UEX CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

(Unaudited – Prepared by Management)

URANIUM

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

UEX CORPORATION

Condensed Interim Balance Sheets
(Unaudited – Prepared by Management)

	Notes	September 30 2016	December 31 2015	January 1, 2015
			Restated – Notes 2 and 20	*Restated – Notes 2 and 20*
Assets				
Current assets				
Cash and cash equivalents	3	$ 7,922,684	$ 5,139,814	$ 9,321,596
Amounts receivable	4	117,479	62,010	141,170
Prepaid expenses	5	152,011	100,177	106,540
Investments – current portion	8(v), 9, 15	703	126	-
		8,192,877	5,302,127	9,569,306
Non-current assets				
Deposits	6	44,377	44,704	-
Equipment	7	287,709	292,202	111,885
Mineral properties	8	6,969,142	5,219,142	4,945,886
Investments	8(v), 9, 15	28,000	7,182	22,187
Total assets		$ 15,522,105	$ 10,865,357	$ 14,649,264

Liabilities and Shareholders' Equity

	Notes	September 30 2016	December 31 2015	January 1, 2015
Current liabilities				
Accounts payable and other liabilities	10	$ 1,339,893	$ 476,537	$ 1,322,439
Total liabilities		1,339,893	476,537	1,322,439
Shareholders' equity				
Share capital	12(b)	188,850,520	180,389,814	177,542,611
Share-based payments reserve	12(c)	3,405,489	3,067,912	2,787,954
Accumulated other comprehensive income (loss)		-	-	(10,500)
Deficit		(178,073,797)	(173,068,906)	(166,993,240)
		14,182,212	10,388,820	13,326,825
Total liabilities and shareholders' equity		$ 15,522,105	$ 10,865,357	$ 14,649,264

Nature and continuance of operations	1
Commitments	8(iv)(vii), 12(d), 13
Subsequent event	8(iv), 12(c)

See accompanying notes to the unaudited condensed interim financial statements.

Approved on behalf of the Board and authorized for issue on November 14, 2016.

"signed"	Director	***"signed"***	Director
Roger M. Lemaitre		*Emmet A. McGrath*	

UEX CORPORATION

Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited – Prepared by Management)

	Notes	Three-month period ended September 30 2016	Three-month period ended September 30 2015	Nine-month period ended September 30 2016	Nine-month period ended September 30 2015
			Restated – Notes 2 and 20		*Restated – Notes 2 and 20*
Revenue					
Interest income	12(d)	$ 30,663	$ 26,993	$ 68,623	$ 85,762
Expenses					
Bank charges and interest		745	984	3,046	3,560
Depreciation		7,467	4,310	22,344	13,207
Exploration and evaluation expenditures	8	1,740,778	769,044	3,880,421	4,355,081
Filing fees and stock exchange		3,554	2,778	74,132	81,609
Legal and audit		34,387	27,026	116,059	97,673
Loss on disposal of equipment		278	-	278	577
Maintenance		865	32,647	13,205	38,621
Office expenses	17	37,399	81,163	142,504	331,079
Project investigation		-	6,232	-	19,221
Rent		35,260	32,185	103,952	113,042
Salaries	18	56,527	189,151	348,273	571,645
Share-based compensation	12(c)	79,043	85,446	307,228	288,954
Travel and promotion		35,632	27,330	98,131	178,979
Unrealized fair value loss (gain) on held-for-trading financial assets	8(v), 9, 15	(119)	(163)	(395)	2,705
Unrealized fair value loss (gain) on available-for-sale financial assets	8(v), 9, 15	(10,500)	-	(21,000)	-
		2,021,316	1,258,133	5,088,178	6,095,953
Loss before income taxes		(1,990,653)	(1,231,140)	(5,019,555)	(6,010,191)
Deferred income tax recovery (expense)	11	(136,588)		14,664	630,983
Loss for the period		(2,127,241)	(1,231,140)	(5,004,891)	(5,379,208)
Other comprehensive income (loss)					
Available-for-sale financial assets					
Net change in fair value	8(v), 9, 15	-	(1,750)	-	(15,750)
Deferred income tax recovery on change in fair value of available-for-sale financial assets	11	-		-	
		-	(1,750)	-	(13,624)
Comprehensive loss for the period		$ (2,127,241)	$ (1,232,890)	$ (5,004,891)	$ (5,394,958)
Basic and diluted loss per share		(0.008)	(0.005)	(0.018)	(0.022)
Basic and diluted weighted-average number of shares outstanding		268,866,227	246,015,069	279,817,120	240,776,974

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION

Condensed Interim Statements of Changes in Equity
(Unaudited – Prepared by Management)

	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
					Restated – Notes 2 and 20	
Balance, January 1, 2015	*235,015,069*	$ 177,542,611	$ 2,787,954	$ (10,500)	$ (166,993,240)	$ 13,326,825
Loss for the period					(5,379,208)	(5,379,208)
Issued pursuant to private placements	*11,000,000*	3,300,000				3,300,000
Share issuance costs		(243,558)				(243,558)
Value attributed to flow-through premium on issuance		(275,000)				(275,000)
Deferred income taxes on share issuance costs		65,761				65,761
Other comprehensive income (loss) *Fair value change in AFS financial assets*				(15,750)		(15,750)
Share-based payment transactions			314,839			314,839
Transfer to deficit on expiry of share purchase options			(112,039)		112,039	-
Balance, September 30, 2015	*246,015,069*	180,389,814	2,990,754	(26,250)	(172,260,409)	11,093,909
Loss for the period					(808,497)	(808,497)
Other comprehensive income (loss) *Fair value change in AFS financial assets*				15,750		15,750
Losses on available-for-sale assets transferred to net earnings				10,500		10,500
Share-based payment transactions			77,158			77,158
Balance, December 31, 2015	*246,015,069*	180,389,814	3,067,912	-	(173,068,906)	10,388,820
Loss for the period					(5,004,891)	(5,004,891)
Issued pursuant to private placements	*50,523,810*	9,250,000				9,250,000
Share issuance costs		(505,882)				(505,882)
Value attributed to flow-through premium on issuance		(420,000)				(420,000)
Deferred income taxes on share issuance costs		136,588				136,588
Share-based payment transactions			337,577			337,577
Balance, September 30, 2016	*296,538,879*	$ 188,850,520	$ 3,405,489	$ -	$ (178,073,797)	$ 14,182,212

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION

Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)

	Note	Three-month period ended September 30 2016	Three-month period ended September 30 2015	Nine-month period ended September 30 2016	Nine-month period ended September 30 2015
			Restated – Notes 2 and 20		*Restated – Notes 2 and 20*
Cash provided by (used for):					
Operating activities					
Loss for the period		$ (2,127,241)	$ (1,231,140)	$ (1,252,737)	$ (5,379,208)
Adjustments for:					
Depreciation		21,520	14,931	61,674	38,207
Deferred income tax expense (recovery)		136,588	-	(14,664)	(630,983)
Interest income		(30,663)	(26,993)	(68,623)	(85,762)
Loss on disposal of equipment		278	-	278	577
Part XII.6 tax	12(d)	-	-	(2,043)	(940)
Share-based compensation		87,184	92,567	337,577	314,839
Unrealized fair value loss (gain) on held-for-trading financial assets		(10,619)	(163)	(21,395)	2,705
Changes in non-cash operating working capital					
Amounts receivable		(32,590)	12,373	(59,496)	51,293
Prepaid expenses and deposits		26,167	36,605	(51,507)	(71,116)
Accounts payable and other liabilities		425,055	(77,160)	594,608	24,727
		(1,504,321)	(1,178,980)	(4,228,482)	(5,735,661)
Investing activities					
Interest received		1,940	165	74,693	92,812
Investment in exploration and evaluation assets		-	(300)	(1,750,000)	(14,180)
Purchase of equipment		(13,251)	(14,279)	(57,735)	(151,847)
Proceeds on sale of furniture		276	-	276	-
		(11,035)	(14,414)	(1,732,766)	(73,215)
Financing activities					
Proceeds from common shares issued	12(b)	-	-	9,250,000	3,300,000
Share issuance costs	12(b)	-	-	(505,882)	(243,558)
		-	-	8,744,118	3,056,442
Increase (decrease) in cash and/or cash equivalents during the period		(1,515,356)	(1,193,394)	2,782,870	(2,752,434)
Cash and cash equivalents, beginning of period		9,438,040	7,762,556	5,139,814	9,321,596
Cash and cash equivalents, end of period		$ 7,922,684	$ 6,569,162	$ 7,922,684	$ 6,569,162
Supplementary information					
Non-cash transactions					
Increase in other liabilities due to flow-through premium		-	-	420,000	275,000
Decrease in other liabilities due to extinguishment of flow-through premium on renouncement		-	-	(151,252)	(630,983)

See accompanying notes to the unaudited condensed interim financial statements.

1. Nature and continuance of operations

UEX Corporation (the "Company") was incorporated under the Canada Business Corporations Act on October 2, 2001. The Company entered into an agreement with Pioneer Metals Corporation ("Pioneer") and Cameco Corporation ("Cameco") to establish the Company as a public uranium exploration company. On July 17, 2002, under a plan of arrangement with Pioneer, Pioneer transferred to the Company its uranium exploration properties and all related assets, including the Riou Lake and Black Lake projects. On the same date, Cameco transferred its Hidden Bay uranium exploration property and certain related assets, in exchange for shares of the Company.

The Company is currently engaged in the exploration and development of its mineral properties located in the province of Saskatchewan. The Company's shares are listed on the Toronto Stock Exchange under the symbol UEX. The head office and principal address is located at 750 West Pender Street, Suite 1700, Vancouver, British Columbia, Canada V6C 2T8. The Company's registered office is 885 West Georgia Street, 19th Floor, Vancouver, British Columbia, Canada V6C 3H4.

The Company is exploring and developing its mineral properties and has not yet determined whether its mineral properties contain mineral resources that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral resources, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from the disposition of its mineral properties.

The Company performed an evaluation of impairment indicators under IFRS 6(20) for its exploration and evaluation assets (mineral properties) as at September 30, 2016 and has concluded that there are no indicators of impairment.

The Company has sufficient financial resources to fund administrative costs for at least twelve months from the reporting period and to complete its planned 2017 exploration. The Company will require additional funding to meet its cash payment obligation for the Christie Lake Project in 2017; if funds are not available, the Company may elect not to complete the acquisition as outlined in the Christie Lake Option Agreement (see Note 8(vii)). Although the Company has been successful in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

2. Basis of preparation and significant accounting policies

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparative figures, have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the Company's annual 2015 audited financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These unaudited condensed interim financial statements were approved by the Board of Directors for issue on November 14, 2016.

2. Basis of preparation and significant accounting policies (continued)

(b) Estimates

The preparation of unaudited interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these unaudited condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's financial statements as at and for the year ended December 31, 2015.

(c) Significant accounting policies

The accounting policies applied by the Company in these condensed unaudited interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2015, with the exception for the following amendment to accounting for exploration and evaluation costs.

Effective September 30, 2016, the Company changed its accounting policy for exploration and evaluation costs, from recognition as exploration and evaluation assets to expensing as incurred. See below for the new accounting policy and Note 20 for the impact this change had on the financial statements.

Mineral properties

Exploration and evaluation assets

The Company capitalizes all costs relating to the acquisition of mineral claims. All exploration and evaluation costs are expensed until properties are determined to have economically recoverable resources. Once a decision to proceed with development has been approved, all subsequent costs incurred for development will be capitalized as a component of property and equipment. Expenditures incurred before the Company has obtained the legal rights to explore a specific area are expensed as incurred.

The recovery of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete exploration and development of the properties and on future profitable production or proceeds of disposition. The underlying value of all properties is dependent on the existence and economic recovery of mineral resources in the future which includes acquiring the necessary permits and approvals. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Upon transfer of exploration and evaluation assets into development properties, all subsequent expenditures on the exploration, construction, installation or completion of infrastructure facilities are capitalized within development properties.

All capitalized exploration and evaluation assets are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the exploration expenditures are not expected to be recovered, this amount is recorded as a write-down of interest in mineral properties in the statement of operations and comprehensive loss in the period.

2. Basis of preparation and significant accounting policies (continued)

Mineral properties (continued)

Development properties

When mineral reserves have been determined and the decision to proceed with development has been approved, exploration and evaluation assets are tested for impairment then reclassified as a component of property, plant and equipment. The expenditures related to development and construction are capitalized as construction-in-progress. Costs associated with the testing of new assets incurred in the period before they are operating in the manner intended by management, are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase (before the assets are operating in the manner intended by management). Interest on borrowings related to the construction and development of assets are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment. Upon reaching commercial production (operating in the manner intended by management), these capitalized costs are amortized over the estimated reserves on a unit-of-production basis.

(d) Recent accounting announcements

The International Accounting Standards Board has issued IFRS 9 *Financial Instruments* ("IFRS 9") to replace IAS 39 *Financial Instruments*, which is intended to reduce the complexity in the measurement and classification of financial instruments. The current version of IFRS 9 has a mandatory effective date of January 1, 2018 and is available for early adoption. The Company does not expect IFRS 9 to have a material impact on the financial statements. The classification and measurement of the Company's financial assets is not expected to change under IFRS 9 because of the nature of the Company's operations and the types of financial assets that it holds.

In January of 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") which replaces the existing leasing standard, IAS 17 *Leases*. The new standard effectively eliminates the distinction between operating and finance leases for lessees, while lessor accounting remains largely unchanged with the distinction between operating and finance leases retained. IFRS 16 takes effect on January 1, 2019, with earlier application permitted. The Company has not yet evaluated the impact of adopting this standard and does not intend to early adopt.

3. Cash and cash equivalents

	September 30 2016	December 31 2015
Cash	$ 262,358	$ 132,659
Short-term deposits	7,660,326	5,007,155
	$ 7,922,684	$ 5,139,814

4. Amounts receivable

	September 30 2016	December 31 2015
Interest receivable	$ 41,055	$ 45,082
Other receivables	76,424	16,928
	$ 117,479	$ 62,010

Interest receivable reflects interest earned on short-term deposits. Other receivables include $74,868 of Goods and Services Tax (GST) receivable as at September 30, 2016 (December 31, 2015 - $15,964).

5. Prepaid expenses

	September 30 2016	December 31 2015
Advances to vendors	$ 75,000	$ 30,000
Prepaid expenses	77,011	70,177
	$ 152,011	$ 100,177

6. Deposits

	September 30 2016	December 31 2015
Deposits	$ 44,377	$ 44,704

The Company has paid deposits relating to new operating leases for its premises. The leases expire between July 31, 2018 and October 31, 2020 (see Note 13).

7. Equipment

	Exploration camp	Exploration equipment	Computing equipment	Furniture and fixtures	Total
Cost					
Balance at December 31, 2014	$ 99,327	$ 331,684	$ 257,698	$ 32,632	$ 721,341
Additions	-	68,300	86,710	81,746	236,756
Disposals	-	(5,120)	(41,777)	(19,046)	(65,943)
Balance at December 31, 2015	$ 99,327	$ 394,864	$ 302,631	$ 95,332	$ 892,154
Additions	-	31,358	11,752	14,625	57,735
Disposals	-	(3,811)	-	(7,422)	(11,233)
Balance at September 30, 2016	$ 99,327	$ 422,411	$ 314,383	$ 102,535	$ 938,656
Accumulated depreciation					
Balance at December 31, 2014	$ 48,111	$ 314,920	$ 222,441	$ 23,984	$ 609,456
Depreciation charge for the year	7,883	17,150	22,595	7,569	55,197
Disposals	-	(5,120)	(41,200)	(18,381)	(64,701)
Balance at December 31, 2015	$ 55,994	$ 326,950	$ 203,836	$ 13,172	$ 599,952
Depreciation charge for the period	5,912	17,007	22,581	14,651	60,151
Disposals	-	(2,288)	-	(6,868)	(9,156)
Balance at September 30, 2016	$ 61,906	$ 341,669	$ 226,417	$ 20,955	$ 650,947
Net book value					
Balance at December 31, 2014	$ 51,216	$ 16,764	$ 35,257	$ 8,648	$ 111,885
Balance at December 31, 2015	$ 43,333	$ 67,914	$ 98,795	$ 82,160	$ 292,202
Balance at September 30, 2016	$ 37,421	$ 80,742	$ 87,966	$ 81,580	$ 287,709

8. Mineral properties

Exploration and evaluation assets – acquisition costs

	Hidden Bay (i)	Western Athabasca (iv)	Black Lake (v)	Christie Lake (vii)	Total
Balance at December 31, 2014	$ 4,451,500	$ 924	$ 493,462	$ -	$ 4,945,886
Additions	24,180	604	-	250,000	274,784
Impairment charge for the year	-	(1,528)	-	-	(1,528)
Balance at December 31, 2015	4,475,680	-	493,462	250,000	5,219,142
Additions	-	-	-	1,750,000	1,750,000
Balance at September 30, 2016	$ 4,475,680	$ -	$ 493,462	$ 2,000,000	$ 6,969,142

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures – for the three-month periods ended September 30:

	September 30, 2016			September 30, 2015		
Project	Cumulative to June 30, 2016	Expenditures in the period	**Total**	Cumulative to June 30, 2015	Expenditures in the period	**Total**
Beatty River	$ 873,069	$ -	$ 873,069	$ 873,069	$ -	$ 873,069
Black Lake	14,774,833	-	14,774,833	14,774,468	293	14,774,761
Christie Lake	1,541,969	1,642,023	3,183,992	-	-	-
Hidden Bay [(1)]						
Deposit Areas	66,977,772	63,998	67,041,770	66,715,461	119,151	66,834,612
Exploration Areas	7,820,800	129	7,820,929	7,665,171	141,983	7,807,154
Western Athabasca						
Alexandra	1,205,251	-	1,205,251	1,205,251	-	1,205,251
Brander	1,353,364	-	1,353,364	1,353,364	-	1,353,364
Erica	2,253,084	-	2,253,084	2,243,054	1,785	2,244,839
Laurie	1,586,528	-	1,586,528	1,586,528	-	1,586,528
Mirror	1,987,612	-	1,987,612	1,987,612	-	1,987,612
Nikita	1,952,331	-	1,952,331	1,952,331	-	1,952,331
Shea Creek	54,135,294	34,628	54,169,922	52,981,114	505,832	53,486,946
Uchrich	543,091	-	543,091	543,091	-	543,091
All Projects Total	$ 157,004,998	$ 1,740,778	$ 158,745,776	$ 153,880,514	$ 769,044	$ 154,649,558

(1) Deposit areas include Raven, Horseshoe and West Bear Deposits. Exploration areas are all other areas included in Hidden Bay.

Exploration and evaluation expenditures – for the nine-month periods ended September 30:

	September 30, 2016			September 30, 2015		
Project	Cumulative to December 31, 2015	Expenditures in the period	**Total**	Cumulative to December 31, 2014	Expenditures in the period	**Total**
Beatty River	$ 873,069	$ -	$ 873,069	$ 869,392	$ 3,677	$ 873,069
Black Lake	14,774,817	16	14,774,833	14,770,646	4,115	14,774,761
Christie Lake	58,689	3,125,304	3,183,993	-	-	-
Hidden Bay [(1)]						
Deposit Areas	66,893,099	148,670	67,041,769	66,555,664	278,948	66,834,612
Exploration Areas	7,803,276	17,653	7,820,929	5,692,132	2,115,022	7,807,154
Western Athabasca						
Alexandra	1,205,251	-	1,205,251	1,204,397	854	1,205,251
Brander	1,353,364	-	1,353,364	1,352,463	900	1,353,363
Erica	2,253,084	-	2,253,084	1,590,050	654,790	2,244,840
Laurie	1,586,528	-	1,586,528	1,586,528	-	1,586,528
Mirror	1,987,612	-	1,987,612	1,987,612	-	1,987,612
Nikita	1,952,331	-	1,952,331	1,951,521	810	1,952,331
Shea Creek	53,581,144	588,778	54,169,922	52,190,981	1,295,965	53,486,946
Uchrich	543,091	-	543,091	543,091	-	543,091
All Projects Total	$ 154,865,355	$ 3,880,421	$ 158,745,776	$ 150,294,477	$ 4,355,081	$ 154,649,558

(1) Deposit areas include Raven, Horseshoe and West Bear Deposits. Exploration areas are all other areas included in Hidden Bay.

The three month periods ended September 30, 2016 and 2015 include non-cash expenditures of $8,141 and $15,316 for Stock Based Compensation and Amortization respectively. The nine month periods ended September 30, 2016 and 2015 include non-cash expenditures of $30,349 and $39,330 for Stock Based Compensation and Amortization respectively.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)..

The Company's mineral property interests include 100% owned projects as well as joint operations in which the Company has less than 100% ownership. The joint operations are governed by contractual arrangements but have not been organized into separate legal entities or vehicles.

The joint arrangements that the Company is party to in some cases entitle the Company to a right of first refusal on the projects should one of the partners choose to sell their interest. The joint arrangements are governed by a management committee which sets the annual exploration budgets for these projects. Should the Company be unable to, or choose not to, fund its required contributions as outlined in the agreement, there is a risk that the Company's ownership interest could be diluted. As a result of decisions to fund exploration programs for the joint arrangements, the Company may choose to complete further equity issuances or fund these amounts through the Company's general working capital.

100% owned projects

(i) Hidden Bay Project

The Company's 100% owned Hidden Bay Project, including the Horseshoe, Raven and West Bear Deposits, is located in the eastern Athabasca Basin of northern Saskatchewan, Canada. In the first nine months of 2016, total exploration and evaluation expenditures at Hidden Bay included evaluation expenditures of $128,130 (2015 - $49,953). Total evaluation costs of $7,511,576 are included in the balance as at September 30, 2016 (December 31, 2015 - $7,383,446) representing costs associated with the continuing evaluation of and advancement of Hidden Bay, and include the heap leach evaluation, the West Bear Preliminary Feasibility Study (February 24, 2010), the Hidden Bay Preliminary Assessment Technical Report (February 23, 2011) and various component technical studies.

Umpherville River, located in the eastern Athabasca Basin, was acquired in stages in 2015 and is now 100% owned by UEX. The claims are contiguous to other mineral claims included in the Hidden Bay Project and acquisition/project expenditures are included with Hidden Bay. The mineral claims that make up Umpherville River are subject to a 2% NSR royalty on 20% of the project for each mineral produced (equivalent to a 0.4% NSR on the total project) with the NSR on uranium capped at $10 million.

(ii) Riou Lake Project

The Company holds a 100% interest in the Riou Lake Project located in the northern Athabasca Basin. The Company wrote off the deferred mineral property costs associated with its Riou Lake Project in 2014 due to a lack of ongoing exploration activity. UEX continues to maintain several Riou Lake claims in good standing.

(iii) Northern Athabasca Projects

The Company holds a 100% interest in the Northern Athabasca Projects located in the northern Athabasca Basin. The Company wrote off the deferred mineral property costs associated with its Northern Athabasca Projects in 2010 due to a lack of ongoing exploration activity. UEX continues to maintain mineral claims comprising the Butler Lake and La Roque Projects in good standing.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations

(iv) Western Athabasca Projects

The Western Athabasca Projects (the “Projects”), located in the western Athabasca Basin, which include the Kianna, Anne, Colette and 58B Deposits located at the Shea Creek Project, are nine joint ventures with the Company holding an approximate 49.1% interest and AREVA Resources Canada Inc. (“AREVA”) holding an approximate 50.9% interest in all projects as at September 30, 2016 and December 31, 2015, except for the Laurie Project, where the Company has an approximate 42.2% interest as at September 30, 2016 and December 31, 2015. The Company is in the process of negotiating joint-venture agreements with AREVA. As at September 30, 2016, total exploration and evaluation assets to date for Western Athabasca include evaluation expenditures of $7,370,026 (December 31, 2015 - $7,370,026).

The Kianna, Anne, Colette and 58B deposits are subject to a royalty of US$0.212 per pound of U_3O_8 sold to a maximum royalty of US$10,000,000.

As at September 30, 2016, UEX has funded approximately $0.59 million of its $0.66 million share of the $1.35 million 2016 Shea Creek exploration budget. UEX decided not to fund its share of $650,000 for the 2016 geophysical program at the Mirror River Project, or approximately $319,000. UEX’s interest in this project is anticipated to drop from the current 49.097% interest to approximately 41.449% should AREVA complete the approved program. This dilution would only apply to UEX’s interest in the Mirror River Project.

On April 10, 2013, an agreement was signed with AREVA which grants UEX the option to increase its ownership interest in the Western Athabasca Projects, which includes the Shea Creek Project, by 0.9% to a maximum interest of 49.9% by spending $18.0 million on exploration over the six-year period ending December 31, 2018. UEX is under no obligation to propose a budget in any year of the agreement. The ownership interest for the Projects shall be increased at the end of the year by the proportional amount of the additional exploration expenditures incurred in the year which are in addition to the budget amounts proposed by AREVA. UEX may propose an additional exploration budget of up to $4.0 million in any single year without the prior approval of AREVA, who remains the project operator. UEX does not intend to propose a supplemental exploration program for 2016.

In July of 2014, UEX and AREVA each staked claims which became the Coppin Lake Project. A budget of $200,000 for geophysics and line cutting was proposed for 2016, of which UEX would have been responsible for funding its 49.097% share, or approximately $98,000. When bids were received to perform the proposed work, they were much higher than expected. Given the higher than expected costs and small area involved, AREVA made a decision to cancel the program and the claims were allowed to lapse in the third quarter of 2016. In early November of 2016, UEX sold its interest in Coppin Lake for proceeds of $17,184. UEX will also receive its proportionate share of a 1.5% NSR royalty should uranium be produced from this project. The purchaser may elect to purchase the royalty for $950,000, of which UEX would be entitled to 49.1%.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Black Lake Project

The Black Lake Project ("Black Lake"), located in the northern Athabasca Basin, is a joint venture with the Company holding a 90.92% interest and AREVA holding a 9.08% interest as at September 30, 2016 and December 31, 2015.

In early 2013, UEX signed an agreement with Uracan Resources Ltd. ("Uracan") whereby Uracan can earn a 60% interest in Black Lake. Amendments to this original agreement were signed on June 23, 2014, December 15, 2014 and November 25, 2015.

Uracan must fund a total of $10.0 million of project expenditures by December 31, 2023 to earn their 60% interest in Black Lake from UEX, with no partial earn-in permitted. UEX remains the project operator and is entitled to a 10% management fee under the Black Lake joint venture agreement until such time as Uracan has earned its 60% interest in Black Lake.

Uracan has also granted to UEX a 1% NSR royalty from their ownership interest, to a maximum of $10.0 million of royalty payments.

Black Lake Option Agreement	Date	Uracan Shares	Uracan Warrants
Agreement signed (1)	January 23, 2013	300,000	150,000
First amendment (2)	June 23, 2014	50,000	25,000
Second amendment (3)	December 15, 2014	-	-
Third amendment (4)	November 25, 2015	-	-
	December 31, 2015	350,000	175,000
Warrant expiry	February 13, 2016	-	(150,000)
	September 30, 2016	350,000	25,000

(1) As part consideration for the earn-in, Uracan issued 300,000 shares and 150,000 share purchase warrants to UEX (see Note 9). These warrants were exchangeable for 150,000 Uracan shares. The warrants were exercisable for three years at a price of $0.15 for each warrant. The opening value upon receipt was determined to be $27,000 for the Uracan shares and $8,931 for the Uracan warrants. The combined amount of $35,931 was recorded as a reduction in the carrying value of the Black Lake Project in 2013.

(2) On June 23, 2014, Uracan issued 50,000 shares and 25,000 share purchase warrants as consideration for the deferral of $422,440 in exploration commitments from 2014 to 2015 (see Note 9). These warrants are exercisable for three years at a price of $0.12 for each warrant and are exchangeable for 25,000 Uracan shares. The fair value upon receipt was determined to be $2,750 for the Uracan shares and $889 for the Uracan warrants. The combined amount of $3,639 was recorded as a reduction in the carrying value of the Black Lake Project in 2014. The amended earn-in agreement reduced the 2014 expenditure requirement from $2,000,000 to $1,577,560. The $422,440 reduction to the 2014 expenditure requirement was added to the 2015 requirement, increasing it from $1,000,000 to $1,422,440.

(3) On December 15, 2014 Uracan was granted an extension of the deadline to complete their 2014 exploration expenditures by January 31, 2015.

(4) On November 25, 2015, the agreement was amended such that an aggregate of $3,000,000 for the first, second, third and fourth calendar years in exploration expenditures are required to be paid by December 31, 2016. The 2015 funding requirement of $1,422,440 was reduced to $Nil and deferred to 2016, with all payments after 2016 extended by one year, which caused the agreement expiry date to be extended to December 31, 2023 from December 31, 2022. Uracan is required to fund $1.4 million to complete its $3.0 million of work commitments by December 31, 2016.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Black Lake Project (continued)

The following table summarizes Uracan's exploration funding commitments under the Black Lake Project earn-in agreement:

Black Lake Option Agreement Earn-in Funding Schedule		
Project earn-in funded		
2013 earn-in funding	$ 104,060	
2014 earn-in funding required (June 23, 2014 amendment)	1,473,500	
Minimum funding required to meet 2014 expenditure requirement	1,577,560	
Excess funding over minimum 2014 requirement completed in January 2015, net of funds remaining returned to Uracan [(1)]	45,525	
2015 funding requirement (November 25, 2015 amendment)	-	
Black Lake exploration funded by Uracan as at September 30, 2016	1,623,085	1,623,085
Project earn-in funding required		
Funding required by December 31, 2016	1,422,440	
Excess funding carry forward to reduce 2016 commitments	(45,525)	
Cumulative funding required by December 31, 2023 [(2)]	7,000,000	
Black Lake exploration to be funded by Uracan	8,376,915	8,376,915
Black Lake earn-in		$ 10,000,000

(1) Excess funding of $45,525 was partially settled by interest earned of $3,853 on program prepayments invested by UEX.

(2) Required funding of $1,000,000 for exploration expenditures by December 31 of each year from 2017 to 2023 inclusive.

(vi) Beatty River Project

The Company has a 25% interest in the Beatty River Project, which is located in the western Athabasca Basin. AREVA is the operator of this project.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(vii) Christie Lake Project

The Company has a 10% interest in the Christie Lake Project, which is located in the eastern Athabasca Basin and JCU (Canada) Exploration Company Limited ("JCU") holds a 90% interest. UEX is the operator of this project.

On October 26, 2015, the Company signed a Letter of Intent ("LOI") with JCU to acquire up to a 70% interest in the Christie Lake Project ("Christie Lake"). On January 19, 2016, UEX signed an Option Agreement with JCU formalizing the terms upon which UEX may earn up to 70% interest in the Christie Lake Project. The project contains historical non-compliant resources (deposits). The consideration includes cash payments and exploration commitments as outlined in the following table:

Date	Cash Payment	Exploration Work Commitment	UEX Cumulative Interest Earned
Upon signing of the LOI	$ 250,000	$ -	- %
Before January 28, 2016	1,750,000	-	10.00
Before January 1, 2017	2,000,000	2,500,000	30.00
Before January 1, 2018	1,000,000	2,500,000	45.00
Before January 1, 2019	1,000,000	5,000,000	60.00
Before January 1, 2020	1,000,000	5,000,000	70.00
	$ 7,000,000	$ 15,000,000	70.00 %

Capitalized expenditures at Christie Lake of $5,183,993 at September 30, 2016 include $2,000,000 cash payments. UEX is the project operator and is entitled to a 10% management fee, which is offset against salaries and is deemed to be an expenditure for the exploration work commitment (See Note 18).

Costs associated with reviewing the project prior to signing the LOI were expensed as project investigation costs in 2015.

UEX has committed to make cash payments to JCU and to fund exploration work as outlined in the table above for the Christie Lake Project. A $4.0 million exploration program is currently underway, with approximately $3.16 million completed as at September 30, 2016. Should UEX choose to fund more exploration work than is required in any year, the excess funding is carried forward and reduces the following year's commitment. The funding commitments and cash payments are required to be made in full in order to achieve each ownership increment.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

UEX is party to the following joint arrangements:

	September 30, 2016				December 31, 2015			
Ownership interest (%)	**UEX**	**AREVA**	**JCU**	**Total**	**UEX**	**AREVA**	**JCU**	**Total**
Beatty River	25.000	50.702	24.298	100.000	25.000	50.702	24.298	100.000
Black Lake (1)	90.920	9.080	-	100.000	90.920	9.080	-	100.000
Christie Lake (2)	10.000	-	90.000	100.000	-	-	100.000	100.000
Western Athabasca Laurie Project (3)	42.183	57.817	-	100.000	42.183	57.817	-	100.000
Western Athabasca All other projects (4)	49.097	50.903	-	100.000	49.097	50.903	-	100.000

(1) In early 2016, UEX notified AREVA that their ownership interest in Black Lake had been diluted from 9.310% to 9.080% as a result of their decision to not participate in the 2015 programs (see Note 8(v)). In 2013, UEX entered into an agreement with Uracan Resources Ltd. whereby the Company will transfer to Uracan a 60% interest in the Black Lake Project upon completion of their funding of $10 million in exploration expenditures on UEX's behalf.

(2) Upon payments to JCU of $250,000 on October 26, 2015 and $1,750,000 on January 22, 2016, UEX vested a 10% ownership interest in the Christie Lake Project in January 2016 (see Note 8(vii)).

(3) As a result of UEX's decision not to fund 2015 exploration programs comprised of geophysics and line cutting at the Laurie Project, its ownership interest was diluted from 49.097% as at December 31, 2014 to 42.183% as at December 31, 2015. Previously, the Laurie Project was presented with the other Western Athabasca Projects.

(4) Western Athabasca includes the Alexandra, Brander River, Coppin Lake, Erica, Mirror River, Nikita, Shea Creek, Uchrich and Laurie Projects; however, due to a decision not to fund 2015 exploration programs at Laurie, UEX's ownership interest has decreased in this project only. The Company's ownership interest in Laurie is presented separately from its interest in the other Western Athabasca Projects due to the different ownership interest from the rest of the Western Athabasca Projects. UEX chose not to propose/fund any additional exploration work under the terms of the optional six-year, $18 million, 0.9% additional earn-in agreement, thus UEX's ownership interest has not changed from the prior year under this option.

9. Investments

The Company holds 350,000 share and 25,000 warrant certificates of Uracan. In early 2013, UEX received 300,000 shares and 150,000 warrants from Uracan as partial consideration for the signing of an agreement which allows Uracan to earn a 60% interest in the Black Lake Project (see Note 8(v)). On February 13, 2016, these warrants expired.

On June 23, 2014, UEX entered into an amendment to the earn-in agreement with Uracan which deferred $422,440 in exploration commitments from 2014 and added these to the 2015 exploration commitments. Upon execution of this agreement, UEX received from Uracan a further 50,000 shares and 25,000 share purchase warrants. These shares and warrants are being held for long-term investment purposes. The investments include warrants which have been classified as *Financial Assets at Fair Value Through Profit or Loss* ("FVTPL") and as such are stated at fair value with any changes in fair value recognized in profit or loss. The investments also include shares which have been classified as *Available-for-sale* ("AFS") financial assets and are carried at fair value. Changes in fair value are recognized through profit and loss (see Note 15).

9. Investments (continued)

Investments – current portion	September 30 2016	December 31 2015
Warrants held – Uracan (see Note 15)	$ 703	$ 126

Investments	September 30 2016	December 31 2015
Common shares held – Uracan [1] (TSX.V: URC) (see Note 15)	$ 28,000	$ 7,000
Warrants held – Uracan (see Note 15)	-	182
	$ 28,000	$ 7,182

(1) The initial fair value of the shares was $29,750 based on the market closing prices on February 13, 2013 ($27,000) and June 23, 2014 ($2,750), the dates the shares were received.

The Uracan warrants have an expiry of three years after the original grant date, with 25,000 warrants issued on June 23, 2014 exercisable for $0.12 per warrant. The 150,000 warrants which were issued on February 13, 2013, having an exercise price of $0.15 per warrant, expired on February 13, 2016.

The fair value of the Uracan shares is based on the market price for these actively traded securities.

The fair value of the warrants received from Uracan was determined using the Black-Scholes option-pricing model with the following weighted-average assumptions as at the dates indicated:

	September 30, 2016		December 31, 2015	
	June 23, 2014 Agreement Amendment [2]	February 13, 2013 Agreement (expired) [3]	June 23, 2014 Agreement Amendment [2]	February 13, 2013 Agreement (expired) [3]
Number of warrants – Uracan	25,000	N/A	25,000	150,000
Expected forfeiture rate	0.00%	-	0.00%	0.00%
Weighted-average valuation date share price	$ 0.08	-	$ 0.02	$ 0.02
Expected volatility	142.85%	-	163.43%	330.38%
Risk-free interest rate	0.52%	-	0.48%	0.48%
Dividend yield	0.00%	-	0.00%	0.00%
Expected life	0.73 years	-	1.48 years	0.12 years
Weighted-average valuation date fair value	$ 0.03	-	$ 0.01	$ 0.00

(2) The initial fair value of the 25,000 Uracan warrants on June 23, 2014 was determined to be $889 using the Black-Scholes option-pricing model with the following weighted-average assumptions: Pre-vest forfeiture rate – 0.00%; Expected volatility – 132.48%; Risk-free interest rate – 1.23%; and Expected life of warrants – 3.00 years.

(3) The initial fair value of the 150,000 Uracan warrants on February 13, 2013 was determined to be $8,931 using the Black-Scholes option-pricing model with the following weighted-average assumptions: Pre-vest forfeiture rate – 0.00%; Expected volatility – 127.26%; Risk-free interest rate – 1.22%; and Expected life of warrants – 3.00 years.

10. Accounts payable and other liabilities

	September 30 2016	December 31 2015
Trade payables	$ 533,918	$ 70,029
Other liabilities	385,975	255,256
Flow-through share premium	420,000	151,252
	$ 1,339,893	$ 476,537

Other liabilities comprise general and exploration costs incurred in the period for which invoices had not been received at the balance sheet date.

The flow-through share premium at September 30, 2016 represents the difference between the subscription price of $0.25 per share and the market price at issuance of $0.23 per share related to the May 17, 2016 flow-through private placement of 21,000,000 shares ($420,000).

The flow-through share premium at December 31, 2015 represented the difference between the subscription price of $0.300 per share and the market price at issuance of $0.275 per share relating to the May 11, 2015 flow-through placement of 11,000,000 shares ($275,000). In February of 2016, the flow-through share premium of $151,252 relating to unspent amounts of $1,815,023 at December 31, 2015 from the May 11, 2015 flow-through placement was extinguished on the filing of and the renouncement of the tax benefits to the subscribers of that placement effective December 31, 2015.

11. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes for the three and nine-month periods ended September 30, 2016 and 2015 is as follows:

	Three-month period ended September 30		Nine-month period ended September 30	
	2016	2015	2016	2015
Loss before income taxes	$ (1,990,653)	$ (1,231,140)	$ (5,019,555)	$ (6,010,191)
Statutory rates	27%	27%	27%	27%
Income tax recovery at statutory rates	537,476	332,408	1,355,280	1,622,752
Non-deductible expenses and permanent differences	174,907	(1,386,144)	(464,916)	(496,164)
Exploration expenditures renounced net of flow-through premium	-	-	(338,804)	(140,145)
Change in unrecognized deductible temporary differences	(848,971)	1,053,736	(536,896)	(355,460)
Deferred income tax recovery (expense)	$ (136,588)	$ -	$ 14,664	$ 630,983

12. Share capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of (no par value) preferred shares issuable in series, of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares.

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 2014	*235,015,069*	$ 177,542,611
Issued pursuant to private placement in 2015	*11,000,000*	3,300,000
Share issuance costs		(243,558)
Value attributed to flow-through premium on issuance		(275,000)
Deferred income taxes on share issuance costs		65,761
Balance, December 31, 2015	*246,015,069*	$ 180,389,814
Issued pursuant to private placements in 2016	*50,523,810*	9,250,000
Share issuance costs		(505,882)
Value attributed to flow-through premium on issuance		(420,000)
Deferred income taxes on share issuance costs		136,588
Balance, September 30, 2016	*296,538,879*	$ 188,850,520

On May 17, 2016, the Company completed a private placement consisting of 21,000,000 flow-through common shares at a price of $0.25 per share and 9,523,810 units at a price of $0.21 per unit for gross process of $7,250,000 with issue costs of $463,138. Each unit consists of one common share and one-half share purchase warrant exercisable at a price of $0.30 per share for a period of two years. A flow-through premium related to the sale of the associated tax benefits was determined to be $420,000 and deferred income tax of $125,047 related to share issue costs was recorded in share capital.

On January 21, 2016, UEX completed a private placement of 20,000,000 units at a price of $0.10 per unit for gross proceeds of $2,000,000 with issue costs of $42,744. Each unit consisted of one common share and one full common share purchase warrant exercisable at $0.20 per share for a period of two years. The placement was fully subscribed by a former CEO of the Company, with no commission payable. Deferred income tax of $11,541 related to share issue costs was recorded in share capital.

As Cameco's ownership interest in UEX dropped below 20.00% in the first quarter of 2016, it no longer has a pre-emptive right to maintain its ownership interest in UEX by participating in equity placements on a pro-rata basis. As at September 30, 2016, Cameco's ownership interest in UEX was 16.87%.

12. Share capital (continued)

(c) Share-based compensation

Under the Company's share-based compensation plan, the Company may grant share purchase options to its key employees, directors, officers and others providing services to the Company. The maximum number of shares issuable under the plan is a rolling number equal to 10% of the issued and outstanding common shares of the Company from time to time. Under the plan, the exercise price of each share purchase option shall be fixed by the Board of Directors but shall not be less than the quoted closing market price of the shares on the Toronto Stock Exchange on the date prior to the share purchase option being granted and a share purchase option's maximum term is 10 years. The shares subject to each share purchase option shall vest at such time or times as may be determined by the Board of Directors.

A summary of the status of the Company's share-based compensation plan as at September 30, 2016 and December 31, 2015 and changes during the periods ended on these dates is presented below:

	Number of share purchase options	Weighted-average exercise price
Outstanding, December 31, 2014	15,861,000	$ 0.84
Granted	2,085,000	0.28
Cancelled	(280,000)	0.29
Expired	(350,000)	0.60
Outstanding, September 30, 2015 and December 31, 2015	17,316,000	0.79
Granted	4,426,667	0.23
Outstanding, September 30, 2016	21,742,667	$ 0.67

During the nine-month period ended September 30, 2016, the Company granted 4,426,667 share purchase options pursuant to the Company's share option plan.

No options were cancelled or expired in the three and nine-month periods ended September 30, 2016. In the three and nine-month periods ending September 30, 2015, $12,802 and $112,039 was transferred from the share-based payments reserve to deficit relating to the expiry and cancellation of 280,000 and 630,000 share purchase options, respectively.

On October 9, 2016, 116,667 share purchase options with a weighted-average exercise price of $0.22 were cancelled.

As at September 30, 2016, the Company had a total of 21,742,667 share purchase options outstanding related to director, employee and consultant share purchase options, the details of which are as follows:

	Outstanding			Exercisable	
Range of exercise prices	Number of share purchase options	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Number of share purchase options	Weighted-average exercise price
$ 0.15 – 0.33	8,036,667	$ 0.26	3.88	3,865,559	$ 0.30
0.34 – 0.93	6,095,000	0.54	3.55	6,095,000	0.74
0.94 – 1.45	7,611,000	1.22	3.36	7,611,000	1.28
	21,742,667	$ 0.67	3.61	17,571,559	$ 0.77

12. Share capital (continued)

(c) Share-based compensation (continued)

The share-based payments reserve values of $3,405,489 as at September 30, 2016 and $3,067,912 as at December 31, 2015 on the balance sheet reflect the expensed and capitalized fair value of vested share purchase options. If all options that are vested were exercised, the entire balance of the share-based payments reserve would be transferred to share capital.

The estimated fair value expense of all share purchase options vested during the three-month period ended September 30, 2016 is $87,184 (2015 - $92,567). The amount included in mineral property expenditures for the quarter ended September 30, 2016 is $8,141 (2015 - $7,121) and the remaining $79,043 (2015 - $85,446) was expensed to share-based compensation.

The estimated fair value expense of all share purchase options vested during the nine-month period ended September 30, 2016 is $337,577 (2015 - $314,839). The amount included in mineral property expenditures for the nine months ended September 30, 2016 is $30,349 (2015 - $25,885) and the remaining $307,228 (2015 - $288,954) was expensed to share-based compensation.

The fair value of the options granted each period was determined using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	September 30 2016	September 30 2015
Number of options granted	4,426,667	2,085,000
Expected forfeiture rate	1.69%	1.06%
Weighted-average grant date share price	$ 0.23	$ 0.28
Expected volatility	63.46%	63.00%
Risk-free interest rate	0.59%	0.85%
Dividend yield	0.00%	0.00%
Expected life	4.21 years	4.09 years
Weighted-average grant date fair value	$ 0.11	$ 0.13

(d) Flow-through shares

The Company has financed a portion of its exploration programs through the use of flow-through share issuances. Income tax deductions relating to these expenditures are claimable by the investors and not by the Company. As at September 30, 2016, the Company had spent, on qualified expenditures, all (December 31, 2015 - $1,484,977) of the $3,300,000 flow-through monies raised in the May 11, 2015 placement. The Company renounced the income tax benefit of this issue to its subscribers effective December 31, 2015. The Company incurred $Nil and $2,043 in Part XII.6 tax on unspent flow-through monies in the three and nine months ended September 30, 2016 (2015 - $Nil and $940), which has been netted against interest income.

As at September 30, 2016, the Company has also spent approximately $1,548,000 of the $5,250,000 flow-through monies raised in the May 17, 2016 private placement and will renounce the income tax benefit of this issue to its subscribers effective December 31, 2016.

12. Share capital (continued)

(e) Warrants

Outstanding share purchase warrants entitle their holders to purchase common shares of the Company at a price outlined in the warrant agreements. The following table summarizes the continuity of share purchase warrants for the Company:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2014 and December 31, 2015	-	$ -
Issued pursuant to private placements in 2016	*24,761,905*	0.22
Exercised	-	-
Balance, September 30, 2016	*24,761,905*	$ 0.22

As at September 30, 2016 the Company's outstanding share purchase warrants had expiry dates and exercise prices as follows:

Expiry Date for Warrants	Number of Warrants	Exercise Price
January 22, 2018 (2 year life)	*20,000,000*	$ 0.20
May 17, 2018 (2 year life)	*4,761,905*	0.30
Balance, September 30, 2016	*24,761,905*	$ 0.22

13. Commitments

The Company has obligations under operating leases for its office premises, which expire between July 31, 2018 and October 31, 2020. The future minimum payments are as follows:

	September 30 2016
2016	$ 17,760
2017	71,502
2018	67,774
2019	61,446
2020	53,130

Other commitments in respect of the Company's mineral properties are disclosed in Notes 8 and 12(d).

14. Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation programs on its mineral properties. The Company manages its capital structure, consisting of shareholders' equity, and makes adjustments to it, based on funds available to the Company, in order to support the exploration and evaluation of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements.

All of the Company's cash and cash equivalents are available for exploration and evaluation programs and administrative operations. The Company has not changed its approach to capital management during the current period, and is not subject to any external capital restrictions.

15. Management of financial risk

The Company operates entirely in Canada and is therefore not subject to any significant foreign currency risk. The Company's financial instruments are exposed to limited liquidity risk, credit risk and market risk.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in Note 14. Accounts payable and other liabilities are due within the current operating period.

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large national financial institutions. The maximum exposure to credit risk is equal to the carrying value of cash and cash equivalents and amounts receivable. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments that are redeemable 90 days or less from the original date of acquisition.

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income. The Company is subject to interest rate risk on its cash and cash equivalents. The Company reduces this risk by investing its cash in highly liquid short-term interest-bearing investments that earn interest on a fixed rate basis.

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 - Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying values of amounts receivable, and accounts payable and other liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

15. Management of financial risk (continued)

Cash and cash equivalents are classified as loans and receivables and are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

The following table summarizes those assets and liabilities carried at fair value:

Investments – as at December 31, 2015	Level 1	Level 2	Level 3	Total
Shares – Uracan (TSX-V: URC)	$ 7,000	$ -	$ -	$ 7,000
Warrants – Uracan [(1)]	-	-	182	182
Warrants – Uracan (current portion) [(1)]			126	126
	$ 7,000	$ -	$ 308	$ 7,308

Investments – as at September 30, 2016	Level 1	Level 2	Level 3	Total
Shares – Uracan (TSX-V: URC)	$ 28,000	$ -	$ -	$ 28,000
Warrants – Uracan [(1)]	-	-	703	703
	$ 28,000	$ -	$ 703	$ 28,703

(1) Black-Scholes inputs for the Uracan warrant evaluation are disclosed in Note 9 – Investments.

The following table shows a reconciliation from the beginning balances to ending balances for Level 1 fair value measurements for investments:

	Number of Shares	Change in Fair Value	Fair Value
Balance, December 31, 2014	*350,000*		$ 19,250
Gains (losses) for the three months ended March 31, 2015		(7,000)	
Gains (losses) for the three months ended June 30, 2015		(7,000)	
Gains (losses) for the three months ended September 30, 2015		(1,750)	
Gains (losses) for the three months ended December 31, 2015		3,500	
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – year ended December 31, 2015		(12,250)	(12,250)
Balance, December 31, 2015	*350,000*		7,000
Gains (losses) for the three months ended March 31, 2016		3,500	
Gains (losses) for the three months ended June 30, 2016		7,000	
Gains (losses) for the three months ended September 30, 2016		10,500	
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – nine months ended September 30, 2016		21,000	21,000
Balance, September 30, 2016	*350,000*		$ 28,000

15. Management of financial risk (continued)

In the year ended December 31, 2015, AFS shares experienced a prolonged decline in their value, which warranted the related unrealized losses previously recognized through OCI to be recognized through profit and loss. This resulted in a fair value loss of $10,500, which had been recognized in OCI in 2014, to be reclassified to profit and loss, as well as a fair value loss of $12,250 related to 2015 to be recognized directly through profit and loss, for a total fair value impairment of $22,750. Changes to the fair value of these AFS shares in the first nine months of 2016 have been recognized through profit and loss.

The Company's policy is to recognize transfers out of Level 3 as of the date of the event or change in circumstances that caused the transfer. There have been no transfers out of Level 3 in the period.

The following table shows a reconciliation from the beginning balances to ending balances for Level 3 fair value measurements:

	Number of Warrants	Change in Fair Value	Fair Value [(1)]
Balance, December 31, 2014	*175,000*		$ 2,937
Gains (losses) for the three months ended March 31, 2015		(2,332)	
Gains (losses) for the three months ended June 30, 2015		(536)	
Gains (losses) for the three months ended September 30, 2015		163	
Gains (losses) for the three months ended December 31, 2015		76	
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – year ended December 31, 2015		(2,629)	(2,629)
Balance, December 31, 2015	*175,000*		308
Expiry of warrants	*(150,000)*	(126)	
Gains (losses) for the three months ended March 31, 2016		153	
Gains (losses) for the three months ended June 30, 2016		249	
Gains (losses) for the three months ended September 30, 2016		119	
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – nine months ended September 30, 2016		395	395
Balance, September 30, 2016	*25,000*		$ 703

(1) See Note 9 for Black-Scholes assumptions

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as the key unobservable inputs used in the valuation model:

Level 3 item	Valuation approach	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Warrants – Uracan	The fair value has been determined by using the Black-Scholes option pricing model.	Expected volatility for Uracan shares, derived from the shares' historical prices (weekly).	The estimated fair value for the warrants increases as the volatility increases.

16. Segmented information

The Company conducts its business as a single operating segment, being the mining and mineral exploration business in Canada. All mineral properties and equipment are located in Canada.

17. Office expenses

	Three months ended September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
Insurance	$ 13,580	$ 13,050	$ 38,590	$ 38,880
Office supplies and consulting	21,160	64,584	95,462	281,201
Telephone	2,659	3,529	8,452	10,998
	$ 37,399	$ 81,163	$ 142,504	$ 331,079

18. Salaries

	Three months ended September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
Gross salaries	$ 205,254	$ 189,151	$ 635,414	$ 609,773
Management fee offset:				
Christie Lake – 10%	(148,727)	-	(287,141)	-
Black Lake – 10%	-	-	-	(38,128)
	$ 56,527	$ 189,151	$ 348,273	$ 571,645

On certain expenditures where UEX is the operator, the Company is entitled to a project management fee of 10% of the direct costs. This fee compensates the operator for indirect costs associated with the operation of the projects and are credited against gross salaries expense.

While UEX is in the earn-in stage of the Christie Lake Project, the 10% fee is non-cash and is a deemed expenditure towards the exploration earn-in commitment for the Project.

19. Related party transactions

The value of all transactions relating to key management personnel, close members of the family of persons that are key management personnel and entities over which they have control or significant influence are as follows:

(a) Related party transactions

Related party transactions include the following payments which were made to related parties other than key management personnel:

	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Panterra Geoservices Inc. share-based payments (1)(2)	$ 990	$ 2,528	$ 3,921	$ 7,814
Cameco Corporation (3)	420	-	420	12,000
	$ 1,410	$ 2,528	$ 4,341	$ 19,814

(1) Panterra Geoservices Inc. is a company owned by David Rhys, a member of the management advisory board that provides geological consulting services to the Company. The management advisory board members are not paid a retainer or fee; specific services are invoiced as provided.

(2) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 12(c).

(3) 2016 payments related to fees paid for use of the Cameco airstrip at the McArthur River mine. 2015 payment represents an amount paid to Cameco (20.33% shareholder of UEX Corporation at the date of the transaction) in May of 2015 to acquire Cameco's 70% interest in the Umpherville joint venture (see Note 8(i)).

(b) Key management personnel compensation

Key management personnel compensation includes management and director compensation, inclusive of any consulting arrangements with directors, as follows:

	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Salaries and short-term employee benefits (1)(2)	$ 154,108	$ 148,224	$ 565,728	$ 444,324
Share-based payments (3)	71,452	81,465	276,492	257,671
Other compensation (4)	-	-	-	183,000
	$ 225,560	$ 229,689	$ 842,220	$ 884,995

(1) In the event of a change of control of the Company, certain senior management may elect to terminate their employment agreements and the Company shall pay termination benefits of two times their respective annual salaries at that time and all of their share purchase options will become immediately vested with all other employee benefits, if any, continuing for a period of up to two years.

(2) In the event that Mr. Lemaitre's (UEX's President and CEO) employment is terminated by the Corporation for any reason other than as a result of a change of control, death or termination for cause, the Corporation will pay to Mr. Lemaitre an amount equal to one year's base salary plus any bonus owing. All other employee related benefits will continue for a period of one year following such termination. Mr. Lemaitre may also terminate the employment agreement upon three months written notice to the Board and receive a lump sum payment equal to his base salary plus benefits for three months.

(3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 12(c).

(4) Represents amounts paid in January 2015 to Mr. Graham Thody, the Company's former President and CEO, under the terms of a retirement consulting agreement for consulting services up to December 31, 2015. As at September 30, 2015, one-quarter of the annual amount, or $45,750, was included in prepaid expenses.

20. Change in Accounting Policy

Effective September 30, 2016, the Company changed its accounting policy related to exploration and evaluation expenditures. This change requires exploration expenditures to be expensed as incurred rather than capitalized to mineral properties. The treatment of acquisition and staking costs, as well as costs incurred prior to obtaining rights, has not changed. This change in accounting policy has been applied retrospectively.

The Company applied IFRS 6 - Exploration for and evaluation of mineral properties since its transition to IFRS from Canadian GAAP. As permitted under Canadian GAAP and IFRS 6, the Company recognized as assets its mineral exploration and evaluation costs on a historical cost basis. These capitalized amounts were assessed for impairment at each reporting period. Except as previously recorded by the Company, the historical cost amounts capitalized are not impaired. The Company has decided to change its accounting policy for exploration and evaluation costs with a view to providing more relevant, reliable and understandable information to financial statement users. The reasons for the change in policy include aligning the accounting treatment of mineral exploration and evaluation costs with other companies in the industry including those that report under US GAAP, which allows shareholders to more easily understand and compare our financial statements with others, and the Company has determined that the treatment of exploration and evaluation costs as an operating expense better reflects the economic substance of our operating activities during the fiscal periods presented.

The accounting policy change has been retrospectively applied in preparing the comparative statements as follows:

- Balance Sheets as at January 1, 2015 and December 31, 2015;
- Statements of Operations and Comprehensive Loss for the three and nine-month periods ended September 30, 2015; and
- Statements of Cash Flows for the three and nine-month periods ended September 30, 2015.

The change in accounting policy had no effect on the Company's statement of changes in equity, with the exception of the changes in deficit as shown below.

20. Change in Accounting Policy (continued)

Balance sheet – as at January 1, 2015

	January 1, 2015		
	As previously reported January 1, 2015	**Effect of policy change**	**Restated under new policy, January 1, 2015**
Assets			
Current assets			
Cash and cash equivalents	$ 9,321,596	$ -	$ 9,321,596
Amounts receivable	141,170	-	141,170
Prepaid expenses	106,540	-	106,540
	9,569,306	-	9,569,306
Non-current assets			
Deposits	-		-
Equipment	111,885	-	111,885
Mineral properties	155,240,363	(150,294,477)	4,945,886
Investments	22,187	-	22,187
Total assets	164,943,741		14,649,264
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	1,322,439	-	1,322,439
Non-current liabilities			
Deferred tax liability	10,063,649	(10,063,649)	-
Total liabilities	11,386,088		1,322,439
Shareholders' equity			
Share capital	177,542,611	-	177,542,611
Share-based payments reserve	2,787,954	-	2,787,954
Accumulated other comprehensive income (loss)	(9,082)	(1,418)	(10,500)
Deficit	(26,763,830)	(140,229,410)	(166,993,240)
	153,557,653		13,326,825
Total liabilities and shareholders' equity	$ 164,943,741		$ 14,649,264

20. Change in Accounting Policy (continued)

Balance sheet – as at December 31, 2015

	December 31, 2015		
	As previously reported December 31, 2015	Effect of policy change	Restated under new policy, December 31, 2015
Assets			
Current assets			
Cash and cash equivalents	$ 5,139,814	$ -	$ 5,139,814
Amounts receivable	62,010	-	62,010
Prepaid expenses	100,177	-	100,177
Investments – current portion	126	-	126
	5,302,127		5,302,127
Non-current assets			
Deposits	44,704	-	44,704
Equipment	292,202	-	292,202
Mineral properties	160,084,497	(154,865,355)	5,219,142
Investments	7,182	-	7,182
Total assets	$ 165,730,712		$ 10,865,357
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	476,537	-	476,537
Non-current liabilities			
Deferred tax liability	10,596,810	(10,596,810)	-
Total liabilities	11,073,347		476,537
Shareholders' equity			
Share capital	180,389,814	-	180,389,814
Share-based payments reserve	3,067,912	-	3,067,912
Deficit	(28,800,361)	(144,268,545)	(173,068,906)
	154,657,365		10,388,820
Total liabilities and shareholders' equity	$ 165,730,712		$ 10,865,357

20. Change in Accounting Policy (continued)

Statement of Operations and Comprehensive Loss

	Three month period ended September 30, 2015		
	As previously reported	**Effect of policy change**	**Restated under new policy**
Revenue			
Interest income			
	$ 26,993	$ -	$ 26,993
Expenses			
Bank charges and interest	984	-	984
Depreciation	4,310	-	4,310
Exploration and evaluation expenditures	-	769,044	769,044
Filing fees and stock exchange	2,778	-	2,778
Legal and audit	27,026	-	27,026
Maintenance	32,647	-	32,647
Office expenses	81,163	-	81,163
Project investigation	6,232	-	6,232
Rent	32,185	-	32,185
Salaries	189,151	-	189,151
Share-based compensation	85,446	-	85,446
Travel and promotion	27,330	-	27,330
Unrealized fair value loss (gain) on held-for-trading financial assets	(163)	-	(163)
	489,089		1,258,133
Loss before income taxes	(462,096)		(1,231,140)
Deferred income tax recovery (expense)	98,507	(98,507)	-
Loss for the period	(363,589)		(1,231,140)
Other comprehensive income (loss)			
Available-for-sale financial assets			
Net change in fair value	(1,750)	-	(1,750)
Deferred income tax recovery on change in fair value of available-for-sale financial assets	236	(236)	-
	(1,514)		(1,750)
Comprehensive loss for the period	$ (365,103)	$ (867,787)	$ (1,232,890)
Basic and diluted loss per share	(0.001)		(0.005)
Basic and diluted weighted-average number of shares outstanding	246,015,069		246,015,069

20. Change in Accounting Policy (continued)

Statement of Operations and Comprehensive Loss

	Nine month period ended September 30, 2015		
	As previously reported	Effect of policy change	Restated under new policy
Revenue			
Interest income			
	$ 85,762	$ -	$ 85,762
Expenses			
Bank charges and interest	3,560	-	3,560
Depreciation	13,207	-	13,207
Exploration and evaluation expenditures	-	4,355,081	4,355,081
Filing fees and stock exchange	81,609	-	81,609
Legal and audit	97,673	-	97,673
Loss on disposal of equipment	577	-	577
Maintenance	38,621	-	38,621
Office expenses	331,079	-	331,079
Project investigation	19,221	-	19,221
Rent	113,042	-	113,042
Salaries	571,645	-	571,645
Share-based compensation	288,954	-	288,954
Travel and promotion	178,979	-	178,979
Unrealized fair value loss (gain) on held-for-trading financial assets	2,705	-	2,705
	1,740,872		6,095,953
Loss before income taxes	(1,655,110)		(6,010,191)
Deferred income tax recovery (expense)	276,176	354,807	630,983
Loss for the period	(1,378,934)		(5,379,208)
Other comprehensive income (loss)			
Available-for-sale financial assets			
Net change in fair value	(15,750)	-	(15,750)
Deferred income tax recovery on change in fair value of available-for-sale financial assets	2,126	(2,126)	-
	(13,624)		(15,750)
Comprehensive loss for the period	$ (1,392,558)	$ (4,002,400)	$ (5,394,958)
Basic and diluted loss per share	(0.006)		(0.022)
Basic and diluted weighted-average number of shares outstanding	240,776,974		240,776,974

20. Change in Accounting Policy (continued)

Statement of Cash Flows

	Three month period ended September 30, 2015		
	As previously reported	Effect of policy change	Restated under new policy
Cash provided by (used for):		-	
Operating activities			
Loss for the period	$ (363,589)	$ (867,551)	$ (1,231,140)
Adjustments for:			
Depreciation	4,310	10,621	14,931
Deferred income tax expense (recovery)	(98,507)	98,507	-
Interest income	(26,993)	-	(26,993)
Share-based compensation	85,446	7,121	92,567
Unrealized fair value loss (gain) on held-for-trading financial assets	(163)	-	(163)
Changes in non-cash operating working capital			
Amounts receivable	11,436	937	12,373
Prepaid expenses and deposits	36,605	-	36,605
Accounts payable and other liabilities	16,014	(93,174)	(77,160)
	(335,441)		(1,178,980)
Investing activities			
Interest received	165	-	165
Investment in exploration and evaluation assets	(843,839)	843,539	(300)
Purchase of equipment	(14,279)	-	(14,279)
	(857,953)		(14,414)
Financing activities			
Proceeds from common shares issued	-		-
Share issuance costs	-		-
	-		-
Increase (decrease) in cash and/or cash equivalents during the period	(1,193,394)		(1,193,394)
Cash and cash equivalents, beginning of period	7,762,556		7,762,556
Cash and cash equivalents, end of period	$ 6,569,162	$	$ 6,569,162

20. Change in Accounting Policy (continued)

Statement of Cash Flows

	Nine month period ended September 30, 2015		
	As previously reported	Effect of policy change	Restated under new policy
Cash provided by (used for):		-	
Operating activities			
Loss for the period	$ (1,378,934)	$ (4,000,274)	$ (5,379,208)
Adjustments for:			
Depreciation	13,207	25,000	38,207
Deferred income tax expense (recovery)	(276,176)	(354,807)	(630,983)
Interest income	(85,762)	-	(85,762)
Loss on disposal of equipment	577	-	577
Share-based compensation	288,954	25,885	314,839
Unrealized fair value loss on held-for-trading financial assets	2,705		2,705
Changes in non-cash operating working capital			
Amounts receivable	50,554	739	51,293
Prepaid expenses and deposits	(71,116)	-	(71,116)
Accounts payable and other liabilities	(408,131)	432,858	24,727
	(1,865,062)		(5,735,661)
Investing activities			
Interest received	92,812	-	92,812
Investment in exploration and evaluation assets	(3,884,779)	3,870,599	(14,180)
Purchase of equipment	(151,847)	-	(151,847)
	(3,943,814)		(73,215)
Financing activities			
Proceeds from common shares issued	3,300,000		3,300,000
Share issuance costs	(243,558)		(243,558)
	3,056,442		3,056,442
Increase (decrease) in cash and/or cash equivalents during the period	(2,752,434)		(2,752,434)
Cash and cash equivalents, beginning of period	9,321,596		9,321,596
Cash and cash equivalents, end of period	$ 6,569,162	$	$ 6,569,162

Corporate Information

Board of Directors

Colin C. Macdonald, Chairman
Saskatoon, Saskatchewan

Roger M. Lemaitre
President and CEO
Saskatoon, Saskatchewan

Suraj P. Ahuja
Vancouver, British Columbia

Mark P. Eaton
Toronto, Ontario

Emmet A. McGrath
Vancouver, British Columbia

Graham C. Thody
Vancouver, British Columbia

Officers

Roger M. Lemaitre
President and CEO

Ed Boney
CFO and Corporate Secretary

Nan Lee
Vice-President, Project Development

Legal Counsel

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