

A Green Resources Company



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**U308 CORP.**

**QUARTER ENDED MARCH 31, 2018**

**Prepared by:**

**U308 Corp.**

36 Toronto Street, Suite 1050  
Toronto, Ontario  
M5C 2C5

[www.u308corp.com](http://www.u308corp.com)

## Introduction

This Management's Discussion and Analysis ("MD&A") is dated May 14, 2018, unless otherwise indicated, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of U308 Corp. ("U308 Corp.", "the Company") for the three months ended March 31, 2018 and the related notes. This MD&A was written to comply with National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian Dollars, unless otherwise noted. The results presented for the three months ended March 31, 2018, are not necessarily indicative of the results that may be expected for any future period.

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the three months ended March 31, 2018. Information about U308 Corp., its minerals resources and technical reports prepared in accordance with National Instrument 43-101 ("NI 43-101") are available at [www.u308corp.com](http://www.u308corp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## Overview

U308 Corp. is a Toronto-based exploration company focused on exploration and development of resources of uranium and battery commodities in South America. The Company's principal assets are the Laguna Salada Project in Argentina and the Berlin Project in Colombia on which positive PEAs have shown low production cost potential. A third asset is the Kurupung Project in Guyana on which an initial uranium resource has been defined in accordance with NI 43-101, on which a PEA has not been undertaken. To date, the Company has not earned any revenues from its exploration for uranium and battery commodities.

Having defined initial uranium resources in accordance with NI 43-101 guidelines on the Company's key projects in Argentina, Colombia and Guyana, detailed preliminary economic assessments ("PEA")<sup>1</sup> were undertaken on the deposits in Argentina and Colombia. The PEAs showed that the deposits passed Management's crucial first test: that uranium would be produced at a cost that's competitive with low-cost producers in the uranium industry.

At this time the priority of the Company is to progress the Laguna Salada Project toward a feasibility study.

The Company restructured its equity, effective September 11, 2017, as follows:

- It bought back shares of accounts that held less than 1,000 shares at a share price of \$0.025 and cancelled those shares;
- It consolidated 20 pre-consolidation shares for one post-consolidation share that resulted in the share structure shown in Table 1.
- The CUSIP number for the Company's common stock is 903415800 and the ISIN number is CA9034158001. The Company's symbol is unchanged: UWE on the Toronto Stock Exchange ("TSX") and UWEFF on the OTCQB platform in the USA.

<sup>1</sup> PEAs – See the September 18, 2014 technical report: "Preliminary Economic Assessment of the Laguna Salada Uranium Vanadium Deposit, Chubut Province, Argentina." See the January 18, 2013 technical report: "Berlin Project, Colombia – Preliminary Economic Assessment, NI 43-101 Report." The Laguna Salada and Berlin PEAs are preliminary in nature. The PEAs include Inferred mineral resources that are considered too speculative geologically for economic consideration that would enable them to be classified as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the results of the Laguna Salada and Berlin PEAs will be realized.

**U308 CORP.**

Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

**Table 1. Summary of equity restructuring undertaken by the Corporation effective September 11<sup>th</sup>, 2017.**

	Pre-Consolidation	20:1 Consolidation	Cancelled	Post-Consolidation
<b>Shares</b>	355,707,222	17,785,361	(127,266)	17,658,095
<b>Warrants</b>	123,853,725	6,192,686	-	6,192,686
<b>Options</b>	15,445,000	775,250	-	775,250
<b>Fully Diluted</b>	495,005,947	24,750,297	(127,266)	24,623,031

The information circular posted on the Company's profile on [www.sedar.com](http://www.sedar.com) provides further background to the consolidation

In the three months ended March 31, 2018, the Company incurred cumulative cash exploration expenditures of \$0.25 million (excluding stock-based compensation and amortization), largely to maintain the Argentine and Colombian properties in good standing. A limited exploration program and metallurgical testing on the Laguna Salada Project in Argentina represented most of the spending outside of land payments.

At March 31, 2018, the Company had \$92,785 in cash ("total cash") (December 31, 2017 – \$65,865) and a working capital deficit of \$1,618,778 (December 31, 2016 – working capital deficit of \$1,173,015). In addition, the Company arranged an unsecured line of credit for \$1 million, to be repaid in equity, in up to three years. The line of credit, made available by an insider, incurs market-based interest of 8%.

The Company is also pursuing multiple strategic partnerships and investment options to provide funding through which its projects could be advanced to the next milestones and potential production. Further financings will be required to develop the Company's deposits, to meet ongoing obligations and discharge liabilities in the normal course of business. Certain of the Company's exploration activities are discretionary and therefore there is some flexibility in the pace and timing of development of the properties. Expenditures may be adjusted, limited or deferred subject to current capital resources and potential to raise funds. The Company will continue to manage its expenditures essential to the viability of its properties.

## Principal Assets

U308 Corp. has exploration concessions in Argentina, Colombia and Guyana in South America that cover three deposits:

1. Laguna Salada Deposit, a uranium-vanadium deposit in free-digging gravel in Argentina;
2. Berlin Deposit, in which battery commodities (vanadium, nickel and phosphate) constitute the bulk of the mineral value, followed by uranium and rare earth metals, are contained in a layer of limestone and sandstone; and
3. Kurupung Project, in which uranium and zirconium is concentrated in veins, in Guyana.

The Company also has a 38.9% interest in an early-stage investee company, South American Silica Corp. ("SAS"), a private company dedicated to the identification of frac sand deposits in southern South America – the principal target market for which would be the giant Vaca Muerta oil and gas shale in Argentina.

## Laguna Salada

The Laguna Salada Deposit in Argentina is the Corporation's top-ranked project because of its simplicity, relatively low estimated cash cost of production and relatively low capital cost for construction of a mine and processing plant, and because Argentina constitutes an immediate potential market for the future uranium production from the Deposit. Argentina requires nuclear fuel for two programs:

- Its large reactors - the three large reactors require approximately 450,000 pounds ("lbs") of  $U_3O_8$  for fuel per year and this demand is expected to double when two new reactors come on-stream. With the contracts that were signed in June 2017, construction is scheduled to start on a 4<sup>th</sup> reactor in 2018 and on a 5<sup>th</sup> in 2020.
- The second program is Argentina's CAREM 25 small modular reactor ("SMR"), which is one of only three prototypes under construction around the world, and the Argentines plan to use their lead position to capture between 10% and 20% of the international SMR market that is estimated to grow to US\$400 billion by 2030-2035. The intention is reported to be to provide a turn-key service that includes design, construction, fuel rod manufacture and storage of used fuel; the only part of this service that is missing is uranium production. Argentine companies have the capacity to undertake these roles except for local uranium production, which creates an opportunity for U308 Corp. to fill that gap through the development of its Laguna Salada Deposit. To Management's knowledge, Laguna Salada is the only deposit that has a NI 43-101 resource estimate with associated PEA in Argentina.

The PEA defined various areas in which there is significant potential to lower estimated capital and operating costs for the Laguna Salada Project:

- The relationship between high uranium grade and low production cost estimates spurred the search for relatively high-grade gravels as a key to lowering operating costs ("opex");
- The second priority is test work on refining beneficiation methods for the gravel. Current results included in the PEA are that 82% of the gravel's uranium and 33% of its vanadium can be concentrated in fine-grained material that constitutes only 12% of the gravel's original mass. The PEA, however, showed that dewatering such fine-grained material is relatively expensive, leading to relatively high opex from that sector of the plant, as well as requiring expensive filter presses that are expensive capital cost ("capex") items. There is a strong possibility that using a slightly coarser fraction of the gravel may be less expensive to process while its higher metal content would increase revenue. For example, the 0.5mm fraction would constitute about 29% of the gravel's mass and would contain a higher proportion of the gravel's uranium (91%). Test work is needed to demonstrate that processing of a coarser-grained fraction of the gravel is more cost-effective than the processing of the very fine (0.075mm) material on which the economics of the PEA were based;
- There is potential to increase the recovery of vanadium from the Deposit. The model used in the PEA was based on 33% of the gravel's vanadium contained in the 12% of the gravel made up of grains less than 0.075mm in diameter. This fine-grained material underwent alkaline leaching to yield a total vanadium extraction of 14%. Leaching of a coarser-grained component of the gravel provides a possibility of significantly increasing the amount of vanadium recovered. For example, 56% of the gravel's bulk vanadium content is captured in the proportion of the gravel (29%) that consists of grains less than 0.5mm in diameter; and
- The economics of the Deposit are strongly geared to grade and to a lesser extent, resource size. Consequently, resource growth into areas in which exploration has already identified mineralization of significant grade, is also a priority for the Project. However, resource definition is relatively costly and will only be considered once the beneficiation and associated leach test work to test the concepts discussed above, has been completed.

**U308 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

Under the current challenging market conditions, in which the spot price of uranium is lower than the production cost of many mines and development projects, the Company has prioritized the advancement of the Laguna Salada Project in Argentina towards a pre-feasibility ("PFS") and feasibility study ("FS") due to the Project's operational simplicity, relatively low estimated opex and capex, potentially short timeline to production and Argentina's desire to secure supply through local uranium production. The other projects will be placed on care and maintenance to allow the Company to focus on the Laguna Salada Project.

**Uranium Resources<sup>2</sup>**

U308 Corp. has uranium resources that were estimated in compliance with NI 43-101 in Argentina, Colombia and Guyana (Table 2). Mineral resources in all three deposits are open along strike and exploration drilling adjacent to each of the deposits shows significant resource growth potential.

**Table 2. U308 Corp. uranium resource summary.**

Deposit	Mineral Resource	Tonnes (million)	Grade U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub> lbs (million)
Laguna Salada <sup>3</sup> (Argentina)	Indicated	47.3	60ppm	6.3
	Inferred	20.8	85ppm	3.8
Berlin Project (Colombia)	Indicated	0.6	0.11%	1.5
	Inferred	8.1	0.11%	19.9
Kurupung Project (Guyana)	Indicated	4.1	0.09%	8.4
	Inferred	4.3	0.08%	7.7

**Battery Commodity Resources<sup>4</sup>**

The Company's Berlin and Laguna Salada deposits contain a basket of battery commodities including vanadium, nickel and phosphate (Table 3):

- Vanadium resources have been defined in both the Laguna Salada and Berlin deposits. Over 90% of the world's vanadium demand is from the steel alloy industry since adding just 2 pounds of vanadium to a tonne of steel doubles the strength of the steel. Demand is rising in the energy storage industry with the battery sector's consumption growing from 6% of world vanadium supply in 2016 to a forecast 25% in 2020. Demand is principally from vanadium redox flow batteries ("VRB") and certain types of lithium ion batteries such as the lithium ion vanadium phosphate ("LVP") type, which is the choice of Subaru for its electric vehicles;
- The Berlin Deposit contains nickel that is a critical component of two types of lithium ion batteries, lithium-nickel-manganese-cobalt ("NMC") and lithium-nickel-cobalt-aluminium oxide ("NCA") batteries. NMC batteries are used in electric vehicles produced by Nissan, GM and BMW. NCA is the battery of choice of Tesla-Panasonic for Tesla cars, trucks and Tesla Power-Packs for home energy storage; and

<sup>2</sup> Laguna Salada – see May 20, 2011: "Laguna Salada Project, Chubut Province, Argentina, NI 43-101 Technical Report on Laguna Salada: Initial Resource Estimate". Berlin Project – see March 2, 2012: "Berlin Project, Colombia – National Instrument NI 43-101 Report". Kurupung Project – See June 26, 2012: "Technical Review and Mineral Resource Estimates of the Aricheng C and Aricheng West Structures, Kurupung Uranium Project, Mazaruni District, Guyana for U308 Corp."

<sup>3</sup> Laguna Salada – uranium grades can be increased by 11 times in the Guanaco sector of the Deposit and by 7 times in the Lago Seco area, by scrubbing and screening. This would lead to uranium head grades of 850-870ppm U<sub>3</sub>O<sub>8</sub> typical of the mill feed grade of operating mines of similar deposits elsewhere in the world. See "Priority Exploration Projects" below.

<sup>4</sup> Laguna Salada – see May 20, 2011: "Laguna Salada Project, Chubut Province, Argentina, NI 43-101 Technical Report on Laguna Salada: Initial Resource Estimate" and Berlin Project – see March 2, 2012: "Berlin Project, Colombia – National Instrument NI 43-101 Report".

- Phosphate, found in the Berlin Deposit, is principally used in agricultural fertilizer, but is being increasingly used in the battery industry. Phosphate provides thermal stability that enhances the safety characteristics of lithium ion batteries. It is a component of LVP and Lithium iron phosphate ("LFP") batteries. LFP batteries are manufactured by Chinese manufacturer BYD for its electric bus and truck models. Phosphate also increases the quantity of energy that can be stored per unit volume of VRBs.

**Table 3. U308 Corp. battery commodity resource summary.**

Deposit	Mineral Resource	Tonnes (million)	Vanadium		Nickel		Phosphate	
			Grade V <sub>2</sub> O <sub>5</sub>	V <sub>2</sub> O <sub>5</sub> (Mlbs)	Grade	Million pounds	Grade P <sub>2</sub> O <sub>5</sub>	P <sub>2</sub> O <sub>5</sub> tonnes
Laguna Salada <sup>5</sup> (Argentina)	Indicated	47.3	550ppm	57.1	-	-	-	--
	Inferred	20.8	590ppm	26.9	-	-	-	--
Berlin Project (Colombia)	Indicated	0.6	0.4%	6.0	0.2%	3.1	8.4%	50,000
	Inferred	8.1	0.5%	91.0	0.2%	42.1	9.4%	800,000

## Trends<sup>6</sup>

### Economic Viability of U308 Corp.'s Deposits

The Company's financial success depends largely on the extent to which it can demonstrate the economic viability of its uranium and battery commodity deposits. Positive PEAs on Laguna Salada and Berlin show that both deposits have potential to be low-cost producers. A note of caution is that the PEAs on the Berlin and Laguna Salada deposits are based on Inferred and Indicated resources in which the continuity of mineralization between relatively widely spaced trenches and bore holes is assumed. Inferred and Indicated resources would be converted to Measured resources based on closer-spaced trenching and/or drilling that gives a higher level of confidence on the continuity of mineralization between drill holes or trenches. Pre-feasibility ("PFS") and feasibility studies ("FS") are required to be based on Measured and Indicated resources, and only that portion of resources that can be economically extracted can be classified as a reserve. Hence, the PEAs represent the first step in defining the economic characteristics of the Berlin and Laguna Salada deposits. While the PEAs have estimated favourable economics and demonstrate that the Berlin and Laguna Salada deposits should be relatively low-cost uranium producers, these financial estimates require confirmation in PFS and FS as the projects are advanced in a logical, step-wise manner.

The Company, to date, has not produced any revenues. The sales value of any mineralization discovered by U308 Corp. is, to some extent, dependent upon factors beyond the Company's control, such as the market value of the commodities produced.

## Uranium

### International Market

World-wide, two reactors were shut down in 2017 – these are generally smaller, older units – while 5 reactors were brought on stream. The new reactors have two to three times the output of the small reactors that were shut down. The net result is that world-wide nuclear energy output increased by 49 TeraWatt-hours ("TWh") over 2016 electricity production - a year-over-year increase of 2%.

<sup>5</sup> Laguna Salada – The Laguna Salada PEA shows that vanadium grades can be increased by 4 times the in-situ grade by scrubbing and screening.

<sup>6</sup> Sources include: World Nuclear Association, World Nuclear News, Bloomberg, Cantor Fitzgerald, Raymond James, Ux Consulting.

**U308 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

There are now 510 reactors that are operable and under construction, more than there were immediately prior to the Fukushima incident (Table 4). China is committed to nuclear as a safe source of clean, low-carbon, base-load electricity and plans to triple its nuclear electricity capacity to 58 Gigawatts – electrical (“GWe”) by 2020, accelerating to an estimated 150GWe by 2030. Meanwhile, India plans to have 31GWe of installed nuclear capacity by 2025, 63 GWe by 2032 and 273GWe by 2050 - constituting an exponential growth profile. In addition, life extensions of between 10 and 30 years have been granted for 157 of operable reactors world-wide.

Eight reactors have been brought back on-line in Japan after reinforcements to their earthquake and tsunami resistance have been completed. Two more Japanese reactors are scheduled to come back on-stream in 2018.

Germany shut down 7 reactors and undertook to phase out its other 8 by 2022 in response to Fukushima. Despite the high-profile renewable energy program adopted by Germany, it has replaced much of the electricity once generated by the shuttered reactors, by brown coal-fired plants. As a result, Germany has become one of Europe's biggest green house gas polluters.

A growing number of states in the USA, including New York, Illinois and New Jersey, have adopted legislation that recognizes the carbon-free nature of nuclear, opening the way for this electricity to benefit from the zero-emission credits on a level footing with solar and wind-generated power.

**Table 4. Summary of worldwide nuclear power plant statistics.**

Period	Operable	Under Construction	Total Operable & Under Construction	Planned	Total
Pre-Fukushima	443	62	505	156	661
May, 2018	450	61	510	166	675

The shut-down of reactors in Japan and Germany has led to the buildup of a uranium stockpile, estimated to be approaching a full year's supply of mined uranium, because of the utility companies that own the reactors being contractually obliged to continue to receive uranium shipments. The threat that part of this inventory could be dumped onto the market has depressed uranium prices.

TradeTech has highlighted a growing trend of supply cuts in mine production from 6 million pounds (“Mlbs”) in 2016 to 12Mlbs in 2017, increasing sharply to 30Mlbs in 2018, 33Mlbs in 2019 and 35Mlbs in 2020. The sharp cut in production in 2018 is due primarily by deep production cuts announced by Cameco and Kazatomprom in November 2017. These companies' cuts sum to 24Mlbs, exacerbated by additional cuts at Somair and the suspension of sales by the Department of Energy in the USA in 2018 – that is 21% of world uranium production.

With the current reactor build, Cantor Fitzgerald forecasts demand to increase to 200Mlbs in 2018 in comparison with production and secondary supply totalling 178Mlbs. In 2019, demand is estimated to grow to 210Mlbs against total supply of 196Mlbs. This forecast supply deficit should result in a drawdown of the uranium inventory, exacerbated by Cameco indicating that it would buy uranium in the spot market to fulfill its higher-priced term contracts, rather than depleting its reserves at current low prices.

The uranium spot price fell to a low of US\$18/lb in late 2016 and has since recovered somewhat to the \$21-\$22/lb range.

## Small Modular Reactors

US, Canadian and British regulators are working closely with companies that are developing and testing Small Modular Reactors ("SMR") designs. Most SMRs draw on technology that has been used to power nuclear submarines and ships since the 1950's. SMRs are expected to have significantly lower up-front unit costs than large-scale nuclear generators because most SMRs can be built at a central facility in an assembly-line environment, before being shipped to site by rail or truck. The core of these reactors is typically the size of a 40-foot shipping container. SMRs have the potential to supply reliable, base-load, low-carbon electricity to remote sites without the added cost and environmental impact of regional high-tension transmission lines required to link the site to a regional electricity grid.

## Argentina's Nuclear Industry

Argentina's government has demonstrated its commitment to nuclear as a key component of its energy mix by continuing to add to its nuclear fleet. Argentina's third reactor reached full power on February 17, 2015, while the Embalse reactor was taken offline at about the same time for refurbishment for a 25-year life extension and a 6% power up-rating. When the Embalse plant comes back online later in 2018, nuclear will provide approximately 9% of the country's electricity needs. Argentina's government signed a contract with China to build two new large reactors. The 4<sup>th</sup> reactor will be a 0.8GW CANDU plant of Canadian design that uses similar technology to the Embalse reactor. The 5<sup>th</sup> will be a 1.2GW Hualong One reactor of Chinese design. Argentina paid an average of US\$58/lb for its imported U<sub>3</sub>O<sub>8</sub> in 2016.

Argentina is one of three countries to begin construction of a SMR: construction started in 2014 on a 25MWe CAREM 25 reactor, which Saudi Arabia is reported to be considering for major desalination projects and other countries are investigating as a source of baseload power for local electricity grids. The Under-Secretary of Nuclear Energy has stated that Argentina aims to capture 10%-20% of the international SMR market with its CAREM 25 design, which can also be up-scaled to 250MW. A 180MW CAREM unit is planned to be constructed in the Province of Formosa in northern Argentina.

## Battery Commodities

Demand for lithium and graphite for lithium ion batteries has continued its rapid growth of the last few years, while cobalt prices have risen sharply in response to strengthening demand for lithium ion batteries.

Vanadium prices bottomed in early 2016, from which there has been an increase of approximately 200% in response to growing demand from the steel and battery industry. In fact, vanadium was the top-performing battery metal in 2017 in terms of price-appreciation.

The selection of a VRB for the construction of the world's largest battery is drawing attention to its energy storage capacity at a truly industrial scale. The choice of the VRB for the Dalian site in China was based on the battery's reliability, life of more than 20 years, and the fact that the electrolyte is fully recyclable at the end of the battery's life. The 200MW / 800MWh battery has sufficient capacity to power 100,000 typical western homes for eight hours.

Nickel is being recognized as a battery commodity and prices have strengthened approximately 25% over the last year.

## Financial Risk

Although U308 Corp. has raised funds throughout 2017 and 2016 to advance its projects, current trends in the financial and commodity markets may limit the Company's ability to develop and/or further explore its assets in Colombia, Argentina and Guyana. Management monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions. See "Risk Factors" below.



## Technical Disclosure

Dr. Richard Spencer, President and CEO of the Company, is a "qualified person" as defined by NI 43-101. Dr. Spencer has supervised the preparation of, and verified, all technical information contained in this MD&A related to the Company's projects in South America.

## Selected Annual Financial Information

Selected annual financial information for the Corporation is summarized in Table 5.

**Table 5. Selected annual financial information for U308 Corp.**

For Year Ended December 31,	2017	2016	2015
Net loss	\$1,889,347	\$9,065,933	\$3,170,131
Net loss per share (basic and fully diluted)*	\$0.11	\$0.56	\$0.20
As at December 31,	2017	2016	2015
Total assets	\$ 2,973,002	\$ 3,046,748	\$ 11,173,894

(\*) U308 Corp. did not have any loss before discontinued operations or extraordinary items for each period presented. Per share results restated to reflect the share consolidation which occurred in September 2017.

## Summary of Quarterly Results

The results for the eight most recent quarters have been prepared in accordance with IFRS as listed in Table 6.

**Table 6. Summary of quarterly results, U308 Corp.**

Three Months Ended (*)	Net Loss (\$)	Basic and Diluted Loss Per Share (\$)
2018 March 31	(461,096)	(0.02)
2017 December 31	(715,110)	(0.04)
2017 September 30	(259,202)	(0.01)
2017 June 30	(376,061)	(0.02)
2017 March 31	(538,974)	(0.03)
2016 December 31	(7,891,904)	(0.54)
2016 September 30	(461,502)	(0.03)
2016 June 30	(391,854)	(0.03)

(\*) U308 Corp. did not have any income (loss) before discontinued operations or extraordinary items for each period presented. U308 Corp. is an advanced exploration company focused on defining mineral resources, establishing the economic viability of these deposits, and advancing them towards production. At this time, commodity market fluctuations have no direct impact on the Company's results or operations but influence the exploration approach based on the Company's ability to raise capital to advance its projects. The Company's policy is to expense its exploration costs. Having completed PEAs that confirm the low cash-cost of production potential of the Laguna Salada and Berlin deposits, further exploration has been minimized to conserve cash. Per share information adjusted to reflect the share consolidation in September 2017.

The loss in Q4 2016 reflects an impairment charge against the Berlin Deposit of \$7.7 million.

**U308 CORP.**

Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

## Results of Operations for the Three Months Ended March 31, 2018

In the first three months of 2018, U308 Corp.'s net loss decreased to \$461,096 or \$0.02 loss per share (Q1 2017 – \$533,407, or \$0.03 loss per share). Exploration costs were slightly lower in Q1 2018 relative to Q1 2017 with Colombia placed on care and maintenance (Table 7).

**Table 7. Summary of U308 Corporation's exploration spending in Argentina, Colombia & Guyana for the three-month period ending March 31, 2018 and 2017.**

Three Months Ended March 31, 2018	Berlin Project Colombia (\$)	Laguna Salada Project Argentina (\$)	Kurupung Project Guyana (\$)	Total (\$)
Administrative expense	16,361	22,578	-	38,939
Salaries and benefits	11,188	73,610	-	84,798
<b>Total location costs</b>	<b>27,549</b>	<b>96,188</b>	<b>-</b>	<b>123,737</b>
<b>Total field costs</b>	<b>16,495</b>	<b>110,220</b>	<b>6,000</b>	<b>132,715</b>
Stock-based compensation	337	2,406	-	2,743
Amortization	-	2,338	-	2,338
<b>Total</b>	<b>44,382</b>	<b>211,152</b>	<b>6,000</b>	<b>261,533</b>

Three Months Ended March 31, 2017	Berlin Project Colombia (\$)	Laguna Salada Project Argentina (\$)	Kurupung Project Guyana (\$)	Total (\$)
Administrative expense	15,936	23,464	-	39,400
Salaries and benefits	11,188	50,380	-	61,568
<b>Total location costs</b>	<b>27,124</b>	<b>73,844</b>	<b>-</b>	<b>100,969</b>
<b>Total field costs</b>	<b>80,804</b>	<b>104,292</b>	<b>6,000</b>	<b>191,096</b>
Tax accruals & payments	-	-	-	-
Stock-based compensation	1,849	13,241	-	15,090
Amortization	-	2,922	-	2,922
<b>Total</b>	<b>109,778</b>	<b>194,299</b>	<b>6,000</b>	<b>310,077</b>

Argentine exploration expenses in Q1 2018 of \$211,152 included non-cash amortization of \$2,338 and non-cash stock-based compensation of \$2,406 (Q1 2017 - \$194,299, including amortization of \$2,922 and stock-based compensation of \$13,241). Work was focused principally on trial geophysics and preparation for further metallurgical study of Laguna Salada gravel.

Colombia exploration expenses in Q1 2018 of \$44,382 included non-cash stock-based compensation of \$377 (Q1 2017 - \$109,778, including amortization of \$nil and stock-based compensation of \$1,849). Further exploration at Berlin is on hold until funds can be raised at less dilutive levels than those available at current share prices.

Guyana exploration expenses in Q1 2018 were \$6,000 (Q1 2017 - \$6,000). Exploration in the Kurupung Project in Guyana continued to be on hold.

General and administrative ("G&A") expenses decreased to \$139,604 for Q1 2018 (Q1 2017 – \$205,687). The share consolidation in 2017 increased Q1 2017 professional fees. Reporting issuer costs in 2017 reflect costs related to shares issued. Lower administrative and general expenses mostly reflect reduced rent charges. Lower salaries in Q1 2018 reflects lower stock-based compensation costs. Business development costs in both periods reflect investor relations activities.

**U308 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

A foreign exchange loss of \$59,958 in Q1 2018 (Q1 2016 – loss of \$17,643) was due mostly to Argentine and Colombian peso and US Dollar exchange rate fluctuations relative to the Canadian Dollar.

## Liquidity and Capital Resources

U308 Corp. is an exploration company that does not have operating revenues and therefore, it must utilize its current cash reserves, income from investments, funds obtained from the exercise of stock options and warrants and other financing transactions, to support planned exploration programs, to fund any further development activities and to meet ongoing obligations.

At March 31, 2018 total cash was \$92,785 (December 31, 2017 – \$65,865) and the working capital deficit was \$1,618,778 (December 31, 2017 – \$1,173,015 working capital deficit). The March 31, 2018 working capital deficit included accounts payable and accrued liabilities of \$1,467,027 (December 31, 2017 – \$1,291,598). The principal current liabilities at March 31, 2018 included:

- Approximately \$233,000 for professional services provided; and
- Approximately \$590,000 for unpaid salaries to senior officers.

During 2018, U308 Corp. did not raise cash via an equity offering. The Company drew \$270,000 of a potential \$1 million loan with a related party. The loan bears interest at an 8% annual rate, payable in cash and/or shares.

During 2017, U308 Corp. has raised proceeds of \$1.5 million (net of costs) through non-brokered private placements (\$1.1 million), warrants exercised (\$0.4 million), and stock options exercised (\$0.0 million). Non-brokered private placements related to the issue of an aggregate of 3,253,373 post-consolidation Units, as detailed in Table 8. Placements consisted of Units, with each Unit consisting of one common share and one share purchase warrant, except for the August and November 2017 placements, in which a Unit consisted of a share and a half warrant. The Company issued 30,350 broker warrants in relation to the March 20, 2017 and April 21, 2017 placements, entitling the broker to purchase an additional common share. A total of 2,130,370 warrants were issued in relation to these private placements, including the broker warrants.

**Table 8. Summary of private placements undertaken in 2017.**

Private Placement	No. of Shares	\$ Unit Price	Gross Proceeds	No. of Warrants	Warrant Price	Warrant Expiry
Jan. 20, 2017	150,000	\$ 0.80	\$120,000	150,000	\$ 1.00	Jan. 20, 2019
				9,000	\$ 1.00	Jan. 20, 2019
Mar. 21, 2017	491,667	\$0.60	295,000	491,667	\$ 0.60	Sept. 21, 2019
Apr. 21, 2017	305,000	\$0.50	152,500	305,000	\$ 0.70	Apr. 21, 2019
				21,350	\$ 0.70	Apr. 21, 2019
Aug. 02, 2017	238,706	\$0.50	119,353	119,353	\$1.00	Feb. 02, 2020
Nov. 1, 2017	2,068,000	\$0.25	517,000	1,034,000	\$0.35	Nov. 01, 2019
<b>Total</b>	<b>3,253,373</b>		<b>\$1,203,853</b>	<b>2,130,370</b>		

A total of \$354,000 was raised through the exercise of 580,250 warrants in 2017. In addition, a total of \$20,475 was raised through the exercise of 29,250 stock options in 2017.

The funds allowed the Company to fulfill key commitments on projects and to meet ongoing obligations in the normal course of business.

The Company effected a 20:1 share consolidation, effective September 11, 2017 at a cost of \$133,062. Shares in accounts holding less than 1,000 shares, representing approximately 13,500 of 18,500 total pre-consolidation accounts, were purchased and cancelled.

**U3O8 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

The Company's material contractual obligations, which relate to office lease agreements in Canada, Colombia and Argentina expiring at various periods up to March 2019 amount to \$4,800.

As of the date of this MD&A, U3O8 Corp. has issued and outstanding and fully diluted shares as indicated in Table 9. The full exercise of all warrants and options could raise approximately \$7 million. Exercise of these warrants and options is not anticipated until the market value of U3O8 Corp.'s common shares increases.

**Table 9. Corporate equity structure post-consolidation**

	May 14, 2018	Mar. 31, 2018	Dec. 31, 2017
Common Shares	19,882,345	19,882,345	19,882,345
Warrants	6,617,087	6,635,387	6,644,387
Stock Options	822,250	822,250	829,750
Fully diluted	27,321,682	27,339,982	27,356,482

U3O8 Corp.'s credit and interest rate risk is limited to interest-bearing assets of cash deposits. Accounts payable and accrued liabilities are short-term and non-interest bearing. The Company's liquidity risk with financial instruments is minimal as excess cash is held in major Canadian chartered banks. In addition, amounts receivable are composed mainly of federal Harmonized Sales Tax (Canada) recoveries, deposits with service providers and balances owing from related parties.

While the Company has been able to raise funds as needed, further financings will be required in 2018 to develop the Company's properties, to meet ongoing obligations and discharge its liabilities in the normal course of business. Long-term financial success requires that the Company develops operational cash flow, which is dependent upon economically recoverable reserves as well as funding to bring such reserves into production. Materially all the Company's exploration activities are discretionary. Therefore, there is considerable flexibility in terms of the pace and timing of exploration and how expenditures have been, or may be, adjusted, limited or deferred subject to current capital resources and potential to raise further funds. The Company will continue ongoing cost containment initiatives and manage its expenditures essential to the viability of its material properties. However, U3O8 Corp. will require additional funds from equity sources to meet current liabilities, maintain momentum on its lead projects and to complete the development of its projects in Argentina, Colombia and Guyana, if warranted. The Company is currently pursuing multiple near-term and longer-term financing options including potential strategic investors and JV partnerships. There is no assurance that funds can be raised upon terms acceptable to the Company, or at all, while funding for junior exploration companies remains challenging. Accordingly, the Company's financial statements have been prepared on a going concern basis. Material adjustments could be required if the Company cannot obtain adequate financing. See "Risks Factors" below.

## Related Party Transactions

The related party transactions into which U3O8 Corp. has entered are shown in Table 10.

**Table 10. Summary of U3O8 Corp.'s related parties.**

Three months ended March 31,	2018	2017
John Ross <sup>(i)</sup>	\$ 7,500	\$ 7,500

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At March 31, 2018, \$47,375 is included in amounts payable and other liabilities (December 31, 2017 - \$38,900).

Remuneration of U3O8 Corp.'s Directors and senior Management for the years ended December 31, 2017 and 2016 is shown in Table 11.

**Table 11. Summary of remuneration of Directors and senior Management of the Company the years ended December 31**

Three months ended March 31,	2018	2017
Salaries and benefits <sup>(i)</sup>	\$ 34,250	\$ 34,250
Stock-based compensation	4,116	22,636
<b>Total</b>	<b>\$ 38,366</b>	<b>\$56,886</b>

The Chief Executive Officer of the Company was owed \$276,001 at March 31, 2018 (December 31, 2017 - \$241,751). Members of the Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and are eligible for stock options for their services. However, the Board of Directors has opted to waive cash fees until the financial condition of the Company improves. As of March 31, 2018, directors of the Company were owed \$Nil (December 31, 2017 – \$Nil).

On November 2, 2017, Dr. Keith Barron, director, offered the Company a \$1 million line of credit. At March 31, 2018, the Company had drawn \$270,000 against this credit line. As a director of the Company, Dr. Barron is an "insider", under applicable securities laws. The provision of an operating line of credit by an insider is considered a "related party transaction" as such term is defined under MI 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 on the basis that the principal amount of the line of credit does not exceed 25% of the fair market value of the Company's market capitalization.

## Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

## Proposed Transactions

The Company continues to discuss the advancement of the Laguna Salada Deposit towards feasibility study with various interested parties. Early-stage discussions are also in progress on possible business relationships regarding the Berlin Project in Colombia. In addition, the Company continues to evaluate properties and corporate opportunities. In its exploration for uranium and battery commodities, the Company's exploration staff has identified precious metal targets that the Company has staked at minimal expense, and the Company may spin these assets out into a private precious metal company.

## Critical Accounting Estimates & Changes in Accounting Policies

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- The Company reviews its South American property interests for impairment based on results to date and when events and changes in circumstances indicate that the carrying value of the assets may not be recoverable. IFRS 6 - Exploration for and evaluation of mineral resources and IAS 36 – Impairment of assets requires the Company to make certain judgments in respect of such events and changes in circumstances, and in assessing their impact on the valuations of the affected assets. At March 31, 2018 and December 31, 2017, Argentina has value in excess of the carrying amount;

**U308 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

- the estimated useful lives of equipment which are included in the consolidated statement of financial position and the related depreciation included in loss;
- the inputs used in accounting for share-based payment transactions, including warrants; and
- the valuation of the Company's investment in and loan receivable from SAS was deemed impaired in 2015 due to low oil prices which reduces the demand for frac sand in oil exploration. The carrying value of the investment and loan receivable were deemed impaired and a full allowance was taken since timing of recovery and ability to raise capital are difficult for small companies such as SAS resulting in uncertainty of the recoverability of the carrying values of the Company's investment and loan receivable.

**Critical Accounting Judgements**

Management makes judgements based on the following:

- assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to advance the mineral properties;
- applied judgment in determining the functional currency of the Company as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the period;
- determination of no material restoration, rehabilitation and environmental exposure, based on the facts and circumstances that existed during the period; and
- determination of Management's ability to exert significant influence over SAS.

**New Standards Not Yet Adopted and Interpretations Issued But Not Yet Effective**

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in October 2010 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 does not expect any significant impact from this standard.

On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard brings most leases on balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company does not expect any significant impact from this standard.

**Management of Capital**

U308 Corp. manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at March 31, 2018, totalled \$1,057,303 (December 31, 2017 – \$1,505,404).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other means of raising funds.

The Company's capital management objectives, policies and processes have remained unchanged during the three-month period ended March 31, 2018 and the year ended December 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Section 710 of the TSX Company Manual which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern. As of March 31, 2018 and December 31, 2017, the Company may not be compliant with these TSX requirements. The effect of this violation is not known and is ultimately dependent on the discretion of the TSX. The Company was delisted from the Santiago Stock Exchange on July 17<sup>th</sup>, 2017.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's size, is appropriate.

## **Internal Controls Over Financial Reporting and Disclosure Controls and Procedures**

There were no significant changes in the Company's internal controls over financial reporting and disclosure controls and procedures subsequent to March 31, 2018, being the date the CEO and CFO evaluated such internal controls, nor were there any significant deficiencies in the Company's internal controls identified requiring corrective actions.

The Company's Management, with the participation of its CEO and CFO, has evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures. Based on that evaluation, the Company's CEO and CFO have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures and internal controls over financial reporting were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports that it files is recorded, processed, summarized and reported, within the appropriate time periods.

The Company's Management, including the CEO and the CFO, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost-effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

## **Financial Instruments**

U308 Corp.'s activities expose it to a variety of financial risks including: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and uranium and battery commodity price risk).

Risk management is carried out by Management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### **Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. U308 Corp.'s credit risk is primarily attributable to cash and cash equivalents, accounts receivable, value-added taxes receivable and restricted cash. Cash and cash equivalents and restricted cash are held with major Canadian chartered banks, from which Management believes the risk of loss to be minimal.

**U3O8 CORP.****Management's Discussion & Analysis**

Quarter Ended March 31, 2018

Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada and deposits held with service providers. Amounts receivable are in good standing as of March 31, 2018. Management believes that the credit risk with respect to financial instruments included in accounts receivable is minimal.

**Liquidity Risk**

Liquidity risk is the risk that U3O8 Corp. will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. Cash flow is primarily from the Company's financing activities.

As at March 31, 2018, U3O8 Corp. had total cash of \$92,785 (December 31, 2017 - \$65,865) to settle current liabilities of \$1,737,027 (December 31, 2017 - \$1,291,598). Current liabilities included approximately \$590,000 related to senior management salaries and approximately \$233,000 of service provider fees. Its current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company will need to secure additional financing to meet its ongoing obligations and exploration. However, there is no assurance that it will be able to do so. See "Liquidity and Capital Resources" above.

**Market Risk****Interest Rate Risk**

U3O8 Corp. has cash balances and no interest-bearing debt. Its current policy is to hold excess cash in interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

**Foreign Currency Risk**

U3O8 Corp.'s functional and reporting currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. As of March 31, 2018, the Company funds certain operations, exploration and administrative expenses in Guyana, Colombia and Argentina on a cash call basis using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Company maintains US Dollar bank accounts in Canada, Barbados and Guyana, Guyanese Dollar bank accounts in Guyana, Colombian Peso accounts in Colombia and Argentine Peso accounts in Argentina. U3O8 Corp. is subject to gains and losses from fluctuations in the US Dollar, Guyanese Dollar, the Colombian Peso and the Argentine Peso against the Canadian Dollar.

**Price Risk**

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in stock market indices.

The Company's long-term investment in Minexco is subject to fair value fluctuations arising from changes in the equity and commodity markets. The Company wrote its Minexco investment off in 2014.

**Commodity Price Risk**

U3O8 Corp. is exposed to price risk with respect to uranium and battery commodity prices. Commodity price risk is defined as the potential adverse impact on earnings due to the price and volatility of uranium, phosphate, vanadium, nickel and rare earth elements. The Company closely monitors the prices of these commodities to determine the appropriate course of action to be taken in terms of exploration expenditures



**U308 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

and to ensure that its focus is on projects that have potential cost production profiles consistent with the longer-term price projections related to forecast demand and supply. Further discussion on commodity prices may be found under "Trends" above.

**Sensitivity Analysis**

The sensitivity analysis shown below may differ materially from actual results. Based on Management's knowledge and experience of the financial markets, we believe the following movements are "reasonably possible" over a 12-month period:

1. Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not materially affect the reported loss and comprehensive loss;
2. The Company holds balances in foreign currencies which creates foreign exchange risk. Sensitivity to a plus or minus 10% change in foreign exchange rates against the Canadian Dollar would affect the reported annual loss and comprehensive loss by approximately \$50,000; and
3. Uranium and related mineral price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of uranium and related minerals. Uranium prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of uranium may be produced in the future, a profitable market will exist for them. As of March 31, 2018, the Company was not a uranium or related mineral producer. As a result, uranium and related mineral price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**Diversity Policy**

In accordance with items 10-15 of Form 58-101F1 *Corporate Governance Disclosure*, the Company is required to provide disclosure of its gender diversity practices.

**Policies Regarding the Representation of Women on the Board**

The members of U308 Corp.'s Board have diverse backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and experience. The Board considers merit as the key requirement for board appointments. The Corporation has not adopted a written diversity policy and has sought to attract and maintain diversity at the Board level informally through the recruitment efforts of Management in discussion with Directors prior to proposing nominees to the Compensation, Corporate Governance and Nominating Committee (the "Corporate Governance Committee") and to the Board for consideration.

**Consideration of the Representation of Women on the Board and in Executive Officer Appointments**

In identifying suitable Board nominees or in selecting and assessing candidates for executive positions, candidates will be considered on merit against objective criteria regarding business experience, skill sets, competencies, technical expertise, sector specific knowledge and with due regard for the benefit of diversity including the level of representation of women in these capacities. As the need for new directors or executive officers arises, the Corporate Governance Committee assesses candidates based on industry experience and business acumen with specific knowledge of mineral exploration and development or other areas (such as finance, South American market experience) as desired at that particular time by the Corporation, the Board and its committees. Board candidates are also evaluated against the area of expertise of existing members so new appointments may contribute to expanding the Board's breadth of experience.

## Company's Targets for Women on the Board and in Executive Officer Positions

Presently, none of the Corporation's directors are female. One of the six (17%) executive officers of the Corporation and of its major subsidiaries is female. Diversity including gender, age, nationality, cultural and educational background, business knowledge and other experience, are among the factors that the Corporate Governance Committee considers in identifying and selecting candidates for the Board and executive positions. For example, with the majority of the Corporation's operations located in South America, four of the six (67%) executive officers are South American, as is one of the board members (17%). Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives in which all employees and directors are treated with fairness and respect and have equal access to opportunities for advancement based on skills and aptitude. As a result, the Corporation has not adopted targets based on any specific area of diversity and does not set targets for women on the Board or in executive officer positions.

## Environmental Reporting - Risks and Opportunities Related to Climate Change

At the request of the G20, the Financial Stability Board (FSB) engaged the private and public sector to review how the financial sector can incorporate climate-related issues in financial reporting. The FSB has set out voluntary guidelines for reporting and disclosure of the effects of climate change on different industries.

In December 2015, the FSB established an industry-led Task Force on Climate-related Financial Disclosures to develop climate-related disclosures that "could promote more informed investment, credit [or lending], and insurance underwriting decisions" and, in turn, "would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks." The Company's approach to climate change is based on the premise that CO<sub>2</sub> emissions are increasing global temperatures, as reported by the Intergovernmental Panel on Climate Change (IPCC) report to the UN. The IPCC 2014 synthesis report notes that "each of the last three decades has been successively warmer at the Earth's surface than any preceding decade since 1850."

The Corporation's business falls squarely in the low-carbon energy environment with its pursuit of deposits of uranium and battery commodities as follows:

- Nuclear represents a low-carbon source of energy: the only carbon emissions related to nuclear being from the mining, processing and transport of uranium and its fabrication into fuel rods and their transport to the reactor. The production of electricity from the reactor itself generates no greenhouse gases. However, U308 Corp. is going further in its quest for commodities for the clean energy industry by investigating the economics of mitigating carbon emissions from future mining and processing operations at the Laguna Salada Deposit through the use of the abundant wind resources of the Patagonian region. The opportunity is to produce a uranium product that has a smaller carbon footprint from mining and processing, than most of its competitors. Results of detailed wind measurements will be incorporated in the feasibility study of the Project;
- Energy storage technology, including batteries, is a fast-growing industry that is fundamentally important to the more widespread adoption of intermittent sources of clean energy such as solar and wind. Currently, electricity distribution is largely designed to meet peak demand. With the wider adoption of batteries, significant capital costs could be avoided by changing the system from a peak-demand driven system to a load-balanced system. U308 Corp. has an extensive inventory of battery commodities including phosphate, nickel and vanadium that are used in lithium ion batteries, while vanadium and phosphate are key elements of vanadium redox flow batteries.

The IPCC points to two key contributors to global warming: carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>). Methane has over twenty times the global warming effect of CO<sub>2</sub>, and therefore must be considered in mitigation efforts of global warming.

Vegetation is the natural, low cost, efficient sequester of CO<sub>2</sub>. Photosynthesis results in the uptake of CO<sub>2</sub> during daylight hours and release of oxygen back to the atmosphere while the carbon is stored in the tissue of the plant. Carbon taken up by plants remains sequestered in the humus generated as the plant's leaves and roots decay. A plant's carbon sequestration capacity is proportional to its leaf and root surface area – so larger, healthy species sequester more carbon, and release more oxygen while photosynthesizing, than a smaller plant of the same species. In addition, grasslands are more efficient at sequestering carbon and releasing oxygen to the atmosphere than forests. Hence, the route to efficient CO<sub>2</sub> capture is through better land management practices that result in a greater density of plants and healthy soils that have a high organic (carbon) content. Humus and mulch in soils represent an enormous carbon sink. Conversely, poor land management that leads to erosion and the loss of humus and mulch from the soil has been estimated to have released twice the amount of CO<sub>2</sub> to the atmosphere than all historic industrial activity.

Hence, the Company's approach to the reduction of greenhouse gases is the adoption of better land management practices on the properties on which future mines are located, with the objective of increasing the amount of humus in the soil, which would gradually increase the productivity of the land. Restoration of the land after mining would include inoculation of the gravel and soil with mycorrhizal fungi – organisms that have a symbiotic relationship with roots that results in the plant accessing up to ten times more nutrients and water than it would be able to from its roots alone. The second key factor to land management is rotational grazing: in a sheep producing area such as that in which Laguna Salada is located, constant grazing results in palatable pasture species being killed while unpalatable, less nutritious species dominate, leading to less and less productive land. Rotational or mob-grazing uses the concept of a large number of animals being concentrated in a small area for a short period. When all grass species have been grazed, the animals are moved to the adjacent parcel of land and the highly impacted area that has just been grazed is left fallow for the grass to grow and seed before the herd is cycled back through that paddock. This cyclical grazing allows palatable grass species to compete with less desirable species. The fuller grass plant development and growth results in larger root mass that provides access to a larger area of soil nutrients and water. More plant and root growth also results in more carbon sequestration. In addition, higher carbon content in soil facilitates the uptake of nitrogen from the dung and urine of the herd, resulting in faster reconstitution of the soil and a greater capacity to sequester carbon.

Turning to the other main contributor to greenhouse gases – methane - the main source of which is natural gas, rice paddies, bogs, dams in tropical regions and flatulent ruminants. Microaerophilic bacteria, that are present in soil, capture and metabolize methane into formaldehyde that is taken up by plants. Methane capture by bacteria is facilitated by high oxygen content, availability of moisture and a friable structure allowing circulation of gases. These features are synonymous with healthy soil. Poor and degraded soils have minimal capacity to take up methane.

The Corporation's approach to Climate Change, therefore, is proactive, practical and pragmatic. The Corporation believes that, by using exemplary land management practices, it has an opportunity to influence its neighbours to adopt similar practices aimed at making their land more productive while creating a growing carbon sump for both CO<sub>2</sub> and methane.

## Risk Factors

An investment in the securities of U308 Corp. is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below, which have affected, and

which in the future are reasonably expected to affect, the Company, its financial position or the trading price of its common shares.

## Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Statements	Assumptions	Risk Factors
Potential of U308 Corp.'s properties to contain economic deposits, to become near-term and/or low-cost producers and to add to its existing resource base (including the potential of the Berlin Project to generate US\$2.8 billion in revenue) (see Highlights, Overview, Outlook, Priority Exploration Projects, Results of Operations and Summary of Quarterly Results)	<p>Availability of financing for the Company's projects.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Technical reports prepared in accordance with NI 43-101 including assumptions in the PEAs on the Berlin and Laguna Salada deposit are correct and comprehensive.</p> <p>Operating, exploration and development costs will be consistent with the Company's expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp. including development of the Argentine deposit in compliance with Chubut Provincial mining law.</p> <p>Social engagement and local acceptance of the Company's projects.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility that future exploration results, metallurgical test work, economic studies and development activities will not be consistent with the Company's expectations.</p> <p>Variations from the technical reports including assumptions in the Berlin and Laguna Salada PEAs.</p> <p>Inability to replicate laboratory and other smaller scale test results on a larger scale.</p> <p>Inability to attract and retain skilled staff.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p> <p>Price volatility of uranium and related commodities impacting the economics of the Company's projects.</p> <p>Changes in Argentina's proposed usage and availability of nuclear power.</p>
Potential to increase uranium grades by 7 and 11 times in the two different sectors of the Laguna Salada Deposit by screening (see Overview, and Priority Exploration Projects)	Results from previous small scale metallurgical test work can be replicated on a larger scale.	Inability to replicate laboratory and other smaller scale test results on a larger scale.

**U308 CORP.**
**Management's Discussion & Analysis**
**Quarter Ended March 31, 2018**

<b>Forward-Looking Statements</b>	<b>Assumptions</b>	<b>Risk Factors</b>
<p>Potential JV with Petrominera and resource potential on its concessions (see Highlights, Outlook and Priority Exploration Projects)</p>	<p>Resource potential on Petrominera's properties will be defined as anticipated towards forming a JV for further expansion of the Laguna Salada Project.</p> <p>U308 Corp. is currently in default of the option agreement since it has not paid all the related option fees to Petrominera, nor has it met exploration commitments.</p>	<p>Possibility that resources are not defined and the associated JV will not be formed.</p> <p>Possibility that Petrominera will terminate the option agreement and that the associated JV will not be formed.</p>
<p>Status of the Kurupung Project, Guyana</p>	<p>Exploration concessions are no longer in good standing due to U308 Corp. not having paid concession fees.</p>	<p>Concessions may be rescinded at the discretion of Guyana government authorities.</p>
<p>Uranium and a suite of other commodities of economic interest at Berlin can be extracted using a ferric iron leach method (see Priority Exploration Projects)</p>	<p>Results from previous small scale metallurgical test work conducted in multiple labs can be replicated on a larger scale.</p> <p>Test results from samples from 35% of the drill hole intercepts throughout the initial resource area are representative of the whole.</p>	<p>Inability to replicate laboratory and other smaller scale test results on a larger scale.</p> <p>Test results from samples from 35% of the drill hole intercepts throughout the initial resource area prove not to be adequately representative of the whole.</p>
<p>By-product revenues at Berlin could pay for extraction of the uranium and make Berlin a potential low - cash cost uranium producer (see Outlook and Priority Exploration Projects)</p>	<p>Assumptions in the Berlin PEA are correct and comprehensive.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp.</p> <p>Economic, political and industry market conditions will be favourable, including without limitation, the prices for applicable by-products.</p>	<p>Price volatility of uranium and other commodities associated with the Company's deposits impacting the economics of our projects.</p> <p>Variations from the assumptions in the Berlin PEA.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Increases in costs, environmental compliance and changes in environmental, other local legislation and regulation and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p>
<p>Potential for higher returns than as set out in the Berlin and Laguna Salada PEAs (see Outlook and Priority Exploration Projects)</p>	<p>Incorporating results from further metallurgical test work will contribute to reducing operating costs and increasing revenue.</p> <p>Economies of scale will be realized as anticipated.</p> <p>Increases in resource estimates.</p>	<p>Possibility of incorporating metallurgical test results will not have the effect of reducing operating costs and increasing revenue.</p> <p>Inability to achieve economies of scale and increase resource estimates.</p>
<p>Potential to expand mineral resources defined in compliance with NI 43-101 on U308 Corp.'s existing projects and achieve its growth targets (see Overview, Outlook and Priority Exploration Projects)</p>	<p>Availability of financing.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>NI 43-101 technical reports are correct and comprehensive.</p> <p>Operating, exploration and development costs will be consistent with the Company's expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Variations from the technical reports.</p> <p>Inability to attract and retain skilled staff.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p>

**U3O8 CORP.****Management's Discussion & Analysis**

Quarter Ended March 31, 2018

<b>Forward-Looking Statements</b>	<b>Assumptions</b>	<b>Risk Factors</b>
	<p>Social engagement and local acceptance of the Company's projects.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Delays in obtaining applicable permits or unavailability of permits.</p> <p>Price volatility of uranium and other associated commodities impacting the economics of our projects.</p>
<p>Inability to meet minimum operating commitments could impair exploration rights (see Results of Operations and Liquidity and Capital Resources)</p>	<p>Operating and exploration activities and associated costs will be consistent with current expectations.</p> <p>The Company will continue to operate, realize its assets and meet its liabilities in the normal course of business.</p> <p>Capital markets and financing opportunities are favourable to U3O8 Corp.</p> <p>Sale of any investments, if warranted, on acceptable terms.</p>	<p>Volatility in the capital markets impacting availability and timing of financings on acceptable terms and value and liquidity of investments may affect the Company's ability to obtain funding to continue as a going concern.</p> <p>Increases in costs, environmental compliance and changes in environmental, other local legislation and regulation.</p> <p>Adjustments to currently proposed operating and exploration activities and costs.</p> <p>Price volatility of uranium and other commodities impacting sentiment for investment in the resource markets.</p>
<p>Plans, costs, timing and capital for future exploration and development of U3O8 Corp.'s properties including the potential impact of complying with existing and proposed laws and regulations (see Highlights, Overview, Outlook and Priority Exploration Projects)</p>	<p>Availability of financing.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on acceptable terms including developing the Argentine deposit in compliance with Chubut Provincial mining law.</p> <p>That the mining plan for the Corporation's Laguna Salada Project is compliant with Provincial law 5001 that bans open pit mining and the use of cyanide in the recovery of metals.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Inability to attract and retain skilled staff.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p> <p>The Chubut Provincial Government deems the mining method proposed for the Laguna Salada Project to be in contravention of Law 5001, and does not grant the requisite permits.</p> <p>Price volatility of uranium and other commodities impacting our projects' economics.</p>
<p>Management's outlook regarding future trends (see Overview, Outlook, and Priority Exploration Projects)</p>	<p>Availability of financing.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Prices for uranium and other commodities will be as modeled in the PEAs.</p> <p>Government regulation in Chubut Province will support development of our Argentine deposit.</p> <p>Fundamentals of the uranium market continue to be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Price volatility of uranium and other commodities impacting the economics of our projects, appetite for investing in uranium equities and growth in the nuclear industry.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Increases in costs, environmental compliance and changes in economic, political and industry market climate.</p>

Inherent in forward-looking statements are risks, uncertainties and other factors beyond U3O8 Corp.'s ability to predict or control. Please also make reference to those risk factors listed in the "Risk Factors"

**U308 CORP.**

## Management's Discussion &amp; Analysis

Quarter Ended March 31, 2018

section above. Readers are cautioned that the above chart is not exhaustive of the factors that may affect the forward-looking statements, and that the underlying assumptions may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U308 Corp.'s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Additional Information**

Additional information relating to U308 Corp., including its Annual Information Form for the year ended December 31, 2017, is available on SEDAR at [www.sedar.com](http://www.sedar.com).