



Azarga Uranium Corp.
Annual Information Form
For the year ended December 31, 2018
(Expressed in U.S. Dollars)

Dated March 29, 2019

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ANNUAL INFORMATION FORM

ITEM 1. EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

1.1 Explanatory Notes

In this Annual Information Form (“AIF”), references to the “Company” or “Azarga Uranium” mean Azarga Uranium Corp. and include the Company’s subsidiaries (refer to Item 2.2 for a list of the Company’s subsidiaries), unless the context otherwise requires.

All information contained in this AIF is as of December 31, 2018, unless otherwise indicated. The Company uses the United States (“US”) dollar as its reporting currency. This AIF contains reference to US dollars, Canadian dollars and Australian dollars. All currency amounts are in United States dollars, unless otherwise indicated. References to “C\$” refer to Canadian currency, “A\$” refer to Australian currency and “\$” to US currency.

1.2 About Forward-Looking Information

Certain statements in this AIF are forward-looking statements. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative and grammatical variations) of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Company’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management’s current views and are based on certain expectations, estimates and assumptions, which may prove to be incorrect. Material expectations, estimates and assumptions pertaining to forward looking statements include, but are not limited to: the timing of permits and licenses necessary to project finance and develop the Company’s Dewey Burdock Project, the improvement of uranium markets and uranium pricing, the availability of additional capital to enable the Company to continue as a going concern, including capital that may be generated from the Kyzyl Ompul Earn-In Agreement, and the Company’s mineral properties provide a pipeline for continued growth. A number of risks and uncertainties could cause its actual results to differ materially from those expressed or implied by the forward looking statements, including, but not limited to: global economic conditions; uranium price fluctuations; government regulation and policy risks; public involvement in the permitting process; Native American involvement in the permitting process; environmental regulatory requirements and risks; the market price of the Company’s shares; public acceptance of nuclear energy and competition from other energy sources; the Company will require significant amounts of additional capital in the future; competition for properties and experienced employees; uranium industry competition and international trade restrictions; exposure to emerging markets; possible loss of interests in exploration and development properties; mining and mineral exploration is inherently dangerous and subject to factors beyond the Company’s control; the Company’s mineral resources are estimates; the nature of exploration and development projects; political risk; currency fluctuations; the Company has no history of mining operations; property title rights; dependence on key personnel and qualified and experienced employees; delineation of mineral reserves and additional mineral resources; insurance coverage; dilution from further equity financing and outstanding stock options and share purchase warrants; the Company has never paid dividends and may not do so in the foreseeable future; litigation and other legal proceedings; technical innovation and obsolescence; disclosure and internal controls; and conflicts of interest. Please refer to the section entitled “Risk Factors” in the AIF for additional information on the above risk factors.

Undue reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company’s control. Forward-looking statements are not guarantees of future performance and the Company’s actual results of operations, financial condition and liquidity, and the development of the industry in which it operates, may differ materially from statements made or incorporated by reference in this AIF.

The Company undertakes no obligation to update forward-looking statements if management's beliefs, estimates and opinions or the Company's circumstances as at the date hereof should change. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether, as a result of new information, future events or otherwise.

1.3 Mineral Reporting Standards

The disclosure in this AIF in respect of the Company's mineral resources is based on technical reports prepared on the Company's principal projects as set out under the heading "Description of the Business". Such information has been prepared in accordance with the Canadian requirements under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") unless otherwise indicated and has been reviewed by a qualified person as such term is defined in NI 43-101.

Unless otherwise noted, the estimated mineral resources for the Company's various mineral projects, as disclosed in this AIF, have been calculated in accordance with the definitions and guidelines for the reporting of exploration information, mineral resources and mineral reserves determined by the Canadian Institute of Mining, Metallurgy & Petroleum ("CIM") *Definition Standards for Mineral Resources and Mineral Reserves* adopted under NI 43-101 (the "CIM Standards"). Pursuant to NI 43-101, a qualified person's classification of a mineral deposit as a mineral resource or mineral reserve must follow the CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* adopted by the CIM. The following definitions are reproduced from those guidelines.

The term "mineral resource" means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.

The term "inferred mineral resource" means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

The term "indicated mineral resource" means that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

The term "measured mineral resource" means that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

The term "mineral reserve" means the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are sub-divided in order of increasing confidence into probable and proven categories.

ITEM 2. CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

Azarga Uranium Corp. was incorporated by registration of its Memorandum and Articles pursuant to the provisions of the *Company Act* (British Columbia) on February 10, 1984 as “Ararat Oil & Minerals Inc.”, with an authorized capital of 20,000,000 shares without par value.

On March 19, 1985, the Company altered its Memorandum to change its name to “International Powertech Systems Inc.” and to change its authorized capital to 10,000,000 Class “A” Common Shares without par value and 10,000,000 Class “B” Preference Shares without par value. At this time, the Company adopted new articles, which were approved by a special resolution of the Company’s shareholders at the annual general meeting held on January 31, 1985.

On October 20, 1987, the Company altered its Memorandum to increase its authorized capital to 20,000,000 Class “A” Common Shares without par value and 10,000,000 Class “B” Preference Shares without par value.

On March 2, 1992, the Company altered its Memorandum to change its name to “Powertech Industries Inc.” and to increase its authorized capital to 20,000,000 Class “A” Common Shares without par value and 10,000,000 Class “B” Preference Shares without par value. On March 2, 1992, the Company’s issued and outstanding shares were consolidated on a five to one basis.

On May 1, 2000, the Company altered its Memorandum to increase its authorized capital to 100,000,000 Class “A” Common Shares without par value and 50,000,000 Class “B” Preference Shares without par value.

On November 25, 2004, the Company transitioned from the *Company Act* (British Columbia) to the *Business Corporations Act* (British Columbia). At that time the Company filed its Notice of Articles, which effectively replaced its Memorandum, and adopted new Articles.

On June 5, 2006, the Company changed its name from “Powertech Industries Inc.” to “Powertech Uranium Corp.”.

On April 30, 2007, the Company amended its Notice of Articles to increase its authorized capital to an unlimited number of Class “A” Common Shares (each, a “Common Share”) without par value and an unlimited number of Class “B” Preference Shares without par value.

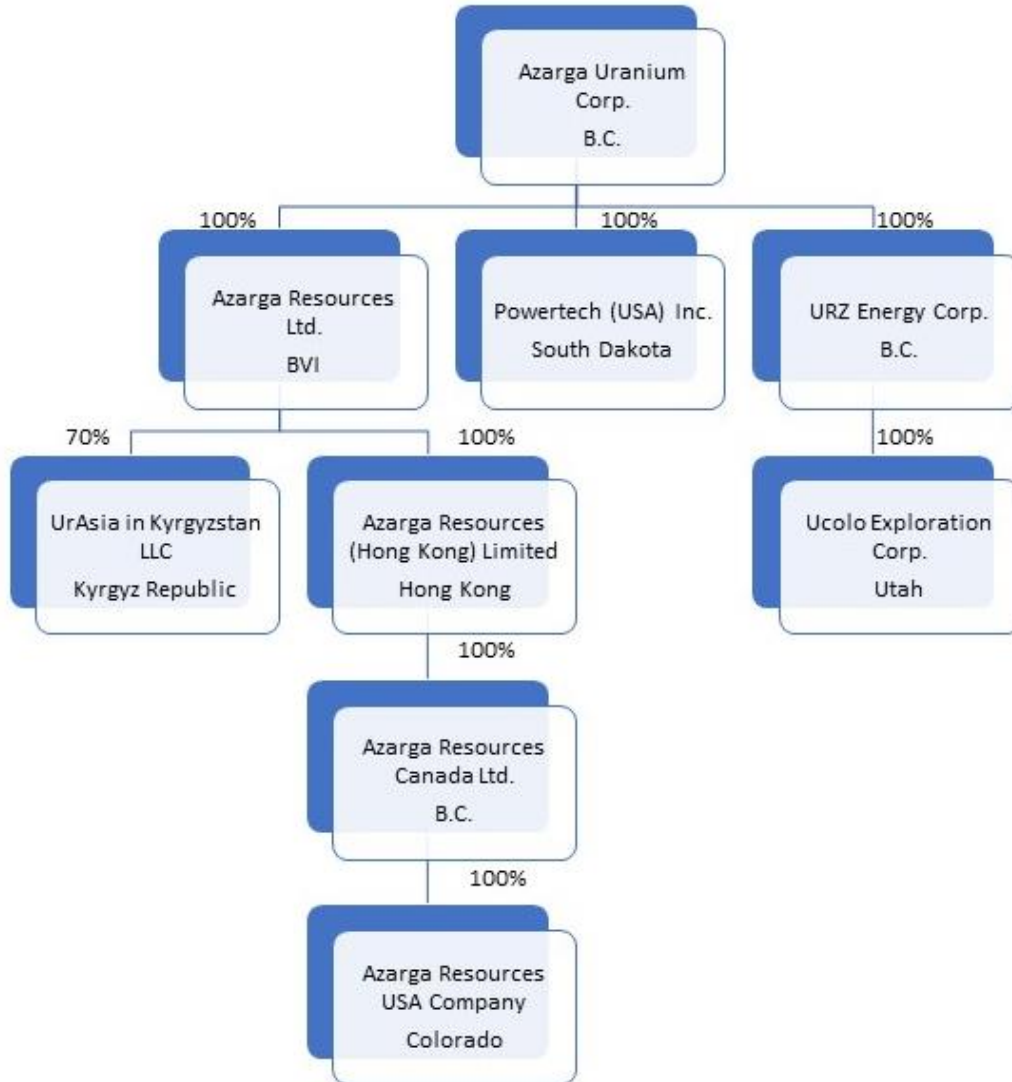
On August 15, 2007, the Company received a court order allowing it to retroactively date the amendments to its Notice of Articles made on April 30, 2007 to November 25, 2004.

On October 31, 2014, the Company changed its name from “Powertech Uranium Corp.” to “Azarga Uranium Corp.” and the Company’s issued and outstanding shares were consolidated on a ten (10) to one (1) basis.

The Company’s Common Shares are publicly traded on the Toronto Stock Exchange (the “TSX”) under the symbol “AZZ”, the OTCQB Venture Market under the symbol “AZZUF” and the Frankfurt Stock Exchange under the symbol “P8AA”. The Company’s corporate and registered and records office is located at Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6. The Company’s operation office is located at 5200 DTC Parkway, Suite 280, Greenwood Village, Colorado, USA 80111.

2.2 Intercorporate Relationships

The following sets forth the name and jurisdiction of incorporation of the Company's subsidiaries:



ITEM 3. GENERAL DEVELOPMENT OF THE BUSINESS

The Company is an integrated uranium exploration and development company.

The Company controls uranium properties located in the United States of America ("USA") and in the Kyrgyz Republic. The Company's Dewey Burdock Project, located in South Dakota, is the Company's initial development priority. The Company completed the acquisition of URZ Energy Corp ("URZ Energy") in July 2018 to add the Gas Hills, Juniper Ridge and Shirley Basin uranium projects in Wyoming, the JB uranium project in Colorado/Utah and the Ticaboo uranium project in Utah. The Company also owns the Centennial Project in Colorado, the Aladdin Deposit in Wyoming, two uranium exploration properties in Wyoming and 70% of the Kyzyl Ompul Project in the Kyrgyz

Republic. The Company's properties have been acquired through purchase agreements, lease agreements, staking claims or exploration licenses.

3.1 Three Year History and Significant Acquisitions

The Company is in the business of exploration for, and development of, uranium properties located in the USA and the Kyrgyz Republic. The Company's initial development priority is the Dewey Burdock Project, located in Custer and Fall River Counties, South Dakota, USA. References to the "Company" or "Azarga Uranium" refer to the Company as defined in Item 1.1.

Acquisition of URZ Energy

On July 5, 2018, the Company completed the acquisition of URZ Energy pursuant to a court ordered plan of arrangement for consideration of 57,920,716 Common Shares. Each URZ Energy shareholder received two Azarga Uranium shares for each URZ Energy share (the "Exchange Ratio"). The Company filed a Form 51-102FR Business Acquisition Report dated July 20, 2018, a copy of which is available under the Company's profile at www.sedar.com and is hereby incorporated by reference.

Sandra MacKay, Glenn Catchpole and Todd Hilditch joined Joseph Havlin, Delos Cy Jamison and Matthew O'Kane on the Azarga Uranium Board of Directors, with Glenn Catchpole acting as Non-Executive Chairman. Blake Steele continues in his role as President & CEO of Azarga Uranium.

The acquisition brings together two companies with a similar goal of developing US-focused, in-situ recovery ("ISR") uranium production at a time when US domestic supply has emerged as a critical factor in the push for energy security. Transaction highlights include:

- **Consolidation of uranium assets with a focus on the US** – combined measured & indicated ("M&I") resources of 40.1 million pounds of U₃O₈, plus additional inferred resources of 6.0 million pounds of U₃O₈, all located in the United States.
- **Advanced-stage permitting at the Dewey Burdock Project** – the Dewey Burdock Project has already received several key licenses/permits and is in the process of obtaining final regulatory approvals required for project construction.
- **Pipeline of growth assets with continued exploration potential** – the Gas Hills Project, which has been the subject of historical mining, has recently been reinterpreted for its potential to be mined via ISR methods. A pipeline of other assets, including the Juniper Ridge, Dewey Terrace and Aladdin Projects located in Wyoming and the Centennial Project located in Colorado; provide further uranium optionality.
- **Amalgamation of sector-leading ISR development and production experience** – through its management, directors and advisors, Azarga Uranium now collectively possesses over 100 years of experience in the exploration, development, permitting, operation and post-mining groundwater restoration of ISR uranium mines.
- **Strategic platform for further consolidation** – strengthened platform through which to continue to evaluate and consolidate additional low-cost, domestic ISR uranium projects in the United States.
- **Enhanced market positioning** – a more diversified shareholder base, along with an increased market capitalization to broaden investor and analyst appeal. On August 23, 2018, the Company's Common Shares were listed for trading on the OTCQB in the United States to supplement the Company's listings on the Toronto and Frankfurt stock exchanges.
- **Strengthened balance sheet** – concurrent with the acquisition, the Company issued 11,269,243 Common Shares to settle the \$1.8 million shareholders loan plus accrued interest (see the section entitled "Shareholder Loan Agreement – Three Year History"). In addition, on completion of the acquisition, the Company

acquired cash reserves of \$570,525 and \$1,827,078 of cash was generated through the exercise of share purchase warrants prior to their expiry on August 15, 2018.

Dewey Burdock Project

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.

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

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

1. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In addition to the ISR mineral resource estimate, the NI 43-101 resource estimate includes an additional 1,060,000 pounds of non-ISR (located above the water table) Measured resources at 0.057% U₃O₈. These resources are not included in the Measured resources presented in the table above.

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

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

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

In August 2014, an evidentiary hearing was held with the Atomic Safety and Licensing Board (“ASLB”) in regard to the contentions raised with respect to the Dewey Burdock Project. These ASLB hearings are normal practice and are undertaken after the NRC license has been granted to determine whether the NRC staff has considered all issues related to the NRC license. In April 2015, the ASLB ruled on seven contentions raised by the consolidated intervenors and the Oglala Sioux Tribe (collectively, the “Intervenors”) regarding the NRC license for the Dewey Burdock Project. For five contentions, including those related to groundwater usage, groundwater quality, ability to contain fluid migration, mitigation measures, and connected actions, the ASLB ruled in favor of the NRC staff and the Company.

For the remaining two contentions, which relate to identification and protection of historic and cultural resources, the ASLB requested additional consultation between the NRC staff and the Oglala Sioux Tribe. The ASLB also ruled as inadmissible two new contentions that were filed by the Intervenor after the evidentiary hearing.

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

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

In 2018, the Company, the NRC staff and the Oglala Sioux Tribe agreed, in principle, to a process for resolving the remaining contention, however due to differences in approach between the Oglala Sioux Tribe and the NRC staff, both parties filed motions for summary disposition. The Company filed a brief in support of the NRC staff motion. The ASLB denied the Oglala Sioux Tribe's motion for summary disposition and its request to stay or revoke the Company's Dewey Burdock Project NRC license and the NRC staff's summary disposition motion to resolve the remaining contention. However, the ASLB established procedures for resolution of the remaining contention and provided the NRC staff with two options to conclude the remaining contention. The NRC staff have developed an approach, consistent with one of the options provided by the ASLB, to address the only remaining NRC license contention. The Company plans to support the approach developed by the NRC staff and looks forward to the successful resolution of the only remaining contention in a timely manner.

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

The NRC license for the Dewey Burdock Project continues to remain in good standing.

The Company continues to be in compliance with the existing conditions of the NRC license and other permitting/licensing requirements. Prior to commencing construction and operations at the Dewey Burdock Project, the Company requires regulatory approvals from two other major agencies, the Environmental Protection Agency ("EPA") and the South Dakota Department of Environment and Natural Resources ("DENR"). These approvals include the final Class III and Class V underground injection control ("UIC") permits from the EPA and three state permits to be issued by the South Dakota DENR. Additional requirements that need to be addressed prior to commencing construction and operations at the Dewey Burdock Project include the satisfaction of pre-operational conditions under the NRC license and the development and implementation of mitigation plans for protection of

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

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

On July 8, 2014, the BLM requested additional information on the Company’s plan of operations for the Dewey Burdock Project. The Company submitted the requested information and anticipates that the BLM will approve the plan of operations subsequent to the successful resolution of the remaining contention on the NRC license, at which point it is also anticipated that the BLM will prepare an environmental assessment and issue its Record of Decision.

Dewey Terrace – adjacent to Dewey Burdock, further growth potential identified

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

The Company has identified uranium mineralization at the Dewey Terrace Project through the review and analysis of historical data owned by the Company (the “Data Set”). The Data Set identified 259 mineralized drill holes indicating significant potential for a new resource area at the Dewey Terrace Project. Further, deposition is consistent with sand channel systems categorized within the Dewey Burdock Project and conditions that indicate possible in-situ recovery 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 eU₃O₈ 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% eU₃O₈. The remaining 187 drill holes reviewed range from barren to an average GT of 0.1.

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

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

Kyzyl Ompul Project – earn-in agreement

The uranium deposit/prospects of the Kyzyl Ompul Project are located in the Kyrgyz Republic, approximately 125 kilometers (“km”) east of the capital of Bishkek. More specifically, the Kyzyl Ompul Project is located in the Kochkor region of the Naryn Oblast and the Issyk-Kul region of the Issyk-Kul Oblast. The Kyzyl Ompul Project is 100% owned and operated by UrAsia in Kyrgyzstan LLC (“UrAsia”), in which the Company owns a 70% interest, and consists of one exploration license with an area of 42,379 hectares. The license is valid until December 31, 2020 and permits exploration for uranium.

From July 31, 2017, to its termination on April 16, 2018, UrAsia was party to an earn-in agreement (the “Earn-In Agreement”) with Mining Investment Company Alliance (“Alliance”). The Earn-In Agreement provided Alliance with an option to acquire a 100% interest in the Kyzyl Ompul Project in exchange for \$6,000,000 in cash payments and a two percent net smelter royalty of up to \$5,000,000 as well as Alliance funding \$1,600,000 of exploration and development expenditures over a three-year period. During the year ended December 31, 2017, UrAsia received \$150,000 in cash payments from Alliance.

On April 16, 2018, UrAsia executed a replacement earn-in agreement (the “Replacement Agreement”) with Central Asian Uranium Company Limited Liability Company (“Central”) to replace the Earn-In Agreement, which was terminated in accordance with the terms provided for therein. The Replacement Agreement provides Central with an option to earn a 100% interest in the Kyzyl Ompul Project in exchange for \$5,850,000 in cash payments and a commitment to fund \$1,500,000 of exploration and development expenditures through December 1, 2020.

Under the terms of the Replacement Agreement, Central made cash payments to the Company of \$290,000 during the year ended December 31, 2018. In March 2019, the Company and Central amended the Replacement Agreement such that the remaining cash payments of \$5,560,000 are now payable as follows: \$130,000 on signing, of which \$70,000 has been received and \$60,000 is expected to be received imminently, \$95,104 on April 30, 2019, \$16,828 per month from April 1 to September 1, 2019, \$245,828 per month from October 1 to December 1, 2019, \$378,911 from January 1 to September 1, 2020, and \$362,082 per month from October 1 to December 1, 2020. Cash payments received from Central over the course of the Replacement Agreement are not refundable if Central does not exercise its purchase option.

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

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

If Central fails to make any of the payments under the Replacement Agreement, UrAsia will retain its 100% interest in the Kyzyl Ompul Project.

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

In 2016, the Company conducted desktop studies for the Kyzyl Ompul Project, in order to conserve the Company’s financial resources. In 2017, up to the execution of the Earn-In Agreement, the Company continued these desktop studies and conducted minimum exploration activities as required under the exploration license.

Financings

For the year ended December 31, 2016, the Company issued:

- 1,130,664 Common Shares to settle trade and other payables of \$355,658.
- 1,140,626 Common Shares to settle \$532,800 of interest owing on the Company's \$1.8 million convertible loan agreement with certain shareholders – see the section entitled "Shareholder Loan Agreement – Three Year History".
- 812,500 Common Shares to settle \$169,933 of outstanding employee remuneration.
- 9,243,336 Common Shares and 4,621,665 share purchase warrants pursuant to a non-brokered private placement for gross proceeds of C\$2,218,401 (\$1,701,930). Each warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.35 per share until September 23, 2019.
- 1,465,950 Common Shares to settle \$343,718 owing pursuant to the Company's Employee Share Purchase Plan.
- 640,656 Common Shares to settle \$158,464 owing pursuant to the Company's Director Service Agreements.

For the year ended December 31, 2017, the Company issued:

- 4,391,938 Common Shares and 1,695,978 share purchase warrants pursuant to a non-brokered private placement for gross proceeds of C\$1,141,904 (\$916,995). Each warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.36 per share until July 27, 2020. An additional 500,000 warrants were to be issued to an insider of the Company after disinterested shareholder and TSX approval. The Company issued 138,000 finder's warrants on the same terms as the warrants.
- 2,235,000 Common Shares and 677,500 share purchase warrants pursuant to the first tranche of a non-brokered private placement for gross proceeds of C\$558,750 (\$436,942). Each warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.35 per share until December 22, 2020. An additional 500,000 warrants were to be issued to an insider of the Company after disinterested shareholder and TSX approval. The Company issued 60,000 finder's warrants on the same terms as the warrants.
- 750,000 Common Shares to settle \$123,466 of outstanding employee remuneration.
- 87,500 Common Shares to settle \$15,728 for consulting services.
- 1,100,918 Common Shares to settle \$234,652 owing pursuant to the Company's Employee Share Purchase Plan.
- 288,448 Common Shares to settle \$61,060 owing pursuant to the Director Service Agreements.

For the year ended December 31, 2018, the Company issued:

- 780,000 Common Shares and 390,000 share purchase warrants pursuant to the final tranche of a non-brokered private placement for gross proceeds of C\$195,000. Each warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.35 per share until December 22, 2020.
- 186,512 Common Shares to a shareholder to settle trade and other payables of \$36,169.

- 104,166 Common Shares valued at \$19,392 (C\$25,000) to repurchase royalties on the Dewey Burdock Project.
- 578,822 Common Shares to a director to settle trade and other payables of \$187,500.
- 550,000 Common Shares to settle \$93,500 of outstanding employee remuneration.
- 57,920,716 Common Shares valued at \$11,237,756 for the acquisition of URZ Energy. In addition, the Company issued 186,393 Common Shares valued at \$36,164 for transaction costs.
- 1,268,000 Common Shares to settle trade and other payables of \$201,830.
- 11,269,243 Common Shares valued at \$2,201,024 in full and final settlement of the Shareholders' Loan.
- 11,950,866 Common Shares for gross proceeds of \$1,827,078 pursuant to the exercise of share purchase warrants.
- 1,115,301 Common Shares to settle \$215,344 owing pursuant to the Company's Employee Share Purchase Plan.
- 303,937 Common Shares to settle \$58,669 owing pursuant to the Company's Director Services Agreements.

Subsequent to December 31, 2018, the Company issued:

- 298,310 Common Shares to settle \$53,793 owing pursuant to the Company's Employee Share Purchase Plan.
- 76,247 Common Shares to settle \$13,750 owing pursuant to the Company's Director Services Agreements.
- 13,106,046 Common Shares and 6,553,022 share purchase warrants pursuant to a non-brokered private placement for gross proceeds of C\$3,014,391. Each warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.31 per share until March 20, 2022.

Equity Settled Compensation Arrangements

In 2015, the Company adopted an employee share purchase plan ("ESPP") as amended on June 29, 2018. The Company is authorized to issue up to 6,000,000 Common Shares pursuant to terms and conditions of the ESPP. Employees who elect to participate in the ESPP can contribute up to 50% of their salary (the "Employee Contribution"). The Company will then match 66.67% of the Employee's Contribution (the "Matching Contribution"). The purchase price of the Common Shares is calculated based on the five-day volume weighted average trading price of the Common Shares on the TSX immediately preceding the end of each calendar quarter. For the year ended December 31, 2018, Employee Contributions totaled \$124,941 (2017 - \$143,366) and Matching Contributions totaled \$83,296 (2017 - \$95,574). As at December 31, 2018 and to date, a cumulative total of 3,682,169 and 3,980,479 Common Shares had been issued, respectively, pursuant to the ESPP.

In 2015, the Company adopted director services agreements ("DSA"). The Company is authorized to issue up to 2,000,000 Common Shares pursuant to terms and conditions of the DSA. Directors who elect to participate in the DSA contribute 50% of their director fee/salary to the ESPP and the remaining 50% of their director fee/salary is settled through the issuance of Common Shares in accordance with the DSA. The purchase price of the Common Shares is calculated based on the five-day volume weighted average trading price of the Common Shares on the TSX immediately preceding the end of each calendar quarter. For the year ended December 31, 2018, \$56,277 (2017 - \$61,766) was expensed under the DSA. As at December 31, 2018 and to date, a cumulative total of 1,233,041 and 1,309,288 Common Shares had been issued, respectively, pursuant to DSA.

Powerlite Ventures Limited (“Powerlite”)

The Company is party to a credit facility with Powerlite for \$21,000,000 of which the Company drew down and, in 2014, repaid \$18,000,000 through the issuance of shares leaving an available balance of \$3,000,000. The Company believes it is unlikely that Powerlite will be able to fund the remaining amount of the facility.

Shareholder Loan Agreement

On July 31, 2012, as amended, the Company entered into a \$1,800,000 convertible loan agreement with certain shareholders (the “Shareholders Loan Agreement”). Pursuant to the Shareholders Loan Agreement, the loan accrued interest at 15% per annum payable on each anniversary of the Shareholders Loan Agreement, was unsecured, was convertible into shares of the Company at the shareholders’ option at C\$1.23, and matured July 31, 2020.

On May 4, 2018, Azarga Uranium reached a conditional termination and release agreement to convert the outstanding loan and accrued interest into Common Shares using an agreed upon foreign exchange rate of \$1/C\$1.28 and a conversion price of C\$0.25 per share. The disinterested shareholders of the Company approved the conversion on June 29, 2018 and in July 2018 the Company issued 11,269,243 Common Shares valued at \$2,201,024 in full and final settlement of the Shareholder Loan Agreement, including principal of \$1,776,000 and interest to the date of settlement of \$425,024.

ITEM 4. DESCRIPTION OF THE BUSINESS

4.1 General

The Company controls uranium properties located in the USA and in the Kyrgyz Republic. The Company’s Dewey Burdock Project, located in South Dakota, is the Company’s initial development priority and is the Company’s material property. The Company completed the acquisition of URZ Energy Corp. in July 2018 to add the Gas Hills, Juniper Ridge and Shirley Basin uranium projects in Wyoming, the JB uranium project in Colorado/Utah and the Ticaboo uranium project in Utah. The Company also owns the Centennial Project in Colorado, the Aladdin Deposit in Wyoming, two uranium exploration properties in Wyoming (the Dewey Terrace Project and the Powder River Basin Prospect (Savageton)) and 70% of the Kyzyl Ompul Project in the Kyrgyz Republic. The Company’s properties have been acquired through purchase agreements, lease agreements, staking claims or exploration licenses. The Company does not anticipate any changes to its operations during the current financial year.

Industry Trends and Outlook

Although uranium prices have recovered from their lows in the fourth quarter of 2016, the Company believes that the following key elements will contribute to further improvements in the uranium sector:

- **Global reactor pipeline exceeds pre-Fukushima total** – the global reactor pipeline consists of 991¹ nuclear reactors that are operable, under construction, planned or proposed compared to 983² before the Fukushima incident in 2011. Of the 991 nuclear reactors, 450 reactors are operable¹. A total of 203¹ nuclear reactors are under construction or planned, which represents approximately 45% of the current operating fleet. China, Russia and India lead the world in terms of the number of nuclear power plants under construction, with thirteen, seven and seven, respectively¹. China continues to accelerate their nuclear growth plans and intends to have 58 GWe of installed capacity by 2020-21 and 120-150 GWe by 2030³ (currently 43 GWe¹). According to their latest Five Year Plan, China is forecasting the approval and construction of 6-8 units per year between 2016 and 2020, increasing to 10 units per year thereafter³.
- **Current prices will constrain supply** – low prices are forcing producers to curtail mining, development and exploration. In 2016 Cameco Corp. (“Cameco”) suspended production and transitioned its Rabbit Lake Mine

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

2 Haywood Securities Inc. – *Target & Commodity Price Revisions (January 25, 2017)*

3 World Nuclear Association – *Nuclear Power in China (January 2019)*

to care and maintenance, which produced 4.2 million pounds of uranium in 2015⁴, curtailed its United States operations and announced production halts at its McArthur River and Cigar Lake mines for periods in 2017. In 2017, Cameco announced temporary production suspensions at its McArthur River/Key Lake operation, which Cameco expects will remove 18 million pounds of uranium from the market in 2018⁵. In July 2018, Cameco announced the decision to continue the shutdown of McArthur River/Key Lake indefinitely. Further, Kazatomprom announced a 20% production cut over a period of three years commencing in January 2018, which equates to approximately 7.5% of global uranium production for 2018 as forecast by UxC (UMO Q4)⁶.

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

- **Continue with the advancement of the Dewey Burdock Project** – the Company is working to resolve the only remaining contention on the NRC license and to receive the final EPA permits. In parallel with advancing the Dewey Burdock Project on the permitting front, the Company will continue to evaluate project-financing options, with a view to having a funding solution in place prior to or concurrent with the finalization of permits.
- **Complete updated preliminary economic assessment (“PEA”) at the Dewey Burdock Project and identify uranium resources at the Dewey Terrace Project** – in December 2018, the Company published an increased resource estimate for the Dewey Burdock Project and expects to publish an updated PEA in the second quarter of 2019. The Company is also continuing the evaluation and analysis of historical data at the Dewey Terrace Project with the goal of identifying additional uranium mineralization.
- **Focus on ISR amenability at the Gas Hills Project** – the Company has completed hydrological studies which indicate that permeability and piezometric surface conditions are suitable for ISR uranium mining. The Company will continue to evaluate future ISR development options at Gas Hills, consistent with the Company's strategy of developing US-focused ISR uranium projects.
- **Future uranium production off-take** – the Company will continue engaging with potential customers for future uranium production off-take. Although the Company plans to continue these discussions, in parallel with the advancement of the Dewey Burdock Project, the level of these activities will be dependent on the market environment.

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

- uranium prices will move higher in the near to medium term;
- the December 2018 resource estimate demonstrates that the Dewey Burdock Project is one of the United States' leading undeveloped ISR uranium deposits;
- on completion of permitting at the Dewey Burdock Project, the Company will 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.

4 Cameco 2016 Annual Information Form *dated March 23, 2017*

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

6 NAC Kazatomprom JSC news release December 4, 2017

The Market for Uranium

Uranium is supplied from primary production (the mining of uranium ores) and secondary sources, including the inventories held by producers and utilities, government inventories, uranium recycled from government stockpiles and the recycling of highly enriched uranium. The primary uranium production industry is international in scope, with a small number of companies operating in relatively few countries.

The principal commercial use for uranium is as fuel for nuclear power plants; demand for uranium is linked to the level of electricity generated by nuclear power plants. On a global basis, according to the World Nuclear Association, as of January 2019, 450 nuclear reactors are operating worldwide and 203 new nuclear plants are under construction or planned.

Utilities secure a substantial proportion of their uranium requirements by entering into medium and long-term contracts with producers. Contract prices are established by a number of methods, including base price levels adjusted by inflation indices, reference prices and annual price negotiations. These contracts may contain floor prices, ceiling prices and other negotiated provisions, which affect the price paid.

For information on the additional steps required to reach commercial production refer to the section entitled “Companies with Mineral Properties” and refer to the [Dewey Burdock Project – Custer and Fall River Counties, South Dakota subsection](#).

For information pertaining to the specialized skills and knowledge available to the Company, refer to the section entitled “Directors and Officers”.

Environmental Protection

All phases of the Company’s operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations govern exploration, development, tenure, production, taxes, labor standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company’s operations may require additional analysis in the future including environmental 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 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.

Foreign Operations

The Company’s principal assets are located outside of Canada, in the United States of America and the Kyrgyz Republic.

Employees

As at December 31, 2018 and as at the date of this AIF, the Company had 11 employees.

Competitive Conditions

The uranium exploration and mining business is highly competitive, with a number of exploration, development and producing companies in Canada, the United States and internationally of varying sizes. The market for identifying

and acquiring suitable claims with uranium mineral deposits is highly competitive. The Company expects to face competitors and potential competitors with substantially greater financial, marketing and human resources than the Company. The Company's competitive position depends on its ability to successfully and economically explore, acquire and develop new and existing mineral properties. In addition, the Company's competitive position within the uranium mineral industry may be affected by many factors, including the recent trend towards consolidation among competitors, economies of scale in the acquisition and development of mineral properties and higher development costs. Increased competition could cause a reduction in the Company's ability to locate suitable mineral properties, which could have a material adverse effect on the Company's financial results.

The Company also expects to compete with other companies on mineral product sales, if commercial production commences on the Company's properties. Readily available markets exist worldwide for the sale of mineral products. Therefore, the Company will likely be able to sell mineral products produced, if any; however, numerous sellers of mineral products are active in these markets. The Company's ability to be competitive in the market over the long-term is dependent upon the quality and amount of mineral reserves/resources discovered, the cost of production, the acquisition and retention of qualified employees and its proximity to the market. Due to the large number of companies and variables involved in the mining industry, it is not possible to pinpoint the Company's direct competition.

4.2 Risk Factors

The Company's operations and financial performance are subject to the normal risks of mining and are subject to various factors, which are beyond the control of the Company. Additional risks not currently known to the Company, or that it currently considers immaterial, may also adversely impact the Company's business, operations, financial results or prospects, should any such other events occur.

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 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 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 and political instability in certain countries continue to weigh on markets. These factors continue to impact the commodities sector and commodities prices, including uranium, as well as currencies, debt markets 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.

Uranium Price Fluctuations

The Company's potential revenue is anticipated to be derived from the sale of uranium products. The Company's financial condition, results of operations, earnings and operating cash flows will be significantly affected by the market price of uranium, which is cyclical and subject to substantial short and long-term price fluctuations. Among other factors, uranium prices also affect the value of the Company's resources, as well as the market price of the Company's Common Shares.

Market prices are affected by numerous factors beyond the Company's control. 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; production levels and costs of production; 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 potential 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.

If the Company is able to successfully commence uranium production and the price of uranium declines below the Company's cash costs of production and remains at such levels for any sustained period, the Company may determine that it is not economically feasible to continue commercial production at any or all of the Company's sites. The Company's expected business activities are dependent on the Company's and the industry's expectations of uranium prices, which may or may not be realized. 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, including uranium, 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.

Government Regulation and Policy Risks

The Company's mineral exploration and planned development activities are subject to various laws governing, among other things; acquisition of the mining interests; maintenance of claims; tenure; expropriation; prospecting; exploration; development; mining; 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 decommissioning and reclamation; mine safety; transportation safety and emergency response; and other matters. Compliance with such laws and regulations has increased the Company's costs of exploring, drilling and developing mineral properties.

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 of mineral properties, or that such laws and regulations may result in the Company incurring significant costs to remediate 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 is likely to continue. There can be no assurance that future changes in applicable laws and regulations will not adversely affect the 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 stricter license and permit conditions, could have a material adverse impact on the Company, increase costs and/or delay or prevent the development of 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 cash and could have a material adverse effect on the Company. In addition, the Company does not have insurance 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. Changes in these policies and restrictions may adversely impact the Company's business.

With respect to the Company's Dewey Burdock Project, the resolution of the remaining contention, which relates to the identification and protection of historic and cultural resources, could impact the implementation of the NRC license for construction and operation of the Dewey Burdock Project, as mitigation strategies must be implemented under the programmatic agreement prior to ground disturbances at the Dewey Burdock Project site. Further, if the remaining contention is not resolved favorably, the Dewey Burdock NRC license could be suspended and the issuance of other federal and state permits could be impacted.

If the Company is unable to resolve the remaining contention favorably, it could have a material adverse impact on the Company's financial performance, cash flows and results of operations. In addition, the Company will have to assess whether an impairment allowance is necessary, which, if required, could be material.

With respect to the Company's Dewey Burdock Project, the EPA's final permit decision will evaluate all public comments pertaining to the draft permits, including any comments raised by the Company. If the EPA does not issue the final Class III and Class V UIC permits or the final permit conditions are overly burdensome to the Company, it could have a material adverse impact on the Company's financial performance, cash flows and results of operations. In addition, the Company will have to assess whether an impairment allowance is necessary, which, if required, could be material.

With respect to the Company's Centennial Project, originating from opposition to the Centennial Project by numerous interested parties in Colorado, House Bill 1161 was signed, which created a specialized regulatory regime for in-situ uranium recovery in the State of Colorado. The implementation of this law may establish standards for in-situ recovery mining and restoration that ultimately affect the financial viability of the Centennial Project and could result in an impairment allowance.

Public Involvement in the Permitting Process

The process of obtaining radioactive materials licenses ("RML") for the Company's mineral properties in the United States allows for public participation. Third parties may object to the issuance of RMLs and/or permits required by the Company, which may significantly delay the Company's ability to obtain an RML and/or permit. Generally, public objections can be overcome through the procedures set forth in the applicable permitting legislation; however, significant financial resources and managerial resources are required through this process. In addition, the various regulatory agencies must allow and fully consider the public objections/comments according to such procedures set out in the applicable legislation and there can be no assurance that the Company will be successful in obtaining an RML and/or permit, which could have a material adverse effect on the viability of a project.

In the Kyrgyz Republic, the process of obtaining RMLs is determined by the State Agency of Geology, the State Department on Technical Safety, and the State Department of Ecology. There can be no assurance that the Company will be successful in obtaining an RML, which could have a material adverse effect on the viability of the Kyzyl Ompul Project.

Please refer to the “*Government Regulation and Policy Risks*” risk factor for specific risks identified pertaining to the Dewey Burdock Project and the Centennial Project that also pertain to “*Public Involvement in the Permitting Process*”.

Native American Involvement in the Permitting Process

None of the Company’s mineral properties are located within the boundaries of Native American lands or other property interests that are controlled or owned by Native Americans under the jurisdiction of the United States Federal Government. However, under Federal legislation, “*historic cultural properties of religious significance that can be identified are to be avoided or activities are to be mitigated such that the essential nature of the properties is not lost to a culture. Throughout the western United States, Indian tribes have had historical relationship with properties that are now owned by private parties, the Federal Government or State Government. In any Federal permitting action on these properties, the agency involved is required to make an effort to communicate with Native American Tribes to determine any areas of “Traditional Cultural Significance”.* This process involves “Government to Government” discussions with the potentially affected Native American Tribes; therefore, delays in permitting may occur through this process. In the event that “Traditional Cultural Properties” are identified within a project area, the Company and the agency must determine the best method of development to ensure that disturbances are minimized or mitigated. Please refer to the “*Government Regulation and Policy Risks*” risk factor for specific risks identified pertaining to the Dewey Burdock Project that also pertain to “*Native American Involvement in the Permitting Process*”. As noted under the “*Government Regulation and Policy Risks*” risk factor, if the Company is unable to resolve the remaining contention favorably, it could adversely impact the timing of final licensing and permitting being granted at the Company’s Dewey Burdock Project and this could have a material adverse impact on the Company’s financial position, cash flows and results of operations. In addition, the Company would have to assess whether an impairment allowance is necessary, which, if required, could be material.

Environmental Regulatory Requirements and Risks

The Company is required to comply with environmental protection laws and regulations and permitting requirements in the jurisdictions in which it operates. The uranium industry is subject not only to health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with the uranium industry. 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, the disposition of wastes, the decommissioning and reclamation of exploration 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 which 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 towards 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 the Company’s anticipated development plans.

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 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.

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 uranium prices, changes in industry forecasts of uranium prices, other mineral prices, currency exchange fluctuations, its financial condition or results of operations. 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.

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.

The Company Will Require Significant Amounts of Additional Capital in the Future

The Company has limited financial resources. The Company will need additional financing in connection with the implementation of its business and strategic plans from time to time, including the continued exploration and development of its mineral properties. The exploration and development of mineral properties 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 exploration and development of the Company's mineral properties 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.

Failure to obtain such financing, including the failure of Central to fund the payments pursuant to the Replacement Agreement, could result in a delay or indefinite postponement of further exploration and development of the Company's mineral properties, including the loss of rights associated with such mineral properties. In the event the

Company's exploration and development of mineral properties is delayed, the Company will assess whether an impairment allowance is necessary, which, if required, could be material.

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. 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.

The Company may be at a competitive disadvantage due to the fact that many of the Company's competitors have greater financial resources to source mineral properties and attract and retain key executives and employees. Accordingly, there can be no assurance that the Company will be able to compete successfully with industry competitors.

Uranium Industry Competition and International Trade Restrictions

The international uranium industry, including the supply of uranium concentrates, is competitive. The Company is marketing uranium in direct competition with supplies available from both public and private uranium mining companies, from nationalized uranium mining companies, from uranium produced as a by-product 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 the rest of the World.

Exposure to Emerging Markets

Emerging markets such as the Kyrgyz Republic are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kyrgyz Republic continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Kyrgyz Republic is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment. Varying interpretations of the above frameworks could have a material adverse effect on the Company's operations.

Possible Loss of Interests in Exploration and Development Properties

If the Company does not have the financial capacity (see the above risk “*The Company Will Require Significant Amounts of Additional Capital in the Future*”) to make required payments or minimum expenditures to maintain mineral properties in good standing, the Company may lose some, or all, of its interest in those mineral properties. This is particularly significant with respect to the Company’s material property, the Dewey Burdock Project in the United States. A loss of an interest at the Dewey Burdock Project could have a material adverse effect on the Company’s reported resources. In addition, the Company will have to assess whether an impairment allowance is necessary, which, if required, could be material.

Further, in accordance with the terms of the Company’s Centennial purchase agreement, as amended, which provides the Company with the ability to purchase uranium rights on certain areas of the Centennial Project, if the Company does not obtain regulatory permits and licenses allowing uranium production by September 27, 2019, the uranium rights will transfer back to the seller, at the seller’s option. This could have a material adverse effect on the Company’s reported resources. In addition, the Company will have to assess whether an impairment allowance is necessary, which, if required, could be material.

Mining and Mineral Exploration is Inherently Dangerous and Subject to Factors Beyond the Company’s Control

The Company’s business, and any future development or mining operations, will involve various types of risks and hazards typical of companies engaged in the mining industry. These risks will affect the exploration and development of the Company and will affect its business to an even larger extent once commercial mining operations, if any, commence.

Such risks include, but are not limited to: industrial accidents, unusual or unexpected rock formations, structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities, fire, flooding and earthquakes, rock bursts, minerals losses, periodic interruptions due to inclement or hazardous weather conditions, environmental hazards, discharge of pollutants or hazardous materials, failure of processing and mechanical equipment and other performance problems, geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions, unanticipated variations in grade and other geological problems, water, surface or underground conditions, labor disputes or slowdowns, work force health issues as a result of working conditions, and force majeure events, or other unfavorable operating conditions.

These risks, conditions and events could result in: damage to, or destruction of, the value of, the Company’s projects or their facilities, personal injury or death, environmental damage to the Company’s projects or the properties of others, delays or prohibitions on mining or the transportation of minerals, monetary losses, and potential legal liability. Any of the foregoing could have a material adverse effect on the Company’s business, financial condition, and results of operation or prospects.

The Company’s Mineral Resources are Estimates

Mineral resources are statistical estimates of mineral content, based on limited information acquired through drilling and other sampling methods, and require judgmental interpretations of geology. The Company’s mineral resources are estimates and no assurance can be given that the estimated resources are accurate or that the indicated level of uranium 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 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. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The

evaluation of resources and reserves is influenced by economic and technological factors, which may change over time.

Nature of Exploration and Development Projects

The exploration and development of mineral properties involves significant risks. Development of exploration properties, in which the Company has an interest, will only follow subsequent to obtaining satisfactory exploration results. The exploration and development of mineral properties involves significant risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral property may result in significant rewards, few properties, which are explored are ultimately developed into producing mines. Significant expenses may be required to establish mineral reserves and mineral resources and to construct mining and processing facilities. It is impossible to ensure that the Company's exploration and development properties will result in a profitable commercial mining operation.

Whether a mineral property will be commercially viable depends on a number of factors, which include, among other things: the accuracy of reserve and resource 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 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.

Political Risk

The Company's prospects may be affected by political decisions that impact the uranium market. There can be no assurance that the United States, the Kyrgyz Republic or other government / quasi-governmental authorities in the jurisdictions in which the Company operates or holds investments will not enact legislation restricting uranium exploration, development, extraction and processing or the actual sale of uranium. In addition, the price of uranium may be impacted by decisions of national governments to decommission nuclear weapons; thus, increasing the supply of uranium.

Currency Fluctuations

The Company's operations are subject to foreign currency fluctuations. The Company's operating expenditures are primarily incurred in United States Dollars, while some of the Company's cash balances and expenses are measured in Canadian Dollars and Kyrgyz Som. The appreciation/depreciation of the United States Dollar against the Canadian Dollar and Kyrgyz Som will consequently have an impact on the Company's financial results.

The Company has no History of Mining Operations

The Company has never owned/operated uranium-producing properties. There is no assurance that commercially viable quantities of uranium will be discovered at the Company's mineral properties nor is there any assurance that the Company's exploration and development programs will yield positive results. Even if commercially viable quantities of uranium are discovered, there can be no assurance that any of the Company's mineral properties will be brought to a stage of profitable production or that an adequate return on invested capital will be achieved. Factors that may limit the ability of the Company to produce uranium resources from its properties include, but are not limited to, the price of uranium, the availability of additional capital and financing and the nature of the mineral deposits.

Property Title Rights

The Company has investigated its rights to explore and develop its material 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 and title insurance is generally not available.

The validity of unpatented mining claims on United States 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 United States public lands, the Company's United States properties are subject to various title uncertainties which are common to the industry or the geographic location of such claims, with the resultant risk that there may be defects in its title. The Company's surface or mineral properties may also be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's reported resources and operations. In addition, the Company may be unable to enforce its rights or operate the impacted mineral property as previously permitted.

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. 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, other than through retirement, if for any reason they do not, the Company could be adversely affected.

The Company's success will also depend on the availability of qualified and experienced employees to work on 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.

Delineation of Mineral Reserves and Additional Mineral Resources

The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of resources and reserves is influenced by economic and technological factors, which may change over time. At present, the Company does not have any mineral reserves.

There can be no assurance that the Company's future exploration, development and acquisition efforts will be successful in determining mineral reserves and additional mineral resources. The Company's ability to delineate mineral reserves and additional mineral resources may impact future operations. There can be no assurance that the Company will be able to bring any of its mineral properties into production or identify mineral reserves on any of its mineral properties.

Insurance Coverage

The Company's business will be subject to a number of risks and hazards (as further described herein). Although the Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, such insurance will likely not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production may not be available to the Company on acceptable, or any, terms. The Company might also become subject to liability for pollution or other hazards, which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Dilution from Further Equity Financing and Outstanding Stock Options and Share Purchase Warrants

If the Company raises additional funding by issuing additional equity securities or convertible securities, 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.

In addition, the Company currently has outstanding stock options and share purchase warrants, which if exercised, may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

The Company has Never Paid Dividends and May Not do so in the Foreseeable Future

The Company has never paid dividends and intends to retain its future earnings, if any, to fund the development and growth of its business and does not anticipate paying any dividends in the near future. Thus, shareholders of the Company will have to rely on capital appreciation, if any, to earn a return on their investment in the Company's shares for the foreseeable future. The Board will review the Company's dividend policy from time to time.

Litigation and Other Legal Proceedings

The Company is subject to litigation and other legal proceedings arising in the normal course of business and may be involved in disputes with other parties in the future, which may result in litigation. 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 favourably, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations. 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.

Technical Innovation and Obsolescence

Requirements for the Company's potential products 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.

Disclosure and Internal Controls

Disclosure controls and procedures are designed to provide reasonable but not absolute assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. These disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation. A control failure could have a material adverse effect on the Company's operations.

Conflicts of Interest

Some of the directors of the Company are also directors/employees of other companies that are similarly 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 might 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 (British Columbia).

4.3 Companies with Mineral Projects

The Company's material property includes the Dewey Burdock Project. The information contained in this section, with the exception of disclosures under the heading "Recent Developments" and "Dewey Burdock Contractual Commitments" has been reproduced from the summary section of the "NI 43-101 Technical Report Resource Estimate Dewey-Burdock Uranium ISR Project South Dakota, USA dated December 21, 2018" (the "Dewey Burdock Report") prepared by Steve Cutler on behalf of Rough Stock Mining Services. Mr. Cutler is a Qualified Person and considered independent as both those terms are defined in NI 43-101.

The detailed disclosure contained in the Dewey Burdock Report is hereby incorporated by reference into this AIF. A copy of the Dewey Burdock Report is available under the Company's profile on SEDAR at www.sedar.com.

Dewey Burdock Project – Custer and Fall River Counties, South Dakota

Reproduction of the Summary Contained in the Dewey Burdock Report.

"1.0 EXECUTIVE SUMMARY

1.1 Background

Roughstock Mining Services (Roughstock) was retained by Azarga Uranium Corp. (Azarga Uranium) and their wholly owned subsidiary Powertech USA Inc. (Powertech), to prepare this independent Resource Estimate for the Dewey-Burdock ISR Project (Project) located in Custer and Fall River Counties in South Dakota, USA. The project location is shown on Figure 1.1. This Resource Estimate has been prepared for Azarga Uranium and Powertech (collectively referred to as "Azarga") in accordance with the guidelines set forth under National Instrument (NI) 43-101 and NI 43-101F1 for the submission of technical reports on mining properties.

A NI 43-101 Technical Report - Preliminary Economic Assessment for the Dewey- Burdock Project was prepared by TREC, Inc. and Roughstock effective January 29, 2015 ("2015 PEA") (ref., TREC, 2015). The mineral resource estimate presented in the 2015 PEA was reviewed and updated with new resource information completed by Roughstock. The entire resource estimate for the project was reviewed and audited for this report resulting in an updated resource estimate as summarized in Table 1.1 below.

Table 1.1: Comparison of 2015 PEA ISR Mineral Resource Estimate with Current ISR Mineral Resource Estimate

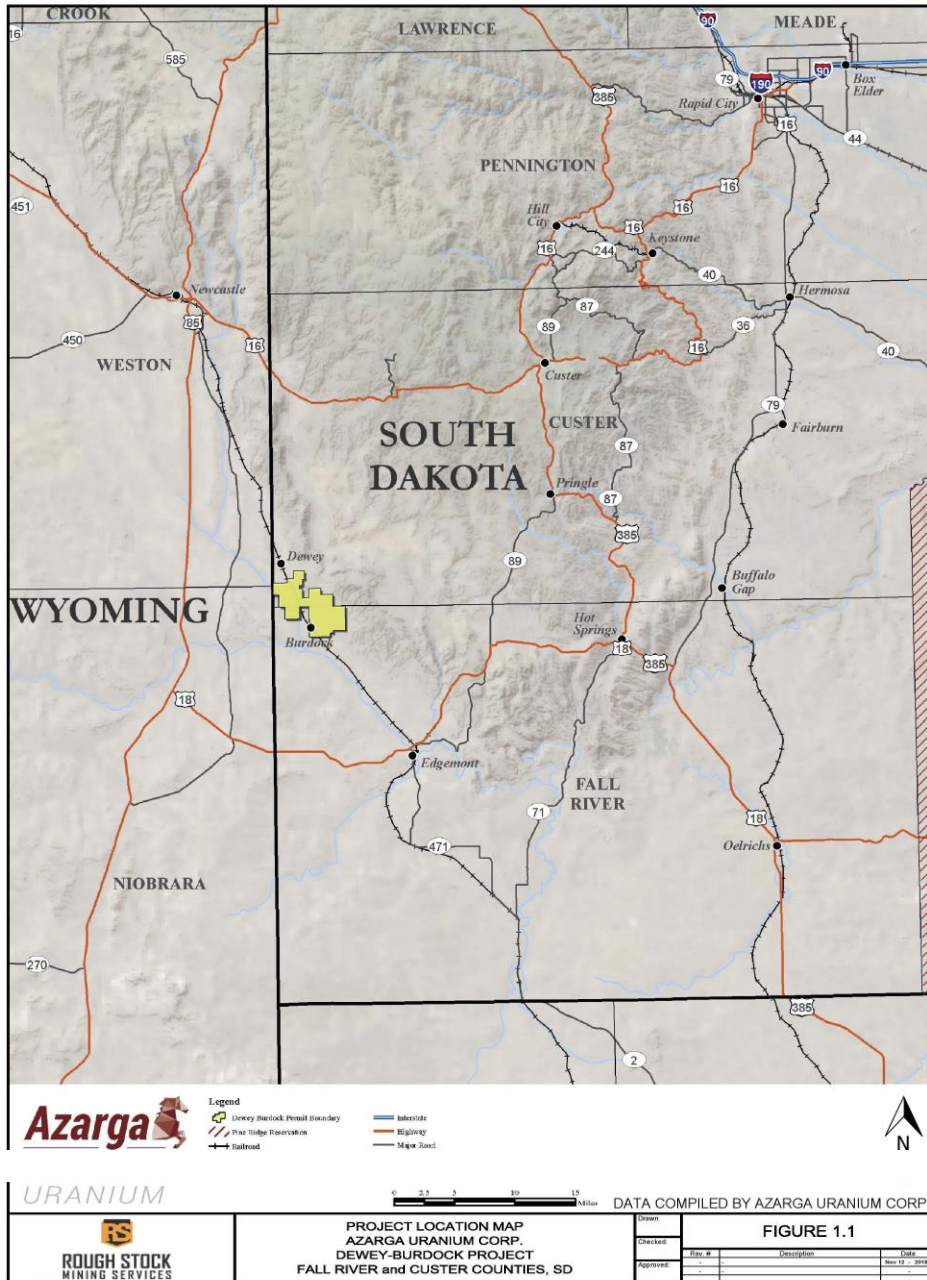
	2015 PEA	Grade	Current	Grade	% change Pounds
Estimated Measured Resource (lb)	4,122,000	0.330%	13,779,000	0.132%	
Estimated Indicated Resources (lb)	4,460,000	0.210%	3,160,000	0.068%	
Estimated M&I Resource (lb)	8,582,000	0.250%	16,939,000	0.113%	97%
Estimated Inferred Resource (lb)	3,528,000	0.050%	818,000	0.056%	-77%

Cautionary Statement: Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Subsequent to the 2015 PEA resource calculation, Azarga has added additional mineralized intercepts and redefined the cutoff grade for resource estimation based on uranium recovery from production operations using ISR methods. Azarga is now following industry standard using the redefined cutoff of $GT \geq 0.20$ rather than the previously used $GT \geq 0.50$.

As shown in Table 1.1 above, during the process of re-contouring and recalculation of the drillhole data, Measured ISR resources increased to 13.78M pounds U_3O_8 from 4.12M pounds, representing a 234% increase. Measured and Indicated (M&I) ISR resources have increased to 16.94 million pounds U_3O_8 from 8.58M pounds, representing a 97% increase. These resources are categorized as defined by CIM and discussed in Section 14 of this resource estimate.

Figure 1.1: Project Location Map



The Dewey-Burdock Project is an advanced-stage uranium exploration project located in South Dakota and is solely controlled by Powertech. The Project is located in southwest South Dakota (Figure 1.1) and forms part of the northwestern extension of the Edgemont Uranium Mining District. The project is divided into two Resource Areas, Dewey and Burdock.

The project is within an area of low population density characterized by an agriculture based economy with little other types of commercial and industrial activity. The project is expected to bring a significant economic benefit to the local area in terms of tax revenue, new jobs, and commercial activity supporting the project. Previously, a uranium mill was located at the town of Edgemont, and a renewal of uranium production is expected to be a locally favorable form of economic development. Regionally, there are individual and other organizations that oppose the project though typically not in the immediate Edgemont area.

The three most significant permits/licenses are (1) the Source and Byproduct Materials License, which was issued by the U.S. Nuclear Regulatory Agency NRC in April 2014; (2) the Large Scale Mine Permit (LSMP), to be issued by the South Dakota Department of Environment and Natural Resources (DENR); and (3) Underground Injection Control (UIC) Class III and V permits (for ISR injection and deep disposal, respectively), which draft permits were issued from the U.S. Environmental Protection Agency Region 8 (EPA) in March 2017. Permit requirements and status are discussed in Sections 4 and 20. Public interest in the project has extended regulatory efforts and logistics for accommodating public involvement, but at the time of this report, the NRC license has been issued, the State of South Dakota LSMP has been recommended for approval by DENR, and draft UIC Class III and Class V permits have been issued by EPA.

1.2 Resources

Cautionary Statement: Mineral resources that are not mineral reserves do not have demonstrated economic viability.

As further discussed in Section 14, the deposits within the project area contain Measured ISR resources of 5,200,000 tons at an average grade of 0.132% U₃O₈, Indicated ISR resources of 2,328,000 tons at a grade of 0.068% U₃O₈ for a total M&I ISR resource of 16.94M pounds U₃O₈ at a 0.2 GT cutoff, and Inferred resource of 732,000 tons at a grade of 0.056% U₃O₈ for a total of 0.82M pounds U₃O₈ at a 0.2 GT cutoff. See Table 1.2 for a summary of the mineral resource estimate.

The Dewey-Burdock uranium mineralization is comprised of “roll-front” type uranium mineralization hosted in several sandstone stratigraphic horizons that are hydrogeologically isolated and therefore amenable to ISR technology. Uranium deposits in the Dewey-Burdock Project are sandstone, roll-front type. This type of deposit is usually “C”-shaped in cross section, with the down gradient center of the “C” having the greatest thickness and highest tenor. These “roll fronts” are typically a few tens of feet wide and often can be thousands of feet long. Uranium minerals are deposited at the interface of oxidizing solutions and reducing solutions. As the uranium minerals precipitate, they coat sand grains and partially fill the interstices between grains. Thickness of the deposits is generally a factor of the thickness of the sandstone host unit. Mineralization may be 5 to 12 ft thick within the roll front while being 1 to 2 ft thick in the trailing tail portions.

Table 1.2: Mineral Resource Estimate (Effective - November 12, 2018)

ISR Resources	Measured	Indicated	M&I	Inferred
Pounds	13,779,000	3,160,000	16,939,000	818,000
Tons	5,200,000	2,328,000	7,528,000	732,000
Avg. GT	0.730	0.396	0.640	0.333
Avg. Grade (%U ₃ O ₈)	0.132%	0.068%	0.113%	0.056%
Avg. Thickness (feet)	5.51	5.83	5.69	5.95

Non-ISR Resources	Measured	Indicated	M&I	Inferred
Pounds	1,060,000	0	1,060,000	0

Tons	926,000	0	926,000	0
Avg. GT	0.374	0.000	0.374	0.000
Avg. Grade (%U ₃ O ₈)	0.057%	0.000%	0.057%	0.000%
Avg. Thickness (feet)	6.54	0.00	6.54	0.00

Note: Resources are rounded to the nearest thousandth. Resource pounds and grades of U₃O₈ were calculated by individual grade-thickness contours. Tonnages were estimated using average thickness of resource zones multiplied by the total area of those zones. Non-ISR Resources are located above the water table.

Deposit configuration determines the geometry of the well field and is a major economic factor in ISR mining.

The Dewey-Burdock mineralization is located at depths of 184 – 927 ft below surface at Dewey and from surface to 782 ft below surface at Burdock, as several stacked horizons, which are sinuous and narrow but extend over several miles along trend of mineralization. The deposits are planned for ISR mining by development of individual well fields for each mineralized horizon. A well field will be developed as a series of injection and recovery wells, with a pattern to fit the mineralized horizon, typically a five spot well pattern on 50 to 150 ft drillhole spacing.

Historic exploration drilling for the project area was extensive and is discussed in Section 6. In 2007 and 2008, Azarga conducted confirmatory exploration drilling of 91 holes including 20 monitoring wells. In addition, Azarga installed water wells for water quality testing and for hydro-stratigraphic unit testing. This work confirmed and replicated the historic drill data and provided some in-fill definition of uranium roll fronts. In addition, the hydrogeologic investigations defined the pre-mining water quality and determined the capacity for the uranium-bearing hydro-stratigraphic units to allow for circulation of ISR recovery fluid, and confinement of the fluids to the hydro-stratigraphic unit.

1.3 Project

As reported in the 2015 PEA, the Project has been previously designed with well fields where mineral extraction will occur. The 2015 PEA envisioned a central processing plant (CPP) facility for the Project that will be located at the Burdock Resource Area and a satellite facility will be constructed in the Dewey Resource Area. The Dewey Resource Area contains a separate group of well fields where mineral extraction will occur.

The Project area is well supported by nearby towns and services. Major power lines are located near the Project and can be accessed and upgraded for electrical service for the mining operation. A major rail line (Burlington Northern Santa Fe) cuts diagonally across the project area. A major railroad siding is located at Edgemont and could be used for shipment of materials and equipment for development of the producing facilities.

1.4 Risks

The Project is located in a region where ISR projects have been and are operated successfully. The ISR mining method has been proven effective in geologic formations near the Project in Wyoming and Nebraska as described herein. Six Wyoming ISR facilities are currently in operation (Smith Ranch, North Butte, Willow Creek, Lost Creek, Ross, and Nichols Ranch) and one operating facility is in Nebraska (Crow Butte).

As with any pre-development mining property, there are risks and opportunity attached to the project that need further assessment as the project moves forward. The author deems those risks, listed below, on the whole, as identifiable and manageable.

- Risk associated with uranium recovery and processing,
- Risk associated with delays in permitting,
- Risk associated with social and/or political issues, and
- Risk associated with the uranium market and sales contracts.

This report does not undertake any discussion of economic factors and as such the effects of such risks are not evaluated in this report.”

Recent Developments

For details on recent developments of the Dewey Burdock Project, see the section entitled “General Development of the Business – Three Year History” and refer to the Dewey Burdock Project sub-section.

Dewey Burdock Contractual Commitments

The Dewey Burdock Project includes federal claims, private mineral rights and private surface rights controlling the entire area within the licensed project permit boundary as well as surrounding areas. The Company currently controls approximately 16,962 acres of net mineral rights and 12,613 acres of surface rights. The Dewey Burdock Project NRC permit area is 10,580 acres, all of which is covered by mineral and surface rights controlled by the Company.

Access and mineral rights are currently held by a combination of 53 private surface use, access and mining lease agreements, two purchase agreements and 370 federal mineral claims in and surrounding the Dewey Burdock Project area. Private lease renewals range from an annual basis to a long-term basis. Lease commitments and purchase agreement payments vary from year to year, however, the total annualized cost for both private surface and mineral leases and purchase agreement payments is approximately \$219,280. The cost for maintaining federal mineral claims within and surrounding the project area is approximately \$57,350 per year.

The Company acquired leases from the various landowners with several levels of payments and obligations. In the portions of the Dewey Burdock Project area where the Company seeks to develop the uranium, both surface and minerals are leased or controlled through purchase agreements by unpatented mineral claims. Furthermore, the Company controls all surface and mineral rights within the Dewey Burdock Project permit boundary. The Company granted the mineral owners an overriding royalty payment out of sales of the product. The surface owners will be paid an overriding royalty as incentive to support the development of uranium under their lands. In addition, surface owners are paid an annual rental to cover the cost of surface damage and to additionally compensate for reduction of husbandry grazing during field operations.

The net result of the royalty and rental payments results in a cumulative 5.25 percent surface and mineral royalty. Each royalty is assessed on gross proceeds.

Other Properties

The Company also holds interests in the properties described below, which are not material to the Company. The Company currently does not have any material ongoing exploration activity at these properties/prospects as the Company has prioritized its resources to the permitting activities at its Dewey Burdock Project. While the Company continues to maintain the prospects in expectation of future development, there are no material exploration activities or expenditures planned with respect to these properties for the 2019 fiscal year. In 2018, the Company did not incur any material expenditures on these properties other than necessary claim fees and land/lease payments and staff time to review, compile, and evaluate historic drilling results and complete required filings.

Kyzyl Ompul Project – Kyrgyz Republic

The uranium deposit/prospects of the Kyzyl Ompul Project are located in the Kyrgyz Republic, approximately 125 kilometers (“km”) east of the capital of Bishkek. More specifically, the Kyzyl Ompul Project is located in the Kochkor region of the Naryn Oblast and the Issyk-Kul region of the Issyk-Kul Oblast. The Kyzyl Ompul Project is 100% owned and operated by UrAsia, in which the Company owns a 70% interest, and consists of one exploration license with an area of 42,379 hectares. The license is valid until December 31, 2020 and permits exploration for uranium.

The Kyzyl Ompul Project has been explored since the 1950s for uranium, with most historic exploration occurring during the 1950s and 1960s. This historic exploration identified a number of hydrothermal and placer uranium prospects within the Kyzyl Ompul Project. In total, five hydrothermal uranium prospects and five placer uranium prospects were identified.

The Kok Moinok deposit, the most advanced of the hydrothermal deposits, was discovered in 1953. From 1953 to 1957, 144 holes were drilled on a grid of 50m x 50m. Soviet classified C1 and C2 reserves were calculated using the

information obtained from these drill holes. Additional drilling was completed from 1958 to 1969 on a 200m x 200m grid attempting to identify further extensions of the uranium prospects.

Further exploration was undertaken by UrAsia from 2005 to 2008, with the aim to confirm the hydrothermal uranium mineralization and placer uranium mineralization by targeting previously identified uranium deposits and prospects. The exploration program during this period included traverses, geological mapping (80km²), trenching (4,300m³), soil gas radon emanation surveys (60 readings), geophysical surveys and the collection of 84 hydrogeological samples for radon assays, 7,458 channel samples, 455 rock chip samples and 28 crushed samples.

In 2012, a more extensive exploration program commenced. In 2012 and 2013, the Company completed nine drill holes for approximately 2,275m at the Sai Bezdovniy hydrothermal prospect, 40 drill holes at the Tash Bulak placer prospect, 31 drill holes at the Backe placer prospect and 9 drill holes at the Tunduk placer prospect. The Company also completed 17 drill holes for approximately 4,345m at the Kok Moinok deposit. The 2012 and 2013 drilling program was designed to twin a selection of historic drill holes to confirm mineralized intervals and uranium grades in those mineralized intervals as well as confirm the geological and mineralogical understanding of the Kyzyl Ompul Project.

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

For details on recent developments of the Kyzyl Ompul Project, see the section entitled "General Development of the Business – Three Year History" and refer to the Kyzyl Ompul Project sub-section.

Gas Hills Project – Natrona and Fremont Counties, Riverton, Wyoming

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 leases, within a brownfield site which has experienced extensive development including mine and mill site production.

Summary of Mineral Resources

In June 2017, a technical report was prepared by BRS Inc. on the Gas Hills Project titled "Amended and Restated Gas Hills Uranium Project, Mineral Resource and Exploration Target NI 43-101 Technical Report, Fremont and Natrona Counties, Wyoming, USA" (the "Gas Hills Report") with an effective date of June 9, 2017. The Gas Hills Project contains indicated uranium resources of 4.7 million pounds U₃O₈ (2.4 million tons at an average grade of 0.098% U₃O₈) and inferred uranium resources of 2.5 million pounds U₃O₈ (2.3 million tons at an average grade of 0.054% U₃O₈) at a 0.1 GT cut-off. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

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

at www.sedar.com.

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

The second study announced by the Company on July 20, 2018, focused on permeability (also referred to as hydraulic conductivity). A comprehensive review of pump test data for the Gas Hills Project and pump test data for other mining operations and planned mining operations in Wyoming proximal to the Gas Hills Project was conducted by Hydro-Engineering L.L.C ("Hydro-Engineering"). A summary of the review is presented below for each project:

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

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

The favorable report on permeability coupled with the favorable piezometric surface conditions confirms that these two important hydrologic parameters are suitable for ISR uranium mining. The Company will continue to evaluate future ISR development options at the Gas Hills Project.

Centennial Project – Weld County, Colorado

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 approximately 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 U₃O₈, cash operating costs of \$34.95/lb U₃O₈ and capital costs of \$71.1 million. The Centennial PEA included indicated uranium resources of 10,371,571 pounds at 0.09% U₃O₈ and inferred uranium resources of 2,325,514 pounds at 0.09% U₃O₈ at a 0.20 GT cut-off and annual production of 700,000 lbs per annum, which resulted in a 14-year mine

life.

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

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

The Company is currently analyzing alternatives for the Centennial Project including using best efforts to renegotiate the option agreement on the project.

Further, in accordance with the terms of the Company's Centennial purchase agreement, as amended, which provides the Company with the ability to purchase uranium rights on certain areas of the Centennial Project, if the Company does not obtain regulatory permits and licenses allowing uranium production by September 27, 2019, the uranium rights will transfer back to the seller, at the seller's option. This could have a material adverse effect on the Company's reported resources. In addition, the Company will have to assess whether an impairment allowance is necessary, which, if required, could be material.

Aladdin Exploration Project – Crook County, Wyoming

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

In June 2012, the Company completed a NI 43-101 compliant technical report for the Aladdin Deposit, 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 Deposit contains indicated uranium resources of 1,038,023 pounds at 0.111% U₃O₈ and inferred uranium resources of 101,255 pounds at 0.119% U₃O₈ at a 0.20 GT cut-off. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In addition, using the same cut-off, the quantity of mineralization for the exploration target was determined to be 5.0 to 11.0 million pounds of uranium, averaging 0.11% - 0.12% U₃O₈. In over 80% of the project area, the density of exploration drilling is light and insufficient to calculate resources. In these lightly explored areas, there is sufficient drill hole control for subsurface geochemical mapping and thirteen mineralized trends were identified. This estimation used a range of i) mineralized trend lengths, ii) widths of mineralization and iii) grades of mineralization. The grade and quantity of this exploration target is conceptual in nature and there has been insufficient exploration work performed with respect to the exploration target to define a NI 43-101 compliant resource. It is uncertain whether further exploration of the exploration target will result in the delineation of a NI 43-101 compliant resource.

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

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

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

Dewey Terrace Project – Weston and Niobrara Counties, Wyoming

The Dewey Terrace Project is located in Weston and Niobrara Counties of Wyoming on the western continuation of mineralized trends from the Dewey Burdock Project in South Dakota. The Company acquired this project primarily through the staking of federal mining claims, along with the acquisition of private mining leases. The Company controls 270 mining claims, along with three private mining leases in the project area for a total of 1,874 acres of surface rights and approximately 7,514 acres of net mineral rights.

For details on recent developments of the Dewey Terrace Project, see the section entitled “General Development of the Business – Three Year History” and refer to the Dewey Terrace Project sub-section.

Juniper Ridge Project – Carbon County, Wyoming

The 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 in an area which has experienced extensive exploration, development, and mine production.

In June 2017, a technical report was prepared by BRS Inc. and T.P. McNulty and Associates Inc. on the Juniper Ridge Project titled “Juniper Ridge Uranium Project, Amended and Restated 43-101 Mineral Resource and Preliminary Economic Assessment Technical Report” (the “Juniper Ridge PEA”) with an effective date of June 9, 2017. The Juniper Ridge Project contains indicated uranium resources of 6.0 million pounds 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 0.1 GT cut-off. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

The Juniper Ridge PEA is preliminary in nature; it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Juniper Ridge PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

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

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

Shirley Basin Project – Carbon County, Wyoming

The Shirley Basin Project is located in the southwest portion of Wyoming, approximately 40 miles south of Casper, Wyoming. The Shirley Basin Project consists of approximately 680 surface acres and 3,200 net mineral acres of unpatented lode mining claims and State of Wyoming mineral leases and is located within a brownfield site which has experienced extensive exploration, development, and mine production.

Ticaboo Project – Garfield County, Utah

The Ticaboo project consists of 26 mining claims and 8 placer claims, covering approximately 680 acres of net mineral rights and all rights to minerals in, on or under such mining claims (including severed and stockpiled minerals).

JB Property, San Miguel County, Colorado and San Juan County, Utah

The JB Project consists of 66 unpatented mining claims covering approximately 1,320 net mineral acres. It is located in San Miguel County, Colorado and San Juan County, Utah.

Powder River Basin (Savageton Prospect) – Campbell County, Wyoming

The Powder River Basin prospect consists of 199 mining claims covering approximately 3,980 acres of net mineral rights and has been designated as the Savageton Prospect.

ITEM 5. DIVIDENDS

5.1 Dividends

The Company has not paid any dividends since its incorporation. Any determination to pay any future dividends will remain at the discretion of the Board and will be made based on the Company's financial condition and other factors deemed relevant by the Board. There are no restrictions on the ability of the Company to pay dividends except as set out under its governing statute.

ITEM 6. DESCRIPTION OF SHARE CAPITAL

6.1 Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As at December 31, 2018 and the date of this AIF, 169,833,806 and 183,314,409 Common Shares, respectively, were issued and outstanding.

Holders of Common Shares are entitled to one vote for each Common Share held on all matters to be voted on by such holders and are entitled to receive, pro rata, such dividends as may be declared by the Board out of funds legally available for such dividends, and to receive, pro rata, the remaining property of the Company on a liquidation, dissolution or winding-up of the Company.

6.2 Class B Preference Shares

The Company is authorized to issue an unlimited number of Class B Preference Shares without par value. As of December 31, 2018, and as of the date of this AIF, no Class B Preference Shares have been issued.

ITEM 7. MARKET FOR SECURITIES

7.1 Trading Price and Volume

The Company's Common Shares are listed and posted for trading on the TSX under the symbol "AZZ". The table below sets forth the high and low prices and the volumes for the Common Shares traded through the TSX on a monthly basis for the year ended December 31, 2018, as stated in Canadian dollars.

	High	Low	Volume
January 2018	\$0.240	\$0.185	1,101,410
February 2018	\$0.270	\$0.180	1,224,420
March 2018	\$0.280	\$0.230	935,640
April 2018	\$0.260	\$0.225	172,920

	High	Low	Volume
May 2018	\$0.340	\$0.230	752,160
June 2018	\$0.320	\$0.240	452,204
July 2018	\$0.300	\$0.210	3,609,690
August 2018	\$0.275	\$0.210	3,514,770
September 2018	\$0.290	\$0.240	2,198,580
October 2018	\$0.295	\$0.235	6,884,310
November 2018	\$0.275	\$0.195	6,855,200
December 2018	\$0.270	\$0.220	2,431,800

The Company's Common Shares are listed and posted for trading on the OTCQB under the symbol "AZZUF". The table below sets forth the high and low prices and the volumes for the Common Shares traded through the OTCQB on a monthly basis for the period August 23, 2018 (when trading commenced) to December 31, 2018, as stated in US dollars.

	High	Low	Volume
From August 23 2018	\$0.213	\$0.183	495,355
September 2018	\$0.220	\$0.181	1,104,910
October 2018	\$0.224	\$0.175	2,545,824
November 2018	\$0.206	\$0.150	2,603,241
December 2018	\$0.210	\$0.160	1,737,984

In January 2018, pursuant to the second and final tranche of a non-brokered private placement, the Company issued 390,000 share purchase warrants entitling the holder to purchase one Common Share at an exercise price of C\$0.35 per share until December 22, 2020. An additional 500,000 warrants were issued in July 2018 to an insider of the Company upon receipt of disinterested shareholder and TSX approval.

In July 2018, the Company issued 500,000 warrants to an insider of the Company upon receipt of disinterested shareholder and TSX approval pursuant to a July 27, 2017 non-brokered private placement at an exercise price of C\$0.36 per share until July 27, 2020.

In July 2018, the Company assumed the outstanding share purchase warrants of URZ Energy Corp. adjusted in accordance with their terms and the Exchange Ratio such that the Company reserved for issue:

- 14,806,700 share purchase warrants with an exercise price of C\$0.20 expiring August 15, 2018;
- 2,304,184 share purchase warrants with an exercise price of C\$0.375 expiring June 19, 2019; and
- 4,480,000 stock options with an exercise price of C\$0.075 expiring March 14, 2027.

In August 2018, the Company granted 3,692,500 stock options to officers, employees, directors and other eligible persons at an exercise price of C\$0.24 with an expiry date of August 22, 2023.

ITEM 8. ESCROW SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

8.1 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

All securities issued pursuant to the 2018 private placements are subject to the regulatory four (4) month hold period. In addition, securities issued in accordance with the Company's ESPP have a nine (9) month hold period. At December 31, 2018, there were no shares subject to escrow or subject to contractual restrictions on transfer.

Pursuant to a May 4, 2018 agreement with certain shareholders of URZ Energy and certain shareholders of Azarga Uranium it was agreed that during the period commencing on May 4, 2018 and ending January 1, 2019, being the date that is 180 days following July 5, 2018, the closing date of the URZ acquisition that those shareholders would not trade in the securities of Azarga Uranium.

ITEM 9. DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The Company's current Directors are Matthew O'Kane, Joseph Havlin, Delos Cy Jamison, Todd Hilditch, Sandra MacKay and Glenn Catchpole (Chair). Richard Clement, Jr., Alexander Bayer and Apolonius (Paul) Struijk resigned as Directors on July 5, 2018. The Company's executive officers are Blake Steele, President and Chief Executive Officer ("CEO"), John Mays, Chief Operational Officer ("COO"), Dan O'Brien, Chief Financial Officer ("CFO") and Richard Blubaugh, Vice President, Health, Safety and Environmental Resources.

The following table sets forth, for each of the directors and executive officers of the Company, the individual's name, municipality of residence, position held with the Company, principal occupation and, in the case of the directors, the period during which the individual has served as a director of the Company. Each of the directors hold office until the Company's following AGM.

Name Province/State Country of Residence and Position(s) with the Company⁽¹⁾	Principal Occupation Business or Employment for Last Five Years	Period Served as a Director	Number of Common Shares Owned⁽¹⁾
Glenn Catchpole Wyoming, USA Director, Chair	President and Chief Executive Officer and Director of URZ Energy Corp. from February 2017 to July 2018. Mr. Catchpole was a member of the Board of Directors and the Chief Executive Officer of Uranerz Energy Corporation from March 1, 2005 until June 18, 2015 when Uranerz Energy Corporation was acquired by Energy Fuels Inc.	July 5, 2018 to present	1,459,251 *
Sandra MacKay B.C., Canada Director, member of the audit committee	General Counsel and Chief Information and Privacy Officer to the Provincial Health Services Authority of B.C. since July of 2014 and Senior Vice President, Legal with Uranerz Energy Corporation from 2009 to 2014.	July 5, 2018 to present	431,994 *
Todd Hilditch B.C. Canada Director, member of the compensation committee	Executive Chair of URZ Energy Corp. from August 2010 to July 2018. President of Terraco Gold Corp. since August 2007.	July 5, 2018 to present	1,999,128 1.2%
Matthew O'Kane Hong Kong Director, member of the audit committee and Chair of the compensation committee	Mr. O'Kane is the Chief Financial Officer of Crater Gold Mining Limited, a gold mining company since August 2017. Mr. O'Kane also provides CFO services to a Hong Kong SFC licensed institutional brokerage and asset management firm. He also provides consulting services to minerals and commodities businesses and is a Director of Northern Territories Resources Pty. Ltd, which owns a significant base metals project in Australia. He was the CFO of a large private commodities trading firm in Hong Kong from August 2014 to August 2016 and was the CFO of Celsius Coal Limited from May 2013 to August 2014, an Australian coal mining company listed on the Australian Stock Exchange.	September 2013 to present	775,836 *

Name Province/State Country of Residence and Position(s) with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years	Period Served as a Director	Number of Common Shares Owned ⁽¹⁾
Joseph Havlin Montana, USA Director, Chair of the audit committee	Mr. Havlin has been a director of Azarga and audit committee Chair since October 2014 and a director of Azarga Resources Limited since 2012. Currently, and since December 2016, Mr. Havlin is Vice President Finance with Wyo-Ben, Inc., a bentonite miner and manufacturer of drilling fluids and other bentonite based products as well as a line of drill fluid recycler and reclaimer equipment. Mr. Havlin was also a Director of eBullion, Inc., a gold and silver trading company listed on the US Over the Counter market, from 2012 to 2016. Previously, Mr. Havlin was a director of Black Range Minerals Limited, a uranium exploration and technology company listed on the Australian Stock Exchange, from March 2014 to September 2015. Mr. Havlin is a US CPA with over thirty years' experience holding senior operations and financial management positions in mining, manufacturing and other industries in both public accounting and private industry.	October 2014 to present	1,483,547 *
Delos Cy Jamison, Montana, USA Director, member of the compensation committee	Mr. Jamison currently is, and has been since 2009, the founder and principal at the Jamison Group, LLC, which specializes in complex land and resource exchanges, involving Federal assets.	June 2017 to present	176,547 *
Blake Steele Hong Kong President, Chief Executive Officer	Mr. Steele has been with the Company since October 2014. Mr. Steele was appointed as President and Chief Executive Officer on December 4, 2017 and he resigned from the offices of Chief Financial Officer and Corporate Secretary. Previously, Mr. Steele worked at SouthGobi Resources as Director of Finance from June 2011 to October 2013 and previously, Manager, Corporate Development from August 2009 to May 2011. He began his career with Deloitte & Touche, LLP in May 2005 where he worked in both the audit and financial advisory practices. Mr. Steele graduated from the University of British Columbia with a Bachelor of Commerce honors degree. He is a Chartered Professional Accountant and Chartered Business Valuator in Canada.	N/A	4,532,910 2.7%
Dan O'Brien B.C., Canada Chief Financial Officer	Mr. O'Brien was appointed as the Chief Financial Officer of the Company on December 4, 2017. Mr. O'Brien is an employee of Golden Oak Corporate Services Ltd., a company owned by Doris Meyer, which provides Doris Meyer's and Dan O'Brien's services to the Company as Corporate Secretary and Chief Financial Officer respectively. Mr. O'Brien was previously a senior manager at a leading Canadian accounting firm specializing in auditing of public companies in the mining and resource sector. He is a Chartered Professional Accountant.	N/A	Nil *
Richard Blubaugh Colorado, USA Vice President Health, Safety and Environmental Resources	Mr. Blubaugh has been Vice President Health, Safety and Environmental Resources of the Company since July 19, 2006.	N/A	164,038 *
John Mays Colorado, USA Chief Operating Officer	Mr. Mays has worked with the Company for the previous ten years. Prior to becoming Chief Operating Officer on January 1, 2014, Mr. Mays was Vice President of Engineering for the Company. Prior to joining the Company, Mr. Mays was Chief In-Situ Mining Engineering for Uranium One in Almaty, Kazakhstan.	N/A	75,000 *

Name Province/State Country of Residence and Position(s) with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years	Period Served as a Director	Number of Common Shares Owned ⁽¹⁾
TOTAL:			10,934,213 6.4%

* Less than one percent.

(1) Information has been furnished by the directors individually. Percentages are based on a total of 169,833,806 Common Shares issued and outstanding, on a non-diluted basis, as of December 31, 2018.

The Directors of the Company are elected at each annual general meeting, unless appointed in the interim in accordance with the Company's Articles, and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles, or until such director's earlier death, resignation or removal.

9.2 Corporate Cease Trade Orders

To the best of management's knowledge, no director or executive officer of the Company is or has been within 10 years before the date of this AIF, a director, CEO or CFO of any company that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of director, CEO or CFO.

9.3 Bankruptcies

To the best of management's knowledge, no director, executive officer or shareholder holding a sufficient number of shares to materially affect control of the Company: (i) is or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

9.4 Penalties/Sanctions

To the best of management's knowledge, no director, executive officer or shareholder holding a sufficient number of shares to materially affect control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.5 Conflicts of Interest

In the event conflicts arise at a meeting of the Board, a director who has such a conflict will declare the conflict and abstain from voting. In appropriate cases, the Company will establish a special committee of independent non-executive directors (drawn from the majority of its members who must at all times be "independent" within the meaning of NI 52-110) to review a matter in which one or more directors or management may have a conflict.

To the best of the Company's knowledge there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors of the Company serve as directors and officers of other public and private companies and it is therefore possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies. Where such conflicts arise, they will be addressed as indicated above.

Audit Committee

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The Audit Committee Charter

The following Audit Committee Charter was adopted by the Board:

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the board of directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the board of directors. All of the members of the Committee shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full board of directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) review and update this Audit Committee Charter annually; and
- (b) review the Company's financial statements, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (c) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's board of directors and the Committee as representatives of the shareholders of the Company;
- (d) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- (e) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (f) take, or recommend that the Company's full board of directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (g) recommend to the Company's board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (h) recommend to the Company's board of directors the compensation to be paid to the external auditors;
- (i) at each meeting, consult with the external auditors about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (k) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and

- (l) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (m) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (n) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (o) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (p) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (q) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (r) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (s) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (t) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (u) review certification process;
- (v) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (w) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (x) review any related-party transactions;
- (y) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (z) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors, Joseph Havlin (Chairman), Matthew O'Kane and Sandra MacKay. As defined in NI 52-110, Joseph Havlin (Chairman), Matthew O'Kane and Sandra MacKay are all "independent". All of the Audit Committee members are "financially literate", as defined in NI 52-110.

Relevant Education and Experience

The following sets out the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Mr. Havlin has been a director of the Company since October 2014. Currently, and since December 2016, Mr. Havlin is Vice President Finance with Wyo-Ben, Inc., a bentonite miner and manufacturer of drilling fluids and other bentonite based products as well as a line of drill fluid recycler and reclaimer equipment. Mr. Havlin was also a Director of eBullion, Inc., a gold and silver trading company listed on the US Over the Counter market, from 2012 to 2016. Mr. Havlin was also a director of Black Range Minerals Limited, a uranium exploration and technology company listed on the Australian Stock Exchange, from March 2014 to September 2015 and director and CFO of Alpha Prime Investment Limited, a coal exploration, development and mining company from 2008 to 2010. Mr. Havlin is a US CPA with over thirty years' experience holding senior operations and financial management positions in mining and among other industries in both public accounting and private industry. He graduated from Western Washington University with a Bachelor's of Accounting honors degree.

Mr. O'Kane is the Chief Financial Officer of Crater Gold Mining Limited, a gold mining company since August 2017. Mr. O'Kane also provides CFO services to a Hong Kong SFC licensed institutional brokerage and asset management firm. He also provides consulting services to minerals and commodities businesses and is a Director of Northern Territories Resources Pty. Ltd, which owns a significant base metals project in Australia. He was the CFO of a large private commodities trading firm in Hong Kong from August 2014 to August 2016 and was the CFO of Celsius Coal Limited from May 2013 to August 2014, an Australian coal mining company listed on the Australian Stock Exchange.

Ms. MacKay has headed the legal department of the Provincial Health Services Authority of B.C. since July of 2014. Ms. MacKay has over 25 years of experience as a corporate commercial lawyer to clients in the private sector. Ms. MacKay was Senior Vice President, Legal with Uranerz Energy Corporation, a dual-listed public mining company, from 2009 to 2014. Ms. MacKay was Vice President Legal of Aker Chemetics, an international engineering technology company, from 2006 to 2009, and General Counsel 1996 to 2002. Ms. MacKay was corporate counsel to QLT Inc., a dual-listed biotechnology company 2002-2006 and Senior Legal Counsel at Chevron Canada Limited 1987-1995. Ms. MacKay practiced law at the firm of Lawson, Lundell 1983-1987 before joining their client Chevron Canada. Ms. MacKay is a graduate of the University of British Columbia Law School.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6, 3.8 or Part 8 of NI 52-110.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company as disclosed under the heading entitled "External Auditors".

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing and/or reviewing the Company's annual and interim financial statements for the subject year. "Non-Audit fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows, stated in Canadian dollars:

Financial Year Ended	Audit Fees	Non-Audit Fees	Tax Fees	All Other Fees
December 31, 2018	\$89,970	\$8,000	\$20,882	Nil
December 31, 2017	\$108,730	Nil	\$25,533	Nil

ITEM 10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

10.1 Legal Proceedings

The Company is subject from time to time to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of these proceedings and claims cannot be predicted with certainty, the Company's management does not believe that the outcome of any of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flows.

ITEM 11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

11.1 Interest of Management and Others in Material Transactions

Mr. Steele and Alexander Molyneux, a greater than 10% shareholder at that time and insider of the Company at that time, subscribed for 100,000 and 1,000,000 units, respectively, in the private placement that closed in July 2017 and Mr. Molyneux subscribed for 1,400,000 units in the first tranche of the private placement that closed in December 2017 and Mr. Clement, Jr., a director at that time, subscribed for 600,000 units and Mr. Steele subscribed for 80,000 units in the second tranche of the private placement that closed in January 2018. In July 2018, Mr. Molyneux was issued a total of 1,000,000 warrants in connection with the two private placements upon receipt of disinterested shareholder and TSX approval.

On June 30, 2018, Mr. Clement, a former director, was issued 578,822 Common Shares to settle outstanding deferred compensation owing to Mr. Clement in the amount of \$187,500.

For details on these and other transactions with directors and officers of the Company, see the section entitled “General Development of the Business – Three Year History” and refer to the Shareholders Loan Agreement and Financings sub-sections. Mr. Molyneux was a party to the Shareholders Loan Agreement.

ITEM 12. TRANSFER AGENT AND REGISTRAR

12.1 Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. in Vancouver, British Columbia. The register of transfers of the Common Shares is located at Computershare’s office in Vancouver, British Columbia.

ITEM 13. MATERIAL CONTRACTS

13.1 Material Contracts

There are no other contracts, other than those disclosed in this AIF and those entered into in the ordinary course of the Company’s business, that are material to the Company, and which were entered into in the most recently completed fiscal year or which were entered into before the most recently completed fiscal year but are still in effect as of the date of this AIF.

1. In 2006, the Company entered into an agreement, as amended, to purchase uranium rights on certain areas of the Centennial Project for consideration of \$1,895,000, excluding contingent payments, of which \$1,895,000 had been paid at the date of this AIF. An additional \$3,165,000 is payable upon receipt of regulatory permits and licenses allowing uranium production on the area of the Centennial Project pertaining to these uranium interests. The Company has also agreed to purchase up to 1,280 surface acres at the Centennial Project upon receipt of regulatory permits and licenses allowing uranium production or at such earlier date as the Company may choose. The purchase price for the surface area acres will be calculated using the then prevailing market rates; however, this amount cannot currently be reasonably quantified due to the uncertainty associated with the timing of receipt of the regulatory permits and licenses, the number of surface acres that will be purchased and the future prevailing market rates for the surface acres. If the Company does not obtain the regulatory permits and licenses allowing uranium production pertaining to the Centennial purchase agreement by September 27, 2019, the uranium rights will transfer back to the seller, at seller’s option.
2. Quit Claim Deed and Assignment Agreement, dated January 12, 2009, between Powertech USA and Neutron Energy Inc. (“Neutron”) for property in Custer and Fall River Counties, South Dakota (the “Property”). Powertech shall pay to Neutron a Net Proceeds Payment (NPP) of 30% calculated by: adding all money and consideration received by Powertech for sales of uranium oxide and any other minerals recovered and deducting deemed production costs. The first NPP shall be paid following the second anniversary of the first sale of minerals, and on each such anniversary date thereafter.
3. In 2006, the Company entered into an agreement to purchase mineral rights on certain areas of the Dewey Burdock Project for consideration of \$200,000 (paid) plus contingent payments of \$750,000 payable in four equal instalments of \$187,500 commencing 12 months subsequent to the receipt of all regulatory permits and licenses allowing uranium production on the area of the Dewey Burdock Project pertaining to these mineral interests.
4. In 2008, the Company entered into an agreement to purchase mineral rights on certain areas of the Dewey Burdock Project for consideration of \$600,000 (paid) plus contingent payments of \$1,300,000. On October 31, 2018, the Company entered into an amending agreement with regard

to the \$1,300,000 contingent payments and agreed to pay the owner as follows: \$31,250 on signing the amending agreement (paid); nine payments of \$31,250 payable each May 31 and October 1; and ten payments of \$98,750 payable thereafter each May 31 and October 1 with the final payment of \$98,750 being made on May 31, 2028. If the Company receives all regulatory permits and licenses allowing uranium production on the area of the Dewey Burdock Project pertaining to these mineral interests before completion of the aforementioned payments, then the balance of payments owing shall be payable in four equal instalments annually beginning one year from that date with a minimum payment of \$98,750 a year until paid in full.

3. See “General Development of the Business – Three Year History” for all other material contracts, which include the Powerlite Note Deed and the Shareholder Loan Agreement.

ITEM 14. EXPERTS

14.1 Names of Experts

The Dewey Burdock Report - “*NI 43-101 Technical Report Dewey-Burdock Uranium ISR Project South Dakota, USA*” was prepared by Rough Stock by Steve Cutler, P.G.

BDO Canada LLP, the Company’s independent auditors, have audited the Company’s consolidated financial statements for the years ended December 31, 2018 and 2017. As of the date hereof, BDO Canada LLP has confirmed they are independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants British Columbia.

14.2 Interest of Experts

To the best of the Company’s knowledge, none of the foregoing experts held any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or any of its associates or affiliates and no securities or other property of the Company or any of its associates or affiliates were subsequently received or are to be received by such experts.

ITEM 15. ADDITIONAL INFORMATION

15.1 Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, is contained in the joint management information circular prepared in connection with the Company’s annual and special meeting of shareholders which was held on June 29, 2018 and may be found on SEDAR at www.sedar.com. Additional financial information is provided in the Company’s consolidated financial statements and MD&A for the year ended December 31, 2018 and available on SEDAR at www.sedar.com.

The technical information in this AIF has been reviewed and approved by John Mays, the COO of the Company and a “qualified person” as defined under NI 43-101.