

**WESTERN URANIUM & VANADIUM CORP.**  
**Management's Discussion and Analysis**  
**Three and six months ended June 30, 2024**  
**(Stated in USD)**

**Dated August 14, 2024**

## **INTRODUCTION**

Western Uranium & Vanadium Corp. (the "Company" or "Western", formerly Western Uranium Corporation) is the issuer. This Management's Discussion and Analysis ("MD&A") provides a review of corporate developments, results of operations and financial position for the three and six months ended June 30, 2024 and 2023. The MD&A is intended to supplement the consolidated financial statements and notes thereto (the "Statements") of Western for the above-noted periods.

All amounts included in the MD&A are presented in US dollars, unless otherwise specified. This report is dated August 14, 2024, and the Company's filings can be reviewed on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) and on the CSE website at [www.thecse.com](http://www.thecse.com)

## **FORWARD-LOOKING STATEMENTS**

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

## **ABOUT THE COMPANY**

Western Uranium & Vanadium Corp. ("Western" or the "Company", formerly Western Uranium Corporation) was incorporated in December 2006 under the Ontario Business Corporations Act. On November 20, 2014, the Company completed a listing process on the Canadian Securities Exchange ("CSE"). As part of that process, the Company acquired 100% of the members' interests of Pinon Ridge Mining LLC ("PRM"), a Delaware limited liability company. The transaction constituted a reverse takeover ("RTO") of Western by PRM. Subsequent to obtaining appropriate shareholder approvals, the Company reconstituted its board of directors and senior management team. Western is a Canadian domestic issuer and Canadian reporting issuer.

On September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range").

Under United States Securities and Exchange Commission (“Commission”) rules, the Black Range transaction triggered the Company being deemed a United States domestic issuer and losing its foreign private issuer exemption. On April 29, 2016, the Company filed a Form 10 registration statement with the Commission after shifting its basis of accounting from IFRS to U.S. GAAP. On June 28, 2016, the Company’s registration statement became effective and Western became a United States reporting issuer.

On June 30, 2023, Western re-qualified as a foreign private issuer as that term is defined in Rule 3b-4(c) promulgated under the Exchange Act. As a result, the Company may now utilize certain accommodations made to foreign private issuers, including (1) an exemption from complying with the Commission’s proxy rules, (2) an exemption from the Company’s insiders having to comply with the reporting and short-swing trading liability provisions of Section 16 under the Exchange Act, (3) the ability to make periodic filings with the Commission on the Form 20-F and Form 6-K foreign issuer forms, and (4) the ability to offer and sell unrestricted securities outside of the United States pursuant to Rule 903 of Regulation S. The Company plans to take advantage of these accommodations. However, the Company currently has decided to voluntarily continue to file periodic reports with the Commission using domestic issuer forms including filing annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. On the subsequent measurement date June 30, 2024, Western reconfirmed its qualification as a foreign private issuer.

The Company has registered offices at 330 Bay Street, Suite 1400, Toronto, Ontario, Canada, M5H 2S8 and its common shares are listed on the CSE under the symbol “WUC” and are traded on the OTCQX Best Market under the symbol “WSTRF”. Its principal business activity is the acquisition and development of uranium and vanadium resource properties in the states of Utah and Colorado in the United States of America (“United States”).

## **GOING CONCERN**

With the exception of the quarter ended June 30, 2022, the Company had incurred losses from our operations and as of June 30, 2024, had an accumulated deficit of \$23,920,267 and working capital of \$8,262,219.

Since inception, the Company has met the Company has met its liquidity requirements principally through the issuance of notes, the sale of its common shares and from limited revenue sources. During the six months ended June 30, 2024, the Company received \$4,605,458 in proceeds from the exercise of its common share warrants. On December 12, 2023, the Company closed a non-brokered private placement of 5,215,828 units at a price of CAD \$1.39 per unit. The aggregate gross proceeds raised in the private placement amounted to CAD \$7,250,000 (USD \$4,836,867 in net proceeds). During the year ended December 31, 2023, the Company received \$1,004,044 in proceeds from the exercise of its common share warrants.

The Company’s ability to continue its operations and to pay its obligations when they become due is contingent upon it obtaining additional financing. Management’s plans include seeking to procure additional funds through debt and equity financings, to secure regulatory approval licenses to fully utilize the Company’s Kinetic Separation, to construct the Maverick Minerals Processing Plant for the processing of uranium and vanadium and to incorporate Kinetic Separation in the processing of uranium and vanadium bearing materials to generate operating cash flows. The Company will need additional capital to continue ongoing mining operations by its in-house mining team at the Sunday Mine Complex while simultaneously permitting and constructing a processing plant.

There are no assurances that the Company will be able to raise capital on terms acceptable to it or at all, or that cash flows generated from its operations will be sufficient to meet the Company’s current operating costs and required debt service. If the Company is unable to obtain sufficient amounts of additional capital, the Company may be required to reduce the scope of the Company’s planned product development, which could harm the Company’s financial condition and operating results, or the Company may not be able to continue to fund the Company’s ongoing operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern to sustain operations for at least one year from the issuance of the accompanying financial statements. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

## **HIGHLIGHTS AND SIGNIFICANT EVENTS**

### ***Bullen Property (Weld County)***

In 2017, the Company entered into an oil and gas lease that became effective with respect to minerals and mineral rights owned by the Company of approximately 160 surface acres of the Company’s property in Colorado. As

consideration for entering into the lease, the lessee has agreed to pay the Company a royalty from the lessee's revenue attributed to oil and gas produced, saved, and sold attributable to the net mineral interest. The Company has also received cash payments from the lessee related to the easement that the Company is recognizing incrementally over the eight year term of the easement.

On June 23, 2020, the operator elected to extend the oil and gas lease easement for three additional years through July 2023. This was done to provide additional time in order to complete well construction and commence oil and gas production. During 2021, the operator completed a first set of eight (8) wells which commenced oil and gas production by August 2021. During 2022, the operator completed a second set of eight (8) wells which commenced oil and gas production by August 2022. All sixteen (16) wells remain in production and monthly royalty payments will be ongoing in perpetuity as long as oil and/or gas are produced from the pooled unit containing these sixteen (16) wells.

During the three months ended June 30, 2024 and 2023, we recognized aggregate revenue of \$39,781 and \$102,789, respectively, and for the six months ended June 30, 2024 and 2023, we recognized aggregate revenue of \$94,054 and \$268,764, respectively, under these oil and gas lease arrangements. Oil and gas royalties declined in the current quarter due to a maintenance shutdown of a wellpad, which contains a set of eight (8) wells from which the Company derives royalties.

### ***Sunday Mine Complex Project Update***

Western continues to ramp up operations to achieve its annualized production target of 1 million pounds of uranium and 6 million pounds of vanadium. Following the expansion of infrastructure deeper into the West Sunday Mine, the mining teams commenced driving a drift which is approximately 2,700 feet in distance to the Leonard & Clark deposit. To date, a total of 454 feet has been developed, including 362 feet of ramp footage. A jumbo drill was deployed to increase progress.

The drilling teams continue to define additional mining areas utilizing underground horizontal drilling. Between January 25th and March 31st, the team drilled a total of 8,170 linear feet. During the second quarter, the underground horizontal drilling program achieved 12,339 additional linear feet of drilling followed by probing of the holes and data collection.

At the beginning of 2024, Western expanded the Sunday Mine Complex mining operations by deploying two alternating mining crews and two alternating drilling teams who operated seven days a week. In early January, a schedule of alternating weeks with seven workdays per week was implemented for the mining and drilling teams at the Sunday Mine Complex. By early July, mining operations transitioned back to a four workdays per week schedule to enhance coordination and efficiency for the next phase of the work program.

The mining team encountered a previously unknown uranium mineral deposit while drifting to the Leonard & Clark deposit. Consequently, the Company has paused the drifting project and the mining team and the drilling team switched the locations from which they were working. The drilling station was relocated to this newly discovered uranium deposit in order to facilitate an assessment of its size. As this is a previously unexplored area, this discovery was not unexpected as our expectation is that we will encounter additional significant mineral deposits.

### ***San Rafael***

The San Rafael Uranium Project, located in Emery County, Utah, is being developed as the Company's second production facility. Western submitted a Notice of Intent to the U.S. Bureau of Land Management ("BLM") for which the BLM has given its approval for this mineral and groundwater exploration project. Following this approval, the Company submitted an exploration permit application to Utah's Division of Oil, Gas & Mining. We anticipate receiving this last approval needed to commence the project within approximately 30 days. Following the completion of repairs to access roads, the phase 1 drilling program is set to begin in 2024. Initially, groundwater monitoring wells will be installed at five drilling locations, reaching depths of approximately 1,000 feet. During the borehole completion process, mineralization will also be assessed and confirmed against historical drill data. This project will provide the baseline data needed for permitting application submission.

### ***Joint Venture with Rimrock Exploration and Development Inc.***

Western has entered into a joint venture with Rimrock Exploration and Development Inc. ("Rimrock"), a private company which owns two fully permitted, developed, and past producing uranium mines in Colorado. Western will

fund mining operations and initially Rimrock will be the operator. Upon the payment of the initial contribution, each party will own a 50% interest in the assets of the joint venture. During the six months ended June 30, 2024, approximately \$178,549 in funding was provided to the JV, and this amount has been fully expensed to mining expenditures. The \$200,000 Initial Contribution to fund the mining operations is likely to be satisfied during the third quarter of 2024. Thereafter, each party will own a 50% interest in the assets of the JV. These mines access shallow uranium deposits where mined material is available at depths of 60 and 120 feet. The joint venture will sell the mined material to Western under terms to be determined. The mines do not have a technical report but are anticipated to provide marginal production to supplement Western's Sunday Mine Complex production. The next step in advancing the project is for the Rimrock team to drill in front of their mining stations to establish more mineralized material and determine future mining areas based upon the trend of the mineral deposit.

### ***Topaz Mine Permitting Status***

In November 2020 and December 2020, a coalition of environmental groups (the "Plaintiffs") filed a complaint against the Mined Land Reclamation Board ("MLRB") seeking partial appeals of prior MLRB decisions, requesting the termination of the Topaz Mine permit. The Company joined with the MLRB in defense of those decisions. On May 5, 2021, the Plaintiffs in the Topaz Appeal filed an opening brief with the Denver District Court seeking to overturn the July 22, 2020 and October 21, 2020 MLRB permit hearing decisions on the Topaz Mine permit. The MLRB and the Company sought a settlement with the Plaintiffs. A settlement was not reached, and the MLRB and the Company submitted answer briefs on August 20, 2021. The Plaintiffs submitted a reply brief on September 10, 2021. On March 1, 2022, the Denver District Court reversed the MLRB's orders regarding the Topaz Mine and remanded the case back to the MLRB for further proceedings consistent with its order. Subsequently on March 20, 2023, the MLRB issued a board order for the Company to commence final reclamation, which upon completion will terminate mining operations at the Topaz Mine. Reclamation commenced immediately at the Topaz Mine and is to be completed within five years by March 2028.

The Company has been working toward the completion of an updated Topaz Mine Plan of Operations since 2020. This is a separate federal requirement of the Bureau of Land Management ("BLM") for the conduct of mining activities on the federal land at the Topaz Mine and is a prerequisite to re-permit the Topaz Mine with Colorado's DRMS. An Environmental Assessment ("EA") was prepared by an outside consultant to the BLM and submitted on June 24, 2024 for BLM's internal review. On August 2, 2024, the BLM issued a letter advising that the Plan of Operations Environmental Assessment had been cancelled. A new federal law called the Fiscal Responsibility Act of 2023 was enacted that creates a one year time limit for BLM reviews. Under the transitional rules, the Topaz project was not eligible for an extension. However, the project can be resubmitted and be picked-up where it was left off. The re-scoping process will need to be repeated to start the one year time clock. At this time the Company has the ability to modify the Plan of Operations or proceed with the version previously submitted. Given this optionality, the Company is making a determination as to the best way to move forward.

### ***Uranium/Vanadium Buying Program***

Energy Fuels has announced that it expects to offer an ore buying program and that it plans to be able to schedule a milling run to begin in late 2024 or early 2025 at the White Mesa Mill, the only operational conventional uranium/vanadium mill in the United States. Western and Energy Fuels have had initial discussions regarding the delivery of mined material from the Sunday Mine Complex. If a mutually beneficial arrangement can be established, Western could pivot its current mining operations to begin deliveries of uranium/vanadium mined material in as little as 30 days at annualized quantities up to 250,000 pounds of uranium and 1,000,000 pounds of vanadium. The Company is currently awaiting a Letter of Intent from Energy Fuels to understand the terms of this ore buying program.

### ***Utah Mineral Processing Plant***

In January 2023, the Company issued news releases announcing that it has begun site and facility design and permitting on a property acquired in Green River, Emery County, Utah to build a state-of-the-art minerals processing plant (the "Maverick Minerals Processing Plant"). This facility will be designed to recover uranium, vanadium and cobalt both from conventional materials mined from Company mines and materials produced by other mining companies. Selecting and acquiring the processing site has taken over one year to find a location with the road, power and water infrastructure required. The processing plant will utilize the latest processing technology, including Western's patented Kinetic Separation process. These technology advancements will result in lower overall capital and processing costs. This processing plant is expected to have a cost of approximately \$75 million. After permitting and construction, the processing of uranium and vanadium materials is expected to commence in late 2027. The facility

will be designed to recover cobalt, a metal essential in battery technology and electric vehicles. Within the state of Utah, there are numerous occurrences of cobalt which may be economical to mine, if a processing facility were available.

The development of the Maverick Minerals Processing Plant in Green River, Utah, has advanced considerably. In the second quarter 2023, the land acquisition was completed and in the third quarter 2023 the project design and permitting activities commenced with the engagement of a full team of consulting firms, chosen for their expertise in engineering / mill design, permit preparation, environmental, hydrology, and air quality. Site evaluation work was undertaken and a preliminary plant and property site plan was compiled for the location of monitor wells, meteorological towers, buildings, processing circuits, tailings and evaporation ponds, roads/infrastructure and ore storage facilities. At a pre-application permitting meeting in November 2023, the Company and its consultants met onsite with local officials. During the first six months of 2024, additional progress has been made. The baseline data required for submission of the permitting application continues to be collected from the onsite meteorological towers. A final plant and animal study was completed. This study confirmed the site is clear of endangered plant life that is only observable during the Spring growing season. Additional consulting commitments were made to advance the licensing and development with Precision Systems Engineering (PSE), a leading engineering, and design consulting firm headquartered in Sandy, Utah. Initially, PSE's target was to release the preliminary engineering design and cost estimate in June 2024 for a 500 ton per day mill; this has been deferred until September 2024. Notably, several opportunities have recently become available to optimize the mill project for which additional time is needed. At this stage of development, we are continuing to analyze a range of scenarios to determine the most advantageous approach. Notably, we are exploring downsizing the mill size by modifying the application of Kinetic Separation. In addition to variable sizing and the application of Kinetic Separation, we intend to retain the modular build approach, and the potential to utilize multiple facility locations. The revised design parameters for the Maverick Minerals Processing Plant will continue to target annualized uranium production of 1 million pounds of yellowcake.

### ***Nuclear Fuel and Uranium Effect from the Russian Invasion of Ukraine***

The start of the Russia/Ukraine war created extraordinary volatility in uranium markets during the first half of 2022. At the peak, the spot price was at an 11 year high. Prior to the invasion on February 24, 2022, uranium spot prices were in the \$43 per pound range and rose to slightly over \$63 per pound by April 2022; an increase of approximately \$20 per pound. Later in May 2022 and June 2022, the spot price receded to \$45 levels, before recovering to the \$50 +/- per pound price level. This price level was maintained for an extended period as the immediate ban/sanctions anticipated by investors of nuclear fuel and services from Russia couldn't be implemented.

Equity markets followed the price action of physical uranium prices in speculation that governments worldwide would sanction and ban nuclear fuel from Russia. This was in recognition of Russia's dominant position in nuclear fuel services including 38% of world conversion capacity and 46% of world enrichment capacity. The market position of Rosatom, Russia's national nuclear company, was developed through decades of government subsidies. However, because of the lack of replacement capacity in the global nuclear fuel cycle, Rosatom has avoided sanctions.

Because of the Ukraine invasion, new contracts are largely not being signed with Rosatom, but deliveries under existing contracts continue to be made. Customer dependencies upon the Russian supply of uranium, conversion and enrichment are being addressed slowly by governments as alternative suppliers are not currently available. However, a desire to stay away from bad actors and the threat of Russia weaponizing energy exports or a Russian embargo has elicited responses. Worldwide, utilities have accelerated their contracting of non-Russian conversion and enrichment services. New uranium supply agreements are being signed with western producers. In the United States, multiple new nuclear funding programs have already been put in place and the language from the Department of Energy has only gotten stronger. The Secretary of Energy recently declared: "The United States wants to be able to source its own fuel from ourselves and that's why we are developing a uranium strategy."

In January 2023, ban and sanction discussions intensified as Rosatom was shown to have become an active participant in the Ukraine war. An article entitled "Russia's nuclear entity aids war effort, leading to calls for sanctions" was published by the Washington Post. Obtained documents show that the Rosatom state nuclear power conglomerate was supplying the Russian military with "components, technology, and raw materials for missile fuel" to be used in the Ukraine war.

There has been significant legislative progress favorable to increasing domestic uranium and nuclear fuel production in the United States. The U.S. Senate established a Nuclear Fuel Security Program in the National Defense Authorization Act (NDAA). This amendment requires the Secretary of Energy to establish a Nuclear Fuel Security

Program, expand the American Assured Fuel Supply Program, establish a High-Assay Low-Enriched Uranium (HALEU) for Advanced Nuclear Reactor Demonstration Projects Program, submit a report on a civil nuclear credit program, and to enhance programs to build workforce capacity to meet mission critical needs of the Department of Energy (DOE). In advance of the United States putting in place a ban or sanctions on Russian uranium, the DOE continues to make preparations for a Russian counter-sanction terminating the flow of nuclear fuel and services from Russia.

**UNITED STATES BAN OF RUSSIAN URANIUM:** In response to Russia's war in Ukraine, the United States legislature passed the Prohibiting Russian Uranium Imports Act (H.R. 1042) to ban Russian uranium imports into the U.S. Unanimous passage of The Prohibiting Russian Uranium Imports Act (H.R. 1042) in April 2024 by the U.S. Senate followed the U.S. House of Representatives' passage of the bill in December 2023. Subsequently, on May 13, 2024, President Biden signed this legislation into law. The ban will now go into effect 90 days after its enactment and will be phased in under Department of Energy conditional waivers before becoming a complete ban on January 1, 2028. Importantly, the enactment of a Russian ban releases funding to support the American nuclear supply chain. This funding will be deployed by the DOE under a new program called the Low-Enriched Uranium (LEU) – Enrichment Acquisition. A Request for Proposal was disseminated in June, an Industry day was organized in July, and bids will be due in August. Through nuclear energy diplomacy, Russia's control of the global nuclear fuel supply chain extends to many countries. However, as the United States has the world's largest civilian nuclear reactor fleet, it has now taken steps to reduce its reliance on state-sponsored Russian nuclear fuel. As of August 11, 2024, the Russian uranium ban has become effective and a waiver is required for U.S. parties to receive Russian uranium until January 1, 2028 when Russian material is fully banned. This is a very new development and will likely have some implications becoming public in the near-term.

**RUSSIAN RESPONSE TO URANIUM BAN:** On May 14, 2024, the day following the ban enactment, Bloomberg reported that Russia had responded with TENEX issuing force majeure notices to U.S. utility customers. TENEX is the subsidiary of Rosatom, the state nuclear energy corporation, and the entity through which U.S. counterparties contract for Russian uranium product imports into the United States.

The TENEX force majeure notices require U.S. customers to secure waivers within 60 days that exempt them from the new U.S. Russian uranium ban or risk being moved to the back of the line for uranium deliveries if they are granted a waiver later. TENEX's notice is based on their intention to honor their contracts, but they acknowledge this could be overridden by the Kremlin. This deadline has now passed and the Company is only aware of one partial waiver having been issued by the DOE, and believes that there are four or five waiver requests pending. Western is unaware of TENEX taking any further actions subsequent to its force majeure notices.

On May 21, 2024, the DOE published their process and instructions for requesting a waiver. The waiver process does not appear restrictive and will likely allow most of the previously contracted Russian material into the United States prior to January 1, 2028. The U.S. legislative intentions were to deprive Russia of the revenue associated with U.S. purchases of Russian nuclear fuel and counter Russia's control of the global nuclear fuel cycle by flooding U.S. and international markets with state-supported Russian uranium and services.

We continue to believe the shift away from Russia/Rosatom will be a major catalyst in the realignment of nuclear fuel markets which will benefit western producers. We anticipate this process will culminate in tremendous support for the U.S. nuclear fuel industry. As a result, we have been and will continue to accelerate the advancement of our operational strategy in anticipation of increasing uranium price levels that will reward near-term scaled-up production.

### ***Nuclear Fuel and Uranium Market Conditions***

During the first half of 2024, the spot uranium price decreased \$6.75 from \$91.00 to \$84.25. However this follows an extremely strong period in the market where spot uranium prices have reacted to supply/demand constraints and geopolitical risks. Since July 2023, spot uranium increased from the approximately \$50/lbs level to over \$100/lbs in January 2024, before settling back into its current levels. The events of 2022 have set in motion uranium market and nuclear fuel opportunities for the next decade and beyond. There are positive catalysts across multiple levels of the nuclear fuel and uranium markets. Underlying fundamentals are the strongest in decades. This is attributable to multiple factors, including climate change, energy security, supply chain and energy scarcity initiatives. The supply/demand imbalance has flipped from a market with excess supply into a market with excess future demand. With the reduced availability of secondary supplies, utilities have begun adding multi-year contracts with mining companies for primary supply. The drivers expanding the demand for nuclear fuel include non-nuclear nations adding nuclear power generation, nuclear nations expanding fleets and/or extending lives of existing reactors, idled nuclear

reactors being redeployed, the reversal of phase-outs and shutdowns, and the deployment of advanced reactors / SMRs. However, the challenge is in meeting increasing demand simultaneously with supply constraints from the world's largest suppliers. We believe uranium equity prices will continue to strengthen and reflect the underlying positive fundamentals in the nuclear/uranium sector. Most notably during the quarter, multiple market analysts have flagged low availability of mobile secondary inventories. We believe the continued draw down of inventories to be a market catalyst of the recent uptick in uranium prices.

Positive nuclear energy news has continued to highlight the global growth of future nuclear electricity generation which will drive increased nuclear fuel demand. In terms of future supply, utility contracting has continued into 2024, and some uranium mining companies are moving toward restarting production. However, due to the lead time needed for future uranium production, we are entering a phase where the supply-demand fundamentals are in a deep multi-year structural supply deficit. The future is not clear as we believe some miners with available near-term production are waiting for higher price levels and/or project funding before making full start-up commitments. Utilities are also deferring contracting to understand how regulations and geopolitics will modify their future access to Russian uranium, conversion and enrichment services.

### ***Nuclear Fuel Supply Chain Concentration Risks***

Russia's invasion of Ukraine and the ensuing global energy crisis has focused attention on security of supply and supply chain risks. This has caused most of the world to re-evaluate their dependence upon nuclear fuel exported by Russia. In spite of the dominant market position of Rosatom, future deliveries potentially could be at risk due to sanctions, legislation, or a Russian embargo. Customer dependence upon the Russian supply of uranium, conversion and enrichment are being addressed slowly by governments as alternative suppliers are not currently available. Both Urenco and Orano have announced that they will invest to expand their uranium enrichment capacity respectively in the United States and France, which represents a shift away from Russia. Utilities are demonstrating their desire for increased security of their nuclear fuel supply chains. Kazakhstan is also a concern because the world's largest uranium producing country has an unguarded and the second longest continuous land border in the world shared with Russia. The potential exists for Russia to exert influence over Kazakhstan. Additionally, Kazatomprom has put large long-term contracts in place with China. This supply is needed for China to fulfill its 15 year plan to deploy 150 new nuclear reactors. China National Nuclear Corp. (CNNC) has recently opened a uranium trading hub /warehouse facility, on the China / Kazakhstan border, with the capacity to store 60 million pounds of uranium. It has become evident that the nuclear fuel supply chain has become increasingly concentrated and interconnected in this very small area of the world. Expanding Kazakhstan uranium exports to Russia and China significantly reduces future supply for Western nuclear fuel buyers.

In late July 2023, soldiers of Niger's presidential guard deposed from power President Mohamed Bazoum; and replaced him with a military junta. This is significant because the new government is opposed to Western interests and has escalated anti-French rhetoric, while seeking support from Russia and its mercenary group. Uranium is Niger's main export and this small West African country holds the 7th largest uranium resource in the world and was producing about 5% of global production. The Junta has initiated multiple actions that are counter to French interests, which include Orano, the French state-backed nuclear energy company. Most importantly, Niger's Junta has threatened the export of uranium to France which has serious implications because France acquires 20% of its natural uranium from Niger. Subsequently, French President Macron has visited Kazakhstan and Uzbekistan, both former Soviet Republics, citing the vast potential for further cooperation in regard to nuclear power.

Military alliances are changing as the Junta has signed a new military agreement with Russia, and brought Russian military instructors into the country in April 2024. In addition to the French military evacuating/being expelled from Niger, the U.S. military has agreed to depart the country. During May 2024 in a joint statement, Niger and the U.S. announced that no later than September 2024 all U.S. military troops will be withdrawn from Niger. Under pressure from the government of Niger, the U.S. completed the final withdrawal of all military personnel on August 5, 2024. The Junta is now utilizing Russian military support as a replacement.

This conflict is impacting future global uranium supply. Several uranium mine development projects in the country continue to proceed despite the evacuation of many foreign nationals and difficulties receiving supplies. Re-establishing political stability is likely a prerequisite to these companies receiving the funding packages needed to cover the significant project development costs. Recently, the government of Niger has revoked operating permits from foreign uranium companies, including Orano in June 2024 and Goviex in July 2024.

During October 2023, geopolitical instabilities spread further to the Middle East after a Hamas attack on Israel triggered a counterattack by Israel on the Gaza Strip. This additional hot spot further increases volatility in the world and destabilizes the Middle East region that is highly influential on global energy prices.

## Results of Operations

The following table presents the Company's financial results for the three and six months ended June 30, 2024 and 2023.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>	<u>\$ 39,781</u>	<u>\$ 102,789</u>	<u>\$ 94,054</u>	<u>\$ 268,764</u>
<b>Expenses</b>				
Mining expenditures	1,384,951	656,545	2,693,830	1,261,649
Professional fees	245,187	171,834	357,877	258,930
General and administrative	824,868	405,754	1,791,113	1,019,119
Consulting fees	296,928	-	490,354	737
<b>Total operating expenses</b>	<u>2,751,934</u>	<u>1,234,133</u>	<u>5,333,174</u>	<u>2,540,435</u>
<b>Operating loss</b>	<u>(2,712,153)</u>	<u>(1,131,344)</u>	<u>(5,239,120)</u>	<u>(2,271,671)</u>
Accretion and interest income, net	(86,631)	(52,185)	(136,710)	(87,481)
Other income, net	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>(4,000)</u>
<b>Net loss</b>	<u>(2,625,522)</u>	<u>(1,076,659)</u>	<u>(5,102,410)</u>	<u>(2,180,190)</u>
<b>Other Comprehensive (loss) income</b>				
Foreign currency translation adjustment	<u>(62,520)</u>	<u>51,876</u>	<u>(204,879)</u>	<u>58,190</u>
<b>Comprehensive loss</b>	<u><u>\$(2,688,042)</u></u>	<u><u>\$(1,024,783)</u></u>	<u><u>\$(5,307,289)</u></u>	<u><u>\$(2,122,000)</u></u>

### *Three Months Ended June 30, 2024 as Compared to the Three Months Ended June 30, 2023*

#### *Summary:*

Our condensed consolidated net loss for the three months ended June 30, 2024 and 2023 was \$2,625,522 and \$1,076,659, respectively. The principal components of these year over year changes are discussed below.

Our comprehensive loss for the three months ended June 30, 2024 and 2023 was \$2,688,042 and \$1,024,783, respectively.

1. Our revenue for the three months ended June 30, 2024 and 2023 was \$39,781 and \$102,789, respectively. The decrease in revenues of \$63,008, or 61% was primarily related to lower production volumes from the oil and gas wells due to well maintenance shutdowns during the three months ended June 30, 2024 as compared to the three months ended June 30, 2023.
2. Mining expenditures for the three months ended June 30, 2024 were \$1,384,951 as compared to \$656,545 for the three months ended June 30, 2023. The increase in mining expenditures of \$728,406, or 111% was principally attributable to scaling up mining activities at the Company's Sunday Mine Complex which involved the hiring of additional mining personnel, increased mining services and supplies costs, and increased maintenance and depreciation costs for mining equipment and vehicles placed into service.



3. Professional fees for the three months ended June 30, 2024 were \$245,187 as compared to \$171,834 for the three months ended June 30, 2023. The increase in professional fees of \$73,353, or 43% was due to increased accounting and legal costs in connection with increased business and mining activities.
4. General and administrative expenses for the three months ended June 30, 2024 were \$824,868 as compared to \$405,754 for the three months ended June 30, 2023. The increase in general and administrative expense of \$419,114, or 103% is primarily due to an increase in headcount and employee benefits, as well as an increase in non-cash stock-based compensation expense.
5. Consulting fees for the three months ended June 30, 2024 were \$296,928 as compared to \$0 for the three months ended June 30, 2023. The increase in consulting fees of \$296,928 was due to consultant costs incurred to prepare the permitting application for the Maverick Minerals Processing Plant.
6. Accretion and interest income, net for the three months ended June 30, 2024 was \$86,631 as compared to \$52,185 for the three months ended June 30, 2023. The increase in interest income, net of \$34,446, or 66% was principally attributable to higher interest rates earned and larger invested cash balances during the three months ended June 30, 2024 as compared to the three months ended June 30, 2023.
7. Other income, net for the three months ended June 30, 2024 was \$0 as compared to \$2,500 for the three months ended June 30, 2023. The change was principally attributable to a gain on the sale of used vehicles during the three months ended June 30, 2023.
8. Foreign currency translation adjustment for the three months ended June 30, 2024 was a loss of \$62,520 as compared to a gain of \$51,876 for the three months ended June 30, 2023. The change in foreign exchange is primarily due to the strengthening of the USD against the CAD.

#### ***Six Months Ended June 30, 2024 as Compared to the Six Months Ended June 30, 2023***

##### ***Summary:***

Our condensed consolidated net loss for the six months ended June 30, 2024 and 2023 was \$5,102,410 and \$2,180,190, respectively. The principal components of these year over year changes are discussed below.

Our comprehensive loss for the six months ended June 30, 2024 and 2023 was \$5,307,289 and \$2,122,000, respectively.

1. Our revenue for the six months ended June 30, 2024 and 2023 was \$94,054 and \$268,764, respectively. The decrease in revenues of \$174,710, or 65% was primarily related to lower production volumes from the oil and gas wells due to well maintenance shutdowns during the six months ended June 30, 2024 as compared to the three months ended June 30, 2023.
2. Mining expenditures for the six months ended June 30, 2024 were \$2,693,830 as compared to \$1,261,649 for the six months ended June 30, 2023. The increase in mining expenditures of \$1,432,181, or 114% was principally attributable to scaling up mining activities at the Company's Sunday Mine Complex which involved the hiring of additional mining personnel, increased mining services and supplies costs, and increased maintenance and depreciation costs for mining equipment and vehicles placed into service.
3. Professional fees for the six months ended June 30, 2024 were \$357,877 as compared to \$258,930 for the six months ended June 30, 2023. The increase in professional fees of \$98,947, or 38% was due to increased accounting and legal costs in connection with increased business and mining activities.
4. General and administrative expenses for the six months ended June 30, 2024 were \$1,791,113 as compared to \$1,019,119 for the six months ended June 30, 2023. The increase in general and administrative expense of \$771,994, or 76% is primarily due to an increase in headcount and employee benefits, as well as an increase in non-cash stock-based compensation expense.

5. Consulting fees for the six months ended June 30, 2024 were \$490,354 as compared to \$737 for the six months ended June 30, 2023. The increase in consulting fees of \$489,617 was due to consultant costs incurred to prepare the permitting application for the Maverick Minerals Processing Plant.
6. Accretion and interest income, net for the six months ended June 30, 2024 was \$136,710 as compared to \$87,481 for the six months ended June 30, 2023. The increase in interest income, net of \$49,229, or 56% was principally attributable to higher interest rates earned and larger invested cash balances during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.
7. Other income, net for the six months ended June 30, 2024 was \$0 as compared to \$4,000 for the six months ended June 30, 2023. The change was principally attributable to a gain on the sale of used vehicles during the three months ended June 30, 2023.
8. Foreign currency translation adjustment for the six months ended June 30, 2024 was a loss of \$204,879 as compared to a gain of \$58,190 for the six months ended June 30, 2023. The change in foreign exchange is primarily due to the strengthening of the USD against the CAD.

## **Financial Position**

### ***Net cash used in by operating activities***

Net cash used in operating activities was \$3,786,275 for the six months ended June 30, 2024, as compared with \$1,425,369 for the six months ended June 30, 2023. The increase of \$2,360,906 in cash used in operating activities was principally driven by an increase in net loss of \$2,922,220, offset by an increase of \$393,750 in stock-based compensation.

### ***Net cash used in investing activities***

Net cash used in investing activities was \$1,030,011 for the six months ended June 30, 2024, as compared with \$1,718,751 for the six months ended June 30, 2023. The decrease in cash used in investing activities of \$688,740 was principally due to reduced purchases of mining equipment and vehicles in the current period, as compared to a greater level of purchases of equipment for the initial scale up of mining capacity during the six months ended June 30, 2023.

### ***Net cash provided by financing activities***

Net cash provided by financing activities for the six months ended June 30, 2024 and 2023 were \$4,605,458 and \$0, respectively. The increase in cash provided by financing activities of \$4,605,458 was due to proceeds of \$4,605,458 from the exercise of warrants during the six months ended June 30, 2024.

### ***Liquidity and Capital Resources***

The Company's cash and cash equivalents and restricted cash balance as of June 30, 2024 was \$9,567,976. Our cash position is highly dependent on our ability to raise capital through the issuance of debt and equity and our management of expenditures for mining development and for fulfillment of our public company reporting responsibilities. Our management believes that in order to finance the development of the mining properties and Kinetic Separation, to secure regulatory licenses and to construct the Maverick Minerals Processing Plant for the processing of uranium and vanadium, we will be required to raise additional capital by way of debt and/or equity. We will also require additional working capital to continue to scale-up its mining operations at the Sunday Mine Complex. This outlook is based on our current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities.

### ***Reclamation Liability***

The Company's mines are subject to certain asset retirement obligations, which we have recorded as reclamation liabilities. The reclamation liabilities of the United States mines are subject to legal and regulatory requirements, and estimates of the costs of reclamation are reviewed periodically by the applicable regulatory authorities. The reclamation liability represents our best estimate of the present value of future reclamation costs in connection with the mineral properties. We determined the gross reclamation liabilities of the mineral properties to be \$751,517 and \$751,444, as of June 30, 2024 and December 31, 2023, respectively. The portion of the reclamation liability related to the Van 4 Mine, which is in reclamation as of June 30, 2024, and its related restricted cash are included in current liabilities and current assets, respectively, at a value of \$75,075. During the six months ended June 30, 2024, the Company's internal mining operations team has been performing the reclamation work, and the State of Colorado has not yet reduced the reclamation liability amount. The Company expects to begin incurring the reclamation liability after 2054 for all mines that are not in reclamation and accordingly, has discounted the gross liabilities over their remaining lives using a discount rate of 5.4%. The net discounted aggregated values as of June 30, 2024 and December 31, 2023 were \$247,592 and \$241,562, respectively. The gross reclamation liabilities as of June 30, 2024 and December 31, 2023 are secured by financial warranties in the amount of \$751,517 and \$751,444, respectively.

### ***Oil and Gas Lease and Easement***

The Company entered into an oil and gas lease that became effective with respect to minerals and mineral rights owned by us of approximately 160 surface acres of our property in Colorado. As consideration for entering into the lease, the lessee has agreed to pay us a royalty from the lessee's revenue attributed to oil and gas produced, saved, and sold attributable to the net mineral interest. The Company has also received cash payments from the lessee related to the easement that we is recognizing incrementally over the eight year term of the easement.

On June 23, 2020, the same entity as discussed above elected to extend the oil and gas lease easement for three additional years, commencing on the date the lease would have previously expired. During 2021, the operator completed a first set of eight (8) wells which commenced oil and gas production by August 2021. During 2022, the operator completed a second set of eight (8) wells which commenced oil and gas production by August 2022. Monthly royalty payments are ongoing on the sixteen (16) wells.

Under the oil and gas lease and easement arrangements, during the three months ended June 30, 2024 and 2023, the Company recognized aggregate revenue of \$39,781 and \$102,789, respectively, and for the six months ended June 30, 2024 and 2023, the Company recognized aggregate revenue of \$94,054 and \$268,764, respectively, under these oil and gas lease arrangements

### ***Related Party Transactions***

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

Prior to the acquisition of Black Range, Mr. George Glasier, the Company's CEO, who is also a director of the Company ("Seller"), transferred his interest in a former joint venture with Ablation Technologies, LLC to Black Range. In connection with the transfer, Black Range issued 25 million shares of Black Range common stock to Seller and committed to pay \$334,650 (AUD \$500,000) to Seller within 60 days of the first commercial application of the Kinetic Separation technology. We assumed this contingent payment obligation in connection with the acquisition of

Black Range. At the date of the acquisition of Black Range, this contingent obligation was determined to be probable. Since the deferred contingent consideration obligation is probable and the amount is estimable, we recorded the deferred contingent consideration as an assumed liability in the amount of \$334,650 and \$340,650 as of June 30, 2024 and December 31, 2023, respectively.

The Company has multiple lease arrangements with Silver Hawk Ltd., an entity which is owned by George Glasier and his wife Kathleen Glasier. These leases, which are all on a month-to-month basis, are for the rental of office, workshop, warehouse and employee housing facilities. We incurred rent expense of \$26,325 and \$17,925 in connection with these arrangements for the three months ended June 30, 2024 and 2023, respectively. We incurred rent expense of \$49,850 and \$35,850 in connection with these arrangements for the six months ended June 30, 2024 and 2023, respectively.

The Company is obligated to pay Mr. Glasier for reimbursable expenses in the amount of \$19,656 and \$50,010, included within accounts payable and accrued liabilities, as of June 30, 2024 and December 31, 2023, respectively.

During the three months ended June 30, 2024, the Company purchased approximately \$9,000 of mining related equipment from Silver Hawk Ltd.

### ***Going Concern***

With the exception of the quarter ended June 30, 2022, the Company had incurred losses from our operations and as of June 30, 2024, had an accumulated deficit of \$23,920,267 and working capital of \$8,262,219.

Since inception, the Company has met the Company has met its liquidity requirements principally through the issuance of notes, the sale of its common shares and from limited revenue sources. During the six months ended June 30, 2024, the Company received \$4,605,458 in proceeds from the exercise of its common share warrants. On December 12, 2023, the Company closed a non-brokered private placement of 5,215,828 units at a price of CAD \$1.39 per unit. The aggregate gross proceeds raised in the private placement amounted to CAD \$7,250,000 (USD \$4,836,867 in net proceeds). During the year ended December 31, 2023, the Company received \$1,004,044 in proceeds from the exercise of its common share warrants.

The Company's ability to continue its operations and to pay its obligations when they become due is contingent upon it obtaining additional financing. Management's plans include seeking to procure additional funds through debt and equity financings, to secure regulatory approval licenses to fully utilize the Company's Kinetic Separation, to construct the Maverick Minerals Processing Plant for the processing of uranium and vanadium and to incorporate Kinetic Separation in the processing of uranium and vanadium bearing materials to generate operating cash flows. The Company will need additional capital to continue ongoing mining operations by its in-house mining team at the Sunday Mine Complex while simultaneously permitting and constructing a processing plant.

There are no assurances that the Company will be able to raise capital on terms acceptable to it or at all, or that cash flows generated from its operations will be sufficient to meet the Company's current operating costs and required debt service. If the Company is unable to obtain sufficient amounts of additional capital, the Company may be required to reduce the scope of the Company's planned product development, which could harm the Company's financial condition and operating results, or the Company may not be able to continue to fund the Company's ongoing operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern to sustain operations for at least one year from the issuance of the accompanying financial statements. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

### ***Off Balance Sheet Arrangements***

As of June 30, 2024, there were no off-balance sheet transactions. We have not entered into any specialized financial agreements to minimize our investment risk, currency risk or commodity risk.

### ***Critical Accounting Estimates and Policies***

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to, the following: fair value of transactions involving common shares, assessment of the useful life and evaluation for impairment of intangible assets, valuation and impairment assessments on mineral properties, deferred contingent consideration, the reclamation liability, valuation of stock-based compensation and valuation of long-term debt, HST and asset retirement obligations. Other areas requiring estimates include allocations of expenditures, depletion and amortization of mineral rights and properties.

## Summary of Quarterly Results

The table below reflects a summary of certain key financial results for each of the company's previous four quarters ended June 30, 2024:

Description	June 30, 2024 \$	March 31, 2024 \$	December 31, 2023 \$	September 30, 2023 \$
<b>Balance sheet</b>				
Cash and cash equivalents	8,816,459	11,526,118	9,217,585	5,810,969
Property, plant & equipment and mineral properties, net	15,691,934	15,216,339	14,926,289	14,509,864
Kinetic separation intellectual property	9,488,051	9,488,051	9,488,051	9,488,051
Accounts payable and accrued liabilities	770,517	734,255	761,123	577,948
Shareholders' equity	30,827,517	33,279,117	30,770,044	26,934,921
<b>Income statement</b>				
Revenues	39,781	54,273	73,157	89,144
Mining expenditures	1,384,951	1,308,879	959,076	730,854
General and administrative	824,868	966,245	500,140	365,197
Comprehensive loss	(2,688,042)	(2,619,247)	(1,529,955)	(1,103,516)

## RISKS

In addition to the other information set forth in this Management's Discussion and Analysis, including under the heading "Forward-Looking Statements", the risks and uncertainties which could adversely affect our business, financial condition, results of operations and future growth prospects that we believe are most important to consider are matters discussed in the section titled "Risks" within the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2023. These are not the only risks we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. There are no material changes to the Risks described in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2023.