
U308 CORP.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2015
(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

U3O8 Corp.

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

	As at March 31, 2015	As at December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	\$ 119,523	\$ 136,611
Amounts receivable and other assets (notes 6 and 14)	119,694	96,429
Total current assets	239,217	233,040
Non-current assets		
Restricted cash (note 5(a))	172,078	168,208
Property and equipment (note 4)	737,044	802,139
Equity accounted investment (note 12)	489,832	513,932
South American property interests (note 16)	10,474,652	10,474,652
Total non-current assets	11,873,606	11,958,931
Total assets	\$ 12,112,823	\$ 12,191,971
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (note 14)	\$ 1,419,079	\$ 1,338,474
Total current liabilities	1,419,079	1,338,474
Non-current liabilities		
Other payable	176,000	176,000
Total liabilities	1,595,079	1,514,474
Capital and reserves		
Share capital (note 7)	90,863,992	90,225,565
Reserves	7,118,630	7,185,094
Deficit	(87,464,878)	(86,733,162)
Total equity	10,517,744	10,677,497
Total equity and liabilities	\$ 12,112,823	\$ 12,191,971

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

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

Approved by the Board of Directors:

"Richard Patricio" _____ Director

"David Constable" _____ Director

U3O8 Corp.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)****Three Months Ended March 31,****2015****2014**

Expenses

Exploration expenditures (note 10)	\$ 383,633	\$ 479,178
General and administrative (note 11)	383,122	664,112
Operating loss before the following items	(766,755)	(1,143,290)
Interest income	678	3,249
Foreign exchange gain (loss)	58,461	(69,889)
Share of losses from equity accounted investment (note 12)	(24,100)	-
Loss and comprehensive loss before taxes	(731,716)	(1,209,930)
Deferred income tax recovery	-	316,362
Loss and comprehensive loss	\$ (731,716)	\$ (893,568)
Basic and diluted loss per common share (note 9)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	214,512,721	173,199,564

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

U3O8 Corp.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)****Three Months Ended March 31,****2015****2014****Operating activities**

Net loss	\$	(731,716)	\$	(893,568)
Adjustment for:				
Depreciation		65,095		63,267
Share-based payments (note 8)		83,558		56,854
Foreign exchange (gain) loss		(58,461)		69,889
Interest income		(678)		(3,249)
Share of losses from equity accounted investment (note 12)		24,100		-
Disposal of property and equipment		-		31,855
Settlement of services for common shares (note 7(b) ⁽³⁾)		-		87,009
Deferred income tax recovery		-		(316,362)
Non-cash working capital items:				
Amounts receivable and other assets		(23,265)		(84,778)
Amounts payable and other liabilities		80,604		(384,744)
Net cash used in operating activities		(560,763)		(1,373,827)

Financing activities

Issue of securities, net of transaction costs		488,405		1,696,391
Net cash provided by financing activities		488,405		1,696,391

Investing activities

Additions to property and equipment		-		(3,072)
Interest income		678		3,249
Net cash provided by investing activities		678		177
Effect of exchange rate changes on cash held in foreign currencies		54,592		(75,587)

Net change in cash and cash equivalents		(17,088)		247,154
Cash and cash equivalents, beginning of period		136,611		328,703
Cash and cash equivalents, end of period	\$	119,523	\$	575,857

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

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, 2013	\$ 85,230,813	\$ 5,342,464	\$ 3,153,536	\$ (80,971,988)	\$ 12,754,825
Issue of securities, net of transaction costs (note 7(b) ⁽¹⁾⁽²⁾⁽³⁾)	1,172,637	-	610,763	-	1,783,400
Warrants expired	2,387,645	-	(2,387,645)	-	-
Tax effect on expiry of warrants	-	(316,362)	-	-	(316,362)
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
Balance, December 31, 2014	\$ 90,225,565	\$ 5,200,149	\$ 1,984,945	\$ (86,733,162)	\$ 10,677,497
Issue of securities, net of transaction costs (note 7(b) ⁽⁴⁾⁽⁵⁾⁽⁶⁾)	217,661	-	270,744	-	488,405
Warrants expired	420,766	-	(420,766)	-	-
Share-based payments (note 8)	-	83,558	-	-	83,558
Loss and comprehensive loss for the period	-	-	-	(731,716)	(731,716)
Balance, March 31, 2015	\$ 90,863,992	\$ 5,283,707	\$ 1,834,923	\$ (87,464,878)	\$ 10,517,744

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

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

1. Nature of operations

U3O8 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 Toronto Stock Exchange ("TSX") under the symbol UWE, on the OTCQX International under the symbol UWEFF and on the senior market of the Santiago Stock Exchange in Chile, under the symbol UWE. 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 evaluation activities. The Company has incurred a loss in the current and prior periods, with a net loss for the three months ended March 31, 2015 of \$731,716 (three months ended March 31, 2014 - net loss of \$893,568) and has an accumulated deficit of \$87,464,878 (December 31, 2014 - accumulated deficit of \$86,733,162). In addition, the Company had a working capital deficit balance of \$1,179,862 at March 31, 2015 (December 31, 2014 - working capital deficit of \$1,105,434). Included in the working capital deficit is cash of \$119,523 (December 31, 2014 - \$136,611) and amounts payable and other liabilities of \$1,419,079 (December 31, 2014 - \$1,338,474). Current liabilities included approximately \$457,000 accrued for partial salaries deferred by executives and fees owed to the Board in the Company's efforts to conserve cash, as well as approximately \$225,000 related to certain one-time Colombian taxes. Additional financings will be required to develop the properties and continue operations. While there is no assurance these funds can be raised, the Company believes such financings will be available as required. Certain of the Company's discretionary exploration activities have scope for flexibility in terms of the amount and timing of exploration activities, 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 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 13, 2015, 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, 2014. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2015 could result in restatement of these unaudited condensed interim consolidated financial statements.

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

3. Significant accounting policies (continued)*New standards not yet adopted and interpretations issued but not yet effective*

IFRS 9 - Financial Instruments ("IFRS 9") was issued in final form in July 2014 by the IASB 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 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

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

	Mobile and drilling equipment	Field equipment	Furniture and fixtures	Total
Balance, December 31, 2014	\$ 1,621,431	\$ 1,841,916	\$ 148,180	\$ 3,611,527
Balance, March 31, 2015	\$ 1,621,431	\$ 1,841,916	\$ 148,180	\$ 3,611,527

ACCUMULATED DEPRECIATION

	Mobile and drilling equipment	Field equipment	Furniture and fixtures	Total
Balance, December 31, 2014	\$ 1,435,192	\$ 1,253,581	\$ 120,615	\$ 2,809,388
Depreciation for the period	33,358	30,359	1,378	65,095
Balance, March 31, 2015	\$ 1,468,550	\$ 1,283,940	\$ 121,993	\$ 2,874,483

CARRYING AMOUNTS

	Mobile and drilling equipment	Field equipment	Furniture and fixtures	Total
At December 31, 2014	\$ 186,239	\$ 588,335	\$ 27,565	\$ 802,139
At March 31, 2015	\$ 152,881	\$ 557,976	\$ 26,187	\$ 737,044

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

5. Cash position

	As at March 31, 2015	As at December 31, 2014
Cash	\$ 119,523	\$ 136,611
Restricted cash (a)	172,078	168,208
Total Cash position	\$ 291,601	\$ 304,819

(a) As at March 31, 2015, the Company had entered into several letters of guarantee in the amount of \$172,078 (December 31, 2014 - \$168,208) with respect to regulations for all Prospecting Licences issued to the Company in Guyana.

6. Amounts receivable and other assets

	As at March 31, 2015	As at December 31, 2014
Sales tax receivable - (Canada)	\$ 22,460	\$ 25,650
Loan receivable from South American Silica Corp., ("SAS")	46,042	22,312
Deposits with service providers	51,192	48,467
	\$ 119,694	\$ 96,429

7. Share capital

a) Authorized share capital

At March 31, 2015, 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.

b) Common shares issued

At March 31, 2015, the issued share capital amounted to \$90,863,992. The change in issued share capital for the periods was as follows:

	Number of common shares	Amount
Balance, December 31, 2013	165,927,990	\$ 85,230,813
Issue of securities, net of transaction costs ⁽¹⁾⁽²⁾⁽³⁾	15,779,787	1,172,637
Warrants expired	-	2,387,645
Balance, March 31, 2014	181,707,777	\$ 88,791,095

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued (continued)

	Number of common shares	Amount
Balance, December 31, 2014	210,057,777	\$ 90,225,565
Issue of securities, net of transaction costs ⁽⁴⁾⁽⁵⁾⁽⁶⁾	13,520,000	217,661
Warrants expired	-	420,766
Balance, March 31, 2015	223,577,777	\$ 90,863,992

⁽¹⁾ On January 23, 2014, the Company closed a non-brokered private placement to raise gross proceeds of \$400,000 through the issuance of 3,333,333 units at \$0.12 per unit. Each unit consists 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. 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.

⁽²⁾ 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.

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued (continued)

⁽³⁾ On February 24, 2014, gross proceeds of \$840,200 were raised by the Company on 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 \$1,150,040 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.

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.

⁽⁴⁾ On February 18, 2015, \$301,800 in gross proceeds were raised in a non-brokered private placement by the Company whereby 7,545,000 units at \$0.04 per unit were issued. A further 475,000 units at \$0.04 per unit were issued on February 23, 2015 to raise an additional \$19,000 for an aggregate total of \$320,800 in gross proceeds on the issuance of a total of 8,020,000 units. Each unit comprises of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at \$0.06 per share for a 2-year period from the date of grant.

A value of \$150,900 was estimated for the 7,545,000 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 111% using the historical price history of the Company; risk free interest rate of 0.42%; and an expected average life of two years.

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued (continued)

⁽⁴⁾ (continued) A value of \$9,500 was estimated for the 475,000 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 110% using the historical price history of the Company; risk free interest rate of 0.38%; and an expected average life of two years.

A value of \$2,168 was estimated for the 115,200 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 111% using the historical price history of the Company; risk free interest rate of 0.42%; and an expected average life of 2 years. This value charged \$1,084 to share capital and \$1,084 to warrants as transaction costs.

A value of \$1,294 was estimated for the 57,000 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 110% using the historical price history of the Company; risk free interest rate of 0.38%; and an expected average life of 2 years. This value charged \$647 to share capital and \$647 to warrants as transaction costs.

Total share issue costs of \$7,975 were charged and allocated \$3,987 to share capital and \$3,988 to warrants.

⁽⁵⁾ On March 6, 2015, \$87,500 in gross proceeds were raised in a non-brokered private placement by the Company whereby 2,500,000 units at \$0.035 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 \$0.05 per share for a 5-year period from the date of grant.

A value of \$55,000 was estimated for the 2,500,000 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 101% using the historical price history of the Company; risk free interest rate of 0.79%; and an expected average life of five years.

A value of \$2,850 was estimated for the 150,000 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 111% using the historical price history of the Company; risk free interest rate of 0.61%; and an expected average life of 2 years. This value charged \$1,059 to share capital and \$1,791 to warrants as transaction costs.

Total share issue costs of \$7,691 were charged and allocated \$2,857 to share capital and \$4,834 to warrants.

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

7. Share capital (continued)

b) Common shares issued (continued)

⁽⁶⁾ On March 27, 2015, \$105,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 3,000,000 units at \$0.035 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 \$0.05 per share for a 5-year period from the date of grant.

A value of \$66,000 was estimated for the 3,000,000 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 103% using the historical price history of the Company; risk free interest rate of 0.63%; and an expected average life of five years.

A value of \$3,168 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 114% using the historical price history of the Company; risk free interest rate of 0.52%; and an expected average life of 2 years. This value charged \$1,177 to share capital and \$1,991 to warrants as transaction costs.

Total share issue costs of \$9,229 were charged and allocated \$3,428 to share capital and \$5,801 to warrants.

8. Stock options

The following table reflects the continuity of stock options for the period ended March 31, 2015 and 2014:

	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
Balance, December 31, 2014	10,291,000	0.30
Granted ^{(a)(b)}	7,575,000	0.04
Cancelled	(1,400,000)	0.28
Balance, March 31, 2015	16,466,000	0.17

(a) On February 18, 2015, the Company granted 375,000 stock options to consultants pursuant to the Company's stock option plan. Of the options granted, 375,000 remained outstanding at March 31, 2015. The stock options were issued at an exercise price of \$0.04, and fully vest on June 19, 2015 and will expire on February 18, 2017. For the purposes of the 375,000 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 111% using the historical price history of the Company; risk free interest rate of 0.42%; and an expected average life of two years. The estimated value of \$7,447 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. For the three months ended March 31, 2015, the impact on expenses was \$1,862 (comparative period - \$nil) (cumulative to March 31, 2015 - \$1,862).

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

8. Stock options (continued)

(b) On March 30, 2015, the Company granted 7,200,000 stock options to directors, officers, employees and consultants pursuant to the Company's stock option plan. Of the options granted, 7,200,000 remained outstanding at March 31, 2015. The stock options were issued at an exercise price of \$0.035, vest over 18 months and will expire on March 30, 2020. For the purposes of the 7,200,000 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 103% using the historical price history of the Company; risk free interest rate of 0.62%; and an expected average life of five years. The estimated value of \$190,057 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. The options vest as to 25% immediately, 25% on September 30, 2015, 25% on March 30, 2016 and 25% on September 30, 2016. For the three months ended March 31, 2015, the impact on expenses was \$62,033 (comparative period - \$nil) (cumulative to March 31, 2015 - \$62,033).

Stock option volatility was based on historical volatility of the common shares, which is assumed to be an appropriate and approximate proxy for future volatility of a stock option instrument granted for the underlying common shares.

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, 2015 and 2014, which have been reflected in the unaudited condensed interim consolidated statements of loss and comprehensive loss are as follows:

Three Months Ended March 31,	2015	2014
Canada		
Salaries and benefits	\$ 54,165	\$ 53,721
Guyana, South America		
Salaries and benefits	939	517
Colombia, South America		
Salaries and benefits	15,703	2,500
Argentina, South America		
Salaries and benefits	12,751	116
Total	\$ 83,558	\$ 56,854

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

8. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2015:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
May 4, 2015	0.41	0.09	1,320,000	1,320,000	-
June 4, 2015	0.24	0.18	150,000	150,000	-
November 25, 2015	0.73	0.65	30,000	30,000	-
May 9, 2016	0.50	1.11	1,195,000	1,195,000	-
May 25, 2016	0.45	1.15	200,000	200,000	-
August 24, 2016	0.26	1.40	370,000	370,000	-
November 14, 2016	0.06	1.63	300,000	300,000	-
April 13, 2017	0.38	2.04	80,000	80,000	-
May 23, 2017	0.42	2.15	2,005,000	2,005,000	-
February 18, 2017	0.04	1.89	375,000	-	375,000
January 11, 2018	0.28	2.79	91,000	91,000	-
May 29, 2018	0.16	3.16	850,000	850,000	-
September 10, 2018	0.12	3.45	1,800,000	1,800,000	-
April 21, 2019	0.16	4.06	500,000	250,000	250,000
March 30, 2020	0.035	5.00	7,200,000	1,800,000	5,400,000
		3.35	16,466,000	10,441,000	6,025,000

9. Loss per common share

The calculation of basic and diluted loss per common share for the three months ended March 31, 2015 was based on the loss after tax attributable to common shareholders of \$731,716 (three months ended March 31, 2014 – \$893,568) and the weighted average number of common shares outstanding of 214,512,721 (three months ended March 31, 2014 – 173,199,564). Diluted loss per share did not include the effect of 16,466,000 (March 31, 2014 - 12,041,000) share purchase options and 64,992,741 (March 31, 2014 - 28,442,709) warrants as they are anti-dilutive.

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(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,	2015	2014
Guyana, South America (a)		
Exploration activities	\$ 8,121	\$ 23,374
Salaries and benefits	939	22,212
Depreciation	32,365	22,763
	\$ 41,425	\$ 68,349
Colombia, South America (b)		
Exploration activities	\$ 80,947	\$ 91,567
Salaries and benefits	45,256	38,375
Depreciation	18,483	22,648
	\$ 144,686	\$ 152,590
Argentina, South America (c)		
Exploration activities	\$ 92,506	\$ 148,780
Salaries and benefits	90,769	92,149
Depreciation	14,247	17,310
	\$ 197,522	\$ 258,239
	\$ 383,633	\$ 479,178

(a) Total cumulative exploration activities incurred in Guyana, South America to March 31, 2015 amounted to \$35,228,375 (December 31, 2014 - \$35,186,950).

(b) Total cumulative exploration activities incurred in Colombia, South America to March 31, 2015 amounted to \$22,325,301 (December 31, 2014 - \$22,180,615).

(c) Total cumulative exploration activities incurred in Argentina, South America to March 31, 2015 amounted to \$12,939,982 (December 31, 2014 - \$12,742,460).

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited)

(Expressed in Canadian Dollars)

11. General and administrative

Three Months Ended March 31,	2015	2014
Salaries and benefits	\$ 171,695	\$ 204,637
Administrative and general	34,734	78,141
Professional fees	84,701	110,931
Business development	41,134	224,810
Reporting issuer costs	50,858	45,047
Depreciation	-	546
	\$ 383,122	\$ 664,112

12. Equity accounted investment

The Company's ownership in SAS is 38.9%. The continuity of the Company's investment in SAS is as follows:

	SAS Investment
Balance, December 31, 2013 and March 31, 2014	\$ -
Balance, December 31, 2014	\$ 513,932
Share of losses of SAS	(24,100)
Balance, March 31, 2015	\$ 489,832

13. Warrants

	Number of warrants	Grant date fair value (\$)
Balance, December 31, 2013	22,614,764	3,153,536
Granted (note 7(b) ⁽¹⁾⁽²⁾⁽³⁾)	16,534,541	610,763
Expired	(10,706,596)	(2,387,645)
Balance, March 31, 2014	28,442,709	1,376,654
Balance, December 31, 2014	56,233,041	1,984,945
Issued (note 7(b) ⁽⁴⁾⁽⁵⁾⁽⁶⁾)	14,022,200	270,744
Expired	(5,262,500)	(420,766)
Balance, March 31, 2015	64,992,741	1,834,923

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

13. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of March 31, 2015:

Expiry date	Exercise price (\$)	Warrants outstanding
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
April 25, 2016	0.22	2,650,000
April 25, 2016	0.17	159,000
May 29, 2016	0.11	180,000
June 18, 2016	0.10	216,000
September 5, 2016	0.10	150,000
September 8, 2016	0.10	150,000
October 3, 2016	0.08	112,500
October 22, 2016	0.07	180,000
November 14, 2016	0.07	5,000,000
December 2, 2016	0.06	216,000
February 18, 2017	0.06	7,545,000
February 18, 2017	0.04	115,200
February 23, 2017	0.06	475,000
February 23, 2017	0.04	57,000
March 6, 2017	0.04	150,000
March 27, 2017	0.05	180,000
June 18, 2017	0.13	3,600,000
September 5, 2017	0.12	2,500,000
September 8, 2017	0.12	2,500,000
October 3, 2017	0.11	2,500,000
October 22, 2017	0.08	3,000,000
December 2, 2018	0.07	3,600,000
December 20, 2018	0.15	3,500,000
January 23, 2019	0.21	3,333,333
February 14, 2019	0.11	3,600,000
May 29, 2019	0.14	3,000,000
March 6, 2020	0.05	2,500,000
March 27, 2020	0.05	3,000,000
		64,992,741

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

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.

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

Three Months Ended March 31,	2015	2014
John C. Ross Consulting Inc. (i)	\$ 15,000	\$ 15,000

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At March 31, 2015, \$11,300 is included in amounts payable and other liabilities (December 31, 2014 - \$5,650).

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

Three Months Ended March 31,	2015	2014
Salaries and benefits (*)	\$ 84,934	\$ 84,934
Share-based payments	37,298	48,113
	\$ 122,232	\$ 133,047

(*) 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, 2015, directors of the Company were owed \$110,000 (December 31, 2014 - \$88,000). In addition, the Chief Executive Officer of the Company was owed \$207,378 (December 31, 2014 - \$170,174).

(c) On March 1, 2014, the Company entered into a management services agreement with SAS where SAS will pay the Company a monthly fee of \$7,000 for shared office facilities and employee costs. The Company owns 38.9% of SAS which makes SAS a related party. As of March 31, 2015, SAS owed \$46,042 (December 31, 2014 - \$22,312) to the Company and this amount was included in amounts receivable and other assets.

(d) At March 31, 2015, 16,925,037 common shares of the Company (7.6% of shares outstanding) were held by Keith Barron, a director of the Company. The remaining 92.4% of the outstanding shares of the Company were widely held, except for 2,056,656 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.

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2015****(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, 2015

	Canada	Guyana	Barbados	Colombia	Argentina	Total
Current assets	\$ 183,590	\$ (93)	\$ 1,315	\$ 51,695	\$ 2,710	\$ 239,217
Non-current assets	-	356,705	-	7,572,301	3,944,600	11,873,606
	\$ 183,590	\$ 356,612	\$ 1,315	\$ 7,623,996	\$ 3,947,310	\$ 12,112,823

December 31, 2014

	Canada	Guyana	Barbados	Colombia	Argentina	Total
Current assets	\$ 137,909	\$ (4,363)	\$ 1,266	\$ 85,612	\$ 12,616	\$ 233,040
Non-current assets	-	425,511	-	7,567,472	3,965,948	11,958,931
	\$ 137,909	\$ 421,148	\$ 1,266	\$ 7,653,084	\$ 3,978,564	\$ 12,191,971

16. South American property interests

	Acquisition Costs
Balance December 31, 2013, March 31, 2014, December 31, 2014 and March 31, 2015	\$ 10,474,652

17. Subsequent events

(i) On April 16, 2015, 1,012,500 warrants with an exercise price of \$0.30 expired unexercised.

(ii) On May 4, 2015, 1,320,000 stock options with an exercise price of \$0.41 expired unexercised.

(iii) On May 8, 2015, \$162,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 3,600,000 units at \$0.045 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 \$0.065 per share for a 5-year period from the date of grant. 216,000 broker warrants with an exercise price of \$0.06 and expiry date within two years were also granted. A finder's fee of \$9720 was paid.