UNEARTHING ENERGY METALS

UEX CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of UEX Corporation

Opinion

We have audited the consolidated financial statements of UEX Corporation (the Entity), which comprise:

- the consolidated balance sheets as at December 31, 2019 and December 31, 2018
- the consolidated statements of operations and comprehensive loss for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Entity requires additional funding to finance its planned operating activities through its 2020 fiscal year and beyond.

As stated in Note 2 in the financial statements, these events or conditions, along with other matters as set forth in Note 2 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Scott Douglas Verity.

Saskatoon, Canada

March 24, 2020

UEX CORPORATION

Consolidated Balance Sheets
As at December 31, 2019 and 2018

	Notes	2019	2018 As adjusted (Note 14(c))
Assets			
Current assets			
Cash and cash equivalents	4	$ 3,597,510	$ 10,258,858
Amounts receivable	5	100,763	68,648
Prepaids and other	6	120,091	126,578
		3,818,364	10,454,084
Non-current assets			
Deposits		38,640	61,578
Equipment	7	145,674	244,309
Right-of-use asset	8	194,492	-
Mineral properties	9	10,872,909	10,864,172
Investments	10	225,875	307,000
Total assets		$ 15,295,954	$ 21,931,143
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	11	$ 796,645	$ 762,539
Lease liability - current	12	93,315	-
Non- current liabilities			
Security deposits		10,432	10,432
Lease liability – long term	12	160,290	-
Total liabilities		1,060,682	772,971
Shareholders' equity			
Share capital	14(b)	206,534,898	205,030,035
Share-based payments reserve	14(c)	4,435,905	6,960,196
Accumulated other comprehensive income		(181,125)	(100,000)
Deficit		(196,554,406)	(190,732,059)
		14,235,272	21,158,172
Total liabilities and shareholders' equity		$ 15,295,954	$ 21,931,143

Basis of preparation	2
Commitments	14(d)
Subsequent events	22
Contingencies	23

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board and authorized for issue on March 24, 2020.

"signed" Director
Roger M. Lemaitre

"signed" Director
Emmet A. McGrath

UEX CORPORATION

Consolidated Statements of Operations and Comprehensive Loss
Years Ended December 31, 2019 and 2018

	Notes		2019		2018
Revenue					
Interest income		$	126,975	$	143,982
Expenses					
Depreciation			81,347		35,121
Exploration and evaluation expenditures	18		7,682,875		4,359,568
Filing fees and stock exchange			77,169		100,129
Financing and interest			64,211		17,689
Legal and audit			207,878		174,045
Loss (gain) on disposal of equipment			2,085		3,796
Maintenance			39,358		41,148
Office expenses, net of project surcharges	19		210,900		242,476
Project investigation			11,412		-
Salaries, net of project management fees	20		322,508		495,728
Share-based compensation	14(c)		664,577		776,525
Travel and promotion			194,860		185,089
Write down of mineral property	9(iv)		9,151		-
			9,568,331		6,431,314
Loss before income taxes			(9,441,356)		(6,287,332)
Deferred income tax recovery	13		317,622		14,871
Loss for the year		$	(9,123,734)	$	(6,272,461)
Other comprehensive loss					
Fair value net change on financial assets - FVOCI	10, 16		(81,125)		(101,750)
Comprehensive loss for the year		$	(9,204,859)	$	(6,374,211)
Basic and diluted loss per share		$	(0.02)	$	(0.02)
Basic and diluted weighted-average number of shares outstanding			382,543,071		354,376,221

See accompanying notes to the consolidated financial statements.

UEX CORPORATION

Consolidated Statements of Changes in Equity
Years Ended December 31, 2019 and 2018

	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
December 31, 2017 (as adjusted Note 14(c))	*325,188,073*	$ 193,850,256	$ 7,245,398	$ 1,750	$ (185,608,393)	$ 15,489,011
Loss for the period	-	-	-	-	(6,272,461)	(6,272,461)
Issued pursuant to private placements	*33,202,500*	6,972,525	-	-	-	6,972,525
Issued pursuant to option exercise	*233,333*	72,037	(22,370)	-	-	49,667
Issued pursuant to warrant exercises	*22,761,905*	5,028,572	-	-	-	5,028,572
Share issuance costs	-	(561,330)	-	-	-	(561,330)
Value attributed to flow-through share premium on issuance	-	(332,025)	-	-	-	(332,025)
Fair value change in financial assets - FVOCI	-	-	-	(101,750)	-	(101,750)
Share-based payment transactions	-	-	885,963	-	-	885,963
Transfer to deficit on expiry of share purchase options	-	-	(1,148,795)	-	1,148,795	-
December 31, 2018 (as adjusted Note 14(c))	*381,385,811*	$ 205,030,035	$ 6,960,196	$ (100,000)	$ (190,732,059)	$ 21,158,172
Loss for the period	-	-	-	-	(9,123,734)	(9,123,734)
Issued pursuant to private placements	*12,800,000*	1,600,000	-	-	-	1,600,000
Share issuance costs	-	(31,137)	-	-	-	(31,137)
Value attributed to flow-through share premium on issuance	-	(64,000)	-	-	-	(64,000)
Fair value change in financial assets - FVOCI	-	-	-	(81,125)	-	(81,125)
Share-based payment transactions	-	-	777,096	-	-	777,096
Transfer to deficit on expiry of share purchase options	-	-	(3,301,387)	-	3,301,387	-
December 31, 2019	*394,185,811*	$ 206,534,898	$ 4,435,905	$ (181,125)	$ (196,554,406)	$ 14,235,272

See accompanying notes to the consolidated financial statements.

UEX CORPORATION

Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	Notes	2019	2018
Cash provided by (used for):			
Operating activities			
Loss for the year		$ (9,123,734)	$ (6,272,461)
Adjustments for:			
Depreciation		151,907	109,694
Deferred income tax recovery	13	(317,622)	(14,871)
Interest income		(126,975)	(143,982)
Interest on lease liabilities		21,396	-
Loss on disposal of equipment		2,085	3,796
Share-based compensation	14(c)	777,096	885,963
Write down of mineral property		9,151	-
Changes in:			
Amounts receivable		(17,000)	(7,279)
Prepaid expenses and deposits		29,425	25,328
Accounts payable and other liabilities		287,728	86,274
		(8,306,543)	(5,327,538)
Investing activities			
Interest received		157,574	120,646
Lease receivable		61,446	-
Investment in mineral properties		(17,888)	(1,016,667)
Purchase of equipment		(8,679)	(113,838)
Proceeds on sale of furniture or equipment		-	60
		192,453	(1,009,799)
Financing activities			
Lease liability payments	12	(116,121)	-
Proceeds from common shares issued	14(b)	1,600,000	12,050,764
Share issuance costs	14(b)	(31,137)	(561,330)
		1,452,742	11,489,434
Change in cash and cash equivalents during the year		(6,661,348)	5,152,097
Cash and cash equivalents, beginning of year		10,258,858	5,106,761
Cash and cash equivalents, end of year		$ 3,597,510	$ 10,258,858
Supplementary information			
Non-cash transactions			
Increase in other liabilities due to flow-through premiums		$ 64,000	$ 332,025
Decrease in other liabilities due to partial extinguishment of flow-through premiums on renouncements		(317,622)	(14,871)
Non-cash share-based compensation included in exploration and evaluation expenditures		112,519	109,438
Depreciation included in exploration and evaluation expenditures		70,560	74,573
Fair value of shares received for mineral property earn-in (reduction in carrying value of mineral properties)		-	(400,000)

See accompanying notes to the consolidated financial statements.

1. Corporate information

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 evaluation 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 home office and principal address is located at Unit 200 – 3530 Millar Avenue, Saskatoon, Saskatchewan, Canada S7P 0B6. The Company's registered office is 885 West Georgia Street, 19th Floor, Vancouver, British Columbia, Canada V6C 3H4.

2. Basis of preparation

These consolidated financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities and commitments in the normal course of business. Management is aware, in making its going concern assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company has no sources of operating revenue, has a history of incurring operating losses and forecasts a requirement for further financing in 2020 to meet its planned objectives. As at December 31, 2019, the Company had working capital of $2.9 million of which $1.6 million is committed to be spent on qualifying expenditures to satisfy flow-through share requirements, leaving $1.3 million to finance operating activities through its 2020 fiscal year and beyond. The ability of the Company to continue as a going concern and fund general and administrative expenses in an orderly manner will require further equity issuances or other forms of financings. Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and capital markets are not known at this time. While the Company believes that it will be able to raise additional funds and/or reduce expenditures to continue as a going concern there is no assurance that the Company will be successful in obtaining additional funding at an acceptable cost as and when needed or at all. Failure to obtain additional funding on a timely basis may cause the Company to postpone exploration and/or evaluation plans, dilute or forfeit rights in its mineral properties or substantially reduce its operations.

These financial statements do not include any adjustments to carrying values of asset amounts and liabilities, reported expenses and the statement of financial position classifications used, that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

3. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements, including comparative figures, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Except as disclosed in note 3(t), the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The consolidated financial statements of UEX Corporation were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 24, 2020.

3. Significant accounting policies (continued)

(b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. Transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Translation gains and losses are recorded in profit or loss.

(c) Basis of consolidation:

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, CoEX Metals Corporation. Subsidiaries are entities controlled by the Company. Control is having power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation.

(d) Use of estimates and judgments

The preparation of consolidated financial statements requires management to make accounting estimates and assumptions requiring judgment in applying the Company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual amounts may differ from such estimates. Information about judgment and estimates is contained in the notes to the consolidated financial statements, with the key areas summarized below.

Significant areas requiring the use of critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to:

(i) Ongoing review for the support of the carrying value of mineral properties, including: consideration of ongoing and anticipated expenditures on the mineral properties; evaluation of the success of exploration to date and other general factors such as commodity prices and outlook; evaluation of UEX's market capitalization compared to the net assets of the Company (which are primarily mineral properties); and comparison to recent arm's length transactions for similar assets in order to evaluate the appropriateness of the carrying value presented in the consolidated financial statements (see Note 3(l) *Mineral properties* and Note 9 *Mineral properties*).

(ii) Review of equipment carrying values and impairment assessments for the Company considering whether circumstances have occurred which have impacted the estimated useful life of the assets such as damage or obsolescence, as well as the timing of impairments and the determination of recoverable amounts (see Note 3(k) *Equipment* and Note 7 *Equipment*).

(iii) Evaluating company-specific facts and circumstances to determine whether accruals or recognition of liabilities may be required with respect to asset retirement obligations or other circumstances (see Note 3(m) *Provisions*).

(iv) Interpretation of new accounting guidelines and assessing their potential impact on the Company's consolidated financial statements requires judgment with respect to company-specific facts and circumstances.

3. Significant accounting policies (continued)

(d) Use of estimates and judgments (continued)

(v) Ongoing review of the Company's ability to continue to operate as a going concern. These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business (see Note 2 *Basis of presentation*).

Significant areas requiring assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year relate to:

(i) Estimates and/or assumptions used in determining the fair value of share-based compensation, including Black-Scholes valuation model inputs such as the expected forfeiture rate, volatility and life of share-purchase options (see Note 14(c) *Share-based compensation*).

(ii) Assumptions used to estimate the useful lives of property, plant and equipment for determining appropriate depreciation rates (see Note 3(k) *Equipment* and Note 7 *Equipment*).

(iii) Estimates that would be used, should the recording of a rehabilitation provision or asset retirement obligation be required in the consolidated financial statements in the future. Estimates would relate to the expected inflation rate, estimated mine life and the discount rates applied (see Note 3(m) *Provisions*).

(e) Joint arrangements

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

(i) *Joint operation* – when the Company has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(ii) *Joint venture* – when the Company has rights only to the net assets of the arrangement, it accounts for its interest using the equity method.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western and northern Athabasca Basin. The consolidated financial statements include the Company's proportionate share of the joint operations' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis from the date that the joint arrangement commences until the date that the joint arrangement ceases. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles.

The Company does not have any joint arrangements that are classified as joint ventures.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

3. Significant accounting policies (continued)

(g) Financial assets

The classification of financial assets depends on the business model in which the financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9, Financial Instruments, are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Significant accounting policies (continued)

(g) Financial assets (continued)

Impairment of financial assets

Financial assets measured at amortized cost, contract assets, and debt investments in FVOCI, but not investments in equity instruments, are assessed for credit impairment under the expected credit loss (“ECL”) model of impairment. This impairment model applies to lease receivables, loan commitments, and financial guarantee contracts; the Company has no such items. The financial assets at amortized cost consist of accounts receivables, cash and cash equivalents.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to accounts and other receivables are presented separately in the statement of profit or loss. Impairment losses on other financial assets are presented under ‘finance costs’, and not presented separately in the statement of profit or loss due to materiality considerations.

(h) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortized cost.

Financial liabilities at amortized cost are initially measured at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity dates. The Company has classified accounts payable and other liabilities as other financial liabilities.

The Company has not elected to carry any financial liabilities at fair value through profit or loss.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

3. Significant accounting policies (continued)

(i) Impairment of non-financial assets

Non-financial assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

(j) Leases

The Company has applied IFRS 16 from January 1, 2019 onwards using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

As a lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement of a contract that is, or contains, a lease, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost and subsequently depreciated using the straight-line method from the commencement date and over the useful life of the underlying asset, which is determined on the basis of property and equipment.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate ("IBR"). The Company determines its IBR by obtaining interest rates from various external sources and making certain adjustments to reflect the terms of the lease and the type of the asset leased.

As a lessor

When the Company enters into a contract as a lessor, it determines at inception whether each lease is a finance or operating lease. When the Company is an intermediate lessor, it accounts for its interest in the head lease and sub-lease separately. The sub-lease classification is made based on the right-of-use asset arising from the head lease, not to the underlying asset.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before IFRS 16

In the comparative period, assets held under leases classified as operating leases were not recognized on the consolidated balance sheets. Payments made under operating leases were recognized in profit and loss on a straight-line basis over the term of the lease. If the Company was a lessee as part of an arrangement that transferred substantially all of the risks and rewards of ownership, a finance lease would be recognized at an amount equal to the lower of the fair value and the present value of the minimum lease payment.

3. Significant accounting policies (continued)

(k) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is provided over the expected useful lives of the assets.

Depreciation methods and expected useful lives are reviewed at each reporting date and adjusted as required. All assets are depreciated on a straight-line basis over their useful lives as follows:

Asset	Basis	Useful Life
Exploration camp	Straight line	5 - 20 years
Exploration equipment	Straight line	3 - 5 years
Computer equipment	Straight line	1 - 5 years
Office furniture	Straight line	3 - 5 years
Leasehold improvements	Straight line	Lesser of term of lease or 10 years

(l) Mineral properties

Exploration and evaluation assets and expenses

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 reserves. 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.

3. Significant accounting policies (continued)

(l) Mineral properties (continued)

The recovery of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, 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.

All capitalized mineral properties 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 capitalized acquisition cost is determined to be impaired, this amount is recorded as a write-down of interest in mineral properties in the statement of operations and comprehensive loss in the period.

Development properties

When mineral reserves have been determined and the decision to proceed with development has been approved, capitalized mineral property costs 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 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.

Reserve and resource estimates

The Company estimates its reserves and mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 (Standards for Disclosure of Mineral Projects). Reserves are used when performing impairment assessments on the Company's mineral properties once they have moved from Exploration and Evaluation to Development. There are numerous uncertainties inherent in the estimation of mineral reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being revised.

(m) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is presented in profit or loss net of any reimbursement.

3. Significant accounting policies (continued)

(m) Provisions (continued)

Environmental rehabilitation provision

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

The environmental rehabilitation obligation is recorded as a liability and the offset is capitalized as part of the carrying amount of the associated long-lived asset. The capitalized environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. The Company has assessed each of its mineral projects and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

(n) Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets also result from unused loss carry-forwards, resource-related income tax pools and timing differences for other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the Company allocates total proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits.

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. The remaining amount is allocated to the sale of tax benefits and is recorded as a liability and is reversed to profit or loss when the qualifying expenditures are incurred and the tax benefits are renounced. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation. If the flow-through shares are not issued at a premium, a liability is not established.

3. Significant accounting policies (continued)

(p) Share capital

Common shares are classified as equity. The Company records proceeds from share issuances net of direct issue costs. Common shares issued for consideration, other than cash, are valued at the quoted market price on the date the shares are issued.

(q) Valuation of warrants

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as part of units. The residual value method first allocates value to common shares issued in the private placements at their fair value, as determined by the closing quoted bid price on the announcement date or the price protection date, if applicable. The balance remaining, if any, is allocated to the warrants with the value recorded in shareholders' equity under warrant reserve.

(r) Share-based payments

The Company has a share option plan which is described in Note 14(c). The fair value of all share-based awards is estimated using the Black-Scholes option-pricing model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

None of the Company's awards call for settlement in cash or other assets. Consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments reserve is transferred to share capital. The offset to the recorded cost is to share-based payments reserve. Charges for share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to deficit.

(s) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted-average number of common shares outstanding and earnings (loss) available to shareholders. For all periods presented, earnings (loss) available to shareholders equals reported earnings (loss). The treasury share method is used to calculate diluted earnings per share. Under the treasury share method, the weighted-average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds received on exercise of diluted share purchase options and share purchase warrants are used to repurchase outstanding shares at average market prices during the period. The calculation of diluted earnings (loss) per share excludes the effects of share purchase options and warrants that would be anti-dilutive.

3. Significant accounting policies (continued)

(t) Changes in significant accounting policies

In accordance with IASB pronouncements, the Company has made the following changes in accounting policies effective January 1, 2019:

IFRS 16 *Leases*

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and related interpretations. IFRS 16 sets out requirements for recognizing, measuring, presenting and disclosing leases.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate ("IBR") at January 1, 2019. The weighted-average rate applied is 7%.

The Company has elected to apply the practical expedient of applying IFRS 16 only to contracts that were previously identified as leases under IAS 17. The Company also applied the recognition exemption to short-term leases with a lease term of less than 12 months.

The following reconciles the Company's lease obligations at December 31, 2018 as previously disclosed in the Company's consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 on January 1, 2019:

Lease commitments at December 31, 2018	$	411,839
Discounted using the IBR at January 1, 2019		(49,071)
Recognition exemption for short-term lease		(14,438)
Lease liabilities recognized January 1, 2019	$	348,330

IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRIC 23 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 implementation of this standard had no impact on the Company's financial statements.

(u) Reclassification of Comparative Period Presentation

Certain comparative period amounts have been reclassified to conform with the current year's presentation.

4. Cash and cash equivalents

		December 31 2019		December 31 2018
Cash	$	889,477	$	117,821
Short-term deposits		2,708,033		10,141,037
	$	3,597,510	$	10,258,858

At December 31, 2019, $1,588,313 (2018 - $6,660,243) of the Company's cash and cash equivalents is to be spent on qualifying exploration expenditures to satisfy the Company's flow-through share commitments (Note 11).

5. Amounts receivable

		December 31 2019		December 31 2018
Interest receivable	$	1,831	$	38,480
Goods and services tax receivable		47,468		30,168
Current lease receivable		51,464		-
	$	100,763	$	68,648

Interest receivable reflects unpaid interest earned on short-term deposits.

Finance income from the sublease for the year ended December 31, 2019 was $5,750 (2018 - $nil). Total cash inflow for the year ended December 31, 2019 was $61,446, including $55,696 of principal payments received from the receivable related to the sublease (2018 - $nil).

6. Prepaids and other

		December 31 2019		December 31 2018
Advances to vendors	$	50,000	$	50,000
Prepaid expenses		70,091		76,578
	$	120,091	$	126,578

7. Equipment

		Exploration camp		Exploration equipment		Computing equipment		Furniture and fixtures		Total
Cost										
Balance at December 31, 2017	$	99,327	$	478,320	$	287,502	$	91,226	$	956,375
Additions		-		10,164		101,909		1,765		113,838
Disposals		(12,303)		-		(44,560)		(1,083)		(57,946)
Balance at December 31, 2018		87,024		488,484		344,851		91,908		1,012,267
Additions		795		1,644		6,240		-		8,679
Disposals		-		-		(14,922)		-		(14,922)
Balance at December 31, 2019	$	87,819	$	490,128	$	336,169	$	91,908	$	1,006,024
Accumulated depreciation and Impairment										
Balance at December 31, 2017	$	71,095	$	374,439	$	225,844	$	40,976	$	712,354
Depreciation		5,886		44,511		41,777		17,520		109,694
Disposals		(12,304)		-		(41,146)		(640)		(54,090)
Balance at December 31, 2018		64,677		418,950		226,475		57,856		767,958
Depreciation		5,979		37,389		45,020		16,841		105,229
Disposals		-		-		(12,837)		-		(12,837)
Balance at December 31, 2019	$	70,656	$	456,339	$	258,658	$	74,697	$	860,350
Net book value										
Balance at December 31, 2018	$	22,347	$	69,534	$	118,376	$	34,052	$	244,309
Balance at December 31, 2019	$	17,163	$	33,789	$	77,511	$	17,211	$	145,674

8. Right-of-use asset

		Offices
Balance at January 1, 2019	$	241,170
Additions		-
Depreciation		(46,678)
Balance at December 31, 2019	$	194,492

The Company leases property for its office in Saskatoon, which has been capitalized as a right-of-use asset under IFRS 16. See Note 12 for associated lease liability.

9. Mineral properties

Exploration and evaluation assets – acquisition costs

	Hidden Bay (i)	Horseshoe-Raven (ii)	West Bear (iii)	Black Lake (vi)	Christie Lake (viii)	Other (iv)	Total
Balance at December 31, 2017	$ 3,691,710	$ 351,351	$ 433,345	$ 759,385	$ 5,000,000	$ 11,714	$ 10,247,505
Additions	-	-	11,000	-	1,000,000	7,098	1,018,098
Property payment received / claim reimbursement	-	-	-	(400,000)	-	(1,431)	(401,431)
Balance at December 31, 2018	3,691,710	351,351	444,345	359,385	6,000,000	17,381	10,864,172
Additions	600	-	-	-	-	17,288	17,888
Impairment charge for the year						(9,151)	(9,151)
Balance at December 31, 2019	$ 3,692,310	$ 351,351	$ 444,345	$ 359,385	$ 6,000,000	$ 25,518	$ 10,872,909

The Company's mineral property interests include both 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.

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

100% owned projects

(i) Hidden Bay Project

The Company's 100% owned Hidden Bay Project includes exploration areas Tent Seal, McClean South, Shamus, Rabbit West, Wolf Lake, Rhino, Dwyer, and is located in the eastern Athabasca Basin of northern Saskatchewan, Canada.

(ii) Horseshoe-Raven Project

The Company's 100% owned Horseshoe-Raven Project includes the Horseshoe and Raven Deposits and is located in the eastern Athabasca Basin of northern Saskatchewan, Canada.

(iii) West Bear Project

The West Bear Project lands host the West Bear Cobalt-Nickel Deposit and the West Bear Uranium Deposit and are 100% owned by UEX, with the exception of Mineral Lease 5424 which is a joint arrangement between UEX (77.575%), Empresa Nacional Del Uranio S.A. (7.680%), Nordostschweizerische Kraftwerke A.G. (7.68%) and Encana (7.066%).

The Umpherville River mineral claims that are included as part of the West Bear Project are subject to a 2% net smelter return royalty ("NSR") 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.

On March 7, 2018, UEX purchased a single 890 hectare claim from Denison Mines Corp. ("Denison") which was incorporated into the West Bear Project. This claim is subject to a 1.5% NSR royalty to Denison which can be purchased anytime for a cash payment of $950,000.

(iv) Other Projects

UEX acquired Christie West, Key West, Axis Lake and George Lake via staking, the costs of which have been capitalized.

UEX also capitalized the staking costs of both Parry Lake and Laurie North, and as at December 31, 2019, has decided to let these claims lapse and wrote off the cost of staking.

The Christie West Project is comprised of two claims adjacent to the Christie Lake Project. An ownership position in these claims was offered to JCU (Canada) Exploration Company Limited ("JCU"), who elected not to participate in these two claims.

The Key West Project is comprised of three claims west of and adjacent to Cameco's Key Lake Uranium Operation.

The Axis Lake property is located just north of the Riou Lake and Black Lake Projects in the Northern Athabasca Basin.

The George Lake property is located to the east of the West Bear Project.

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

100% owned projects (continued)

(iv) Other Projects (continued)

The Company holds a 100% interest in the Riou Lake Project located in the northern Athabasca Basin. Original mineral property acquisition costs associated with the Riou Lake Project were written off due to a lack of ongoing exploration activity. UEX continues to maintain several Riou Lake claims in good standing, with nominal re-staking fees for Riou Lake included in mineral property costs.

Also included in these acquisition costs are nominal staking fees for Western Athabasca Projects.

Joint operations

UEX is party to the following joint arrangements:

	December 31, 2019					December 31, 2018				
Ownership interest (%)	**UEX**	**Orano**	**JCU**	**ALX**	**Total**	**UEX**	**Orano**	**JCU**	**ALX**	**Total**
Beatty River	22.0444	56.5303	21.4253	-	100.0000	25.0000	50.7020	24.2980	-	100.0000
Black Lake	51.4260	8.574	-	40.0000	100.0000	51.4260	8.574	-	40.0000	100.0000
Christie Lake	64.3403	-	35.6597	-	100.0000	60.0000	-	40.0000	-	100.0000
Western Athabasca										
Alexandra	28.7201	71.2799	-	-	100.0000	39.1957	60.8043	-	-	100.0000
Brander	49.0975	50.9025	-	-	100.0000	49.0975	50.9025	-	-	100.0000
Erica	49.0975	50.9025	-	-	100.0000	49.0975	50.9025	-	-	100.0000
Laurie	32.9876	67.0124	-	-	100.0000	32.9876	67.0124	-	-	100.0000
Mirror River	32.3354	67.6646	-	-	100.0000	32.3354	67.6646	-	-	100.0000
Nikita	16.1881	83.8119	-	-	100.0000	22.5388	77.4612	-	-	100.0000
Shea Creek	49.0975	50.9025	-	-	100.0000	49.0975	50.9025	-	-	100.0000
Uchrich	30.4799	69.5201	-	-	100.0000	30.4799	69.5201	-	-	100.0000

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) 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 eight joint ventures with the Company holding an approximate 49.1% interest and Orano Canada Inc. (“Orano”) holding an approximate 50.9% interest in all projects as at December 31, 2019 and December 31, 2018, except for:

- the Alexandra Project, where the Company has an approximate 28.7% and 39.2% interest as at December 31, 2019 and December 31, 2018, respectively;
- the Laurie Project, where the Company has an approximate 33.0% interest as at December 31, 2019 and December 31, 2018;
- the Mirror River Project, where the Company has an approximate 32.3% interest as at December 31, 2019 and December 31, 2018;
- the Nikita Project where the Company has an approximate 16.2% and 22.5% interest as at December 31, 2019 and December 31, 2018, respectively; and
- the Uchrich Project where the Company has an approximate 30.5% interest as at December 31, 2019 and December 31, 2018.

In 2019, Orano completed exploration programs on the Alexandra and Nikita Projects; UEX chose not to participate in these programs and as a result, diluted our interest.

The Anne and Colette 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.

The Company has expensed $65 million on the Western Athabasca Projects since 2004, including $54 million on Shea Creek, which contains significant mineral resources (see Note 18 *Exploration and evaluation expenditures*). Although acquisition costs associated with the Western Athabasca Projects were previously written off, UEX has no intention to abandon these projects.

(vi) Black Lake Project

The Black Lake Project (“Black Lake”), located in the northern Athabasca Basin, is a joint venture with the Company holding a 51.43% interest and Orano holding a 8.57% interest, and ALX Resources Corp. (“ALX”) (formerly ALX Uranium Corp.) holding a 40% interest as at December 31, 2019 and December 31, 2018.

On September 5, 2017, ALX and UEX entered into an Option Agreement, under which ALX will have the right to earn a 75% interest in three stages as follows:

- Stage 1 - By completing $1,000,000 in exploration work on the project and issuing to UEX a total of 5,000,000 common shares of ALX to earn an initial 40% interest in the project by September 5, 2018 (completed);

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(vi) Black Lake Project

- Stage 2 - By completing an additional $2,000,000 (for a cumulative total of $3,000,000) in exploration work and issuing a further 4,000,000 common shares of ALX to the Company (for a cumulative total of 9,000,000 ALX common shares) to earn an additional 11% interest in the project (cumulative interest of 51%) by March 5, 2020 (not completed) (See Note 22(a) Subsequent Events);
- Stage 3 - By completing an additional $3,000,000 (for a cumulative total of $6,000,000) in exploration work and issuing a further 3,000,000 common shares of ALX to the Company (for a cumulative total of 12,000,000 ALX common shares) to earn an additional 24% interest in the project (cumulative interest of 75%) by September 5, 2021.

ALX will be earning its interest in the Black Lake Project exclusively from UEX's interest in Black Lake. Orano has agreed to waive their first right of refusal on the transfer of any of UEX's ownership interest to ALX.

(vii) Beatty River Project

The Company has a 22% interest in the Beatty River Project, which is located in the western Athabasca Basin. Orano is the operator of this project. Although acquisition costs associated with the Beatty River Project were previously written off, UEX has no intention to abandon this project.

(viii) Christie Lake Project

UEX is the operator of this project located in the eastern Athabasca Basin. Per the Christie Lake Option Agreement ("Option Agreement"), the Company has earned a 60% interest in the Christie Lake Project by making $6.0 million in cash payments and completing $10,000,000 in exploration work, with JCU holding a 40% interest. On November 13, 2018 the Option Agreement was terminated and replaced with the Joint Venture Agreement, thus UEX is no longer eligible to increase its interest in the Christie Lake Project to 70% under the provisions of the prior Option agreement.

UEX completed its exploration program for 2019, in which JCU chose not to participate. Per the Joint Venture Agreement, UEX's interest increased to 64.34% and JCU's interest diluted to 35.6597%.

10. Investments

The Company holds 87,500 and 5,000,000 common shares of Vanadian Energy Corp. ("Vanadian") (formerly known as Uracan Resources Ltd.) and ALX, respectively. These common shares are being held for long-term investment purposes. The shares have been classified as equity instruments carried at fair value, with changes in fair value reflected in other comprehensive income (FVOCI).

Investments		December 31 2019		December 31 2018
Common shares held – Vanadian (1) (TSX.V: VEC) (see Note 16)	$	875	$	7,000
Common shares held – ALX (2) (TSX.V: AL) (see Note 16)		225,000		300,000
	$	225,875	$	307,000

(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.

(2) The initial fair value of the shares was $400,000 based on the market closing price on June 14, 2018 ($0.08 per share), the date the shares were issued.

The fair value of the Vanadian and ALX common shares are based on the market price for these securities.

11. Accounts payable and other liabilities

		December 31 2019		December 31 2018
Trade payables	$	436,721	$	159,046
Other liabilities		296,392		286,339
Flow-through share premium		63,532		317,154
	$	796,645	$	762,539

Other liabilities comprise of 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 December 31, 2019 represents the difference between the subscription price of $0.125 per flow-through share and the market price at issuance of $0.12 per common share related to the November 29, 2019 flow-through private placement of 12,800,000 shares ($64,000) (Note 14(b)). Flow-through premium of $468 relating to flow-through renunciation under the general rule was extinguished during the year ended December 31, 2019. The remaining flow-through premium of $63,532 will be extinguished in 2020 on the filing and renouncement of the tax benefits to the subscribers of the placement effective December 31, 2019.

The flow-through share premium at December 31, 2018 represents the difference between the subscription price of $0.21 per flow-through share and the market price at issuance of $0.20 per common share related to the October 10, 2018 flow-through private placement of 33,202,500 shares ($332,025) (Note 14(b)). Flow-through premium of $14,871 relating to flow-through renunciation under the general rule was extinguished during the year ended December 31, 2018. The remaining flow-through premium of $317,154 was extinguished in the first quarter of 2019 on the filing and renouncement of the tax benefits to the subscribers of the placement effective December 31, 2018.

12. Lease liability

The Company has obligations under leases for its office premises, which expire between October 2020 and February 2024.

	December 31 2019	January 1 2019
Current	$ 93,315	$ 94,725
Non-current	160,290	253,605
	$ 253,605	$ 348,330

The following table presents the contractual undiscounted cash flows for lease obligations as at December 31, 2019:

	December 31 2019
2020	107,805
2021	56,363
2022	56,700
2023 and beyond	66,150

Interest expense on lease obligations for the year ended December 31, 2019 was $21,396. Total cash outflow for leases was $116,121, including $94,725 of principal payments on lease liabilities.

13. Income taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, is as follows:

	2019	2018
Canadian statutory income tax rate	27.00%	27.00%
Loss before income taxes	(9,441,356)	(6,287,332)
Income tax recovery at statutory rate	2,549,166	1,697,580
Tax effect of:		
Permanent differences	(221,732)	(244,723)
Flow-through expenditures renounced and other	(87,747)	(1,922,759)
Adjustment to unrecognized deductible temporary differences	(1,922,065)	484,773
Income tax provision	$ 317,622	$ 14,871

13. Income taxes (continued)

The Company recognized a deferred income tax recovery of $317,622 for the year ended December 31, 2019 (2018 - $14,871) related to the proportional extinguishment of the flow-through premium related to flow-through shares renounced during the year ended December 31, 2019. Flow-through premiums related to the following placements as renounced resulted in deferred tax recoveries as follows:

	Year ended December 31 2019	2018
November 29, 2019 placement flow-through premium of $64,000	$ 468	$ -
October 10, 2018 placement flow-through premium of $332,025	317,154	14,871
	$ 317,622	$ 14,871

At December 31, 2019, the Company has Canadian non-capital income tax losses carried forward of approximately $22.7 million which are available to offset future years' taxable income. These losses expire as follows:

	December 31, 2019
2039	$ 2,162,862
2038	2,206,415
2037	1,705,918
2036	1,238,878
2035	2,157,909
2034	2,128,882
2033	1,870,696
2032	1,787,321
2031	1,684,498
2030	1,642,206
2029	2,666,670
2028	1,458,771
	$ 22,711,026

The unrecognized deductible temporary differences at December 31, 2019 and 2018 are as follows:

	Year ended December 31 2019	2018
Non-capital loss carryforwards	$ 22,711,026	$ 20,466,413
Charitable donations	20,000	20,000
Equipment	1,144,085	1,036,771
Investments	203,875	101,750
Mineral resource expenditure pool	79,309,648	74,230,043
Share issuance costs	714,258	1,078,086
	$ 104,102,892	$ 96,933,063

14. 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. As of December 31, 2019, no preferred shares have been issued.

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 2017	325,188,073	$ 193,850,256
Issued pursuant to private placements	33,202,500	6,972,525
Issued pursuant to option exercise	233,333	72,037
Issued pursuant to warrant exercises	22,761,905	5,028,572
Share issuance costs	-	(561,330)
Value attributed to flow-through premium on issuance (Note 11)	-	(332,025)
Balance, December 31, 2018	381,385,811	$ 205,030,035
Issued pursuant to private placement	12,800,000	1,600,000
Share issuance costs	-	(31,137)
Value attributed to flow-through premium on issuance (Note 11)	-	(64,000)
Balance, December 31, 2019	394,185,811	$ 206,534,898

14. Share capital (continued)

(b) Issued and outstanding – common shares (continued)

On November 29, 2019, the Company completed a flow-through private placement of 12,800,000 common shares at a price of $0.125 per common share, for gross proceeds of $1,600,000. Share issuance costs totaled $31,137, with no agent's commission being incurred. A flow-through premium of $64,000 related to the sale of the associated tax benefits has been recorded in share capital.

On October 10, 2018, the Company completed a flow-through private placement of 33,202,500 common shares at a price of $0.21 per common share, for gross proceeds of $6,972,525. Share issue costs included the agent's commission of $418,351 and other issuance costs of $142,234. A flow-through premium of $332,025 related to the sale of the associated tax benefits has been recorded in share capital.

(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 December 31, 2019 and December 31, 2018 and changes during the years ended on these dates is presented below:

	Number of share purchase options	Weighted-average exercise price
Outstanding, December 31, 2017	24,097,000	$ 0.55
Granted	6,975,000	0.28
Exercised	(233,333)	0.21
Cancelled	(66,667)	0.20
Expired	(3,205,000)	0.67
Outstanding, December 31, 2018	27,567,000	$ 0.47
Granted	6,800,000	0.18
Cancelled	(325,000)	0.23
Expired	(5,825,000)	0.94
Outstanding, December 31, 2019	28,217,000	$ 0.30

The 28,217,000 options outstanding as of December 31, 2019 represent 7.2% of the Company's issued and outstanding common shares. The number of options available for grant as of December 31, 2019 is 11,201,581, representing 2.8% of the Company's issued and outstanding common shares.

14. Share capital (continued)

(c) Share-based compensation (continued)

Additional information regarding stock options outstanding as at December 31, 2019 is 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	23,985,000	$ 0.22	4.42	17,776,667	$ 0.23
0.34 – 0.99	3,632,000	0.72	1.40	3,632,000	0.72
1.00 – 1.12	600,000	1.12	1.30	600,000	1.12
	28,217,000	$ 0.30	3.97	22,008,667	$ 0.33

The share-based payments reserve values of $4,435,905 as at December 31, 2019 and $6,960,196 as at December 31, 2018 on the balance sheet reflect the expensed 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 year ended December 31, 2019 is $777,096 (2018 - $885,963). The amount included in exploration and evaluation expenditures for the year ended December 31, 2019 is $112,519 (2018 - $109,438) and the remaining $664,577 (2018 - $776,525) 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:

	December 31 2019	**December 31 2018**
Number of options granted	6,800,000	6,975,000
Expected forfeiture rate	2.53%	2.41%
Weighted-average grant date share price	$0.18	$0.28
Expected volatility	67.09%	67.68%
Risk-free interest rate	1.34%	2.10%
Dividend yield	0.00%	0.00%
Expected life	4.60 years	4.54 years
Weighted-average grant date fair value	$0.10	$0.15

14. Share capital (continued)

(c) Share-based compensation (continued)

Adjustment of non-material error in prior period

During the year, the Company identified a non-material error regarding the transfer of options to the deficit on expiry/cancellation that was made in 2010 in connection with the transition to IFRS. The value of options that was transferred to deficit included the value of certain options that had not yet vested as of the date of cancellation of the options. The difference identified solely relates to reclassification within shareholders' equity between share-based payment reserve and deficit and has no impact on total shareholders' equity for all periods previously presented. The Company has adjusted this error in the financial statements for the current year ended December 31, 2019 and adjusted prior year comparative information as follows:

	Share-based payment reserve	Deficit
Balance, December 31, 2017, as previously reported	$ 2,544,760	$ (180,907,755)
Balance, December 31, 2018, as previously reported	2,259,558	(186,031,421)
Adjustment	**4,700,638**	**(4,700,638)**
Balance, December 31, 2017, as adjusted	7,245,398	(185,608,393)
Balance, December 31, 2018, as adjusted	6,960,196	(190,732,059)
Balance, December 31, 2019	$ 4,435,905	$ (196,554,406)

(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 December 31, 2019, the Company had spent all of the $6,972,525 flow-through monies raised in the October 10, 2018 placement. The Company renounced the income tax benefit of the private placement to its subscribers effective December 31, 2018. The Company incurred $38,479 in Part XII.6 tax on unspent amounts in the year ended December 31, 2019 (2018 - $10,006), which has been accounted for under financing and interest expense.

As at December 31, 2019, the Company had spent $11,687 of the $1,600,000 flow-through monies raised in the November 29, 2019 placement. The Company renounced the income tax benefit of the private placement to its subscribers effective December 31, 2019 and will begin incurring Part XII.6 tax on unspent amounts relating to this placement subsequent to December 31, 2019.

14. 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, 2017	*41,665,299*	$ 0.30
Exercised	*(22,761,905)*	0.22
Expired	*(2,000,000)*	0.20
Balance, December 31, 2018	*16,903,394*	0.42
Expired	*(903,400)*	0.33
Balance, December 31, 2019	*15,999,994*	$ 0.42

During January 2018, 22,761,905 warrants were exercised and 2,000,000 warrants expired. Accordingly, the Company issued 22,761,905 common shares for gross proceeds of $5,028,572.

On February 27, 2019, 681,000 warrants with an exercise price of $0.30 expired. On December 14, 2019, 222,400 warrants with an exercise price of $0.42 expired.

As at December 31, 2019 the Company held 15,999,994 outstanding share purchase warrants at an exercise price of $0.42, expiring on February 27, 2020 (see Note 22(c) Subsequent events).

15. 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. The Company has not changed its approach to capital management during the current period and is not subject to any external capital restrictions.

As at December 31, 2019, the Company had working capital of $2.9 million and is required to incur a further $1.6 million of qualifying expenditures before December 31, 2020 as a result of the flow-through share financing discussed in note 14(d). Given that cash flow from operations are negative, the Company is dependent on additional sources of financing in 2020. Financing options may include joint venture arrangements, debt financing, equity financing or other means. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration plans, dilute or forfeit rights in its mineral properties or substantially reduce its operations.

The Company currently does not have sufficient resources to finance planned operating activities in its 2020 fiscal year, conditions which raise material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. The Company is assessing opportunities to address the issue of liquidity (Note 2).

16. 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 15. 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, amounts receivable and deposits. 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, amounts receivable and deposits. 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 cash and cash equivalents, amounts receivable, deposits, and accounts payable and other liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

Cash and cash equivalents are classified as financial assets at amortized cost 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, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares – Vanadian (TSX-V: VEC)	$ 7,000	$ -	$ -	$ 7,000
Shares – ALX (TSX-V: AL)	300,000	-	-	300,000
	$ 307,000	$ -	$ -	$ 307,000

Investments – as at December 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares – Vanadian (TSX-V: VEC)	$ 875	$ -	$ -	$ 875
Shares – ALX (TSX-V: AL)	225,000	-	-	225,000
	$ 225,875	$ -	$ -	$ 225,875

16. Management of financial risk (continued)

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, 2017	*87,500*		$ 8,750
Shares acquired (divested) during the period	*5,000,000*		400,000
Gains (losses) for the three months ended March 31, 2018		$ -	
Gains (losses) for the three months ended June 30, 2018		-	
Gains (losses) for the three months ended September 30, 2018		(50,000)	
Gains (losses) for the three months ended December 31, 2018		(51,750)	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – year ended December 31, 2018		$ (101,750)	(101,750)
Balance, December 31, 2018	*5,087,500*		$ 307,000
Gains (losses) for the three months ended March 31, 2019		$ (27,188)	
Gains (losses) for the three months ended June 30, 2019		23,688	
Gains (losses) for the three months ended September 30, 2019		(101,313)	
Gains (losses) for the three months ended December 31, 2019		23,688	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – year ended December 31, 2019		$ (81,125)	(81,125)
Balance, December 31, 2019	*5,087,500*		$ 225,875

17. 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.

18. Exploration and evaluation expenditures

		2018		**2019**	
Project	Cumulative to December 31, 2017	Expenditures in the period	Cumulative to December 31, 2018	Expenditures in the period	Cumulative [(1)] to December 31, 2019
Beatty River	$ 875,205	$ 588	$ 875,793	$ 1,084	$ 876,877
Black Lake	14,488,507	-	14,488,507	1,749	14,490,256
Christie Lake	8,062,181	2,255,103	10,317,284	2,814,811	13,132,095
Hidden Bay	33,270,121	62,572	33,332,693	1,023,060	34,355,753
Horseshoe-Raven	41,821,871	954	41,822,825	2,592	41,825,417
Other projects [(2)]	-	614	614	13,346	13,960
West Bear Co-Ni	38,359	2,014,132	2,052,491	3,772,494	5,824,985
Western Athabasca					
Shea Creek	54,202,468	20,258	54,222,726	45,754	54,268,480
Other WAJV	10,890,756	5,347	10,896,103	7,985	10,904,088
All Projects Total	$ 163,649,468	$ 4,359,568	$ 168,009,036	$ 7,682,875	$ 175,691,911

(1) Exploration and evaluation expenditures have been presented on a cumulative basis from July 17, 2002.
(2) Other projects include: Axis Lake, Christie West, Key West, and Riou Lake.

18. Exploration and evaluation expenditures (continued)

Exploration and evaluation expenditures for the year ended December 31, 2019 and 2018 include the following expenditures:

	Year ended December 31 2019	2018
Depreciation	$ 70,560	$ 74,573
Share-based compensation	112,519	109,438
Project management fee (Note 20)	590,591	378,662
Project surcharge (Note 19)	186,828	178,355
	$ 960,498	$ 741,028

19. Office expenses

	Year ended December 31 2019	2018
Insurance	$ 55,704	$ 52,803
Office supplies and consulting	294,210	257,106
Rent	23,405	78,836
Telephone	11,152	18,133
Utilities	13,257	13,953
Project surcharge (Note 18)	(186,828)	(178,355)
	$ 210,900	$ 242,476

20. Salaries, net of project management fees

	Year ended December 31	
	2019	2018
Gross salaries	$ 913,099	$ 874,390
Project management fee offset: (Note 18)		
Christie Lake – 10%	(254,151)	(201,347)
West Bear Project – 10%	(336,440)	(177,315)
	$ 322,508	$ 495,728

The Christie Lake project management fee offset above arises from the 10% management fee deemed to be an expenditure for the exploration work commitment portion of the project earn-in, as per the July 15, 2016 Joint Venture Agreement with JCU.

21. 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:

	Year ended December 31	
	2019	2018
Cameco group of companies [(1)]	$ 3,162	$ 441
Management advisory board share-based payments [(2)]	423	2,385
	$ 3,585	$ 2,826

(1) Payments related to fees paid for use of the Cameco airstrip at the McArthur River mine and for equipment repairs.
(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 14(c).

21. Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation includes management and director compensation as follows:

	Year ended December 31 2019	2018
Salaries and short-term employee benefits (1)(2)	$ 642,351	$ 611,364
Share-based payments (3)	608,754	691,136
Other compensation (1)(4)	202,689	118,325
	$ 1,453,794	$ 1,420,825

(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 up to 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 a termination 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 14(c).

(4) Represents payments to Altastra Office Systems Inc., a company owned by Wylie Hui, and Evelyn Abbott for CFO services rendered to UEX. In the event that Ms. Abbott's consulting agreement 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 a termination amount equal to six months' base fee which will increase by one month base fee after every year of service up to a maximum of twelve months' base fee plus any bonus owing. Ms. Abbott may also terminate the consulting agreement upon two months' written notice to the Board.

22. Subsequent events

(a) On March 6, 2020 the Black Lake Option Agreement between the Company and ALX was terminated. ALX did not complete the Stage 2 expenditure requirements as detailed in Note 9(vi) Mineral Properties. ALX will retain its 40% interest in the Black Lake Project.

(b) On January 30, 2020, 425,000 employee share purchase options with a weighted average exercise price of $0.22 per share expired unexercised. The fair value of these options on issuance was $36,697.

(c) On February 27, 2020, 15,999,994 share purchase warrants with an exercise price of $0.42 per share expired unexercised.

23. Contingencies

Due to the size, complexity, and nature of the Company's operations various legal matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. In the opinion of management, based on the information currently available, these matters will not have a material adverse effect on the consolidated financial statements of the Company

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Corporate Information

Board of Directors

Graham C. Thody, Chairman
North Vancouver, British Columbia

Roger M. Lemaitre
President and CEO
Warman, Saskatchewan

Suraj P. Ahuja, Lead Director
West Vancouver, British Columbia

Mark P. Eaton
Toronto, Ontario

Emmet A. McGrath
Burnaby, British Columbia

Catherine A. Stretch
Toronto, Ontario

Officers

Roger M. Lemaitre
President and CEO

Evelyn Abbott
CFO

Bernard Poznanski
Corporate Secretary

Legal Counsel

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