# U3O8 CORP.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

# THREE AND SIX MONTHS ENDED JUNE 30, 2018

# (EXPRESSED IN CANADIAN DOLLARS)

# (UNAUDITED)

**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of U3O8 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.

A Green Resource Company

U3O8 CORP

## U3O8 Corp.

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

| | As at June 30, 2018 | As at December 31, 2017 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | **$ 68,152** | $ 65,865 |
| Amounts receivable and other assets (note 6) | **18,310** | 52,718 |
| **Total current assets** | **86,462** | 118,583 |
| **Non-current assets** | | |
| Equipment (note 4) | **42,083** | 46,759 |
| South American property interests (note 14) | **2,807,660** | 2,807,660 |
| **Total non-current assets** | **2,849,743** | 2,854,419 |
| **Total assets** | **$ 2,936,205** | $ 2,973,002 |
| **EQUITY AND LIABILITIES** | | |
| **Current liabilities** | | |
| Amounts payable and other liabilities | **$ 1,564,889** | $ 1,291,598 |
| Loan payable (note 15) | **370,000** | - |
| | **1,934,889** | 1,291,598 |
| **Non-current liabilities** | | |
| Other payable (note 16) | **176,000** | 176,000 |
| | **2,110,889** | 1,467,598 |
| **Equity** | | |
| Share capital (note 5) | **95,290,466** | 95,283,074 |
| Reserves | **7,132,266** | 7,118,987 |
| Deficit | **(101,597,416)** | (100,896,657) |
| **Total equity** | **825,316** | 1,505,404 |
| **Total equity and liabilities** | **$ 2,936,205** | $ 2,973,002 |

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

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

Approved by the Board of Directors:

"David Franklin" Director

"David Constable" Director

A Green Resource Company

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## U3O8 Corp.

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Three Months Ended June 30, 2018 | Three Months Ended June 30, 2017 | Six Months Ended June 30, 2018 | Six Months Ended June 30, 2017 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Exploration and evaluation expenditures (note 9) | **$ 153,853** | $ 161,709 | **$ 415,387** | $ 471,786 |
| General and administrative (note 10) | **136,678** | 227,635 | **276,282** | 433,322 |
| | **(290,531)** | (389,344) | **(691,669)** | (905,108) |
| **Other items**: | | | | |
| Foreign exchange (loss) gain | **50,868** | 15,754 | **(9,090)** | (1,889) |
| **Loss and comprehensive loss** | **$ (239,663)** | $ (373,590) | **$ (700,759)** | $ (906,997) |
| **Basic and Diluted loss per common share** (note 8) | **$ (0.01)** | $ (0.02) | **$ (0.04)** | $ (0.05) |
| **Weighted average number of common shares outstanding** | **19,882,345** | 17,196,913 | **19,882,345** | 16,796,275 |

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

A Green Resource Company

## U3O8 Corp.

**Condensed Interim Consolidated Statements of Cash Flows**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| Six months ended June 30, | 2018 | 2017 |
|---|---|---|
| **Operating activities** | | |
| Net loss | **$ (700,759)** | $ (906,997) |
| Adjustment for: | | |
| Depreciation (note 4) | **4,676** | 5,845 |
| Share-based payments (notes 7) | **20,671** | 63,725 |
| Foreign exchange loss | **104,308** | 1,889 |
| Non-cash working capital items: | | |
| Amounts receivable and other assets | **34,408** | 25,323 |
| Amounts payable and other liabilities | **168,983** | 41,067 |
| **Net cash used in operating activities** | **(367,713)** | (769,148) |
| **Financing activities** | | |
| Loan payable | **370,000** | - |
| Issue of securities, net of transaction costs | **-** | 725,909 |
| **Net cash provided by financing activities** | **370,000** | 725,909 |
| **Net change in cash** | **2,287** | (43,239) |
| **Cash, beginning of period** | **65,865** | 124,387 |
| **Cash, end of period** | **$ 68,152** | $ 81,148 |
| **Cash paid for interest** | **$ -** | $ - |
| **Cash paid for taxes** | **$ -** | $ - |

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

# U3O8 Corp.

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

| | | Reserves | | | |
|---|---|---|---|---|---|
| | Share capital | Share-based payments reserve | Warrants | Deficit | Total |
| **Balance, December 31, 2016** | **$ 93,274,023** | **$ 5,422,588** | **$ 2,113,652** | **$ (98,969,226)** | **$ 1,841,037** |
| Issue of securities, net of transaction costs (note 5(b)[(1)(2)(3)]) | 273,917 | - | 226,767 | - | 500,684 |
| Warrants expiry | 630,649 | - | (630,649) | - | - |
| Exercise of stock options | 35,919 | (15,444) | - | - | 20,475 |
| Shares to be issued (note 5(b)[(*)]) | 99,750 | - | - | - | 99,750 |
| Exercise of warrants | 137,973 | - | (32,973) | - | 105,000 |
| Share-based payments (note 7) | - | 63,725 | - | - | 63,725 |
| Loss for the period | - | - | - | (906,997) | (906,997) |
| **Balance, June 30, 2017** | **$ 94,452,231** | **$ 5,470,869** | **$ 1,676,797** | **$ (99,876,223)** | **$ 1,723,674** |
| | | | | | |
| **Balance, December 31, 2017** | **$ 95,283,074** | **$ 5,507,047** | **$ 1,611,940** | **$ (100,896,657)** | **$ 1,505,404** |
| Warrants expiry | 7,392 | - | (7,392) | - | - |
| Share-based payments (note 7) | - | 20,671 | - | - | 20,671 |
| Loss for the period | - | - | - | (700,759) | (700,759) |
| **Balance, June 30, 2018** | **$ 95,290,466** | **$ 5,527,718** | **$ 1,604,548** | **$ (101,597,416)** | **$ 825,316** |

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

## 1. Nature of operations

U3O8 Corp. (the "Company") is a Canadian exploration company focused on exploration for uranium and related minerals in South America; on the definition of resources and advancing these deposits toward production. The Company 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, and on the OTC QB International under the symbol UWEFF. The Company maintains a registered and records office at 36 Toronto Street, Suite 1050, Toronto, Ontario, M5C 2C5, Canada.

## 2. Basis of presentation and going concern

The Company is in the exploration and evaluation stage and as is common with many exploration companies, it raises financing for its exploration and evaluation activities through the sale of equities. The Company has incurred a loss in the current and prior periods, with a net loss for the six months ended June 30, 2018 of $700,759 (six months ended June 30, 2017 - loss of $906,997) and has an accumulated deficit of $101,597,416. In addition, the Company had a working capital deficit balance of $1,848,427 at June 30, 2018 (December 31, 2017 - working capital deficit of $1,173,015). Included in the working capital deficit is cash of $68,152 and accounts payable and other liabilities of $1,564,889. Additional financings will be required to develop the properties and continue operations. 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.

The 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 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

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 13, 2018, 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, 2017, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

**(Expressed in Canadian Dollars)**

**3. Significant accounting policies (continued)**

**New accounting policies**

IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9 to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1,2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

| Classification | IAS 39 | IFRS 9 |
|---|---|---|
| Cash | Loans and receivable | FVTPL |
| Amounts receivable | Loans and receivable | FVTPL |
| Amounts payable and other liabilities | Other financial liabilities (amortized cost) | Amortized cost |
| Loan payable | Other financial liabilities (amortized cost) | Amortized cost |

The original carrying value of the Company’s financial instruments under IAS 39 has not changed under IFRS 9.

**(Expressed in Canadian Dollars)**

## 3. Significant accounting policies (continued)

### Future Accounting Pronouncements

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The Company does not expect the Interpretation to have a material impact on the consolidated financial statements.

On January 13, 2016, the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its financial statements for the period beginning on January 1, 2019. The Company is evaluating the impact of adoption and expects to report more detailed information in its consolidated financial statements as the effective date approaches.

## 4. Equipment

| ***COST*** | | |
|---|---|---|
| **Field equipment** | | |
| Balance, December 31, 2017 and June 30, 2018 | $ | 1,657,716 |

| ***ACCUMULATED DEPRECIATION*** | | |
|---|---|---|
| **Field equipment** | | |
| Balance, December 31, 2017 | $ | 1,610,957 |
| Depreciation for the period | | 4,676 |
| Balance, June 30, 2018 | $ | 1,615,633 |

| ***CARRYING AMOUNTS*** | | |
|---|---|---|
| **Field equipment** | | |
| At December 31, 2017 | $ | 46,759 |
| **At June 30, 2018** | **$** | **42,083** |

**(Expressed in Canadian Dollars)**

## 5. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares.

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

b) Common shares issued

At June 30, 2018, the issued share capital amounted to $95,290,466. The change in issued share capital for the periods was as follows:

| | Number of common shares | Amount |
|---|---|---|
| Balance, December 31, 2016 | 16,146,738 | $ 93,274,023 |
| Issue of securities, net of transaction costs (1)(2)(3) | 946,667 | 273,917 |
| Exercise of stock options | 29,250 | 35,919 |
| Shares to be issued (*) | - | 99,750 |
| Exercise of warrants | 166,500 | 137,973 |
| Warrants expired | - | 630,649 |
| **Balance, June 30, 2017** | **17,289,155** | **$ 94,452,231** |
| | | |
| Balance, December 31, 2017 | 19,882,345 | $ 95,283,074 |
| Warrants expired | - | 7,392 |
| **Balance, June 30, 2018** | **19,882,345** | **$ 95,290,466** |

On September 11, 2017, the common shares of the Company, were consolidated for 20 old shares to one new share and all share, option and warrant and per share, option and warrant data have been retroactively adjusted to reflect the share consolidation as if it occurred at the beginning of the earliest period presented.

(*) On July 28, 2017, Dr. Keith Barron, a director of the Company, exercised 142,500 warrants with an exercise price of $0.70 for cash of $99,750.

A summary of cash raised through private placements of equity in 2017, (none for 2018) and associated warrants valuations, using the Black Scholes option pricing model, is tabulated below:

(Expressed in Canadian Dollars)

## 5. Share capital (continued)

b) Common shares issued (continued)

**Fiscal 2017**

| Date | Note | Value ($) | Costs ($) (a) | Net Value ($) | Number of shares | Number of warrants | Common share amount ($) | Warrant amount ($) |
|---|---|---|---|---|---|---|---|---|
| January 20, 2017 | (1) | 120,000 | 11,195 | 108,805 | 150,000 | 159,000 | 59,410 | 49,395 |
| March 21, 2017 | (2) | 295,000 | 42,272 | 252,728 | 491,667 | 491,667 | 143,213 | 109,515 |
| April 21, 2017 | (3) | 152,500 | 13,349 | 139,151 | 305,000 | 326,350 | 71,294 | 67,857 |
| | | 567,500 | 66,816 | 500,684 | 946,667 | 977,017 | 273,917 | 226,767 |

(a) Of the total share issue costs of $66,816, $37,866 was allocated to common shares and $28,950 was allocated to warrants.

**Fiscal 2017 Warrant Value**

| Note | Number of warrants | Strike price ($) | Term (years) | Total black-scholes ("BS") value ($) | BS value to common shares($) | BS value to warrants ($) | Dividend yield (%) | Volatility (%) | Risk free rate (%) | Average Expected Life (years) |
|---|---|---|---|---|---|---|---|---|---|---|
| (1) | 150,000 | 1.10 | 2 | 51,000 | - | 51,000 | - | 179 | 0.73 | 2 |
| | 9,000 | 1.10 | 2 | 5,483 | 3,153 | 2,330 | - | 179 | 0.73 | 2 |
| (2) | 491,667 | 1.00 | 2.5 | 127,833 | - | 127,833 | - | 175 | 0.79 | 2.50 |
| (3) | 305,000 | 0.70 | 2 | 67,100 | - | 67,100 | - | 178 | 0.70 | 2 |
| | 21,350 | 0.70 | 2 | 11,839 | 6,630 | 5,209 | - | 178 | 0.70 | 2 |
| | 977,017 | | | 263,255 | 9,783 | 253,472 | | | | |

**(Expressed in Canadian Dollars)**

## 6. Amounts receivable and other assets

| | As at June 30, 2018 | As at December 31, 2017 |
|---|---|---|
| Sales tax receivable - (Canada) | $ 7,562 | $ 18,346 |
| Subscription receivable | - | 13,750 |
| Deposits with service providers | 10,748 | 20,622 |
| | **$ 18,310** | **$ 52,718** |

## 7. Stock options

The following table reflects the continuity of stock options for the periods ended June 30, 2018 and 2017:

| | Number of stock options | Weighted average exercise price ($) |
|---|---|---|
| Balance, December 31, 2016 | 998,750 | 1.69 |
| Exercised | (29,250) | 0.70 |
| Expired | (111,500) | 7.09 |
| Cancelled | (85,750) | 1.35 |
| Balance, June 30, 2017 | 772,250 | 1.00 |
| | | |
| Balance, December 31, 2017 | 829,750 | 0.96 |
| Cancelled | (71,250) | 0.61 |
| Expired | (37,500) | 0.16 |
| Balance, June 30, 2018 | 721,000 | 0.86 |

During the three and six months ended June 30, 2018, $7,676 and $20,671, respectively in share-based payments (three and six months ended June 30, 2017 - $24,782 and $63,725) related to stock options granted in prior years and vesting during the three and six months ended June 30, 2018.

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, 2018 and 2017, 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, | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| **Canada** | | | | |
| Salaries and benefits | $ 6,762 | $ 15,179 | $ 17,014 | $ 39,032 |
| **Colombia, South America** | | | | |
| Salaries and benefits | 112 | 1,177 | 449 | 3,026 |
| **Argentina, South America** | | | | |
| Salaries and benefits | 802 | 8,426 | 3,208 | 21,667 |
| **Total** | $ 7,676 | $ 24,782 | $ 20,671 | $ 63,725 |

**(Expressed in Canadian Dollars)**

## 7. Stock options (continued)

Stock option price volatility was based on historical price 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 following table reflects the actual stock options issued and outstanding as of June 30, 2018:

| Expiry date | Exercise price ($) | Weighted average remaining contractual life (years) | Number of options outstanding | Number of options vested (exercisable) | Number of options unvested |
|---|---|---|---|---|---|
| September 10, 2018 | 2.40 | 0.20 | 61,000 | 61,000 | - |
| April 21, 2019 | 3.20 | 0.81 | 25,000 | 25,000 | - |
| March 30, 2020 | 0.70 | 1.75 | 272,500 | 272,500 | - |
| November 9, 2021 | 0.60 | 3.36 | 305,000 | 305,000 | - |
| December 11, 2022 | 0.51 | 4.45 | 57,500 | 28,750 | 28,750 |
| | | 2.48 | 721,000 | 692,250 | 28,750 |

## 8. Loss per common share

The calculation of basic and diluted loss per common share for the three and six months ended June 30, 2018 was based on the loss after tax attributable to common shareholders of $239,663 and $700,759, respectively (three and six months ended June 30, 2017 – loss of $373,590 and $906,997, respectively) and the weighted average number of common shares outstanding of 19,882,345 (three and six months ended June 30, 2017 – 17,196,913 and 16,796,275, respectively). Diluted loss per share did not include the effect of 721,000 (six months ended June 30, 2017 - 772,250) share purchase options and 6,617,087 (six months ended June 30, 2017 - 6,338,334) warrants as they are anti-dilutive.

## 9. Exploration and evaluation 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.

**(Expressed in Canadian Dollars)**

## 9. Exploration and evaluation expenditures (continued)

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

| | Three Months Ended June 30, 2018 | Three Months Ended June 30, 2017 | Six Months Ended June 30, 2018 | Six Months Ended June 30, 2017 |
|---|---|---|---|---|
| **Guyana, South America (a)** | | | | |
| Exploration activities | **$ 6,000** | $ 6,000 | $ 12,000 | $ 12,000 |
| | **$ 6,000** | $ 6,000 | $ 12,000 | $ 12,000 |
| **Colombia, South America (b)** | | | | |
| Exploration activities | **$ 24,604** | $ 12,861 | $ 57,461 | $ 109,602 |
| Salaries and benefits | **11,300** | 13,015 | 22,825 | 26,052 |
| | **$ 35,904** | $ 25,876 | $ 80,286 | $ 135,654 |
| **Argentina, South America (c)** | | | | |
| Exploration activities | **$ 45,678** | $ 71,861 | $ 178,476 | $ 199,617 |
| Salaries and benefits | **63,933** | 55,049 | 139,949 | 118,670 |
| Depreciation | **2,338** | 2,923 | 4,676 | 5,845 |
| | **$ 111,949** | $ 129,833 | $ 323,101 | $ 324,132 |
| | **$ 153,853** | $ 161,709 | $ 415,387 | $ 471,786 |

(a) Total cumulative exploration activities incurred in Guyana, South America to June 30, 2018 amounted to $35,538,787 (December 31, 2017 - $35,526,787).

(b) Total cumulative exploration activities incurred in Colombia, South America to June 30, 2018 amounted to $23,747,454 (December 31, 2017 - $23,667,168).

(c) Total cumulative exploration activities incurred in Argentina, South America to June 30, 2018 amounted to $15,144,281 (December 31, 2017 - $14,821,180).

## 10. General and administrative

| | Three Months Ended June 30, 2018 | Three Months Ended June 30, 2017 | Six Months Ended June 30, 2018 | Six Months Ended June 30, 2017 |
|---|---|---|---|---|
| Salaries and benefits | $ 44,536 | $ 56,394 | $ 93,328 | $ 121,127 |
| Administrative and general | 12,944 | 22,549 | 17,379 | 43,972 |
| Professional fees | 42,596 | 51,374 | 61,336 | 87,457 |
| Business development | 8,644 | 26,973 | 34,145 | 49,226 |
| Reporting issuer costs | 27,958 | 70,345 | 70,094 | 131,540 |
| | $ 136,678 | $ 227,635 | $ 276,282 | $ 433,322 |

**(Expressed in Canadian Dollars)**

## 11. Warrants

| | Number of warrants | Grant date fair value ($) | Weighted average exercise price ($) |
|---|---|---|---|
| Balance, December 31, 2016 | 6,913,227 | 2,113,652 | 1.19 |
| Issued (note 5(b)[(1)(2)(3)]) | 977,017 | 226,767 | 0.92 |
| Expired | (1,385,410) | (630,649) | 1.84 |
| Exercised | (166,500) | (32,973) | 0.61 |
| **Balance, June 30, 2017** | **6,338,334** | **1,676,797** | **1.02** |
| | | | |
| Balance, December 31, 2017 | 6,644,387 | 1,611,940 | 0.90 |
| Expired | (27,300) | (7,392) | 0.73 |
| **Balance, June 30, 2018** | **6,617,087** | **1,604,548** | **0.90** |

| Expiry date | Exercise price ($) | Warrants outstanding |
|---|---|---|
| September 13, 2018 | 0.90 | 12,950 |
| September 13, 2018 | 0.90 | 1,066,667 |
| October 12, 2018 | 0.90 | 65,833 |
| October 12, 2018 | 0.90 | 1,050 |
| November 3, 2018 | 0.70 | 987,750 |
| December 16, 2018 | 0.60 | 365,000 |
| December 16, 2018 | 0.60 | 18,300 |
| December 20, 2018 | 3.00 | 175,000 |
| January 20, 2019 | 1.10 | 150,000 |
| January 20, 2019 | 1.10 | 9,000 |
| January 23, 2019 | 4.20 | 166,667 |
| April 21, 2019 | 0.70 | 21,350 |
| April 21, 2019 | 0.70 | 305,000 |
| May 9, 2019 | 0.80 | 305,000 |
| July 8, 2019 | 0.60 | 592,500 |
| September 21, 2019 | 1.00 | 491,667 |
| February 2, 2020 | 1.00 | 119,353 |
| March 6, 2020 | 1.00 | 125,000 |
| March 27, 2020 | 1.00 | 150,000 |
| May 1, 2020 | 0.35 | 1,034,000 |
| May 8, 2020 | 1.30 | 180,000 |
| July 13, 2020 | 1.00 | 125,000 |
| September 23, 2020 | 1.00 | 150,000 |
| | | **6,617,087** |

## 12. 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.

**(Expressed in Canadian Dollars)**

## 12. Related party balances and transactions (continued)

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

| | Three Months Ended June 30, 2018 | Three Months Ended June 30, 2017 | Six Months Ended June 30, 2018 | Six Months Ended June 30, 2017 |
|---|---|---|---|---|
| John C. Ross Consulting Inc. (i) | $ 7,500 | $ 7,500 | $ 15,000 | $ 15,000 |

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At June 30, 2018, $55,850 is included in amounts payable and other liabilities (December 31, 2017 - $38,900).

(b) The Company defines its key management personnel as its Board of Directors, Chief Executive Officer ("CEO"), and CFO. Remuneration of Directors and key management personnel of the Company was as follows:

| | Three Months Ended June 30, 2018 | Three Months Ended June 30, 2017 | Six Months Ended June 30, 2018 | Six Months Ended June 30, 2017 |
|---|---|---|---|---|
| Salaries and benefits (*) | $ 34,250 | $ 34,250 | $ 68,500 | $ 68,500 |
| Share based payments | 1,371 | 14,405 | 5,487 | 37,041 |
| | $ 35,621 | $ 48,655 | $ 73,987 | $ 105,541 |

(*) The Board of Directors do not have employment or service contracts with the Company. There were no director fees accrued or paid during the year ended December 31, 2017 or December 31, 2016 and for the three and six months ended June 30, 2018. The CEO of the Company was owed $310,251 as at June 30, 2018 (December 31, 2017 - $241,751). Salaries and benefits of $68,500 excludes $15,000 expensed to CFO above (comparative period: Salaries and benefits of $68,500 excludes $15,000 expensed to CFO above).

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.

(c) See note 15.

## 13. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of uranium properties in South America. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

**June 30, 2018**

| | Canada | Colombia | Argentina | Total |
|---|---|---|---|---|
| Current assets | $ 45,987 | $ - | $ 40,475 | $ 86,462 |
| Non-current assets | - | - | 2,849,743 | 2,849,743 |
| | $ 45,987 | $ - | $ 2,890,218 | $ 2,936,205 |

**(Expressed in Canadian Dollars)**

## 13. Segmented information (continued)

**December 31, 2017**

| | Canada | Colombia | Argentina | Total |
|---|---|---|---|---|
| Current assets | $ 93,990 | $ 1,643 | $ 22,950 | $ 118,583 |
| Non-current assets | - | - | 2,854,419 | 2,854,419 |
| | $ 93,990 | $ 1,643 | $ 2,877,369 | $ 2,973,002 |

## 14. South American property interests

| | **Acquisition Costs** |
|---|---|
| Balance, December 31, 2015 | **$ 10,474,652** |
| Impairment of Colombia property interests | **(7,666,992)** |
| Balance, December 31, 2016, December 31, 2017 and June 30, 2018 | **$ 2,807,660** |

The Company controls various exploration and mining concessions in Argentina. The various concessions have a carrying value of $2,736,660 (December 31, 2017 - $2,736,660). On May 14, 2013, the Company completed the acquisition of Calypso Uranium Corp. These concessions have a carrying value of $71,000 (2017 - $71,000).

Total carrying value attributable to the Argentina Concessions as at June 30, 2018 is $2,807,660 (December 31, 2017 - $2,807,660).

In Colombia, the Company holds five exploration concessions that constitute its Berlin Project. These concessions were valued at $7,666,992. The Company has undertaken a less than optimal level of exploration in the previous three years and has no immediate plans to resume exploration in Colombia until the share price recovers. As a result, the Company recorded an impairment charge of $7,666,992 in fiscal 2016. As at June 30, 2018, December 31, 2017 and December 31, 2016, the carrying value of the Berlin Project was $nil.

During the year ended December 31, 2016, the Company recorded a recovery of accounts payable in profit and loss in the amount of $609,553 relating to a previously accrued wealth tax in Colombia. The wealth tax is assessed on net equity of companies in Colombia over a certain threshold for the years beginning 2015. As a result of the Company having limited Colombian operations, the Company believes the probability of payment to be remote, and accordingly reversed the accrual. There was no such recovery in the year ended December 31, 2017 and for the six months ended June 30, 2018.

In Guyana, the Company holds 10 contiguous prospecting licence claims which were acquired by application. All exploration expenses in Guyana have been expensed to date.

## 15. Loan payable

During the six months ended June 30, 2018, the Company entered into a series of advances from Bambazonke Holdings Ltd. ("Bambazonke"), pursuant to which Bambazonke agreed to lend the Company cash to fund working capital. Amounts outstanding under loan payable will incur interest at a rate of 8% 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. Aggregate advances at June 30, 2018 amounted to $370,000 (December 31, 2017 - $nil). Interest of $10,133 was included in amounts payable and other liabilities as at June 30, 2018.

## 16. Other payable

In fiscal 2011, the Company vended an exploration concession for a share interest in a new entity. The other payable of $176,000 represents an allowance for a potential tax exposure from this transaction.

## 17. Subsequent event

On July 11, 2018, the Company closed a financing available to Family, Friends and Business Associates as well as Accredited Investors (the “July 2018 Financing”). The Company issued 356,720 units ( the “Units”) priced at $0.29 per Unit, for gross proceeds of $103,449. Each Unit consisted of one common share (a “Common Share”) and one warrant (a “Warrant”). Each Warrant entitles the holder to purchase a Common Share of the Company at a price of $0.41 for a period of 24 months from the date of issuance. The Company issued 21,350 broker warrants with each broker warrant exercisable for a Common Share at a price of $0.41 for 24 months, and paid a cash commission of $6,192 for finder services in connection with the offering. The CFO of the Company subscribed $15,000 in the July 2018 Financing.