
U308 CORP.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 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 June 30, 2015	As at December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	\$ 48,412	\$ 136,611
Amounts receivable and other assets (notes 6 and 15)	133,978	96,429
Total current assets	182,390	233,040
Non-current assets		
Restricted cash (note 5(a))	169,568	168,208
Property and equipment (note 4)	692,910	802,139
Equity accounted investment (note 13)	474,921	513,932
South American property interests (note 17)	10,474,652	10,474,652
Total non-current assets	11,812,051	11,958,931
Total assets	\$ 11,994,441	\$ 12,191,971
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 7 and 15)	\$ 1,655,630	\$ 1,338,474
Loan payable (note 7)	179,905	-
Total current liabilities	1,835,535	1,338,474
Non-current liabilities		
Other payable	176,000	176,000
Total liabilities	2,011,535	1,514,474
Capital and reserves		
Share capital (note 8)	91,007,411	90,225,565
Reserves	7,179,053	7,185,094
Deficit	(88,203,558)	(86,733,162)
Total equity	9,982,906	10,677,497
Total equity and liabilities	\$ 11,994,441	\$ 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 event (note 18)

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 June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Expenses				
Exploration expenditures (note 11)	\$ 436,958	\$ 761,302	\$ 820,591	\$ 1,240,480
General and administrative (note 12)	321,589	619,455	704,711	1,283,567
Operating loss before the following items	(758,547)	(1,380,757)	(1,525,302)	(2,524,047)
Interest income	65	49,891	743	53,140
Foreign exchange gain (loss)	34,713	36,380	93,174	(33,509)
Share of losses from equity accounted investment (note 13)	(14,911)	(71,842)	(39,011)	(71,842)
Gain on sale of property (note 13)	-	760,000	-	760,000
Loss and comprehensive loss before taxes	(738,680)	(606,328)	(1,470,396)	(1,816,258)
Deferred income tax recovery	-	-	-	316,362
Loss and comprehensive loss	\$ (738,680)	\$ (606,328)	\$ (1,470,396)	\$ (1,499,896)
Basic and diluted loss per common share (note 10)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	225,674,480	185,159,425	220,124,434	179,212,533

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

U308 Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

Six Months Ended June 30,

2015

2014

Operating activities

Net loss	\$ (1,470,396)	\$ (1,499,896)
Adjustment for:		
Depreciation	109,229	124,660
Share-based payments (note 9)	135,120	118,937
Foreign exchange (gain) loss	(93,174)	33,509
Interest income	(743)	(25,140)
Share of losses from equity accounted investment (note 13)	39,011	71,842
Disposal of property and equipment	-	31,855
Settlement of services for common shares (note 8(b) ⁽³⁾)	-	87,009
Gain on sale of property (note 13)	-	(760,000)
Deferred income tax recovery	-	(316,362)
Non-cash working capital items:		
Amounts receivable and other assets	(37,549)	49,317
Amounts payable and other liabilities	317,156	(443,520)
Net cash used in operating activities	(1,001,346)	(2,527,789)

Financing activities

Issue of securities, net of transaction costs	640,685	2,569,652
Loan payable (note 7)	179,905	-
Net cash provided by financing activities	820,590	2,569,652

Investing activities

Additions to property and equipment	-	(3,072)
Interest income	743	25,140
Net cash provided by investing activities	743	22,068
Effect of exchange rate changes on cash held in foreign currencies	91,814	(33,955)

Net change in cash and cash equivalents	(88,199)	29,976
Cash and cash equivalents, beginning of period	136,611	328,703
Cash and cash equivalents, end of period	\$ 48,412	\$ 358,679

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 8(b) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾)	1,715,262	-	941,399	-	2,656,661
Warrants expired	2,387,645	-	(2,387,645)	-	-
Tax effect on expiry of warrants	-	(316,362)	-	-	(316,362)
Share-based payments (note 9)	-	118,937	-	-	118,937
Loss and comprehensive loss for the period	-	-	-	(1,499,896)	(1,499,896)
Balance, June 30, 2014	\$ 89,333,720	\$ 5,145,039	\$ 1,707,290	\$(82,471,884)	\$ 13,714,165
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 8(b) ⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾)	301,095	-	339,590	-	640,685
Warrants expired	480,751	-	(480,751)	-	-
Share-based payments (note 9)	-	135,120	-	-	135,120
Loss and comprehensive loss for the period	-	-	-	(1,470,396)	(1,470,396)
Balance, June 30, 2015	\$ 91,007,411	\$ 5,335,269	\$ 1,843,784	\$(88,203,558)	\$ 9,982,906

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

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(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 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 UWECL. The Company maintains a corporate office at 401 Bay St., Suite 2701, Toronto, Ontario, M5H 2Y4, 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 six months ended June 30, 2015 of \$1,470,396 (six months ended June 30, 2014 - net loss of \$1,499,896) and has an accumulated deficit of \$88,203,558 (December 31, 2014 - accumulated deficit of \$86,733,162). In addition, the Company had a working capital deficit balance of \$1,653,145 at June 30, 2015 (December 31, 2014 - working capital deficit of \$1,105,434). Included in the working capital deficit is cash of \$48,412 (December 31, 2014 - \$136,611) and amounts payable and other liabilities of \$1,655,630 (December 31, 2014 - \$1,338,474). Current liabilities included approximately \$750,000 accrued for salaries deferred by executives and employees and fees owed to the Board in the Company's efforts to conserve cash, as well as approximately \$236,000 related to certain one-time Colombian taxes. Subsequent to the quarter-end, agreements were made to forgive approximately \$554,000 of deferred salaries, director fees and payables, which reduces this overall deficit at June 30, 2015 to approximately \$1.1 million. No further cash fees will be paid to directors until financial conditions improve and the Chief Executive Officer's salary has been reduced 45% effective retroactively to January 1, 2015. 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 August 14, 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.

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements**

June 30, 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, June 30, 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	45,754	60,718	2,757	109,229
Balance, June 30, 2015	\$ 1,480,946	\$ 1,314,299	\$ 123,372	\$ 2,918,617

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 June 30, 2015	\$ 140,485	\$ 527,617	\$ 24,808	\$ 692,910

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements**

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

5. Cash position

	As at June 30, 2015	As at December 31, 2014
Cash	\$ 48,412	\$ 136,611
Restricted cash (a)	169,568	168,208
Total Cash position	\$ 217,980	\$ 304,819

(a) As at June 30, 2015, the Company had entered into several letters of guarantee in the amount of \$169,568 (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 June 30, 2015	As at December 31, 2014
Sales tax receivable - (Canada)	\$ 33,826	\$ 25,650
Loan receivable from South American Silica Corp., ("SAS")	69,822	22,312
Deposits with service providers	30,330	48,467
	\$ 133,978	\$ 96,429

7. Loan payable

On June 2, 2015, the Company entered into an unsecured promissory note with Bambazonke Holdings Ltd. ("Bambazonke"), pursuant to which Bambazonke agreed to lend the Company US\$150,000 to fund working capital. Amounts outstanding under the promissory note will incur interest at a rate of 7.50% per annum and the principal and interest payable thereon will be repaid on a best efforts basis. Bambazonke is a company controlled by a director of the Company. Accrued interest as at June 30, 2015 amounted to \$1,078 and is included in accounts payable and other liabilities.

8. Share capital

a) Authorized share capital

At June 30, 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.

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued

At June 30, 2015, the issued share capital amounted to \$91,007,411. 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⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	25,029,787	1,715,262
Warrants expired	-	2,387,645
Balance, June 30, 2014	190,957,777	\$ 89,333,720

	Number of common shares	Amount
Balance, December 31, 2014	210,057,777	\$ 90,225,565
Issue of securities, net of transaction costs ⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	17,120,000	301,095
Warrants expired	-	480,751
Balance, June 30, 2015	227,177,777	\$ 91,007,411

⁽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.

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued (continued)

⁽²⁾ (continued) 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.

⁽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.

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued (continued)

⁽⁴⁾ 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.

A value of \$106,000 was estimated for the 2,650,000 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 87% using the historical price history of the Company; risk free interest rate of 1.05%; and an expected average life of two years.

A value of \$9,156 was estimated for the 159,000 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 87% using the historical price history of the Company; risk free interest rate of 1.05%; and an expected average life of two years. This value charged \$6,540 to share capital and \$2,616 to warrants as transaction costs.

Total share issue costs of \$22,260 were charged and allocated \$15,900 to share capital and \$6,360 to warrants.

⁽⁵⁾ On May 29, 2014, \$270,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 3,000,000 units at \$0.09 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 \$0.14 per share for a 5 year period expiring May 29, 2019. 180,000 broker warrants with an exercise price of \$0.11 and expiry date within two years were also granted.

A value of \$120,000 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 93% using the historical price history of the Company; risk free interest rate of 1.33%; and an expected average life of five years.

A value of \$8,622 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 87% 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 \$4,790 to share capital and \$3,832 to warrants as transaction costs.

Total share issue costs of \$16,200 were charged and allocated \$9,000 to share capital and \$7,200 to warrants.

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued (continued)

⁽⁶⁾ On June 18, 2014, \$288,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 3,600,000 units at \$0.08 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 \$0.13 per share for a 3-year period expiring June 18, 2017. 216,000 broker warrants with an exercise price of \$0.10 and expiry date within two years were also granted.

A value of \$108,000 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 91% using the historical price history of the Company; risk free interest rate of 1.18%; and an expected average life of three years.

A value of \$8,554 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 87% using the historical price history of the Company; risk free interest rate of 1.10%; and an expected average life of two years. This value charged \$5,346 to share capital and \$3,208 to warrants as transaction costs.

Total share issue costs of \$17,280 were charged and allocated \$10,800 to share capital and \$6,480 to warrants.

⁽⁷⁾ 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. 172,200 broker warrants exercisable into common shares at \$0.04 for 2 years were issued.

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.

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.

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued (continued)

⁽⁸⁾ 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. 150,000 broker warrants exercisable into common shares at \$0.04 for a 2-year period were issued.

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.

⁽⁹⁾ 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. 180,000 broker warrants exercisable into common shares at \$0.05 for a 2-year period were issued.

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.

⁽¹⁰⁾ 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 value of \$68,400 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 106% using the historical price history of the Company; risk free interest rate of 0.82%; and an expected average life of five years.

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued (continued)

⁽¹⁰⁾ (continued) A value of \$7,875 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 120% using the historical price history of the Company; risk free interest rate of 0.66%; and an expected average life of 2 years. This value charged \$4,550 to share capital and \$3,325 to warrants as transaction costs.

Total share issue costs of \$9,720 were charged and allocated \$5,616 to share capital and \$4,104 to warrants.

9. Stock options

The following table reflects the continuity of stock options for the period ended June 30, 2015 and 2014:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2013	12,081,000	0.33
Granted	500,000	0.16
Expired	(1,396,000)	0.38
Cancelled	(40,000)	0.44
Balance, June 30, 2014	11,145,000	0.32
Balance, December 31, 2014	10,291,000	0.30
Granted ^{(a)(b)}	7,575,000	0.04
Cancelled	(1,400,000)	0.28
Expired	(1,470,000)	0.39
Balance, June 30, 2015	14,996,000	0.16

(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 June 30, 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 and six months ended June 30, 2015, the impact on expenses was \$5,585 and \$7,447, respectively (comparative period - \$nil) (cumulative to June 30, 2015 - \$7,447).

(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 June 30, 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 and six months ended June 30, 2015, the impact on expenses was \$43,554 and \$105,587, respectively (comparative period - \$nil) (cumulative to June 30, 2015 - \$105,587).

U3O8 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

9. Stock options (continued)

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 and six months ended June 30, 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 June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Canada				
Salaries and benefits	\$ 31,176	\$ 60,023	\$ 85,341	\$ 113,744
Guyana, South America				
Salaries and benefits	605	288	1,544	805
Colombia, South America				
Salaries and benefits	10,828	1,656	26,531	4,156
Argentina, South America				
Salaries and benefits	8,953	116	21,704	232
Total	\$ 51,562	\$ 62,083	\$ 135,120	\$ 118,937

The following table reflects the actual stock options issued and outstanding as of June 30, 2015:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
November 25, 2015	0.73	0.41	30,000	30,000	-
May 9, 2016	0.50	0.86	1,195,000	1,195,000	-
May 25, 2016	0.45	0.90	200,000	200,000	-
August 24, 2016	0.26	1.15	370,000	370,000	-
November 14, 2016	0.06	1.38	300,000	300,000	-
February 18, 2017	0.04	1.64	375,000	375,000	-
April 13, 2017	0.38	1.79	80,000	80,000	-
May 23, 2017	0.42	1.90	2,005,000	2,005,000	-
January 11, 2018	0.28	2.54	91,000	91,000	-
May 29, 2018	0.16	2.92	850,000	850,000	-
September 10, 2018	0.12	3.20	1,800,000	1,800,000	-
April 21, 2019	0.16	3.81	500,000	375,000	125,000
March 30, 2020	0.035	4.75	7,200,000	1,800,000	5,400,000
		3.42	14,996,000	9,471,000	5,525,000

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

10. Loss per common share

The calculation of basic and diluted loss per common share for the three and six months ended June 30, 2015 was based on the loss after tax attributable to common shareholders of \$738,680 and \$1,470,396, respectively (three and six months ended June 30, 2014 – \$606,328 and \$1,499,896, respectively) and the weighted average number of common shares outstanding of 225,674,480 and 220,124,434, respectively (three and six months ended June 30, 2014 – 185,159,425 and 179,212,533, respectively). Diluted loss per share did not include the effect of 14,996,000 (June 30, 2014 - 11,145,000) share purchase options and 67,796,241 (June 30, 2014 - 38,247,709) warrants as they are anti-dilutive.

11. 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 June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Guyana, South America (a)				
Exploration activities	\$ 13,835	\$ 40,578	\$ 21,956	\$ 63,952
Salaries and benefits	605	24,625	1,544	46,837
Depreciation	11,404	20,979	43,769	43,742
	\$ 25,844	\$ 86,182	\$ 67,269	\$ 154,531
Colombia, South America (b)				
Exploration activities	\$ 63,147	\$ 131,954	\$ 144,094	\$ 223,521
Salaries and benefits	56,593	47,319	101,849	85,694
Depreciation	18,484	22,559	36,967	45,207
	\$ 138,224	\$ 201,832	\$ 282,910	\$ 354,422
Argentina, South America (c)				
Exploration activities	\$ 196,772	\$ 380,303	\$ 289,278	\$ 529,083
Salaries and benefits	61,873	75,675	152,642	167,824
Depreciation	14,245	17,310	28,492	34,620
	\$ 272,890	\$ 473,288	\$ 470,412	\$ 731,527
	\$ 436,958	\$ 761,302	\$ 820,591	\$ 1,240,480

(a) Total cumulative exploration activities incurred in Guyana, South America to June 30, 2015 amounted to \$35,254,219 (December 31, 2014 - \$35,186,950).

(b) Total cumulative exploration activities incurred in Colombia, South America to June 30, 2015 amounted to \$22,463,525 (December 31, 2014 - \$22,180,615).

(c) Total cumulative exploration activities incurred in Argentina, South America to June 30, 2015 amounted to \$13,212,872 (December 31, 2014 - \$12,742,460).

U308 Corp.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

12. General and administrative

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Salaries and benefits	\$ 176,519	\$ 218,055	\$ 348,214	\$ 422,692
Administrative and general	36,902	126,799	71,636	204,940
Professional fees	37,241	136,547	121,942	247,478
Business development	19,376	55,242	60,510	280,052
Reporting issuer costs	51,551	82,267	102,409	127,314
Depreciation	-	545	-	1,091
	\$ 321,589	\$ 619,455	\$ 704,711	\$ 1,283,567

13. 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
Property assignment - Carina concession	\$ 760,000
Share of losses of SAS	(71,842)
Balance, June 30, 2014	\$ 688,158
Balance, December 31, 2014	\$ 513,932
Share of losses of SAS	(39,011)
Balance, June 30, 2015	\$ 474,921

14. Warrants

	Number of warrants	Grant date fair value (\$)
Balance, December 31, 2013	22,614,764	3,153,536
Granted (note 8(b) ⁽¹⁾ (2)(3)(4)(5)(6))	26,339,541	941,399
Expired	(10,706,596)	(2,387,645)
Balance, June 30, 2014	38,247,709	1,707,290
Balance, December 31, 2014	56,233,041	1,984,945
Issued (note 8(b) ⁽⁷⁾ (8)(9)(10))	17,838,200	339,590
Expired	(6,275,000)	(480,751)
Balance, June 30, 2015	67,796,241	1,843,784

U3O8 Corp.**Notes to Condensed Interim Consolidated Financial Statements****June 30, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

14. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of June 30, 2015:

Expiry date	Exercise price (\$)	Warrants outstanding
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
May 8, 2017	0.06	216,000
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
May 8, 2020	0.065	3,600,000
		67,796,241

U308 Corp.**Notes to Condensed Interim Consolidated Financial Statements****June 30, 2015****(Unaudited)****(Expressed in Canadian Dollars)**

15. 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		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
John C. Ross Consulting Inc. (i)	\$ 15,000	\$ 15,000	\$ 30,000	\$ 30,000

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At June 30, 2015, \$25,425 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		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Salaries and benefits (*)	\$ 84,934	\$ 84,934	\$ 169,868	\$ 169,868
Share-based payments	20,871	51,264	58,169	99,377
	\$ 105,805	\$ 136,198	\$ 228,037	\$ 269,245

(*) 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 June 30, 2015, directors of the Company were owed \$132,000 (December 31, 2014 - \$88,000). In addition, the Chief Executive Officer of the Company was owed \$270,309 (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 June 30, 2015, SAS owed \$69,822 (December 31, 2014 - \$22,312) to the Company and this amount was included in amounts receivable and other assets. As of June 30, 2015, the Company and SAS have suspended this agreement until further notice.

(d) At June 30, 2015, 16,925,037 common shares of the Company (7.5% of shares outstanding) were held by Keith Barron, a director of the Company. The remaining 92.5% 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**

June 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

16. 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:

June 30, 2015

	Canada	Guyana	Barbados	Colombia	Argentina	Total
Current assets	\$ 170,185	\$ (3,412)	\$ 1,187	\$ 6,569	\$ 7,861	\$ 182,390
Non-current assets	-	342,792	-	7,553,817	3,915,442	11,812,051
	\$ 170,185	\$ 339,380	\$ 1,187	\$ 7,560,386	\$ 3,923,303	\$ 11,994,441

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

17. South American property interests

	Acquisition Costs
Balance December 31, 2013, June 30, 2014, December 31, 2014 and June 30, 2015	\$ 10,474,652

18. Subsequent event

On July 13, 2015, \$75,000 in gross proceeds were raised in a non-brokered private placement by the Company whereby 2,500,000 units at \$0.03 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. 150,000 broker warrants with an exercise price of \$0.04 and expiry date within two years were also granted. A finder's fee of \$4,500 was paid.