EUROPEAN URANIUM
RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS

For the six months ended March 31, 2016

(Expressed in Canadian dollars)

The following management discussion and analysis – quarterly highlights ("MD&A - Quarterly Highlights") of the results of operations and financial condition of European Uranium Resources Ltd. (the "Company" or "EUU") for the six months ended March 31, 2016 and up to the date of this MD&A - Quarterly Highlights, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the fiscal year ended September 30, 2015 (the "Annual MD&A").

This MD&A - Quarterly Highlights should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended September 30, 2015, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the six months ended March 31, 2016 (the "Financial Report").

All financial information in this MD&A - Quarterly Highlights is derived from the Financial Report prepared in accordance with International Financial Reporting Standards (IFRS) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A - Quarterly Highlights is May 25, 2016.

Description of the Business

EUU is a reporting issuer in most of the provinces of Canada and trades on the TSX Venture Exchange ("TSXV") under the trading symbol EUU and on the Frankfurt Stock Exchange under the trading symbol TGPN.

EUU is an exploration stage business engaged in the acquisition and exploration of mineral properties however the Company currently has no active interest in any exploration projects.

Unkur Acquisition

On March 1, 2016, the Company and Azarga Metals Limited ("Azarga Metals") executed a share purchase agreement whereby the six shareholders of Azarga Metals (the "Selling Shareholders") agreed to sell 60% of the issued shares of Azarga Metals to the Company in exchange for shares of the Company and deferred cash payments (the "Unkur Acquisition"). In connection with the Unkur Acquisition, the Company intends to raise $2,000,000 through a private placement of common shares (the "Private Placement"), settle certain related party debt (the "Debt Settlement") and consolidate its shares on a 10:1 basis (the "Share Consolidation"). Following the closing of the Unkur Acquisition and ancillary transactions, the Company will change its name to Azarga Metals Corp.

Subject to terms and conditions, the Selling Shareholders agreed to grant the Company the right to purchase the remaining 40% of the shares of Azarga Metals (the "Call") and the Company granted the Azarga Metals Selling Shareholders the right to sell the remaining 40% of the shares of Azarga Metals to it (the "Put"). The fair value of that 40% interest will be negotiated at the time of exercise.

Azarga Metals (BVI) owns 100% of the issued shares of Shilka Metals LLC (Cyprus) which in turn owns 100% of the issued capital of Tuva-Kobalt (Russia). Tuva-Kobalt was awarded the Unkur mineral exploration and exploitation license via a bidding process on August 26, 2014 that is valid through December 31, 2039.

On closing, the Company will issue the Selling Shareholders 15,776,181 common shares (the "Consideration Shares"), which will be approximately 37% of the number of shares as constituted after closing the Unkur Acquisition, the Private Placement, the Debt Settlement and the Consolidation (the "Transactions").

In exchange for the Consideration Shares, the Selling Shareholders will transfer 60% of the issued shares of Azarga Metals to the Company. The Consideration Shares will be restricted from trading for two years from the issue date. The Company will be assigned existing loans made by the Selling

Shareholders to Azarga Metals of up to US$800,000 that bear interest at the rate of 12% per annum, which can be capitalized or paid in cash (the "Debt"). The Debt must be paid within seven years from closing. The Selling Shareholders will retain a 5% net smelter return royalty ("NSR") and their combined 40% interest in Azarga Metals will be free carried to initial production and profitability subject to the Put/Call Options. The Company will have the right to buy back up to 2% of the NSR at a cost of US$5 million per percentage point so that upon paying US$10 million the NSR will be reduced to 3%. In addition, the Company agreed to make deferred cash payments to the Selling Shareholders of US$1,680,000 (the "Deferred Cash Payments") beginning with US$80,000 payable on June 1, 2017, with a payment on each annual anniversary that increases by US$80,000 a year so that the final payment of US$480,000 will be due on June 1, 2022. In the event of a change of control of the Company, the Debt and the Deferred Cash Payments will become due and payable within five days.

The Company has undertaken to spend a minimum of US$3,000,000 on exploration activities on the Unkur Project prior to June 30, 2019, and an additional US$6,000,000 between July 1, 2019 and June 30, 2023.

If at any time, a Resource (adding Measured, Indicated and Inferred of all combined deposits within the Unkur Project area) is estimated to contain copper and silver to the equivalent of 2 million tonnes or more of copper where Measured plus Indicated Resources comprise at least 70% of that estimate, taking the value of silver as copper equivalent (the "Bonus Payment Threshold"), an additional US$6,200,000 will be payable to the Selling Shareholders within 12-months notice that the Bonus Payment Threshold has been met.

Loan

Three of the Selling Shareholders of Azarga Metals agreed to loan the Company up to $100,000 with a 12-month term and interest at the rate of 15% per annum to facilitate the various transactions. Subsequent to March 31, 2016, the Selling Shareholders loaned the Company $37,000. This is in addition to the $31,875 loaned during the six months ended March 31, 2016.

Private Placement

To fund anticipated exploration, the Company will undertake a non-brokered private placement of a minimum of 20,000,000 post-consolidated shares at a price of $0.10 per share for gross proceeds of a minimum $2,000,000. As at March 31, 2016 the Company had collected $1,500,000 of this amount and subsequent to March 31, 2016 the Company collected a further $450,000. A further $50,000 is committed. These funds are being held in escrow pending completion of the Transactions. The Private Placement is conditional on completion of the successful completion of the Unkur Acquisition, the Debt Settlement and the Share Consolidation.

Debt Settlement

The Company entered into settlement agreements with certain current and past related parties to fully settle an aggregate of $550,104 debt recorded in the books of the Company by forgiveness of $490,791 of the debts and the issuance of 577,572 post-consolidated common shares at a price of $0.10 per share for the remainder of $57,757.

Share Consolidation and Name Change

The Board of Directors plan to change the name of the Company from European Uranium Resources Ltd. to Azarga Metals Corp. and to consolidate the company's shares on a 10 old for 1 new basis.

TSXV Approval

Closing the Unkur Acquisition is subject to closing the Private Placement and Share Consolidation. The Unkur Acquisition is arm's length and there is no finder's fee. The Unkur Acquisition has been classified as a fundamental acquisition under the rules of the TSXV.

Financial Condition – six months ended March 31, 2016

The Company began the current fiscal year with cash of $3,827. During the three months ended March 31, 2016, the Company spent $26,977 on operating activities net of working capital changes, received $19,050 from the sale of marketable securities, received $31,875 from the Selling Shareholders and spent $23,854 on deferred financing costs, with a negative $124 effect of foreign exchange on cash to end at March 31, 2016 with $3,797 cash.

Operating Activities

During the six months ended March 31, 2016, the Company recorded a net loss of $74,414.

The Kuriskova uranium project is located in Slovakia and is owned by Ludovika Energy s.r.o. ("LE"). On October 19, 2015, the Company transferred its 100% interest in LE to an unrelated third party in exchange for the Company retaining a 25% share of any future compensation paid to LE by the Slovak Government pursuant to the Court proceedings in respect of the non-renewal of the Kuriskova license by the Slovak Government. Upon the transfer of LE to this unrelated third party, the recorded net working capital deficit of $67,841 on the books of LE was unconsolidated from the Company which gave rise to a gain on disposal of the subsidiary of $67,841.

Investing Activities

As at September 30, 2015, the Company held 395,894 common shares of Global Resources Investment Trust Plc ("GRIT") with a cost of $587,348 and a fair value of $68,124. On January 6, 2016, the Company sold the remaining GRIT shares for gross proceeds of $19,050 (£9,335) and accordingly recorded a loss on sale of marketable securities of $49,074.

Financing Activities

On March 1, 2016, the Company entered into a loan agreement with three of the Selling Shareholders whereby the Selling Shareholders agreed to loan the Company up to $100,000 with a 12-month term and interest at the rate of 15% per annum. During the six months ended March 31, 2016, the Selling Shareholders loaned the Company $31,875.

During the six months ended March 31, 2016, the Company spent $23,854 on deferred transaction costs related to the Transactions.

Liquidity and Capital Resources

As at March 31, 2016, the Company had a working capital deficiency of $677,335. Upon completion of the Transactions, the Company will have settled certain related party debt of $550,104 and raised $2,000,000. Management estimates that these new funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations through the next twelve months. However, there is no assurance that the Transactions will complete and the Company may need to seek additional sources of financing to carry on operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Related Party Transactions

The Company had no other related party transaction other than those incurred in the normal course of business as disclosed in the Financial Report.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration costs are described in Note 9 to the Financial Report.

Outstanding Share Data as at the date of this MD&A - Quarterly Highlights

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance March 31, 2016	65,942,653	555,555	660,000
Warrants expired	-	(555,555)	-
Balance as at the date of this MD&A – Quarterly Highlights	65,942,653	-	660,000

Cautionary Note Regarding Forward-looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices.

There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.euresources.com.