UEX Corporation

Management's Discussion and Analysis
For the year ended December 31, 2021

Growing towards production with a substantial and sustainable stake in Canada's uranium pipeline

Leading the discovery of ethically sourced cobalt in Canada.

TSX: UEX

OTCQB: UEXCF

www.uexcorp.com

Message to Shareholders

On New Year's Eve, few would have predicted the turmoil the world has experienced over the past three months, even in light of the challenges of the last two years. Global events are re-shaping the world in a way and at a speed not seen for at least two generations. Pandemic related slowdowns and geopolitical upheaval have exposed weaknesses in global supply chains and highlighted the advantage of mineral commodities located in low-risk jurisdictions like Canada.

The emergence of the Sprott Physical Uranium Fund in the second half of 2021 was an early signal of renewed interest on the part of investors who had long neglected the sector, prompting substantial movements in the uranium spot price and uranium company equities. In January, protests in Kazakhstan against the government were violently suppressed by the arrival of Russian troops, spooking investors and shifting sentiment towards safer jurisdictions.

In February, the European Union included nuclear power as a green source of carbon-free energy under its EU Taxonomy Regulations, a cornerstone policy of the EU's 2018 Sustainable Finance Strategy under which companies will be required to report on and direct their investments into businesses and activities that meet the region's net-zero carbon emission objectives. For the first time in decades, investments in nuclear power capacity in Europe will be on the same level playing field as investments in other green energy sources. Never before in the history of our Company has nuclear power been as widely accepted and perceived as a key part of the world's solution to become carbon-neutral in the fight against climate change as it does today.

The Russian invasion of Ukraine has brought unprecedented volatility to uranium prices and security-of-supply concerns to nuclear utilities. Since the invasion and the imposition of sanctions on Russian interests, Western utilities have made significant decisions regarding the ongoing use of Russian-sourced uranium products and services and prompted many western countries to examine the security and sourcing of their energy requirements. Finland was one of the first to jump on board with their announcement that the new Fennovoima Oy nuclear plant, 1/3rd owned by Russian interests and to be built by Rosatomprom, would not be granted a construction license as a new risk analysis of the project was needed. Swedish nuclear utility Vattenfall announced that it would not be importing Russian fuel as a result of the invasion. Fears have arisen that Kazak uranium bound for western utilities may not be able to reach its destination as the transportation route to the west is through Russia. The viability of this supply chain will be tested in the coming months.

Countries are already beginning to question their reliance on Russian energy. Belgium decided to extend the lives of two reactors scheduled for pre-mature decommissioning in 2025 by ten additional years. Many have questioned the merits of the German nuclear program phase-outs and their heavy reliance on Russian gas imports. Fears about the Russian military actions in and around Ukraine's existing nuclear power plants have introduced additional volatility into uranium equities, even while uranium prices continue its rapid rise to over US$58.00/lb.

This past week, the US Senator John Barrasso of the US Senate Energy and Natural Resources Committee introduced new legislation into the Senate to ban all imports of Russian uranium, including enrichment. Currently, Russian enrichment accounts for 20% of all US domestic reactor requirements. Unlike the previous Section 232 petition process undertaken during the Trump Administration, there appears to be a larger groundswell of support for eliminating US dependence on Russian uranium products. Global support for the removal of Russian nuclear technology, uranium enrichment and uranium products from the world market through sanctions has led some to speculate whether uranium will once again become bifurcated, as it was before the fall of the Iron Curtain.

Regardless of how the market eventually sorts itself out, and whether Russian uranium will remain a part of the global industry, there is very little doubt that energy security is in the forefront of investor minds. We observed this recently at the recent BMO Global Metals & Mining Conference, as generalist funds were activity researching and holding discussions with uranium companies including UEX. Utilities are being cautious in their purchases, not wishing to commit to a portfolio of uranium contracts that could be subject to potential bans and sanctions. Yet utilities are now seeking secure long-term uranium contracts to diversify their supply sources and are mitigating their existing exposure to Russian enrichment and conversion services, as seen by the recent sharp increase in conversion and enrichment prices.

UEX's assets are located in Canada, within one of the best uranium mining and investment jurisdiction in the world. This winter, the Company has almost quadrupled its exploration budget, and has a very active winter exploration campaign that includes advanced exploration at the Christie Lake and Hidden Bay projects. Focused in the safe, secure, and geologically robust Athabasca Basin of northern Saskatchewan, and with ownership of one of the largest uranium resource bases in the junior uranium sector, UEX is a unique and valuable equity option in the uranium junior sector. UEX investors are exposed to a portfolio that includes production visible projects, low-risk growth through exploration discovery, and is underpinned by optionality to explore, find new partnerships or to monetize as the opportunity may present. As the Company progresses on its path towards production and continues to explore mid-stage and resource level exploration opportunities, the value of the Company's assets is becoming clear to investors and our peers and the UEX Board of Directors and Senior Management team will continue to seek ways to deliver value to shareholders.

I look forward to reporting to you the results of our winter exploration programs as they become available.

Roger Lemaitre
President & CEO

This Management's Discussion and Analysis ("MD&A") of UEX Corporation ("UEX" or the "Company") for the year ended December 31, 2021 is intended to provide a detailed analysis of the Company's business and compares its financial results with those of previous periods. This MD&A is dated March 24, 2022 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2021. The audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless specified otherwise, all dollar amounts are in Canadian dollars.

Other disclosure documents of the Company, including its Annual Information Form, filed with the applicable securities regulatory authorities in Canada are available on SEDAR at www.sedar.com.

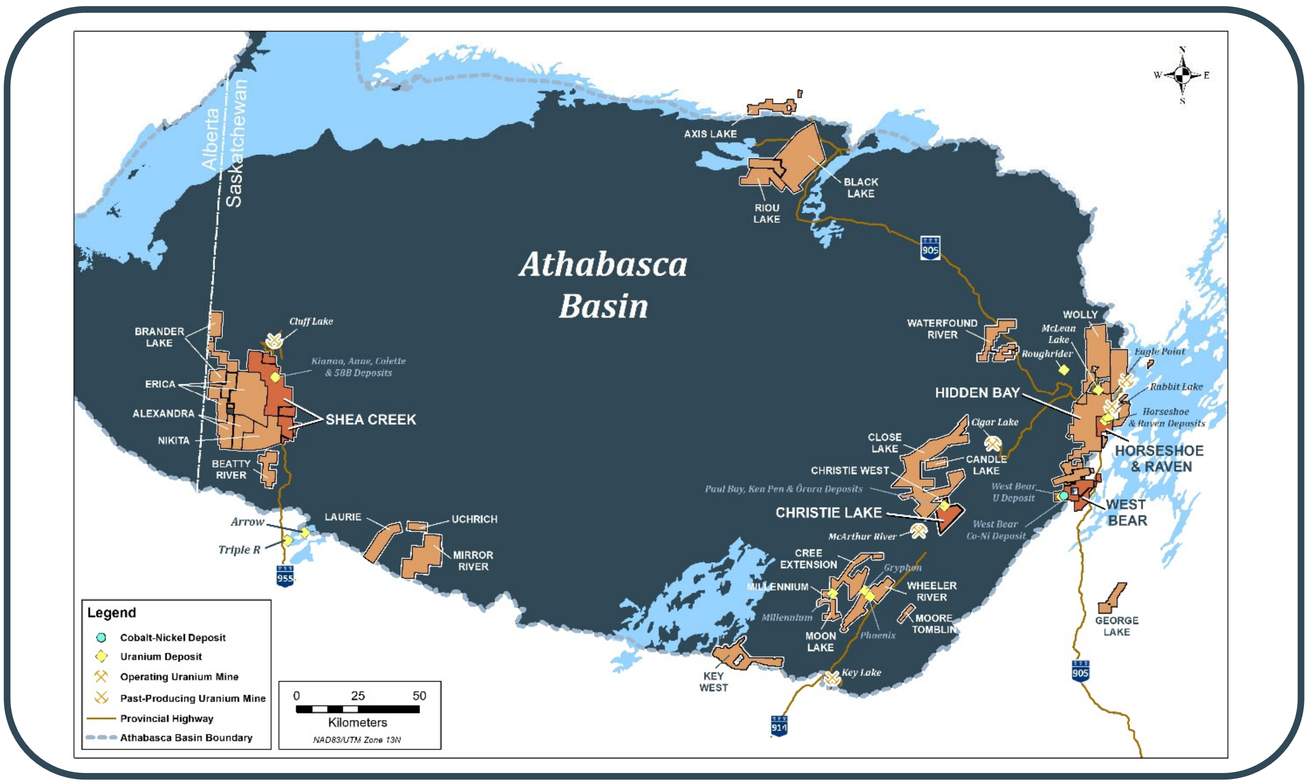
Table of Contents

1. Introduction

Overview

UEX is growing towards becoming a sustainable uranium developer with potential for multi-source low-cost production underpinned by a solid pipeline of lower risk growth opportunities. The Company also leads the discovery of ethically sourced cobalt in Canada.

Since being listed on the Toronto Stock Exchange in 2002, UEX has pursued exploration on a diversified portfolio of prospective uranium and cobalt projects in three areas within the Athabasca Basin in Saskatchewan, Canada. UEX has an ownership stake in several of Canada's key future uranium development projects, backstopped by development-stage projects at Horseshoe-Raven and Shea Creek. The Company's development pipeline is supported by an enviable and highly prospective portfolio of resource, mid-stage and grassroots projects including Christie Lake, Hidden Bay and West Bear which will help sustain UEX well into the future.



UEX Directly-Owned Projects

UEX is involved in a number of directly-owned uranium projects located in the Athabasca Basin, the world's richest uranium district. The Company's directly-owned uranium projects include:

- Five projects 100% owned and operated by UEX: Horseshoe-Raven, Hidden Bay, Riou Lake, Christie West, and Key West,
- Christie Lake, a joint venture project (the "Christie Lake Joint Venture") with JCU (Canada) Exploration Company Ltd. ("JCU"), which UEX has an 82.775% combined direct interest (UEX – 65.5492%) and indirect interest (JCU – 34.4508%),
- Black Lake, a joint venture with Orano Canada Inc. ("Orano") and ALX Resources Corp ("ALX"), 51.426% owned and operated by UEX,
- Eight projects joint-ventured with and operated by Orano, under Western Athabasca Joint Venture ("WAJV") which includes the Shea Creek, Erica, Brander Lake, Alexandra, Nikita, Mirror River, Laurie and Uchrich projects,
- Beatty River, a joint-venture with Orano and JCU that is operated by Orano.

UEX is directly involved in three 100% owned cobalt-nickel exploration projects located in the Athabasca Basin of northern Saskatchewan. The flagship cobalt-nickel project is West Bear, which was formerly part of UEX's Hidden Bay Project and contains the West Bear Cobalt-Nickel Deposit and the West Bear Uranium Deposit. The other cobalt-nickel projects are the Axis Lake and Key West Projects.

Since inception, UEX has been successfully discovering and advancing uranium resources in the Athabasca Basin. The Company has three 100% owned uranium deposits in the eastern Athabasca Basin (Horseshoe, Raven, and West Bear), three 65.55% directly owned uranium deposits joint-ventured with JCU (Ken Pen, Paul Bay, and Ōrora, which are part of the Christie Lake Project), and a 49.1% interest in four uranium deposits within the Shea Creek Project joint-ventured with Orano in the western Athabasca Basin.

(Expressed in Canadian dollars, unless otherwise noted)

UEX's directly owned projects:

Project	UEX share (%)	Partners (%) * Operator	
Horseshoe-Raven	100.0000		
West Bear	100.0000		
Hidden Bay	100.0000		
Western Athabasca			
Shea Creek	49.0975	Orano Canada Inc.*	50.9025
Alexandra	21.0482	Orano Canada Inc.*	78.9518
Brander Lake	49.0975	Orano Canada Inc.*	50.9025
Erica	49.0975	Orano Canada Inc.*	50.9025
Laurie	32.9876	Orano Canada Inc.*	67.0124
Mirror River	32.3354	Orano Canada Inc.*	67.6646
Nikita	12.7151	Orano Canada Inc.*	87.2849
Uchrich	30.4799	Orano Canada Inc.*	69.5201
Black Lake	51.4260*	ALX	40.0000
		Orano Canada Inc.	8.5740
Riou Lake	100.000		
Beatty River	22.0444	Orano Canada Inc.*	56.5303
		JCU	21.4253
Christie Lake	65.5492*	JCU	21.4253
Christie Lake West	100.0000		
Key West	100.0000		
Axis Lake	100.0000		
George Lake	50.0000	Searchlight Resources	50.0000

For more detailed information regarding UEX's exploration projects, please refer to UEX's current Annual Information Form, available at *www.sedar.com* or at *www.uexcorp.com*.

(Expressed in Canadian dollars, unless otherwise noted)

UEX Indirectly-Owned Projects through JCU

On August 3, 2021, UEX acquired 100% of the shares of JCU from Overseas Uranium Resources Development Co., Ltd. ("OURD") for $41 million, pursuant to a definitive purchase agreement signed on April 22, 2021 and further amended on June 14, 2021.

On August 3, 2021 UEX sold 50% of the JCU shares to Denison Mines Corp. ("Denison") for $20.5 million, and entered into a shareholders' agreement with Denison governing the management of JCU (the "Shareholders' Agreement"). UEX is the manager of JCU as long as Denison does not own more than 50% of the shares of JCU.

JCU is a private Canadian company engaged in the exploration and development of uranium assets in Canada. It has partnerships and interests in 12 uranium exploration and development projects in the Athabasca Basin, Saskatchewan and in the Thelon Basin, Nunavut, including ownership interests in Denison's Wheeler River Project (10.0000%), Cameco's Millennium Project (33.0990%), Orano's Kiggavik Project (33.8123%), and UEX's Christie Lake Project (34.4508%).

UEX is indirectly involved in eleven uranium projects located in the Athabasca Basin, and one project in the Thelon Basin of the Nunavut Territory through its 50% ownership of JCU. JCU owns:

Project	JCU share (%)[1]	Partners (%) * Operator	
Millennium	30.0990	Cameco Corporation*	69.9010
Kiggavik	33.8123	Orano Canada Inc.*	24.0033
		Urangesellschaft Canada Ltd.	42.1844
Wheeler River	10.0000	Denison Mines Corp.*	90.0000
Christie Lake	34.4508	UEX Corporation*	65.5492
Wolly	12.7644	Orano Canada Inc.*	65.9164
		Denison Mines Corp.	21.3192
Close Lake	10.3128	Orano Canada Inc.*	75.1279
		Cameco Corporation	14.5593
Candle Lake	25.0000	Denison Mines Corp.*	44.9400
		Uranium One	30.0600
Beatty River	21.4253	Orano Canada Inc.*	56.5303
		UEX Corporation	22.0444
Waterfound River	25.8010	Orano Canada Inc.*	62.4223
		Denison Mines Corp.	11.7767
Cree Extension	30.0990	Cameco Corporation*	41.9645
		Orano Canada Inc.	27.9365
Moon Lake	20.1494	Cameco Corporation*	56.6816
		Orano Canada Inc.	23.1690
Moore Tomblin	13.5947	Orano Canada Inc.*	66.6194
		Cameco Corporation	19.7859

[1] As 50% owner of JCU, UEX has an indirect 50% interest in the JCU Projects

Growth Strategy – UEX

- To plan and execute the exploration and evaluation work required to delineate and develop economic uranium resources at Christie Lake and our 100%-owned Hidden Bay Project.
- To grow resources through brownfield exploration as well as advancing the evaluation/development activities at Shea Creek.
- To contribute to the advancement of the Wheeler River to production through our 50% ownership in JCU.
- To advance the Millennium, Horseshoe-Raven and Kiggavik uranium deposits to a production decision once uranium prices have demonstrated a sustained recovery from current spot and long-term prices.
- To extract value for UEX shareholders from our cobalt assets using our unique knowledge and understanding of the Athabasca cobalt deposits to take advantage of the rapid increase in the demand for cobalt due to the anticipated growth in electric vehicle manufacturing.
- To evaluate and make timely acquisitions of uranium and cobalt projects in favorable, low-cost jurisdictions.

Qualified Person

The disclosure of technical information regarding UEX's properties in this MD&A has been reviewed and approved by Roger Lemaitre, P.Eng., P.Geo., UEX's President and CEO, who is a Qualified Person as defined by NI 43-101 and is non-independent of UEX.

(Expressed in Canadian dollars, unless otherwise noted)

2. Financial Update

Selected Financial Information

The following is selected financial data from the audited consolidated financial statements of UEX for the last three completed fiscal years. The data should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 and the notes thereto. Certain comparative period amounts have been reclassified to conform with the current year's presentation.

Summary of Annual Financial Results

	December 31, 2021	December 31, 2020	December 31, 2019
Interest income	$ 21,153	$ 42,398	$ 126,975
Management fees	21,250	-	-
Net loss for the year	(4,995,291)	(3,630,630)	(9,123,734)
Write-off of mineral property acquisition costs	-	(2,505)	(9,151)
Basic and diluted loss per share	(0.010)	(0.009)	(0.023)
Exploration and evaluation expense	2,379,286	2,169,945	7,682,875
Capitalized acquisition costs	1,578	3,978	17,888
Investment in equity-accounted investee	20,219,060	-	-
Total assets	39,300,417	19,085,279	15,295,954
Total non-current liabilities	$ 63,344	$ 113,681	$ 170,722

The following quarterly financial data is derived from the unaudited condensed interim consolidated financial statements of UEX as at and for the three-month periods indicated below.

Summary of Quarterly Financial Results (Unaudited)

	2021 Quarter 4	2021 Quarter 3	2021 Quarter 2	2021 Quarter 1	2020 Quarter 4	2020 Quarter 3	2020 Quarter 2	2020 Quarter 1
Interest income	$ 4,073	$ 3,801	$ 4,322	$ 8,957	$ 10,831	$ 10,037	$ 9,048	$ 12,482
Management fees	11,750	9,500	-	-	-	-	-	-
Net loss for the period	(1,207,236)	(1,188,670)	(903,070)	(1,696,315)	(673,907)	(870,984)	(765,292)	(1,320,447)
Write-off of mineral property acquisition costs	-	-	-	-	-	-	-	(2,505)
Basic and diluted loss per share	(0.002)	(0.002)	(0.002)	(0.004)	(0.002)	(0.002)	(0.002)	(0.003)
Exploration and evaluation expense	197,674	570,902	337,043	1,273,667	354,950	623,700	243,612	947,683
Capitalized mineral property acquisition costs	-	-	-	1,578	-	-	3,378	600
Investment in equity-accounted investee	20,219,060	21,001,685	-	-	-	-	-	-
Total assets	39,300,417	37,766,603	17,764,740	18,047,121	19,085,279	14,094,035	14,783,898	13,473,277
Total non-current liabilities	63,344	76,259	88,951	101,424	113,681	125,726	137,562	149,194

UEX's business is not affected by seasonality as the Company is able to perform exploration and evaluation work year-round. Variations in exploration and evaluation expenditures from quarter to quarter and year to year are affected by the timing and size of the exploration and evaluation programs in the periods. In 2021, UEX focused its exploration efforts on the Christie Lake, Hidden Bay and West Bear Cobalt-Nickel Projects.

Results of Operations for the Three-Month Period Ended December 31, 2021

For the three-month period ended December 31, 2021, the Company earned interest income on short-term deposits of $4,073 (2020 - $10,801) and recorded interest income of $nil (2020 - $30) in reference to the lease receivable on the sub-lease of office premises, which expired in October 2020. The decrease in interest income was primarily due to a decline in interest rates despite higher monthly average cash balance invested over the period. In the fourth quarter of 2021, the Company had an average cash balance invested of approximately $5.3 million versus $2.9 million in the comparative period. The Company also received management fees of $11,750 (2020 - $nil) from JCU.

For the three-month period ended December 31, 2021, the Company incurred expenses of $950,604 (2020 - $684,738) with significant changes from the comparative period identified as follows:

- Exploration and evaluation expenditures of $197,674 (Q4 2020 - $354,950) were lower in the current period. During Q4 2021, the Company updated the Horseshoe-Raven Technical Report and was preparing for the Christie Lake and Hidden Bay winter drill program while in Q4 2020 the Company completed a geophysics program at West Bear.
- Financing and interest expense recovery of ($31,898) (Q4 2020 - $2,941) were lower in the current period due to the reversal of Part XII.6 tax accrued from Q1 to Q3 2021 related to the December 2020 flow-through private placement and a refund of Part XII.6 tax paid in Q1 2021 related to the November 2019 flow-through private placement, as part of Canada's COVID-19 Economic Response Plan.
- Legal and audit expense of $114,325 (Q4 2020 - $45,000) were higher in the current period due to reallocating half the JCU acquisition costs in Q4 2021 which were incurred between Q1 thru Q3 of 2021 as a result of the 50% sale of JCU to Denison.
- Gross salaries of $283,203 (Q4 2020 - $158,934) were higher in the current period due to the addition of a new employee in Q4 2021 and the promotion of Chief Geologist to Vice President, Exploration. Salaries, net of project management fees and Canadian Wage Subsidy program ("CEWS") of $260,982 (Q4 2020 - $71,300) were higher in the current period due to the CEWS being lower as subsidy rates have decreased in 2021 compared to 2020 and the CEWS program ending in October 2021. In addition, a smaller 10% project management fee offset against salaries was recorded due to less expenditures at Christie Lake and West Bear in Q4 2021 compared to Q4 2020. UEX employee time spent on managing JCU is recouped through monthly management fee billed to JCU, with excess time billed as needed.
- Travel and promotion expenses of $60,294 (Q4 2020 - $14,480) increased due to increased marketing and IR services.
- The vesting of share purchase options during the three-month period ended December 31, 2021 resulted in share-based compensation of $118,360 (Q4 2020 - $81,088), of which $10,585 was allocated to exploration and evaluation expenditures (Q4 2020 - $6,711) and the remaining $107,775 was expensed to share-based compensation (Q4 2020 - $74,377). Share-based compensation expense also includes the estimated fair value expense of restricted share units ("RSUs") of $129,003 (Q4 2020 - $nil). The higher share-based compensation expense is due to fluctuations in share price at grant date, interest rate, share price volatility and life of options, and the addition of RSUs granted in 2021.

- Share of loss from equity-accounted investee of $272,455 (Q4 2020 - $nil) increased due to the acquisition of JCU and how UEX accounts for the Company's 50% share of loss from JCU upon consolidation.

Results of Operations for the Year Ended December 31, 2021

For the year ended December 31, 2021, the Company earned interest income on short-term deposits of $21,153 (2020 - $40,732) and recorded interest income of $nil (2020 - $1,666) in reference to the lease receivable on the sub-lease of office premises, which expired in October 2020. The decrease in interest income was primarily due to the lower average interest rates in 2021 compared to 2020, despite have a higher average amount invested of approximately $5.8 million vs $2.8 million in the comparative period. The Company also received management fees of $21,250 (2020 - $nil) from JCU.

For the year ended December 31, 2021, the Company incurred expenses of $4,462,167 (2020 - $3,736,560) with significant changes from the comparative period as follows:

- Exploration and evaluation expenditures of $2,379,286 (2020 - $2,169,945) increased in 2021. In 2021, the Company completed a 3-hole drill program at Christie Lake, a 19-hole drill program at West Bear, a geophysics program on both West Bear and Hidden Bay, a 6-hole drill program and core mapping program at Hidden Bay, a prospecting and sampling program at Axis Lake and updated the Horseshoe-Raven Technical Report. In 2020, the Company completed a 13-hole drill program and geophysics program at West Bear, and a fixed-loop electromagnetic survey at Christie Lake prior to a 4-hole drill program in the summer of 2020.
- Financing and interest expense of $5,929 (2020 - $25,816) decreased due to the refund of Part XII.6 tax paid in Q1 2021 related to the November 2019 flow-through private placement, as part of Canada's COVID-19 Economic Response Plan.
- Legal and audit expenses of $330,601 (2020 - $155,760) increased due to reallocating half of the legal fees on the 50% sale of JCU that were originally capitalized to the investment in equity-accounted investee account on acquisition of 100% of JCU, and additional auditing and advisory expenses.
- Gross salaries of $820,541 (2020 - $773,208) increased due to addition of a new employee and the promotion of Chief Geologist to Vice President, Exploration. Salaries, net of project management fees and CEWS, of $417,864 (2020 - $267,549) increased due to higher gross salaries partially offset by CEWS, with the CEWS amounts being lower as subsidy rates have decreased in 2021 compared to 2020 and the CEWS program ending in October 2021. In addition, a smaller 10% project management fee offset against salaries was recorded due to less expenditures at Christie Lake and West Bear in 2021 compared to 2020. UEX employee time spent on managing JCU is recouped through monthly management fee billed to JCU, with excess time billed as needed.
- The vesting of share purchase options during the year ended December 31, 2021 resulted in share-based compensation of $608,269 (2020 - $545,675), of which $76,375 was allocated to exploration and evaluation expenditures (2020 - $62,300) and the remaining $531,894 was expensed to share-based compensation (2020 - $483,375). Share-based compensation expense also includes the estimated fair value expense of the RSUs of $156,084 (2020 - $nil). The higher share-based compensation expense is due primarily to fluctuations in share price at grant date, interest rate, share price volatility and life of options and the addition of RSUs granted in 2021.
- Share of loss from equity-accounted investee of $575,527 (2020 - $nil) increased due to the acquisition of JCU on August 3, 2021 and how UEX accounts for the Company's 50% share of loss from JCU upon consolidation.

Exploration and Evaluation Update

Christie Lake Project

2021 Exploration Program

The Company budgeted $2 million for the approved 2021 exploration program, which was to focus on the summer drilling of multiple targets along the Yalowega conductive trend and following-up drill results from the 2020 program. Contractor availability impacted the program and limited the scope of the program to three drill holes before forcing demobilization of the drill program in the fall. The total 2021 exploration expenditures at Christie Lake totaled approximately $0.80 million. UEX is still compiling and interpreting the data collected during the 2021 program.

Per the Christie Lake Joint Venture Agreement, JCU changed its decision to participate in the 2021 program and contributed its share of the 2021 expenditures for the program. The total amount recovered from JCU was $0.27 million.

2022 Exploration Plans

In December 2021, the Christie Lake Joint Venture approved the 2022 exploration program and budget totaling $6.1 million to focus on three targets areas. The 2022 exploration program will test the basement rocks in eight locations along a 1,400 m long strike length below the existing deposits along the Yalowega Trend. The program will also test the B Trend area where the newly defined B conductors from the 2020 ground EM survey and the 2019 B Trend resistivity anomaly remain untested, and complete the initial drill tests along the A Trend, the direct extension of the host structure of all the uranium mineralization at Cameco's world-class McArthur River Uranium Mine.

A total of 19,000 m of drilling is planned in up to 40 holes, including several offcuts from existing holes. Approximately 9,000 m will be completed during the winter exploration program.

West Bear Project

2021 Exploration Program

In January to March of 2021, UEX completed a $1.0 million field program that included the HLEM geophysical surveys on the Michael Lake and Huggins Lake grids, which was initiated in the fall of 2020, and drilled 19 holes totalling 2,690 m in the Michael Lake target area. The drill program was successful at locating a new zone of cobalt-nickel mineralization on the Michael Lake Grid. Discovery hole MIC-004 returned an average grade of 0.50% Co and 1.01% Ni over 23.5 m from 44.0 to 67.5 m. Several follow up drill holes also encountered cobalt-nickel mineralization.

Due to the successful drill program at Michael Lake, the planned drill testing of the Huggins Lake target was deferred until a future date.

2022 Exploration Plans

UEX considers the Michael Lake target to be one of the most prospective in its current portfolio of exploration assets and worthy of substantial future exploration investment. However, the Company has elected not to conduct a follow-up Co-Ni exploration program on the West Bear project in 2022 in order to focus on its uranium exploration portfolio. The Company will re-evaluate its cobalt exploration portfolio and may propose a program on the West Bear Project in 2023.

Horseshoe and Raven Project

2021 Exploration Program

In August and September 2021, UEX initiated a geological review of the Horseshoe and Raven Deposits and completed an updated mineral resource estimate of the two deposits for a total cost of approximately $0.14 million.

Hidden Bay Project

2021 Exploration Program

The 2021 winter exploration program included HLEM geophysical survey and diamond drilling in two target areas on the property. HLEM surveys totaling 73.1 line km were completed at the Dwyer Lake target and 22.4 line km in the Uranium-Nickel Sands area. Six drill holes totalling 753 m were completed at Uranium-Nickel Sands which identified visible hydrothermal alteration bleaching and clay alteration typically found in close proximity to uranium mineralization. The total 2021 exploration expenditures at Hidden Bay totaled approximately $0.61 million.

The early onset of spring conditions precluded any drill evaluation of the Dwyer Lake targets to follow up the results of the winter HLEM program. Drill testing of the Dwyer Lake area will be a priority in future drill programs.

2022 Exploration Plans

This winter, the Company will be following up on two target areas on the Hidden Bay Project. The Company will be testing drill targets in the U-Ni Sands following up the encouraging results of the 2021 reconnaissance drilling program of six holes at the U-Ni Sands area that identified alteration and geochemical anomalism consistent with the geochemical and alteration signatures associated with UEX's Raven and Horseshoe uranium deposits, located approximately 2.5 km to the south. The indicative hydrothermal alteration encountered in these drill holes has been traced over a 1,300 m long area from previous drill holes VIX-004 to VIX-006. The geology and alteration encountered in this area suggests that there is potential for the discovery of shallow uranium mineralization similar to that observed at the Raven and Horseshoe deposits to the south. A total of up to 20 holes for 3,000 m are planned to follow up the 2021 drilling results.

The Company will also be testing drill-ready targets in the Dwyer Lake area. The focus of the Dwyer Lake program will be to follow-up anomalous uranium and pathfinder geochemistry in historical drill holes located along the northeast end of the Dwyer Dome and to follow-up the promising intense hydrothermal clay alteration zone defined by 14 holes drilled in 2015, and a nearby untested resistivity/IP geophysical anomaly.

(Expressed in Canadian dollars, unless otherwise noted)

Western Athabasca Projects

2021 and 2022 Exploration Programs

Orano notified UEX in early October 2020 that Orano, as the operator, will not be proposing exploration programs and budgets in 2021 or 2022 for any of the WAJV projects, but acknowledged that discussions regarding Shea Creek remain ongoing at this time.

Orano did not propose a program or budget for the Shea Creek Project in 2020, 2021 or 2022 despite UEX indicating an interest for exploration activities to restart. UEX completed a detailed technical review of the Shea Creek Deposits in 2020 with the objective of identifying opportunities to expand the footprint of the known deposits and to prioritize targets for drill testing in the immediate vicinity. This review led UEX to determine that several drill targets exist within the footprint of the current known deposits that have the potential to increase uranium resources significantly. This potential occurs dominantly within east-west trending basement-hosted structures beneath all four existing unconformity deposits, which is the same geological environment that hosts the Kianna Deposit. Basement-hosted mineralization at Kianna is higher-grade than most of the known Shea Creek Deposits and hosts over 50% of the known resources to date. Drill testing for discovery of additional high-grade basement-hosted uranium targets that host the Kianna Deposit have not been properly tested by the operator. Furthermore, there are existing drill holes in these target areas that encountered basement-hosted uranium that have not been tested in the down-dip direction. The UEX review also suggested that the SHEA-2 area, located approximately 2 km south and along strike of the Shea Creek Deposits, remains a very high-priority drilling target.

UEX presented the results of its technical review to Orano in May 2020. A dialogue with Orano to re-start exploration at Shea Creek to focus on the targets identified by the Company is ongoing at this time.

The following table outlines cumulative exploration and evaluation expenditures on projects, cumulatively as at and for the year ended December 31, 2021 and 2020.

Project	Cumulative[1] to December 31, 2019	2020 Expenditures in the period	2020 Cumulative to December 31 2020	2021 Expenditures in the period	2021 Cumulative to December 31, 2021
Beatty River	$ 876,877	$ 184	$ 877,061	$ -	$ 877,061
Black Lake	14,490,256	8,228	14,498,484	-	14,498,484
Christie Lake	13,132,095	979,280	14,111,375	531,378	14,642,753
Hidden Bay	34,355,753	91,637	34,447,390	614,501	35,061,891
Horseshoe-Raven	41,825,417	954	41,826,371	140,520	41,966,891
Other projects [2]	13,960	34,883	48,843	84,681	133,524
West Bear Co-Ni	5,824,985	959,656	6,784,641	1,001,139	7,785,780
Western Athabasca					
Shea Creek	54,268,480	69,909	54,338,389	7,067	54,345,456
Other WAJV	10,904,088	25,214	10,929,302	-	10,929,302
All Projects Total	$ 175,691,911	$ 2,169,945	$ 177,861,856	$ 2,379,286	$ 180,241,142

(1) Exploration and evaluation expenditures have been presented on a cumulative basis from July 17, 2002.
(2) Other projects include: Axis Lake, Christie West, George Lake, Key West and Riou Lake.

(Expressed in Canadian dollars, unless otherwise noted)

Exploration and evaluation expenditures for the year ended December 31, 2021 and 2020 include the following expenditures:

	Year ended December 31	
	2021	**2020**
Depreciation	$ 54,514	$ 43,266
Share-based compensation	76,375	62,300
Project management fee	159,138	178,257
Project surcharge	109,450	97,593
	$ 399,477	$ 381,416

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western, eastern and northern Athabasca Basin. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles. The joint arrangements that the Company is party to in some cases entitle the Company, or its joint venture partner, to a right of first refusal on the projects should one of the partners choose to sell their interest. The joint arrangements are governed by management committees which set the annual exploration budgets for these projects. Should the Company be unable to, or choose not to, fund its required contributions as outlined in the agreements, there is a risk that the Company's ownership interest could be diluted. As a result of decisions to fund exploration programs for the joint arrangements, the Company may choose to complete further equity issuances or fund these amounts through the Company's general working capital. For further information on joint operations and ownership interests, please refer to the *Introduction* section.

Share Capital

The Company is authorized to issue an unlimited number of common shares of the Company without par value ("Common Shares"), and an unlimited number of preferred shares (no par value) issuable in series of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares, none of which are issued and outstanding.

- 544,022,002 and 544,934,502 Common Shares were issued and outstanding as at December 31, 2021 and March 24, 2022, respectively;
- 27,575,000 and 26,925,000 Common Shares related to director, employee and consultant share purchase options were reserved by the Company as at December 31, 2021 and March 24, 2022, respectively. As at December 31, 2021, the share purchase options are exercisable into Common Shares at exercise prices ranging from $0.125 per share to $0.60 per Common Share.
- 1,249,033 Common Shares related to director, employee and consultants RSUs were reserved by the Company as at December 31, 2021 and March 24, 2022.
- As the number of share purchase options and RSUs outstanding at March 24, 2022 is 26,925,000 and 1,249,033 respectively, (representing 4.94% and 0.23% respectively, of the Company's current issued and outstanding Common Shares), the number of share purchase options and RSUs available for grant as of March 24, 2022 is 26,319,417 (representing 4.83% of the Company's current issued and outstanding Common Shares).

- For the year ended December 31, 2021, 5,410,000 share purchase options were exercised regularly with a weighted average exercise price of $0.20 for gross proceeds of $1,103,250. No share purchase options were exercised for the year ended December 31, 2020.
- On February 27, 2020, 15,999,994 share purchase warrants with an exercise price of $0.42 per share expired unexercised. On May 20, 2020, 6,250,000 share purchase warrants with an exercise price of $0.21 per share were issued in connection with the May 2020 private placement. On December 2, 2020, 9,249,332 share purchase warrant with an exercise price of $0.18 per share and 2,581,631 broker warrants with an exercise price of $0.13 per share were issued in connection with the December 2020 private placement. On September 7, 2021, 36,475,000 share purchase warrants with an exercise price of $0.40 per share and 4,377,000 brokers warrants with an exercise price of $0.29 were issued in connection with the September 2021 private placement.
- For the year ended December 31, 2021, 6,831,121 warrants were exercised regularly with a weighted average exercise price of $0.18 for gross proceeds of $1,261,841. No warrants were exercised for the year ended December 31, 2020.
- 52,101,842 and 51,789,342 share purchase warrants were outstanding as at December 31, 2021 and March 24, 2022, respectively.

Renunciation of tax benefits:

- Approximately $2.50 million of flow-through expenditure from the December 2021 private placement were renounced to eligible shareholders in February 2022 effective December 31, 2021. No flow-through expenditures from this private placement were incurred in 2021. Approximately $2.50 million of flow-through expenditures are expected to be incurred during 2022.
- Approximately $3.78 million of flow-through expenditure from the December 2020 private placement were renounced to eligible shareholders in February 2021 effective December 31, 2020. Approximately $23,006 of flow-through expenditures were incurred by December 31, 2020, and $1,928,811 of flow-through expenditures were incurred during the year ended December 31, 2021, for a total of $1,951,817. The remaining $1,828,343 of flow-through expenditures are expected to be incurred during 2022.
- Approximately $1.6 million of flow-through expenditures from the November 2019 private placement were renounced to eligible shareholders in February 2020 effective December 31, 2019. Approximately $11,687 of flow-through expenditures were incurred by December 31, 2019 and the remaining $1.58 million of flow-through expenditures were incurred during the remainder of 2020.

Financing Activities

As UEX has not begun production on any of its mineral properties, the Company does not generate cash from operations and has historically funded its operations through monies raised in the public equity markets:

- On December 17, 2021, the Company completed a flow-through private placement of 6,414,103 Common Shares at a price of $0.39 per Common Share, for gross proceeds of $2,501,500.17. Share issuance cost totaled $35,483 with no agent's commissions being incurred. A flow-through premium of $192,423 related to the sale of the associated tax benefits has been recorded in share capital.

(Expressed in Canadian dollars, unless otherwise noted)

The proposed use of proceeds from the December 17, 2021 flow-through private placement is presented in the table below:

	PROPOSED USE OF PROCEEDS	ACTUAL USE OF PROCEEDS	
	Flow-through Private Placement	Use of Proceeds	Remaining to be Spent
Christie Lake Project	$ 2,101,500	$ -	$ 2,101,500
West Bear Project	-	-	-
Hidden Bay Project	400,000	-	400,000
Western Athabasca	-	-	-
Other Projects	-	-	-
TOTAL	**$ 2,501,500**	**$ -**	**$ 2,501,500**

The Company renounced the income tax benefits of the December 17, 2021 private placement to its subscribers effective December 31, 2021 and will incur Part XII.6 tax in 2022 on unspent amounts.

- On September 7, 2021, the Company completed a private placement of 72,950,000 units at a price of $0.29 per unit, for gross proceeds of $21,155,500. Each unit consisted of one Common Share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at an exercise price of $0.40 until September 7, 2024. Total share issuance costs of $2,809,819 included agents' cash commissions of $1,269,330 equal to 6% of the gross proceeds of the financing, other issuance costs of $254,144 and the fair value of the broker warrants of $1,286,345. The agents received 4,377,000 broker warrants equal to 6% of the total number of units sold. Each broker warrant is exercisable for a Common Share of the Company until September 7, 2024 at a price of $0.29 per Common Share. The weighted average assumptions used for the Black-Scholes valuation of the warrants were annualized volatility of 72.35%, risk-free interest rate of 0.49%, expected life of 3.0 years and a dividend rate of Nil. Net proceeds from the September 7, 2021 private placement were used to retire the Denison Term Loan (as defined herein).

  Additional share issuance cost of $25,607 were incurred in 2021 with respect to warrant and stock option exercises, RSUs and other financing matters.

- On December 2, 2020, the Company completed a private placement of 18,498,665 units at a price of $0.12 per unit and 27,001,144 flow-through Common Shares at a price of $0.14 per Common Share, for gross proceeds of $6,000,000. Each unit consisted of one Common Share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at an exercise price of $0.18 until June 2, 2023. Total share issuance costs of $706,319 included agents' cash commissions of $341,040 equal to 6% of the gross proceeds of the financing, other issuance cost of $178,710 and the fair value of the broker warrants of $186,569. The agents received 2,581,631 broker warrants equal to 6% of the total number of units and flow-through shares sold. Each broker warrant is exercisable for a Common Share until June 2, 2023 at a price of $0.13 per Common Share. The weighted average assumptions used for the Black-Scholes valuation of the warrants were annualized volatility of 63.32%, risk-free interest rate of 0.29%, expected life of 2.5 years and a dividend rate of Nil.

  No commission was paid nor brokers' warrants issued on a portion of the financing made to president's list subscribers. As the market price of the Common Shares on the date of issuance exceeded the flow-through issuance price, no flow-through share premium liability was recorded in 2020.

(Expressed in Canadian dollars, unless otherwise noted)

The proposed use of proceeds from the December 2, 2020 flow-through private placement is presented in the table below:

	PROPOSED USE OF PROCEEDS	ACTUAL USE OF PROCEEDS	
	Flow-through Private Placement	Use of Proceeds	Remaining to be Spent
Christie Lake Project	$ 2,000,000	$ 406,327	$ 1,593,673
West Bear Project	580,160	853,461	(273,301)
Hidden Bay Project	1,200,000	559,107	640,893
Western Athabasca	-	-	-
Other Projects	-	132,922	(132,922)
TOTAL	**$ 3,780,160**	**$ 1,951,817**	**$ 1,828,343**

The Company renounced the income tax benefits of the December 2, 2020 private placement to its subscribers effective December 31, 2020 and incurred no Part XII.6 tax on unspent amounts in 2021 as a result of Canada's COVID-19 Economic Response Plan. The qualifying expenditures incurred in 2021 will be deemed to have been incurred in January 2021, and since Part XII.6 does not apply to amounts expended in January of the normal look-back year, the amounts expended in the normal look-back year are exempted from Part XII.6 tax. The qualifying expenses to be incurred in 2022 will be deemed to be incurred 12 months early for purposes of determining the Part XII.6 tax liability. The Company will start incurring Part X.II tax at a rate of Nil% for January 2022 (deemed January 2021) and 1% from February to December 2022 (deemed February to December 2021) on unspent funds.

- On May 20, 2020, the Company completed a private placement of 12,500,000 units at a price of $0.16 per unit, for gross proceeds of $2,000,000. Each unit consists of one Common Share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at an exercise price of $0.21 until May 20, 2023. Share issuance costs totaled $138,647, inclusive of agent commissions of $67,140.

- The remaining non-flow-through funds at December 31, 2021 of $2,931,958 will be used for general and administrative expenses for 2022 and beyond.

Liquidity and Capital Resources

Working capital as at December 31, 2021 was $6,918,019 compared to working capital of $7,115,905 as at December 31, 2020 and includes the following:

- Current assets as at December 31, 2021 and December 31, 2020 were $7,420,506 and $7,417,083 respectively, including:
  - Cash and cash equivalents of $7,261,801 at December 31, 2021 and $7,213,551 at December 31, 2020. The Company's cash balances are invested in highly liquid term deposits redeemable within 90 days or less and savings accounts.
- Current liabilities as at December 31, 2021 and December 31, 2020 were $502,487 and $301,178, respectively, including:
  - Accounts payable and other liabilities of $452,150 at December 31, 2021 and $254,569 at December 31, 2020.

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation remains dynamic and the ultimate duration and magnitude of the impact on the economy and capital markets are not known at this time.

The Company purchased an exploration camp for the Christie Lake Project for $162,844 during 2020. There were no other significant capital expenditures for the year ended December 31, 2020. The Company has incurred $54,214 related to repairs and maintenance on the Horseshoe-Raven camp in 2021, of which $26,870 has been capitalized and $27,344 has been expensed under exploration and evaluation expenditures. As of March 24, 2022, the Company has spent $109,324 on exploration related capital assets for 2022. There are no further commitments to major capital expenditures for the remainder of 2022.

The Company's ability to continue as a going concern is dependent upon successful results from its exploration, evaluation and development activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and development and exploration activities. The Company's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions and the price of uranium and cobalt as well as its business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to it or at all. If the Company raises additional financing through the issuance of shares from its treasury, control of the Company may change and existing shareholders will suffer additional dilution. See "*Risks and Uncertainties*" below.

(Expressed in Canadian dollars, unless otherwise noted)

Contractual Obligations

Lease Liability

The Company has an obligation under lease for its Saskatoon office which expires in February 2024.

	December 31 2021	December 31 2020
Current	$ 50,337	$ 46,609
Non-current	63,344	113,681
	$ 113,681	$ 160,290

The following table presents the contractual undiscounted cash flows for lease obligations as at December 31, 2021:

	December 31 2021
2022	$ 56,700
2023 and beyond	66,150

Interest expense on lease obligations for the year ended December 31, 2021 was $9,754 (2020 -$14,490). Total cash outflow for leases was $56,363 (2020 - $107,805), including $46,609 (2020 – $93,315) of principal payments on lease liabilities.

Equity-Accounted Investee

On August 3, 2021, the Company acquired 100% of the shares of JCU from OURD for $41.0 million. On August 3, 2021, the Company sold 50% of the JCU shares to Denison for $20.5 million. Prior to the transaction, on August 3, 2021, the Company and Denison entered into a three-month, interest-free, term loan for $40.95 million (the "Denison Term Loan") to facilitate the Company's purchase of 100% of the shares of JCU, $20.5 million of which was retired upon the Company transferring 50% of the JCU shares to Denison. The remaining $20.45 million of the Term Loan was repaid on September 17, 2021.

The Company's participation in JCU is a joint venture, therefore the Company accounts for the joint venture on an equity basis.

The consideration for the asset acquisition of JCU on August 3, 2021 (100% basis) was allocated to the assets and liabilities as follows:

Cash and cash equivalents	$ 5,823,808
Other current assets	1,619
Non-current assets	35,355,252
Current liabilities	(180,679)
Non-current liabilities	-
	$ 41,000,000

(Expressed in Canadian dollars, unless otherwise noted)

The following tables summarize the financial information of JCU and reconciles the summarized financial information to the carrying amount of UEX's interest in JCU:

		December 31 2021 (100% basis)		UEX's non-ownership interest (50%)		Consolidating adjustments (1)		Carrying amount in the statement of financial position
Cash and cash equivalents	$	4,848,080	$	(2,424,040)	$	-	$	2,424,040
Other current assets		4,657		(2,329)		-		2,328
Non-current assets		22,287,660		(11,143,830)		6,828,383		17,972,213
Current liabilities		(359,042)		179,521		-		(179,521)
Non-current liabilities		(35,493,758)		17,746,879		17,746,879		-
Total	$	(8,712,403)	$	4,356,201	$	24,575,262	$	20,219,060

(1) The Company records certain consolidating adjustments to allocate the purchase price and acquisition costs, eliminate unrealized profit, and align accounting treatment of mineral property exploration and evaluation costs.

A summary of the investment in JCU is as follows:

	Number of shares		Value
Balance, December 31, 2020	-	$	-
Purchase of 100% of JCU shares	69,663		41,000,000
Sale of 50% of JCU shares	(34,831)		(20,500,000)
Acquisition costs	-		293,153
Share of equity loss	-		(575,527)
Consolidating adjustments	-		1,434
Balance, December 31, 2021	34,832	$	20,219,060

A summary of UEX's share of loss from JCU is as follows:

		For the period from August 3, 2021 to December 31, 2021
Interest income	$	6,149
Net loss		(1,195,341)
Consolidating adjustments (1)		38,139
		(1,151,053)
UEX's 50% share of net loss		(575,527)

Loans and Borrowings

A summary of UEX's loans and borrowings is as follow:

		Carrying amount
Balance at January 1, 2021	$	-
New issue –Term loan [(1)]		40,950,000
Repayment – Cash settled [(1)]		(20,450,000)
Repayment – Non-cash settled [(1)]		(20,500,000)
Balance at December 31, 2021	$	-

[(1)] See Note 9 of the financial statements for details of Denison Term Loan

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, deposits, investments and accounts payable and other liabilities. Interest income is recorded in the statement of operations and comprehensive loss. Cash and cash equivalents, as well as amounts receivable and deposits, are classified as financial assets at amortized cost, and accounts payable and other liabilities are classified as financial liabilities recorded at amortized cost using the effective interest rate method. The investments also include shares which have been classified as *financial assets at Fair Value in Other Comprehensive Income* ("FVOCI") and are carried at fair value with changes in fair value recognized in other comprehensive income.

The Company operates entirely in Canada and is not subject to any significant foreign currency risk. The Company's financial instruments are exposed to limited liquidity risk, credit risk and market risk.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development programs on its mineral properties. The Company manages its capital structure, consisting of shareholders' equity, and makes adjustments to it, based on funds available to the Company, in order to support the exploration and development of its mineral properties. Historically, the Company has relied exclusively on the issuance of Common Shares for its capital requirements. Accounts payable and other liabilities are due within the current operating period.

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents, amounts receivable, and deposits. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal to the carrying value of cash and cash equivalents, amounts receivable, and deposits. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments that are redeemable 90 days or less from the original date of acquisition.

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income. The Company is subject to interest rate risk on its cash and cash equivalents. The Company reduces this risk by investing its cash in highly liquid short-term interest-bearing investments that earn interest on a fixed rate basis.

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

- Level 2 - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and

- Level 3 - Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying values of cash and cash equivalents, amounts receivable, deposits, and accounts payable and other liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

(Expressed in Canadian dollars, unless otherwise noted)

The following table summarizes those assets and liabilities carried at fair value:

Investments – as at December 31, 2020	Level 1	Level 2	Level 3	Total
Shares – Vanadian (TSX-V: VEC)	$ 4,375	$ -	$ -	$ 4,375
Shares – ALX (TSX-V: AL)	400,000	-	-	400,000
	$ 404,375	$ -	$ -	$ 404,375

Investments – as at December 31, 2021	Level 1	Level 2	Level 3	Total
Shares – Vanadian (TSX-V: VEC)	$ 4,375	$ -	$ -	$ 4,375
Shares – ALX (TSX-V: AL)	450,000	-	-	450,000
	$ 454,375	$ -	$ -	$ 454,375

The following table shows a reconciliation from the beginning balances to ending balances for Level 1 fair value measurements for investments:

	Number of Shares	Change in Fair Value	Fair Value
Balance, December 31, 2019	*5,087,500*		$ 225,875
Gains (losses) for the three months ended March 31, 2020		$ (74,562)	
Gains (losses) for the three months ended June 30, 2020		27,625	
Gains (losses) for the three months ended September 30, 2020		201,750	
Gains (losses) for the three months ended December 31, 2020		23,687	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – year ended December 31, 2020		$ 178,500	178,500
Balance, December 31, 2020	*5,087,500*		$ 404,375
Gains (losses) for the three months ended March 31, 2021		$ 27,188	
Gains (losses) for the three months ended June 30, 2021		437	
Gains (losses) for the three months ended September 30, 2021		101,312	
Gains (losses) for the three months ended December 31, 2021		(78,937)	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – period ended December 31, 2021		$ 50,000	50,000
Balance, December 31, 2021	*5,087,500*		$ 454,375

(Expressed in Canadian dollars, unless otherwise noted)

Related Party Transactions

The Company was involved in the following related party transactions for the periods ended December 31, 2021 and 2020. Related party transactions include the following payments which were made to related parties other than key management personnel:

	Year ended December 31	
	2021	**2020**
Cameco group of companies (1)	$ 622	$ 3,363
Management advisory board share-based payments (2)	35,620	11,845
	$ 36,242	$ 15,208

(1) Payments related to fees paid for equipment repairs. Effective March 8, 2021, Cameco group of companies ceased to be a related party as their shareholding of UEX dropped below 10% which terminated certain rights and obligation under the agreement dated October 23, 2001 between Cameco, Pioneer Metals and UEX.
(2) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 14(c) of the financial statements.

Related party transactions include the following recoveries of expenditures which were received from parties other than key management personnel:

	Year ended December 31	
	2021	**2020**
JCU (Canada) Exploration Company Ltd (3)		
Management fees	$ 21,250	$ -
Exploration recoveries	132,038	-
Administrative recoveries	32,760	-
	$ 186,048	$ -

(3) JCU is 50% owned by UEX; related party receipts and receivables reflect the UEX owned portion of recoveries. Recoveries of expenditures relate to JCU's participation in the Christie Lake Joint Venture, recovery of administrative costs associated with acquisition of JCU, and fees related to the management of JCU. As at December 31, 2021, $22,685 was included in amounts receivable.

Key management personnel compensation includes management and director compensation as follows:

	Year ended December 31	
	2021	**2020**
Salaries and short-term employee benefits (1)(2)(3)(6)	$ 490,199	$ 440,724
Share-based payments (4)	566,752	422,498
Other compensation (1)(5)	211,697	220,396
	$ 1,268,648	$ 1,083,618

(1) In the event of a change of control of the Company, certain senior management may elect to terminate their employment agreements and the Company shall pay termination benefits of up to two times their respective annual salaries at that time and all of their share purchase options will become immediately vested with all other employee benefits, if any, continuing for a period of up to two years.

(2) In the event that Mr. Lemaitre's (UEX's President and CEO) employment is terminated by the Company for any reason other than as a result of a change of control, death or termination for cause, the Company will pay a termination amount equal to one year's base salary plus any bonus

owing. All other employee-related benefits will continue for a period of one year following such termination. Mr. Lemaitre may also terminate the employment agreement upon three months' written notice to the Board and receive a lump sum payment equal to his base salary plus benefits for three months.

(3) In the event that Mr. Hamel's (UEX's Vice President, Exploration) employment is terminated by the company for any reason other than as a result of a change of control, death or termination for cause, the Company will pay a termination amount equal to six months' base salary which will increase by one month salary after every year of service up to a maximum of twelve months' base salary plus any bonus owning. Mr. Hamel may also terminate the employment agreement upon two months' written notice to the Board and receive a lump sum payment equal to his base salary plus benefits for two months.

(4) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 14(c) of the financial statements and the fair value of RSUs which have been calculated using the closing trading price of the Company's shares on grant date disclosed in Note 14 (c) of the financial statements.

(5) Represents payments to Evelyn Abbott for CFO services rendered to UEX. In the event that Ms. Abbott's consulting agreement is terminated by the Company for any reason other than as a result of a change of control, death or termination for cause, the Company will pay a termination amount equal to one year's base fee plus any bonus owing. Ms. Abbott may also terminate the consulting agreement upon two months' written notice to the Board.

(6) Salaries and short-term employee benefits disclosed are gross amounts paid and does not include the reduction for the Canadian Emergency Wage Subsidy (Note 22 of the financial statements).

Government Assistance

In response to the negative economic impact of COVID-19, the Government of Canada announced the CEWS program in April 2020. CEWS provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria.

During the year ended December 31, 2021, the Company assessed its eligibility related to CEWS and determined it has qualified for this subsidy from the January 1, 2021 through to October 23, 2021. It has accordingly applied for and received $243,539 for the period ended October 23, 2021 (2020 - $309,704 for the period ended November 21, 2020 and recorded a receivable of $17,698 for the period November 22, 2020 to December 31, 2020) (Note 4 of financial statements). This subsidy has been recorded as a reduction to the eligible remuneration expense incurred by the Company during this period. Government assistance related to an expense has been recognized as a reduction of related expense for which the grant is intended to compensate. The CEWS has been discontinued as of October 23, 2021.

Exploration and evaluation salaries for the period that have been compensated by the CEWS have been excluded as flow-through eligible expenditures.

On June 29, 2021, Bill C-30, Budget Implementation Act, 2021, No.1 received Royal Assent. Bill C-30 includes extension of the timeline to incur qualified expenditures by 12 months under the look-back rule for flow-through share agreements that were entered in 2019 and 2020. As a result of the extension, the Company will have until December 31, 2021 (versus December 31, 2020) for the flow-through share agreement entered in 2019 and renounced by December 31, 2019. Similarly, the Company will have until December 31, 2022 (versus December 31, 2021) for the flow-through share agreement entered in 2020 and renounced by December 31, 2020. For Part XII.6 tax, new deeming provisions will apply such that the qualifying expenditures are treated as incurred up to one year earlier than the date they are actually incurred. The provisions will also provide a reduction to the Part XII.6 tax that would otherwise be payable.

Government Mineral Industry Relief

On June 5, 2020, the Government of Saskatchewan announced amendments to *The Mineral Tenure Registry Regulations* that granted relief to mining companies in response to the COVID-19 pandemic. The objective to the amendments were to provide mining exploration companies more time to raise necessary capital and allow companies time to provide COVID-safe access to their exploration projects while protecting stakeholders and exploration employees. The amendments provide a waiver for exploration expenditure requirements for two 12-month periods beginning March 18, 2020 when the Province declared a State of Emergency and again on March

18, 2021. The waiver changes mineral claim lapsing dates by a minimum of 24 months without any additional exploration expenditures. This provides companies with essentially a 24-month exploration work holiday without the risk of mineral claims expiring. Thus, none of UEX's mineral claims will expire before July 31, 2022.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

Joint Arrangements

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

(i) *Joint operation* – is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated financial statements of the Company would include its share of the assets and liabilities in such joint operations, as well as its share of the revenues and expenses arising from those joint operations, measured in accordance with the terms of each arrangement.

(ii) *Joint venture* – is a joint arrangement whereby the parties have joint control over the arrangement and have rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method of accounting. They are initially recorded at cost, which incudes transaction costs. Subsequent to initial recognition, the Company's proportionate interest in the assets, liabilities, revenues, and expenses of jointly controlled entities are recognized on a single line in the consolidated statements of financial position and earnings. The share of joint venture results is recognized in the Company's consolidated financial statements from the date that joint control commenced until the date at which it ceases.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the Athabasca Basin. The consolidated financial statements include the Company's proportionate share of the joint operations' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis from the date that the joint operation commences until the date that the joint operation ceases. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles.

"Joint operations" as defined by IFRS are commonly referred to as "joint ventures" by UEX, its operating partners and the general mining industry, and use of the term "joint venture" by UEX in its disclosures for the purposes of describing its operating results is considered consistent with these statements.

The Company has classified its shareholders' agreement in JCU as a joint venture and accounts for its interest using the equity method.

The joint arrangements that the Company is party to in some cases entitle the Company to a right of first refusal on the projects should one of the partners choose to sell their interest. The joint arrangements are governed by a management committee which sets the annual exploration budgets for these projects. In certain cases, should the Company choose not to fund the minimum required contributions as outlined in the agreement, there is a risk that the Company's ownership interest could be diluted. As a result of decisions to fund exploration programs for the joint arrangements, the Company may choose to complete further equity issuances or fund these amounts through the Company's general working capital.

Critical Accounting Estimates

The Company prepares its consolidated financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the consolidated financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period and would materially impact the Company's consolidated financial statements. The Company's significant accounting policies are discussed in the consolidated financial statements. Critical estimates inherent in these accounting policies are discussed below.

Environmental Rehabilitation Provision

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgements and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. The Company has assessed each of its mineral projects and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

Share-based Payments

For equity settled plans, the fair value is estimated using the Black-Scholes option-pricing model at the grant date and amortized over the vesting periods. Upon exercise, consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments reserve is reclassified into share capital. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. Awards issued under these plans that are forfeited before vesting are reversed from share-based payments reserve. For those that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to deficit.

For cash settled plans, the fair value is based on the Company's stock price on the date of grant. The fair value of the amount payable is recognized as stock-based compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The liability is re-measured at each reporting date and at settlement date. Any changes in fair value of the liability are recognized as stock-based compensation expense.

A RSU Plan was established for officers, directors, employees, and others providing services to the Company. The RSUs vest in three equal tranches and are settled in cash or Common Shares of the Company, at the holder's option. For cash settled RSUs, Company recognizes compensation expense equal to the market value of the Common Shares at the date of grant based on the number of RSUs expected to vest, recognized over the term of the vesting period using the graded vesting method, with a corresponding credit to accrued liabilities. The liability is re-measured at each reporting date and at settlement date. Any changes in fair value of the liability are recognized as stock-based compensation expense. If the unit holder elects settlement in Common Shares, the liability is transferred directly to equity. For equity settled RSUs, the Company recognizes compensation expense equal to the market value of the Common Shares at the date of grant based on the number of RSUs expected to vest, recognized over the term of the vesting period using the graded vesting method, with a corresponding credit to share-based payment reserve. On vest date, the amount recognized in share-based payment reserved is reclassified into share capital.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the

Company. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

Valuation of Warrants

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as part of units. The residual value method first allocates value to Common Shares issued in the private placements at their fair value, as determined by the closing quoted bid price on the announcement date or the price protection date, if applicable. The balance remaining, if any, is allocated to the warrants with the fair value recorded in shareholders' equity under warrant reserve.

Equipment

The Company uses assumptions to estimate the useful lives of property, plant and equipment for determining appropriate depreciation rates.

New Standards not yet adopted

There are no new standards not yet adopted that are expected to have a material impact on the Company's financial statements.

3. Risks and Uncertainties

The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks. There are other risks and uncertainties that have affected the Company's financial statement or that my affect them in the future. See "*Risk Factors*" in the Company's Annual Financial Information Form for other general risks affecting the Company.

Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all risks inherent to the mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Activities of the Company may be impacted by the spread of COVID-19

The Company's business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease, including the recent outbreak of respiratory illness caused by a novel coronavirus ("COVID-19"). The Company cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries (including those in which the Company operates), resulting in an economic downturn that could negatively impact the Company's operating results and ability to raise capital.

Risks of exploration programs not resulting in profitable commercial mining operations

The successful exploration and development of mineral properties is speculative. Such activities are subject to a number of uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Most exploration projects do not result in the discovery of commercially mineable deposits. There is no certainty that the expenditures made or to be made by UEX in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of uranium, cobalt or other mineralized materials in commercial quantities. While discovery of a uranium or cobalt deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. There is no assurance that the current exploration programs of UEX will result in profitable commercial uranium or cobalt mining operations. UEX may abandon an exploration project because of poor results or because UEX feels that it cannot economically mine the mineralization.

Uranium price fluctuations

The market price of uranium is the most significant market risk for companies exploring for and producing uranium. The marketability of uranium is subject to numerous factors beyond the control of UEX. The price of uranium has recently experienced and may continue to experience volatile and significant price movements over short periods of time. Factors impacting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, natural disasters such as those that struck Japan in March 2011, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants, production levels and costs of production in regions such as Kazakhstan, Russia, Africa and Australia, and potential for changes to uranium markets due to government policies such as uranium import quotas or tariffs.

Cobalt price fluctuations

The market price of cobalt is the most significant market risk for companies exploring for and producing cobalt. The marketability of cobalt is subject to numerous factors beyond the control of UEX. The price of cobalt has recently experienced and may continue to experience volatile and significant price movements over short periods of time. Factors impacting price include demand for electrical vehicles, political and economic conditions in cobalt producing (particularly the Democratic Republic of Congo) and consuming countries, various government programs incentivizing electrical vehicle sales and government legislation governing carbon emissions particularly with respect to the automobile industry.

Requirement for financing

There are no revenues from operations and no assurances that sufficient funding will be available to conduct further exploration and development of its projects or to fund exploration expenditures under the terms of any joint-venture or option agreements after that time. If the Company's exploration and development programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional funding could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties or a reduction of interest in other joint venture projects. It is intended that such funding will be obtained primarily from future equity issues. If additional funds are raised from the issuance of equity or equity-linked securities, the percentage ownership of the current shareholders of UEX will be reduced, and the newly issued securities may have rights, preferences or privileges senior to or equal to those of the existing holders of Common Shares. The ability of UEX to raise the additional capital and the cost of such capital will depend upon market conditions from time to time. There can be no assurances that such funds will be available at reasonable cost or at all. Failure to obtain additional financing on a timely basis could cause UEX to reduce or render it unable to earn interests in its properties.

Internal controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

No Mineral Production

The Company does not have an interest in a producing mineral property. There is no assurance that commercial quantities of minerals will be discovered at any Company property, nor is there any assurance that any future exploration programs of the Company on any of its properties will yield any positive results. Even where potentially commercial quantities of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of mineral resources, availability of additional capital and financing and the nature of any mineral deposits.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy, supply chain and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the company's business and financial condition, and results of exploration operations.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on the Company's shareholders and counterparties on which the Company relies and transacts with, may materialize, and may have an adverse effect on the Company's business, results of operation and financial condition.

4. Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related audited consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee.

The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under applicable Canadian securities laws as at December 31, 2021. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under applicable Canadian securities laws is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

5. Internal Controls over Financial Reporting

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision 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.

Based upon the 2013 COSO Framework, the Company's certifying officers evaluated or caused to be evaluated under their supervision the effectiveness of the Company's internal controls over financial reporting. Based upon this assessment, management concluded that as at December 31, 2021 the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the preparation of the Company's financial statements in accordance with IFRS.

The internal controls over financial reporting were designed to ensure that testing and reliance could be achieved. Management and the Board of Directors work to mitigate the risk of material misstatement in financial reporting; however, there can be no assurance that this risk can be reduced to less than a remote likelihood of material misstatement.

6. Cautionary Statement Regarding Forward-Looking Information

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the commencement or advancement of exploration activities on the Company's properties, UEX's growth strategy, joint arrangements and option earn in arrangements, UEX's 50% ownership of JCU, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, and other expectations, intention and plans that are not historical fact. These forward-looking statements are based on certain factors and assumptions, including expected economic conditions, uranium prices, results of operations, performance and business prospects and opportunities.

Statements concerning mineral reserve and mineral resource estimates may also constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed and, in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- UEX's exploration activities may not result in profitable commercial mining operations;
- risks associated with UEX's participation in joint ventures and ability to earn into joint venture and option arrangements;
- risks related to UEX's reliance on other companies as operators;
- risks relating to the current Russia-Ukraine military conflict;
- risks related to uranium, cobalt, and nickel price fluctuations;
- risks associated with competition for mineral properties from mining companies which have greater financial resources and more technical staff;
- risks related to mineral reserve and mineral resource figures being estimates based on interpretations and assumptions which may prove to be unreliable;
- uncertainty in UEX's ability to raise financing and fund the exploration and development of its mineral properties which could cause UEX to reduce or be unable to earn interests in properties;
- uncertainty in competition from other energy sources and public acceptance of nuclear energy;
- risks related to dependence on key management employees;
- risks related to compliance with environmental laws and regulations which may increase costs of doing business and restrict our operations;
- risks related to officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests;
- risks related to accounting policies requiring UEX management to make estimates and assumptions that affect reported amounts of financial items;
- risks related to UEX's internal control systems providing reasonable, but not absolute, assurance on the reliability of its financial reporting;
- risks related to UEX's ability to access its exploration projects or disruptions to its business due to internal or government guidelines, legislation or other restrictions due to the COVID-19 pandemic;
- risks related to UEX's 50% ownership in JCU, including the reliability of historic resource estimates on JCU's mineral properties;
- risks related to the market price of UEX's shares; and
- potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage.

This list is not exhaustive of the factors that may affect our forward-looking statements. Reference should also be made to factors described under "Risk Factors" in UEX's latest Annual Information Form filed on *www.sedar.com*. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. UEX's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.