
U308 CORP.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2014
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of U308 Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

The **Uranium** Discovery Company

U308 CORP

U308 Corp.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at March 31, 2014	As at December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	\$ 575,857	\$ 328,703
Amounts receivable and other assets (note 6)	382,671	297,893
Total current assets	958,528	626,596
Non-current assets		
Restricted cash (note 5(a))	150,542	144,844
Property and equipment (note 4)	1,010,008	1,102,058
Investment in Minexco Minerals Corp. (note 10(a))	1,928,571	1,928,571
South American property interests (note 17)	10,474,652	10,474,652
Total non-current assets	13,563,773	13,650,125
Total assets	\$ 14,522,301	\$ 14,276,721
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities	\$ 961,152	\$ 1,345,896
	961,152	1,345,896
Non-current liabilities		
Other payable	176,000	176,000
	1,137,152	1,521,896
Capital and reserves		
Share capital (note 7)	88,791,095	85,230,813
Reserves	6,459,610	8,496,000
Deficit	(81,865,556)	(80,971,988)
Total equity	13,385,149	12,754,825
Total equity and liabilities	\$ 14,522,301	\$ 14,276,721

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Going concern (note 2)
Subsequent event (note 17)

Approved by the Board of Directors:

"Bryan A. Coates" Director

"David Constable" Director

The Uranium Discovery Company

U308 CORP

U308 Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

Three Months Ended March 31,

2014

2013

Expenses

Exploration expenditures (note 10)	\$ 479,178	\$ 1,378,647
General and administrative (note 11)	664,112	536,758
Operating loss before the following items	(1,143,290)	(1,915,405)
Interest income	3,249	9,660
Foreign exchange loss	(69,889)	(2,496)
Share of losses from equity accounted investment	-	(29,000)
Unrealized loss on investment in Pinetree Capital Ltd. investment	-	(682,758)
Loss and comprehensive loss before taxes	(1,209,930)	(2,619,999)
Deferred income tax recovery	316,362	804,077
Loss and comprehensive loss	\$ (893,568)	\$ (1,815,922)
Basic and Diluted loss per common share (note 9)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	173,199,564	137,069,106

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

The Uranium Discovery Company

U308 CORP

U3O8 Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

Three Months Ended March 31,

2014

2013

Operating activities

Net loss	\$ (893,568)	\$ (1,815,922)
Adjustment for:		
Amortization	63,267	88,677
Share-based payments (note 8)	56,854	103,450
Foreign exchange loss	69,889	2,496
Interest income	(3,249)	(9,660)
Disposal of property and equipment	31,855	-
Settlement of services for common shares (note 7(b)(iv))	87,009	-
Share of losses from equity accounted investment	-	29,000
Unrealized loss on investment in Pinetree Capital Ltd.	-	682,758
Deferred income tax recovery	(316,362)	(804,077)
Non-cash working capital items:		
Funds in trust	-	(27,500)
Amounts receivable and other assets	(84,778)	123,054
Amounts payable and other liabilities	(384,744)	379,827
Loan receivable from South American Rare Earth Corp.	-	(2,688)
Net cash used in operating activities	(1,373,827)	(1,250,585)

Financing activity

Issue of securities, net of transaction costs (note 7(b)(i)(ii)(iii)(iv))	1,696,391	114,215
Net cash provided by financing activity	1,696,391	114,215

Investing activities

Additions to property and equipment	(3,072)	-
Interest income	3,249	9,660
Net cash (used in) provided by investing activities	177	9,660
Effect of exchange rate changes on cash held in foreign currencies	(69,889)	(2,496)

Net change in cash and cash equivalents	252,852	(1,129,206)
Cash and cash equivalents and restricted cash, beginning of period	473,547	1,429,328
Cash and cash equivalents and restricted cash, end of period	\$ 726,399	\$ 300,122

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

The Uranium Discovery Company

U3O8 CORP

U308 Corp.**Condensed Interim Consolidated Statements of Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share capital	Share-based payments reserve	Warrants	Deficit	Total
Balance, December 31, 2012	\$ 73,668,634	\$ 5,809,723	\$ 8,603,902	\$(73,539,014)	\$ 14,543,245
Warrants expired	6,068,513	-	(6,068,513)	-	-
Tax effect on expiry of warrants	-	(804,077)	-	-	(804,077)
Issue of securities, net of transaction costs (note 7(b)(i))	1,893,449	-	420,766	-	2,314,215
Share-based payments (note 8)	-	103,450	-	-	103,450
Loss and comprehensive loss for the period	-	-	-	(1,815,922)	(1,815,922)
Balance, March 31, 2013	\$ 81,630,596	\$ 5,109,096	\$ 2,956,155	\$(75,354,936)	\$ 14,340,911
Balance, December 31, 2013	\$ 85,230,813	\$ 5,342,464	\$ 3,153,536	\$(80,971,988)	\$ 12,754,825
Warrants expired	2,387,645	-	(2,387,645)	-	-
Tax effect on expiry of warrants	-	(316,362)	-	-	(316,362)
Issue of securities, net of transaction costs (note 7(b)(ii)(iii)(iv))	1,172,637	-	610,763	-	1,783,400
Share-based payments (note 8)	-	56,854	-	-	56,854
Loss and comprehensive loss for the period	-	-	-	(893,568)	(893,568)
Balance, March 31, 2014	\$ 88,791,095	\$ 5,082,956	\$ 1,376,654	\$(81,865,556)	\$ 13,385,149

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

1. Nature of operations

U308 Corp. (the "Company") is a Canadian exploration company focused on exploration for and resource expansion of, uranium and related minerals in South America. It was incorporated by articles of incorporation dated December 6, 2005 ("date of incorporation") under the Business Corporations Act (Ontario). The Company's common shares are listed on the TSX under the symbol UWE and on the OTCQX International under the symbol UWEFF. The Company maintains a corporate office at 8 King Street East, Suite 710, Toronto, Ontario, M5C 1B5, Canada.

2. Basis of presentation and going concern

The Company is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company has incurred a loss in the current and prior periods, with a net loss for the three months ended March 31, 2014 of \$893,568 and has an accumulated deficit of \$81,865,556. In addition, the Company had a working capital deficit balance of \$2,624 at March 31, 2014. Included in the working capital deficit is cash of \$575,857 and accounts payable and other liabilities of \$961,152. Additional cash will be required to develop the properties and continue operations. While there is no assurance these funds can be raised, the Company believes such financing will be available as required. Certain of the Company's discretionary exploration activities have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

These unaudited condensed interim consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The certainty of funding future exploration expenditures and availability of sources of additional financing in the future cannot be assured at this time and accordingly, these uncertainties may cast a significant doubt about the Company's ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not include adjustments to the carrying values and classifications of recorded assets and liabilities and related revenues and expenses that might be necessary should the Company be unable to continue as a going concern.

3. Significant accounting policies

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IASB. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 7, 2014, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

The Uranium Discovery Company

U308 CORP

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2014****(Unaudited)****(Expressed in Canadian Dollars)**

3. Significant accounting policies (continued)*New standards adopted*

IAS 32 - Financial instruments, presentation ("IAS 32") is effective for annual periods beginning on or after January 1, 2014. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. At January 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

New standards not yet adopted and interpretations issued but not yet effective

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

4. Property and equipment***COST***

	Mobile and drilling equipment	Field equipment	Vehicles	Furniture and fixtures	Total
Balance, December 31, 2013	\$ 1,626,526	\$ 1,899,676	\$ 62,695	\$ 151,928	\$ 3,740,825
Additions (disposals), net	-	(28,783)	-	-	(28,783)
Balance, March 31, 2014	\$ 1,626,526	\$ 1,870,893	\$ 62,695	\$ 151,928	\$ 3,712,042

ACCUMULATED DEPRECIATION

	Mobile and drilling equipment	Field equipment	Vehicles	Furniture and fixtures	Total
Balance, December 31, 2013	\$ 1,340,412	\$ 1,134,388	\$ 57,442	\$ 106,525	\$ 2,638,767
Depreciation for the period	21,458	39,101	394	2,314	63,267
Balance, March 31, 2014	\$ 1,361,870	\$ 1,173,489	\$ 57,836	\$ 108,839	\$ 2,702,034

The Uranium Discovery Company

U308 CORP

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2014****(Unaudited)****(Expressed in Canadian Dollars)**

4. Property and equipment (continued)**CARRYING AMOUNTS**

	Mobile and drilling equipment	Field equipment	Vehicles	Furniture and fixtures	Total
At December 31, 2013	\$ 286,114	\$ 765,288	\$ 5,253	\$ 45,403	\$ 1,102,058
At March 31, 2014	\$ 264,656	\$ 697,404	\$ 4,859	\$ 43,089	\$ 1,010,008

5. Cash position

	As at March 31, 2014	As at December 31, 2013
Cash	\$ 575,857	\$ 328,703
Restricted cash (a)	150,542	144,844
Total Cash position	\$ 726,399	\$ 473,547

(a) As at March 31, 2014, the Company had entered into several letters of guarantee in the amount of \$145,042 (December 31, 2013 - \$139,544) with respect to regulations for all Prospecting Licences issued to the Company in Guyana.

In addition, the Company had a letter of guarantee totaling \$5,500 (December 31, 2013 - \$5,300) that is required by the Company for exploration activities in Guyana.

6. Amounts receivable and other assets

	As at March 31, 2014	As at December 31, 2013
Sales tax receivable - (Canada)	\$ 52,171	\$ 33,037
Due from Minexco Minerals Corp. (note 10(a))	93,181	95,794
Due from South American Rare Earth Corp. ("SAREC") (note 14(d))	7,000	-
Deposits with service providers	230,319	169,062
	\$ 382,671	\$ 297,893

7. Share capital

a) Authorized share capital

At March 31, 2014, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued

At March 31, 2014, the issued share capital amounted to \$88,791,095. The change in issued share capital for the periods was as follows:

	Number of common shares	Amount
Balance, December 31, 2012	127,830,495	\$ 73,668,634
Issue of securities, net of transaction costs (i)	10,525,000	1,893,449
Warrants expiry	-	6,068,513
Balance, March 31, 2013	138,355,495	\$ 81,630,596
Balance, December 31, 2013	165,927,990	\$ 85,230,813
Issue of securities, net of transaction costs (ii)(iii)(iv)	15,779,787	1,172,637
Warrant expiry	-	2,387,645
Balance, March 31, 2014	181,707,777	\$ 88,791,095

(i) On January 11, 2013, the Company completed a non-brokered private placement for gross proceeds of \$2,315,500 through the issuance of 10,525,000 units ("Unit Placement") at \$0.22 per Unit Placement (the "Security Offering"). Of this total, 525,000 units were purchased for cash consideration, and 10,000,000 units were purchased in consideration of an aggregate of 2,528,736 common shares of Pinetree Capital Ltd. which were issued to the Company at closing (note 14(c)). On January 11, 2013, the value of the Pinetree Capital Ltd. common shares held by the Company was determined to be \$2,200,000.

Sheldon Inwentash, a director of the Company is the chairman, chief executive officer and director of Pinetree Capital Ltd.

Each Unit Placement consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at \$0.30 per common share for a period of 24 months.

A value of \$421,000 was estimated for the 5,262,500 warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 94% using the historical price history of the Company; risk-free interest rate of 1.19%; and an expected average life of two years.

Total share issue costs of \$1,285 were charged and allocated \$1,051 to share capital and \$234 to warrants.

On March 31, 2013, the value of the Pinetree Capital Ltd. common shares held by the Company was determined to be \$1,517,242 using the bid price of \$0.60. At March 31, 2014, the Company did not own any common shares of Pinetree Capital Ltd.

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued (continued)

(ii) On January 23, 2014, the Company closed a non-brokered private placement. Gross proceeds of \$400,000 were raised through the issuance of 3,333,333 units at \$0.12 per unit. Each unit consisted of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one share at \$0.21 per common share for a period of five years. 180,000 broker warrants with an exercise price of \$0.12 and expiry date within two years were also granted.

Of the total, Pinetree Capital Ltd. subscribed for 333,333 units. Sheldon Inwentash, a director of the Company is the chairman, chief executive officer and director of Pinetree Capital Ltd.

A value of \$166,667 was estimated for the 3,333,333 warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 96% using the historical price history of the Company; risk-free interest rate of 1.35%; and an expected average life of five years.

A value of \$13,507 was estimated for the 180,000 broker warrants on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 81% using the historical price history of the Company; risk-free interest rate of 0.98%; and an expected average life of two years. This value charged \$7,879 to share capital and \$5,628 to warrants as transaction costs.

Total share issue costs of \$36,010 were charged and allocated \$21,006 to share capital and \$15,004 to warrants.

(iii) On February 14, 2014, \$396,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 3,600,000 units at \$0.11 per unit were issued. Each unit comprises of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at \$0.18 per share for a 5-year period. 216,000 broker warrants with an exercise price of \$0.145 and expiry date within two years were also granted.

A value of \$180,000 was estimated for the 3,600,000 warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 96% using the historical price history of the Company; risk-free interest rate of 1.41%; and an expected average life of five years.

A value of \$15,631 was estimated for the 216,000 broker warrants on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 83% using the historical price history of the Company; risk-free interest rate of 1.04%; and an expected average life of two years. This value charged \$8,526 to share capital and \$7,105 to warrants as transaction costs.

Total share issue costs of \$51,170 were charged and allocated \$27,911 to share capital and \$23,259 to warrants.

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued (continued)

(iv) On February 24, 2014, gross proceeds of approximately \$840,200 were raised by the Company through the issue of 6,463,070 units at \$0.13 per unit in a first tranche. A further 2,383,384 units at \$0.13 per unit were issued on March 13, 2014 to raise \$309,840 for an aggregate total of \$1,150,039 in gross proceeds raised through the issuance of a total of 8,846,454 units. Each unit consists of one common share and one share purchase warrant, of which each warrant entitles the holder to purchase one additional share at \$0.18 for a 2-year period. 358,754 broker warrants with an exercise price of \$0.14 and expiry date within two years were also granted. Of the total, Pinetree Capital Ltd. subscribed for 576,924 units. Sheldon Inwentash, a director of the Company is the chairman, chief executive officer and director of Pinetree Capital Ltd.

A value of \$193,892 was estimated for the 6,463,070 warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 83% using the historical price history of the Company; risk-free interest rate of 1.04%; and an expected average life of two years.

A value of \$17,134 was estimated for the 327,831 broker warrants on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 83% using the historical price history of the Company; risk-free interest rate of 1.04%; and an expected average life of two years. This value charged \$13,180 to share capital and \$3,954 to warrants as transaction costs.

A value of \$95,335 was estimated for the 2,383,384 warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 86% using the historical price history of the Company; risk-free interest rate of 1.03%; and an expected average life of two years.

A value of \$3,435 was estimated for the 30,923 broker warrants on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 86% using the historical price history of the Company; risk-free interest rate of 1.03%; and an expected average life of two years. This value charged \$2,378 to share capital and \$1,057 to warrants as transaction costs.

Of the total units issued in the February 24 and March 13, 2014 non-brokered private placements, 769,300 units were settled for services provided in the aggregate amount of \$100,009.

Total share issue costs of \$75,459 were charged and allocated \$56,628 to share capital and \$18,831 to warrants.

8. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2012	9,986,250	0.44
Granted ^(a)	298,000	0.28
Cancelled	(400,000)	0.44
Balance, March 31, 2013	9,884,250	0.44

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

8. Stock options (continued)

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2013	12,081,000	0.33
Cancelled	(40,000)	0.44
Balance, March 31, 2014	12,041,000	0.33

(a) On January 11, 2013, the Company granted 298,000 stock options to employees pursuant to the Company's stock option plan. The stock options were issued at an exercise price of \$0.28, vest over 18 months and will expire on January 11, 2018. Of the options granted, 105,000 remained outstanding at March 31, 2014. For the purposes of the 298,000 options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 93% using the historical price history of the Company; risk-free interest rate of 1.41%; and an expected average life of three years. The estimated value of \$33,046 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payment reserve as the options vest. For the three months ended March 31, 2014, the impact on expenses was \$718. (three months ended March 31, 2013 - \$23,418) (cumulative to March 31, 2014 - \$32,329).

The portion of the estimated fair value of options granted in the current and prior periods and vesting during the three months ended March 31, 2014 and 2013, which have been reflected in the unaudited condensed interim consolidated statements of comprehensive loss are as follows:

Three Months Ended March 31,	2014	2013
Canada		
Salaries and benefits	\$ 53,721	\$ 33,764
Guyana, South America		
Salaries and benefits	517	11,516
Colombia, South America		
Salaries and benefits	2,500	39,572
Argentina, South America		
Salaries and benefits	116	18,598
Total	\$ 56,854	\$ 103,450

The Uranium Discovery Company

U308 CORP

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2014****(Unaudited)****(Expressed in Canadian Dollars)**

8. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2014:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
May 14, 2014	0.38	0.12	1,236,000	1,236,000	-
May 14, 2014	0.40	0.12	60,000	60,000	-
June 26, 2014	0.38	0.24	100,000	100,000	-
September 8, 2014	0.35	0.44	280,000	280,000	-
May 4, 2015	0.41	1.09	1,920,000	1,920,000	-
June 4, 2015	0.24	1.18	150,000	150,000	-
November 25, 2015	0.73	1.65	30,000	30,000	-
May 9, 2016	0.50	2.11	1,575,000	1,575,000	-
May 25, 2016	0.45	2.15	200,000	200,000	-
August 24, 2016	0.26	2.40	370,000	370,000	-
April 13, 2017	0.38	3.04	80,000	80,000	-
May 23, 2017	0.42	3.15	2,385,000	2,385,000	-
January 11, 2018	0.28	3.79	105,000	78,750	26,250
May 29, 2018	0.16	4.16	850,000	425,000	425,000
September 10, 2018	0.12	4.45	2,700,000	1,350,000	1,350,000
		2.57	12,041,000	10,239,750	1,801,250

9. Loss per common share

The calculation of basic and diluted loss per common share for the three months ended March 31, 2014 was based on the loss after tax attributable to common shareholders of \$893,568 (three months ended March 31, 2013 – \$1,815,922) and the weighted average number of common shares outstanding of 173,199,564 (three months ended March 31, 2013 – 137,069,106). Diluted loss per share did not include the effect of 12,041,000 share purchase options and 28,442,709 warrants as they are anti-dilutive.

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

10. Exploration expenditures

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore, or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

The following is a detailed list of expenditures incurred on the Company's mineral properties:

Three Months Ended March 31,	2014	2013
Guyana, South America (a)		
Exploration activities	\$ 23,374	\$ 130,053
Salaries and benefits	22,212	149,391
Amortization	22,763	32,339
	\$ 68,349	\$ 311,783
Colombia, South America (b)		
Exploration activities	\$ 91,567	\$ 344,901
Salaries and benefits	38,375	352,236
Amortization	22,648	33,353
	\$ 152,590	\$ 730,490
Argentina, South America (c)		
Exploration activities	\$ 148,780	\$ 239,344
Salaries and benefits	92,149	75,303
Amortization	17,310	21,727
	\$ 258,239	\$ 336,374
	\$ 479,178	\$ 1,378,647

(a) Total cumulative exploration activities incurred in Guyana, South America to March 31, 2014 amounted to \$34,887,068 (December 31, 2013 - \$34,818,719).

On March 23, 2012, the Company entered into an agreement to sell seven grassroots concessions in Guyana to Minexco Minerals Corp. ("Minexco"), a private company, in return for nine million shares of Minexco (approximately 13% of the then outstanding shares) ("Minexco Share"). The transaction also gives the Company the right to participate in future financings under certain circumstances and the receipt of warrants in Minexco upon completion of 5,000 metres of drilling within the consolidated area.

On October 10, 2012, Minexco received approval of its applications for five grassroots concessions in Guyana. Final approval was obtained on November 21, 2012 and subsequently Minexco transferred 6,428,570 Minexco Shares to the Company valued at \$0.30/each share for a total value of \$1,928,571. The Company recorded an Investment in Minexco, accounted as a financial asset valued through profit and loss and a gain on sale of \$1,928,571. As at March 31, 2014 the remaining 2,571,430 common shares of Minexco were not transferred as the approval for the two remaining grassroots concessions had not been obtained.

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

10. Exploration expenditures (continued)

(a) (continued) As of March 31, 2014, Minexco owed the Company \$93,181 (December 31, 2013 - \$95,794) for reimbursement of exploration work carried out by the Company.

(b) Total cumulative exploration activities incurred in Colombia, South America to March 31, 2014 amounted to \$21,220,392 (December 31, 2013 - \$21,067,802).

(c) Total cumulative exploration activities incurred in Argentina, South America to March 31, 2014 amounted to \$11,577,014 (December 31, 2013 - \$11,318,775).

11. General and administrative

Three Months Ended March 31,	2014	2013
Salaries and benefits	\$ 204,637	\$ 199,990
Administrative and general	78,141	71,275
Professional fees	110,931	108,868
Business development	224,810	104,272
Reporting issuer costs	45,047	51,095
Amortization	546	1,258
	\$ 664,112	\$ 536,758

12. Investment in SAREC

As at March 31, 2014, the Company had a 12.7% equity interest in SAREC, which is a private company (December 31, 2013 – 18.2%). Since inception, SAREC has incurred losses and the Company is not required to fund any losses incurred by SAREC beyond its initial equity investment. In Q1 2014, SAREC completed a private placement where it raised \$674,900 by issuing 13.5 million common shares, diluting the Company's equity position to 12.7%. While funds were raised to assess alternative investments that could add value, there is no assurance of success; therefore, the Company maintained its non-core investment in SAREC as \$nil (December 31, 2013 - \$nil).

13. Warrants

	Number of warrants	Grant date fair value (\$)
Balance, December 31, 2012	26,082,812	8,603,902
Granted (note 7(b)(i))	5,262,500	420,766
Expired	(13,453,048)	(6,068,513)
Balance, March 31, 2013	17,892,264	2,956,155
Balance, December 31, 2013	22,614,764	3,153,536
Granted (note 7(b)(ii)(iii)(iv))	16,534,541	610,763
Expired	(10,706,596)	(2,387,645)
Balance, March 31, 2014	28,442,709	1,376,654

The Uranium Discovery Company

U308 CORP

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

13. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of March 31, 2014:

Expiry date	Exercise price (\$)	Warrants outstanding
December 28, 2014	0.30	1,923,168
January 11, 2015	0.30	5,262,500
April 16, 2015	0.30	1,012,500
December 20, 2015	0.12	210,000
January 23, 2016	0.12	180,000
February 14, 2016	0.145	216,000
February 24, 2016	0.18	6,463,070
February 24, 2016	0.14	318,600
March 13, 2016	0.18	2,383,384
March 13, 2016	0.14	40,154
December 20, 2018	0.15	3,500,000
January 23, 2019	0.21	3,333,333
February 14, 2019	0.11	3,600,000
		28,442,709

14. Related party balances and transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

(a) The Company entered into the following transactions with related parties:

Three Months Ended March 31,	2014	2013
John C. Ross Consulting Inc. (i)	\$ 15,000	\$ 15,000

(i) Chief financial officer ("CFO") fees expensed to a company controlled by the CFO of the Company. \$5,650 is included in accounts payable and accrued liabilities (December 31, 2013 - \$11,300).

(b) Remuneration of Directors and key management personnel of the Company was as follows:

Three Months Ended March 31,	2014	2013
Salaries and benefits (*)	\$ 84,934	\$ 84,934
Share based payments	48,113	25,012
	\$ 133,047	\$ 109,946

The Uranium Discovery Company

U308 CORP

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

(b) Remuneration of Directors and key management personnel of the Company was as follows (continued):

(*) Included in salaries and benefits are Director fees. The Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and stock options for their services. As of March 31, 2014, directors of the Company were owed \$22,000 (December 31, 2013 - \$44,000). In addition, the Chief Executive Officer of the Company was owed \$73,423 (December 31, 2013 - \$57,690).

(c) Sheldon Inwentash, a director of the Company is the chairman, chief executive officer and director of Pinetree Capital Ltd. On January 11, 2013, the Company completed a non-brokered private placement for gross proceeds of \$2,315,500 where 10,000,000 units were purchased in consideration of an aggregate of 2,528,736 common shares of Pinetree Capital Ltd. (note 7(b)(i)).

In addition, on January 23 and February 24, 2014, the Company completed two non-brokered private placements for gross proceeds of \$1,240,200 where 910,257 units were purchased for an aggregate cash total of \$115,000 by Pinetree Capital Ltd. (note 7(b)(ii)(iv)).

(d) On March 1, 2014, the Company entered into a management services agreement with SAREC where SAREC will pay the Company a monthly fee of \$7,000 for shared office facilities and employee costs. As of March 31, 2014, the Company was owed \$7,000 (December 31, 2013 - \$nil) from SAREC and this amount was included in amounts receivable and other assets.

(e) As of March 31, 2014, Sheldon Inwentash owned 5,036,786 common shares of U3O8 Corp. (3% of shares outstanding). Mr. Inwentash has control or direction over Pinetree Capital Ltd., which owned 27,085,028 shares of U3O8 Corp. (15% of shares outstanding). In addition, 16,925,037 common shares of U3O8 Corp. (9% of shares outstanding) were held by Keith Barron, a director of the Company. The remaining 73% of the outstanding shares of U3O8 Corp. are widely held, except for 2,140,089 shares held by the other directors and officers of the Company. These holdings can change at any time at the discretion of the owner.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

The Uranium Discovery Company

U3O8 CORP

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2014****(Unaudited)****(Expressed in Canadian Dollars)**

15. Segmented information

The Company primarily operates in one reportable operating segment, being the development of properties for production of uranium in South America. The Company has administrative offices in Toronto, Canada. Segmented information on a geographic basis is as follows:

March 31, 2014

	Canada	Guyana	Barbados	Colombia	Argentina	Total
Current assets	\$ 528,904	\$ 125,495	\$ 967	\$ 159,279	\$ 143,883	\$ 958,528
Non-current assets	8,935	486,416	1,928,571	7,635,946	3,503,905	13,563,773
	\$ 537,839	\$ 611,911	\$ 1,929,538	\$ 7,795,225	\$ 3,647,788	\$ 14,522,301

December 31, 2013

	Canada	Guyana	Barbados	Colombia	Argentina	Total
Current assets	\$ 358,091	\$ 46,009	\$ 12,404	\$ 73,388	\$ 136,704	\$ 626,596
Non-current assets	9,480	536,605	1,928,571	7,655,523	3,519,946	13,650,125
	\$ 367,571	\$ 582,614	\$ 1,940,975	\$ 7,728,911	\$ 3,656,650	\$ 14,276,721

16. South American property interests

	Acquisition Costs
Balance, December 31, 2012 and March 31, 2013	\$ 10,403,652
Balance, December 31, 2013 and March 31, 2014	\$ 10,474,652

17. Subsequent event

On April 25, 2014, \$371,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 2,650,000 units at \$0.14 per unit were issued. Each unit comprises of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at \$0.22 per share for a 2-year period expiring April 25, 2016. 159,000 broker warrants with an exercise price of \$0.17 and expiry date within two years were also granted.