change in the long and short term market price of uranium and vanadium. Among other factors, these prices also affect the value of the Company's resources, reserves and inventories, as well as the market price of the Company's common shares.

Market prices are affected by numerous factors beyond the Company's control. With respect to uranium, such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; public and political response to a nuclear incident; reprocessing of used reactor fuel, the re-enrichment of depleted uranium tails and the enricher practice of underfeeding; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons; the premature decommissioning of nuclear power plants; and from the build-up of Japanese utility uranium inventories as a result of the Fukushima incident) by governments and industry participants; uranium supply, including the supply from other secondary sources; and production levels and costs of production. With respect to vanadium, such factors include, among others: demand for steel; the potential for vanadium to be used in advanced battery technologies; political and economic conditions in vanadium producing and consuming countries; world production levels; and costs of production. Other factors relating to both the price of uranium include: levels of supply and demand for a broad range of industrial products; substitution of new or different products in critical applications for the Company's existing products; expectations with respect to the rate of inflation; the relative strength of the US dollar and of certain other currencies; interest rates; global or regional political or economic crises; regional and global economic conditions; and sales of uranium by holders in response to such factors. In the event the Company concludes that a significant deterioration in expected future uranium prices has occurred, the Company will assess whether an impairment allowance is necessary which, if required, could be material.

The recent fluctuations in the price of many commodities is an example of a situation over which the Company has no control and which could materially adversely affect the Company in a manner for which it may not be able to compensate. There can be no assurance that the price of any minerals that could be extracted from the Company's properties will be such that any deposits can be mined at a profit.

Global Economic Conditions

In the event of a general economic downturn or a recession, there can be no assurance that the business, financial condition and results of operations of the Company would not be materially adversely affected. During the past several years, the global economy faced a number of challenges. During the global financial crisis of 2007-2008, economic problems in the United States and Eurozone caused a deterioration in the global economy, as numerous commercial and financial

enterprises either went into bankruptcy or creditor protection or had to be rescued by governmental authorities. Access to public financing was negatively impacted by sub-prime mortgage defaults in the United States, the liquidity crisis affecting the asset-backed commercial paper and collateralized debt obligation markets, and massive investment losses by banks with resultant recapitalization efforts. Although economic conditions have shown improvement in recent years, the global recovery from the recession has been slow and uneven. The effects of the global financial crisis continue to limit growth. In addition, increasing levels of government debt, slowing economic growth in certain key regions including China, the threat of sovereign defaults including Greece, and political instability in Eastern Europe continue to weigh on markets. These factors continue to impact commodity prices, including uranium, as well as currencies and global debt and stock markets.

These factors may impact the Company's ability to obtain equity, debt or bank financing on terms commercially reasonable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If these increased levels of volatility and market turmoil continue, or there is a material deterioration in general business and economic conditions, the Company's operations could be adversely impacted and the trading price of the Company's securities could continue to be adversely affected.

Market Price of Shares

Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Company's securities is also likely to be significantly affected by short-term changes in the uranium spot price, changes in industry forecasts of uranium prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of operations as reflected in its periodic earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float and its inclusion in market indices may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies in periods of volatility in the market price of their securities, and following major corporate transactions or mergers and acquisitions. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Governmental Regulation and Policy Risks

Exploration, development, mining and milling of minerals and the transportation and handling of the products produced are subject to extensive federal, state and local laws and regulations governing, among other things: acquisition of the mining interests; maintenance of claims; tenure; expropriation; prospecting; exploration; development; mining; milling and production; price controls; exports; imports; taxes and royalties; labor standards; occupational health; waste disposal; toxic substances; water use; land use; Native American land claims; environmental protection and remediation; endangered and protected species; mine and mill decommissioning and reclamation; mine safety; transportation safety and emergency response; and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing, constructing, operating and closing the Company's mines. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact the Company's decision as to whether to proceed with exploration or development, or that such laws and regulations may result in the Company incurring significant costs to remediate or decommission properties that do not comply with applicable environmental standards at such time. The Company expends significant financial and managerial resources to comply with such laws and regulations. The Company anticipates it will have to continue to do so as the historic trend toward stricter government regulation may continue. There can be no assurance that future changes in applicable laws and regulations will not adversely affect the operations or financial condition of the Company. New laws and regulations, amendments to existing laws and regulations or more stringent implementation of existing laws and regulations, including through stricter license and permit conditions, could have a material adverse impact on the Company, increase costs, cause a reduction in levels of, or suspension of, production and/or delay or prevent the development of new mining properties.

Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration, mining and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of a property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the Company. To the extent that the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce otherwise available earnings and could have a material adverse effect on the Company. In addition, the Company does not have coverage for certain environmental losses and other risks as such coverage cannot be purchased at a commercially reasonable cost. Compliance with applicable environmental laws and regulations requires significant expenditures and increases mine development and operating costs.

Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies. The

development of mines and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside the Company's control. Any significant delays in obtaining or renewing such permits or licenses in the future could have a material adverse effect on the Company. In addition, the international marketing of uranium is subject to governmental policies and certain trade restrictions, such as those imposed by the suspension agreement between the United States and Russia. Changes in these policies and restrictions may adversely impact the Company's business.

Public Acceptance of Nuclear Energy and Competition from Other Energy Sources

Growth of the uranium and nuclear industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, including the risk of a nuclear incident, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. Nuclear energy competes with other sources of energy, including oil, natural gas, coal, hydro-electricity and renewable energy sources. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydroelectricity may result in lower demand for uranium concentrates. Technical advancements in renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and put additional pressure on the demand for uranium concentrates.

Uranium Industry Competition and International Trade Restrictions

The international uranium industry, including the supply of uranium concentrates, is competitive. The Company's market for uranium is in direct competition with supplies available from a relatively small number of uranium mining companies, from nationalized uranium companies, from uranium produced as a byproduct of other mining operations, from excess inventories, including inventories made available from decommissioning of nuclear weapons, from reprocessed uranium and plutonium, from used reactor fuel, and from the use of excess Russian enrichment capacity to re-enrich depleted uranium tails held by European enrichers in the form of UF6. A large quantity of current world production is inelastic, in that uranium market prices have little effect on the quantity supplied. The supply of uranium from Russia and from certain republics of the former Soviet Union is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of uranium available in the United States and Europe.

Ability to Maintain Obligations Under Notes Payable and Other Debt

The Company may from time to time enter into arrangements to borrow money in order to fund its operations and expansion plans, and such arrangements may include covenants that restrict its business in some way. Events may occur in the future, including events out of the Company's control that would cause the Company to fail to satisfy its obligations under its existing notes payable or other debt instruments. In such circumstances, or if the Company were to default on its obligations

under debentures or other debt instruments, the amounts drawn under the Company's debt agreements may become due and payable before the agreed maturity date, and the Company may not have the financial resources to repay such amounts when due.

Further, although most, but not all, of the Company's reclamation obligations are bonded, and cash and other assets of the Company have been reserved to secure a portion but not all of this bonded amount, to the extent the bonded amounts are not fully collateralized, the Company will be required to come up with additional cash to perform its reclamation obligations when they occur. In addition, the bonding companies have the right to require increases in collateral at any time upon 30-days' notice to the Company, failure of which would constitute a default under the bonds. In such circumstances, the Company may not have the financial resources to perform such reclamation obligations or to increase such collateral when due.

Additional Funding Requirements

The Company may need additional financing in connection with the implementation of its business and strategic plans from time to time. The exploration and development of mineral properties and the ongoing operation of mines, requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. The Company may accordingly need further capital in order to take advantage of further opportunities or acquisitions. The Company's financial condition, general market conditions, volatile uranium markets, volatile interest rates, a claim against the Company, a significant disruption to the Company's business or operations or other factors may make it difficult to secure financing necessary for the expansion of mining activities or to take advantage of opportunities for acquisitions. Further, continuing volatility in the credit markets may increase costs associated with debt instruments due to increased spreads over relevant interest rate benchmarks, or may affect the ability of the Company, or third parties it seeks to do business with, to access those markets. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms, if at all.

Dilution from Further Equity Financing

If the Company raises additional funding by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Nature of Exploration and Development, Expansion Projects and Restarting Projects

The exploration and development of mineral deposits, the expansion of projects and restarting projects involves significant financial risks. The exploration and development of mineral deposits involve significant financial risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral resources and mineral reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed programs on the Company's mineral resource properties will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things: the accuracy of reserve estimates; the particular attributes of the deposit, such as its size and grade; ability to economically recover commercial quantities of the minerals; proximity to infrastructure; financing costs and governmental regulations, including regulations relating to prices, taxes, royalties; infrastructure; land use; importing and exporting and environmental protection. The development, expansion and restarting of projects are also subject to the successful completion of engineering studies, the issuance of necessary governmental permits, the availability of adequate financing, that the correct estimation of engineering and construction timetables and capital costs for the Company's development and expansion projects, including restarting projects on standby, and such construction timetables and capital costs not being affected by unforeseen circumstances. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from the Company's best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, take much longer than originally anticipated to bring into a producing phase, and to require more capital than anticipated.

The Company's Mineral Reserves and Resources Are Estimates

Mineral reserves and resources are statistical estimates of mineral content, based on limited information acquired through drilling and other sampling methods, and require judgmental interpretations of geology. Successful extraction requires safe and efficient mining and processing. The Company's mineral reserves and resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of uranium or vanadium will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

Mineral reserve and resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill-hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. It should not be assumed that all or any part of the Company's mineral resources constitute or will be converted into reserves. Market price fluctuations of uranium or vanadium as applicable, as well as increased production and capital costs or reduced recovery rates, may render the Company's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralization uneconomic.

Environmental Regulatory Requirements and Risk

The Company is required to comply with environmental protection laws and regulations and permitting requirements promulgated by federal agencies and various states and counties in which the Company operates, in connection with mining and milling operations. The uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The Company expends significant resources, both financial and managerial, to comply with these laws and regulations. The possibility of more stringent regulations exists in the areas of worker health and safety, storage of hazardous materials, standards for heavy equipment used in mining or milling, the disposition of wastes, the decommissioning and reclamation of exploration, mining, milling and in-situ sites, climate change and other environmental matters, each of which could have a material adverse effect on the cost or the viability of a particular project.

The Company cannot predict what environmental legislation, regulations or policies will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. The recent trend in environmental legislation and regulation is generally toward stricter standards, and this trend is likely to continue in the future. This recent trend includes, without limitation, laws and regulations relating to air and water quality, mine reclamation, waste handling and disposal, the protection of certain species and the preservation of certain lands. These regulations may require the acquisition of permits or other authorizations for certain activities. These laws and regulations may also limit or prohibit activities on certain lands. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies, stricter interpretation of existing laws and stricter permit and license conditions, may necessitate significant capital outlays, may materially affect the Company's results of operations and business or may cause material changes or delays in the Company's intended activities. There can be no assurance of the Company's continued compliance or ability to meet stricter environmental laws and regulations and permit or license conditions. Delays in obtaining permits and licenses could impact expected production levels or increases in expected production levels.

The Company's operations may require additional analysis in the future, including environmental, cultural and social impact and other related studies. Certain activities require the submission and approval of environmental impact assessments. The Company cannot provide assurance that it will be able to obtain or maintain all necessary permits that may be required to continue operations or exploration and development of its properties or, if feasible, to commence construction or operation of mining facilities at such properties on terms that enable operations to be conducted at economically justifiable costs. If the Company is unable to obtain or maintain, licenses, permits or other rights for development of its properties, or otherwise fails to manage adequately future environmental issues, its operations could be materially and adversely affected.

Opposition to Mining May Disrupt Business Activity

In recent years, governmental and non-governmental agencies, individuals, communities and courts have become more vocal and active with respect to their opposition of certain mining and business activities. This opposition may take on forms such as road blockades, applications for injunctions seeking work stoppages, refusals to grant access to lands or to sell lands on commercially viable terms, lawsuits for damages or to revoke or modify licenses and permits, issuances of unfavorable laws and regulations, and other rulings contrary to the Company's interest. These actions can occur in response to current activities or in respect of mines that are decades old. In addition, these

actions can occur in response to activities of the Company or the activities of other unrelated entities. Opposition to the Company's activities may also result from general opposition to nuclear energy. Opposition to the Company's business activities are beyond the Company's control. Any opposition to the Company's business activities may cause a disruption to the Company's business activities and may result in increased costs and this could have a material adverse effect on the Company's business and financial condition.

Competition for Properties and Experienced Employees

The Company competes with other mining companies and individuals for capital, mining interests on exploration properties and undeveloped lands, acquisitions of mineral resources and reserves and other mining assets, which may increase its cost of acquiring suitable claims, properties and assets, and the Company also competes with other mining companies to attract and retain key executives and employees. There can be no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties and assets or in attracting and retaining skilled and experienced employees. The mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labor, and these shortages have caused unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Litigation and Other Legal Proceedings

The Company is not subject to any litigation, potential claims or other legal proceedings. The causes of potential future litigation and legal proceedings cannot be known and may arise from, among other things, business activities, environmental laws, permitting and licensing activities, volatility in stock prices or failure to comply with disclosure obligations. The results of litigation and proceedings cannot be predicted with certainty, and may include potential injunctions pending the outcome of such litigation and proceedings. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

Decommissioning and Reclamation

As owner and operator of numerous uranium mines located in the United States and certain exploration properties, and for so long as the Company remains an owner thereof, the Company is obligated to eventually reclaim or participate in the reclamation of such properties. Most, but not all, of the Company's reclamation obligations are bonded, and cash and other assets of the Company have been reserved to secure a portion but not all of this bonded amount. Although the Company's financial statements will record a liability for the asset retirement obligation, and the bonding requirements are generally periodically reviewed by applicable regulatory authorities, there can be no assurance or guarantee that the ultimate cost of such reclamation obligations will not exceed the estimated liability to be provided on the Company's financial statements. Further, to the extent the bonded amounts are not fully collateralized, the Company will be required to come up with additional cash to perform its reclamation obligations when they occur.

Decommissioning plans for the Company's properties have been filed with applicable regulatory authorities. These regulatory authorities have accepted the decommissioning plans in concept, not

upon a detailed performance forecast, which has not yet been generated. As the Company's properties approach or go into decommissioning, further regulatory review of the decommissioning plans may result in additional decommissioning requirements, associated costs and the requirement to provide additional financial assurances. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulatory authorities.

Technical Innovation and Obsolescence

Requirements for the Company's products and services may be affected by technological changes in nuclear reactors, enrichment and used uranium fuel reprocessing. These technological changes could reduce the demand for uranium. In addition, the Company's competitors may adopt technological advancements that give them an advantage over the Company.

Property Title Risk

The Company has investigated its rights to explore and exploit all of its properties and, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties, including by local governments.

The validity of unpatented mining claims on US public lands is sometimes difficult to confirm and may be contested. Due to the extensive requirements and associated expense required to obtain and maintain mining rights on US public lands, the Company's US properties are subject to various title uncertainties which are common to the industry or the geographic location of such claims, with the attendant risk that there may be defects in its title.

Foreign Currency Risks

The Company's operations are subject to foreign currency fluctuations. The Company's operating expenses and revenues are primarily incurred in US dollars, while some of its cash balances and expenses are measured in Canadian dollars. The fluctuation of the Canadian dollar in relation to the US dollar will consequently have an impact upon the profitability of the Company and may also affect the value of the Company's assets and shareholders' equity.

Post-Acquisition Success

The success of the Company following the acquisition of Black Range will depend in large part on the success of the Company's management in integrating the Black Range assets into the Company. The failure of the Company to achieve such integration and to mine or advance such assets could result in the failure of the Company to realize the anticipated benefits of the Black Range assets and could impair the results of operations, profitability and financial results of the Company.

Dependence on Issuance of Mine Licenses and Permits

The Company maintains regulatory mine licenses and permits, all of which are subject to renewal from time to time and are required in order for the Company to operate in compliance with applicable laws and regulations. In addition, depending on the Company's business requirements, it may be necessary or desirable to seek amendments to one or more of its licenses or permits from time to time. While the Company has been successful in renewing its licenses and permits on a timely basis in the past and in obtaining such amendments as have been necessary or desirable, there can be no assurance that such license and permit renewals and amendments will be issued by applicable regulatory authorities on a timely basis or at all in the future.

Mining, Milling and Insurance

The current and future operations of the Company are subject to all of the hazards and risks normally incidental to exploration, development and mining of mineral properties, and milling, including: environmental hazards; industrial accidents; labor disputes, disturbances and unavailability of skilled labor; encountering unusual or unexpected geologic formations; rock bursts, pressures, cave-ins, and flooding; periodic interruptions due to inclement or hazardous weather conditions; technological and processing problems, including unanticipated metallurgical difficulties, ground control problems, process upsets and equipment malfunctions; the availability and/or fluctuations in the costs of raw materials and consumables used in the Company's production processes; the ability to procure mining equipment and operating supplies in sufficient quantities and on a timely basis; and other mining, milling and processing risks, as well as risks associated with the Company's dependence on third parties in the provision of transportation and other critical services. Many of the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties or processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of production from the Company's mines or processing facilities or in its exploration or development activities, delay in or inability to receive regulatory approvals to transport its uranium concentrates, or costs, monetary losses and potential legal liability and adverse governmental action. In addition, due to the radioactive nature of the materials handled in uranium mining and processing, additional costs and risks are incurred by the Company on a regular and ongoing basis.

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings, financial position and competitive position of the Company. No assurance can be given that such insurance will continue to be available or will be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards. This lack of insurance coverage could result in material economic harm to the Company.

Credit Risk

The Company's sales of uranium and vanadium products expose the Company to the risk of non-payment. The Company manages this risk by monitoring the credit worthiness of its customers

and requiring pre-payment or other forms of payment security from customers with an unacceptable level of credit risk.

Dependence on Key Personnel and Qualified and Experienced Employees

The Company's success will largely depend on the efforts and abilities of certain senior officers and key employees, some of which are approaching retirement. Certain of these individuals have significant experience in the uranium industry. The number of individuals with significant experience in this industry is small. While the Company does not foresee any reason why such officers and key employees will not remain with the Company if for any reason they do not, the Company may be adversely affected. The Company has not purchased key man life insurance for any of these individuals.

The Company's success will also depend on the availability of qualified and experienced employees to work in the Company's operations and the Company's ability to attract and retain such employees. The number of individuals with relevant mining and operational experience in this industry is small.

Conflicts of Interest

For so long as one or more of the Company's directors is also a director of other companies engaged in the business of acquiring, exploring and developing natural resource properties such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director of the Company may be offered to another company or companies with which the director is associated, and may not be presented or made available to the Company. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed in the Company's Code of Ethics and by the Business Corporations Act (Ontario).

Labor Relations

None of the Company's operations directly employ unionized workers who work under collective agreements. However, there can be no assurance that employees of the Company or its contractors do not become unionized in the future, which may impact mill and mining operations. Any lengthy work stoppages may have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Infrastructure

Mining, processing, development and exploration activities depend, to a substantial degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. The Company considers the existing infrastructure to be adequate to support its proposed operations. However, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements can often be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the ability of the Company to obtain necessary financing, the economy generally, anticipated and unanticipated costs and other risks and uncertainties referred to elsewhere in this MD&A. Such statements could also be materially affected by environmental regulation, taxation policies, competition, the lack of available and qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal or external sources. Actual results, performance or achievement could differ materially from those expressed herein. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements, except as required by applicable law. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted in this MD&A under "Risk Factors".