PURANIUM ENERGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED December 31, 2021

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Puranium Energy Inc. (hereinafter "Puranium" or the "Company"). On March 24, 2022, Monterey Minerals Inc. changed its name to Puranium Energy Ltd. and, on April 5, 2022, started trading under the symbol "UX" on the Canadian Securities Exchange.

For the year ended December 31, 2021. The MD&A should be read in conjunction with the audited consolidated financial statements and MD&A for the year ended December 31, 2021.

The information provided herein is given as of May 2, 2022 unless otherwise indicated.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Monterey Minerals Inc. The Company reports its financial results in Canadian dollars and in accordance with *IAS 34 – Interim Financial Reporting* as issued by the International Accounting Standards Board. All reported financial information includes the financial results of Monterey and its subsidiaries.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

In early 2020, the outbreak of the novel strain of coronavirus ("COVID-19"), has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused an economic slowdown and material disruption to business. Management has experienced a slow-down in the ability to transact business as a result of the self-isolating measures. Government has reacted with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial performance and financial position of the Company in future periods.

Due to weak capital markets for junior mineral exploration companies, Management with the support of the Board of Directors has reduced operations to conserve capital.

On April 14, 2021, Monterey announced that its Board of Directors decided that the Company will not continue exploration work at the Alicia Project and, as such, have reached an agreement with the original property vendor (the “Vendor”) to return the Alicia Project back to the Vendor in return for the extinguishment of all liabilities due to the Vendor and the Vendor’s assumption of all future liabilities associated with the Alicia project.

On June 25, 2021, Monterey announced that James Macintosh resigned as President & CEO, and Director of the Company effective immediately to pursue other opportunities. As a result of the resignation, Monterey’s Board of Directors has appointed David Lees as interim CEO.

On July 27, 2021, Monterey consolidated its issued and outstanding common shares, on the basis of one (1) post consolidation common share for every eighty (80) pre-consolidation common shares (“Reverse-Split”). In accordance with the provisions of the British Columbia Securities Act, the Monterey Board of Directors approved the Reverse Split which resulted in approximately 1,914,979 post-consolidation common shares remaining issued and outstanding.

Monterey will need to raise additional working capital to fund its ongoing operations. There no guarantee that the Company will be able to raise sufficient funds in the future, thus jeopardizing the Company's ability to continue as a going-concern.

GENERAL BUSINESS AND DEVELOPMENT

Monterey Minerals Inc. (the "Company") was incorporated on May 9, 2014 under the laws of British Columbia, Canada. Its registered office is located at 777 Hornby Street, Suite 600, Vancouver, BC, V6Z 1S4, Canada. On June 26, 2018, Monterey Minerals Inc. (“Former Monterey”) and Landsdown Holdings Ltd. (“Landsdown.”) entered into a Share Exchange Agreement (the “SEA”) under which the transaction was completed. This resulted in the Landsdown shareholders acquiring control of the Company, after which the Company effected a change in directors, management and business. The Company’s main office is Suite 2702, 401 Bay Street Toronto, Ontario, M5H 2Y4.

Former Monterey acquired Landsdown through a reverse acquisition transaction. Under the terms of the SEA, Former Monterey acquired all of the issued and outstanding common shares of Landsdown based on one share of the Company for each share of Landsdown. Landsdown is engaged in the business of mineral property exploration and was incorporated pursuant under the laws of British Columbia, Canada on August 9, 2015.

Landsdown is deemed to be the continuing entity for financial reporting purposes and therefore its historical operations, assets and liabilities are included as the comparative figures as at December 31, 2018.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company on the SEDAR website www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, the Company had a cash balance of $836,024 compared to a cash balance of $320,550 at December 31, 2020. The Company had working capital $970,575 at December 31, 2021 (December 31, 2020 - $134,213).

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

PROJECTS

Namibia, Africa

On March 24, 2022, the Company announced that it signed the definitive agreement for the acquisition of a uranium exploration land package consisting of seven exclusive prospecting licenses ("EPLs") from a group of private prospectors in Namibia (the "Vendors"). Monterey's acquisition of 85% interest in seven

EPLs (the "Estate Uranium Properties") totalling 93,514 hectares makes Monterey one of the larger and better positioned landowners in the Erongo Province of Namibia, which accounts for approximately 8% of the world's uranium production.

The Company will initially focus on EPL-7337, EPL-7907 and EPL-7996, collectively 18,745.3 hectares. These three EPLs are in close proximity to significant Namibian producing uranium assets – the Husab Mine and the Rössing Mine – and the development stage assets of Forsys Metal Corp.'s Valencia and Namibplaas uranium deposits, known as the Norasa Project.

As per the signed agreement, Monterey will be issuing 8,000,000 common shares of the Company and paying US$175,000 to the Vendors for the acquisition of the Estate Uranium Properties, upon confirmation from the Namibian government that the seven EPLs have been transferred to the Company's Namibian subsidiaries. There is also a finder's fee payable of 800,000 common shares.

Cobalt Mountain, British Columbia

This 4,921 hectare (12,160 acre) polymetallic project is located in the Omineca Mining Division of Northwest British Columbia, near Smithers, BC.

Work carried out in the fourth quarter of 2018, as reported in Jan. 2019 NI 43-101 report on Cobalt Mountain, outlined multiple copper ("Cu") anomalies in both soil and talus fines samples.

Previous operators identified multiple Cu/Mo/gold ("Au") porphyry targets that were not systematically followed up.

In October 2019, Monterey carried out a soil sampling, prospecting and mapping program at the Cobalt Mountain Property. The Company built on previous work and defined multiple soil anomalies for both copper and molybdenum that are related to magnetic anomalies identified by previous operators.

Haines Property, Ontario

On November 17, 2021, Monterey announced that it purchased a private company ("PrivateCo") that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property"), located in Haines Township, Ontario.

Properties in Australia

As disclosed in the Company's financial statements, during 2020 and 2021 the entirety of Puranium's Australian land package has been vended off to a third-party purchaser.

Properties in the Philippines

During the year ended December 31, 2021, the Company sold Inner Arc that owns the Alicia Project for $nil consideration, with the purchaser taking on all remaining obligations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Common Shares

Authorized – Unlimited Common shares without par value; and

On July 27, 2021, Monterey consolidated its issued and outstanding common shares on the basis of one (1) post consolidation common share for every eighty (80) pre-consolidation common shares. The number of shares are presented on a post-consolidation basis.

Issued and Outstanding as at December 31, 2021: 9,244,976 (December 31, 2020: 1,903,158)

On April 1, 2021, the Company issued 11,836 common shares to a consultant for providing exploration consulting services.

On November 17, 2021, Monterey announced that it purchased a private company ("PrivateCo") that has an option to purchase mineral claims in Ontario, Canada. Under the terms of the share exchange agreement, PrivateCo received 1,800,000 common shares of Monterey. The underlying option held by PrivateCo requires the following:

- Three hundred thousand (300,000) common shares being paid to the Vendor by October 18, 2022
- Six hundred thousand (600,000) common shares being paid to the Vendor by October 18, 2023; and
- One hundred thousand dollars ($100,000) being spent on the Haines Property by October 18, 2023.

The Vendor shall retain a two percent (2%) Net Smelter Return (“NSR”) on the claims, of which half of the NSR can be purchased back from the Vendor for CAD$1,000,000.

In December, 2021, the Company completed a private placement of 5,530,000 Units (each, a “Unit”) of the Company, issued at price of $0.25 per Unit for gross proceeds of $1,382,500. Each Unit consists of one (1) common share and one (1) non-transferable common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one additional common share at a price of $0.35 for a period of 24 months from the date of issue and will be subject to an acceleration clause whereby the Company may force exercise of the Warrant any time before the end of the 24 month period if the Company’s common shares trade at a price of over $0.50 for 10 consecutive days. As part of this financing, $400,000 of debt and trade payables outstanding to contractors, vendors, and insiders of the Company was settled in Units issued.

RESULTS OF OPERATIONS

On April 14, 2021, Monterey announced that its Board of Directors decided that the Company will not continue exploration work at the Alicia Project and, as such, have reached an agreement with the original property vendor (the “Vendor”) to return the Alicia Project back to the Vendor in return for the extinguishment of all liabilities due to the Vendor and the Vendor’s assumption of all future liabilities associated with the Alicia project.

With capital raising for the company’s projects difficult, Management continued to keep costs under control as much as possible. During the year ended December 31, 2021, the Company incurred a net loss of $1,397,300 (year ended December 31, 2020 – loss of $6,275,545). Included in the 2021 loss was $876,250 of mineral acquisition and exploration costs (2020 - $5,194,713). Of these amounts in 2021, $819,000 was non-cash in nature, resulting from the issuance of common shares as consideration for asset acquisitions (2020 - $4,637,791). Share-based payments of $Nil incurred in the year ended December 31, 2021 ($138,645 in the year ended December 31, 2020) is also non-cash in nature. The Company incurred Investor relations and communications expenses of $10,029 during the year ended December 31, 2021 compared to $242,638 in the year ended December 31, 2020. As exploration activities failed to produce desired results, Management reduced its investor relations spend focused on restructuring operations. General and administration costs decreased to 81,797 for the year ended December 31, 2021 compared to $112,960 in the year ended 2020. This too was the result of restructuring efforts. Consulting fees decreased significantly in 2021 compared to 2020, reflective of the “deal flow” and activity in the Company. All other expenses fluctuations were in line with operating activities.

SELECTED QUARTERLY INFORMATION

During 2020, after its acquisition of its Philippines project earlier in the year, the company was engaged in activities related to this project, resulting in greater expenditures in the fourth quarter of 2020 compared to 2020, once these activities ceased.

SUMMARY OF FINANCIAL RESULTS FOR EIGHT MOST RECENTLY COMPLETED QUARTERS

The following table summarizes the financial results of operations for the eight most recent fiscal quarters:

	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Expenses	$ (1,071,043)	$ (22,482)	$ (111,296)	$ (109,963)
Net loss	(1,006,280)	(60,755)	(94,340)	(235,925)
Loss per share - basic & diluted	(0.46)	(0.03)	(0.05)	(0.12)
	Dec. 31, 2020	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**
Expenses	$ (645,787)	$ (5,399,397)	$ (130,802)	$ (118,606)
Net loss	(668,071)	(5,371,164)	(130,802)	(108,233)
Loss per share - basic & diluted	(0.80)	(4.00)	(0.17)	(0.14)

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company define keys management personnel as its CEO, CFO and Board of Directors.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict-of-interest law and regulations.

The Company incurred the following charges with related parties for the years ended December 31, 2021 and 2020:

	2021	2020
Consulting - President and CEO	$ 25,000	$ 60,000
Consulting - CFO	47,000	42,000
Stock-based compensation	---	59,720
	$ 72,000	$ 161,720

As at December 31, 2021, included in accounts payable and accrued liabilities is $1,300 (December 31, 2020 - $nil) due to companies controlled by directors of the Company.

On December 23, 2021, the Company issued 303,000 common shares to the Director's of the Company in connection with the debt settlements.

CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are related to the functional currency assessment, related parties, the provision for reclamation and obligation, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

The Company made a determination that its functional currency and that of its subsidiaries is the Canadian dollar. Management considered all of the relevant factors in making this determination.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.
The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The three levels of the fair value hierarchy are:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash and cash equivalents, loan receivable, accounts payable and loan payable and lease liability approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2021 as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash	$ 836,024	$ ---	$ ---	$ 836,024

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer is unable to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company's cash is held with Canadian chartered banks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of the Canadian chartered bank.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metals have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

SUBSEQUENT EVENTS

On January 11, 2022 Jason Bagg was appointed as the President and Chief Executive Officer of the Company, and as a Director.

On January 12, 2022, the Company granted options to directors, officers and consultants to acquire up to 850,000 Common Shares exercisable at a price of $0.70 to various consultants, directors and officers of the Company.

On January 12, 2022, the Company has divested itself of all assets in Australia.

On January 17, 2022, the Company approved LOI to acquire certain properties in Namibia. The definitive agreement for the Namibia acquisition was subsequently signed on March 24, 2022. Once the Namibian properties are transferred to the Company, Puranium will make a US$175,000 payment and issue 8,000,000 common shares. Puranium will also pay a finder’s fee of 800,000 common shares.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The December 31, 2021 financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this discussion, including information as to future activities, events and financial or operating performance of the Company and its projects, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual events or results to, differ materially from estimated or anticipated activities, events or results implied or expressed in such forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Many factors could cause actual activities and events and the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. These include metal prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions.

These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainly therein.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.