UEX CORPORATION

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

JUNE 30, 2020

(Unaudited – Prepared by Management)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 consolidated 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 consolidated 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 Consolidated Interim Balance Sheets
As at June 30, 2020 and December 31, 2019

(Unaudited – Expressed in Canadian Dollars)

	Notes	June 30 2020	December 31 2019
Assets			
Current assets			
Cash and cash equivalents	4	$ 3,151,602	$ 3,597,510
Amounts receivable	5, 21	129,065	100,763
Prepaids and others	6	130,418	120,091
		3,411,085	3,818,364
Non-current assets			
Deposits		38,640	38,640
Equipment	7	109,700	145,674
Right-of-use asset	8	171,153	194,492
Mineral properties	9	10,874,382	10,872,909
Investments	10, 15	178,938	225,875
Total assets		$ 14,783,898	$ 15,295,954
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	11	$ 224,401	$ 796,645
Lease liability - current	12	64,964	93,315
Security deposits		10,432	10,432
Non- current liabilities			
Lease liability – long term	12	137,562	160,290
Total liabilities		437,359	1,060,682
Shareholders' equity			
Share capital	13(b)	208,399,932	206,534,898
Share-based payments reserve	13(c)	4,019,748	4,435,905
Accumulated other comprehensive income		(228,062)	(181,125)
Deficit		(197,845,079)	(196,554,406)
		14,346,539	14,235,272
Total liabilities and shareholders' equity		$ 14,783,898	$ 15,295,954

Basis of preparation	2
Commitments	12, 13(d)
Contingencies	22

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board and authorized for issue on July 30, 2020.

"signed" Director
Roger M. Lemaitre

"signed" Director
Emmet A. McGrath

UEX CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Six Months Ended June 30, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	Notes	Three-month period ended June 30 2020	Three-month period ended June 30 2019	Six-month period ended June 30 2020	Six-month period ended June 30 2019
Revenue					
Interest income		$ 9,048	$ 35,797	$ 21,530	$ 85,025
Expenses					
Depreciation		19,850	20,273	39,843	40,749
Exploration and evaluation expenditures	17	243,612	1,171,754	1,191,295	4,692,530
Filing fees and stock exchange		42,585	16,987	82,253	63,367
Financing and interest		8,617	20,484	16,732	33,917
Legal and audit		44,826	38,962	89,828	62,005
Maintenance		8,549	9,177	17,415	21,029
Office expenses, net of project surcharges	18	60,729	62,296	128,826	83,745
Project investigation		-	3,644	-	10,394
Salaries, net of project management fees & CEWS	19, 21	17,117	66,477	138,314	68,149
Share-based compensation	13(c)	245,460	299,148	338,587	416,616
Travel and promotion		82,995	57,831	125,203	119,743
Write down of mineral property	9(iv)	-	-	2,505	-
		774,340	1,767,033	2,170,801	5,612,244
Loss before income taxes		(765,292)	(1,731,236)	(2,149,271)	(5,527,219)
Deferred income tax recovery (expense)	11	-	-	63,532	317,154
Loss for the period		(765,292)	(1,731,236)	(2,085,739)	(5,210,065)
Other comprehensive income (loss)					
Fair value net change on financial assets - FVOCI	10,15	27,625	23,688	(46,937)	(3,500)
Comprehensive loss for the period		$ (737,667)	$ (1,707,548)	$ (2,132,676)	$ (5,213,565)
Basic and diluted loss per share		(0.002)	(0.004)	(0.005)	(0.014)
Basic and diluted weighted-average number of shares outstanding		399,955,042	381,385,811	397,070,426	381,385,811

See accompanying notes to the consolidated financial statements.

UEX CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
December 31, 2018 (as adjusted Note 13(c))	*381,385,811*	$ 205,030,035	$ 6,960,196	$ (100,000)	$ (190,732,059)	$ 21,158,172
Loss for the period	-	-	-	-	(5,210,065)	(5,210,065)
Share issuance costs	-	1,615	-	-	-	1,615
Fair value change in financial assets - FVOCI	-	-	-	(3,500)	-	(3,500)
Share-based payment transactions	-	-	492,896	-	-	492,896
Transfer to deficit on cancellation/expiry of share purchase options	-	-	(2,053,710)	-	2,053,710	-
June 30, 2019	*381,385,811*	$ 205,031,650	$ 5,399,382	$ (103,500)	$ (193,888,414)	$ 16,439,118
Loss for the period	-	-	-	-	(3,913,669)	(3,913,669)
Issued pursuant to private placements	*12,800,000*	1,600,000	-	-	-	1,600,000
Share issuance costs	-	(32,752)	-	-	-	(32,752)
Value attributed to flow-through share premium on issuance	-	(64,000)	-	-	-	(64,000)
Fair value change in financial assets - FVOCI	-	-	-	(77,625)	-	(77,625)
Share-based payment transactions	-	-	284,200	-	-	284,200
Transfer to deficit on expiry of share purchase options	-	-	(1,247,677)	-	1,247,677	-
December 31, 2019	*394,185,811*	$ 206,534,898	$ 4,435,905	$ (181,125)	$ (196,554,406)	$ 14,235,272
Loss for the period	-	-	-	-	(2,085,739)	(2,085,739)
Issued pursuant to private placements	*12,500,000*	2,000,000	-	-	-	2,000,000
Share issuance costs		(134,966)				(134,966)
Fair value change in financial assets - FVOCI	-	-	-	(46,937)	-	(46,937)
Share-based payment transactions	-	-	378,909	-	-	378,909
Transfer to deficit on cancellation of share purchase options	-	-	(795,066)	-	795,066	-
June 30, 2020	*406,685,811*	$ 208,399,932	$ 4,019,748	$ (228,062)	$ (197,845,079)	$ 14,346,539

See accompanying notes to the consolidated financial statements.

UEX CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	Notes	Three-month period ended June 30 2020	Three-month period ended June 30 2019	Six-month period ended June 30 2020	Six-month period ended June 30 2019
Cash provided by (used for):					
Operating activities					
Loss for the period		$ (765,292)	$ (1,731,236) $	$ (2,085,739)	$ (5,210,065)
Adjustments for:					
Depreciation		31,309	38,376	64,868	77,964
Deferred income tax recovery		-	-	(63,532)	(317,154)
Interest income		(9,048)	(35,797)	(21,530)	(85,025)
Interest on lease liabilities		3,845	5,559	8,137	11,522
Part XII.6 tax	13(d)	3,587	14,035	6,618	20,181
Share-based compensation		272,843	352,099	378,909	492,896
Write-off mineral properties	9(iv)	-	-	2,505	-
Changes in:					
Amounts receivable		(51,127)	98,352	(43,164)	(2,593)
Prepaid expenses and deposits		(46,640)	(37,752)	(10,327)	(46,887)
Accounts payable and other liabilities		(67,413)	(350,181)	(515,330)	621,702
Security deposit liability		-	18,340	-	18,340
		(627,936)	(1,628,205)	(2,278,585)	(4,419,119)
Investing activities					
Interest received		-	-	4,514	16,850
Lease receivable		15,939	15,246	31,878	30,492
Investment in mineral properties		(3,378)	(6,611)	(3,978)	(14,319)
Purchase of equipment		-	(6,627)	(5,555)	(6,627)
		12,561	2,008	26,859	26,396
Financing activities					
Lease liability payments	12	(29,608)	(28,915)	(59,216)	(57,830)
Proceeds from common shares issued	13(b)	2,000,000	-	2,000,000	-
Share issuance costs	13(b)	(134,966)	1,615	(134,966)	1,615
		1,835,426	(27,300)	1,805,818	(56,215)
Increase (decrease) in cash and/or cash equivalents during the period		1,220,051	(1,653,497)	(445,908)	(4,448,938)
Cash and cash equivalents, beginning of period		1,931,551	7,463,417	3,597,510	10,258,858
Cash and cash equivalents, end of period		$ 3,151,602	$ 5,809,920	$ 3,151,602	$ 5,809,920
Supplementary information					
Non-cash transactions					
Decrease in other liabilities due to extinguishment of flow-through premium on renouncement		-	-	(63,532)	(317,154)
Non-cash share-based compensation included in exploration and evaluation expenditures		27,383	52,951	40,322	76,280
Depreciation included in exploration and evaluation expenditures		11,460	18,103	25,025	37,215

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 unaudited condensed interim 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 and has a history of incurring operating losses. As at June 30, 2020, the Company had working capital of $3.1 million of which $0.7 million is committed to be spent on qualifying expenditures to satisfy flow-through share requirements, leaving $2.4 million to finance operating activities through the remainder of 2020 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. On March 11, 2020 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 unaudited condensed interim consolidated 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 consolidated financial statements should be read in conjunction with the Company's annual 2019 audited consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These unaudited condensed interim consolidated financial statements of UEX Corporation were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 30, 2020.

3. Significant accounting policies (continued)

(b) Functional and presentation currency

These unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 these unaudited condensed interim 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. In preparing these unaudited condensed interim consolidated 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, 2019.

(e) Changes in significant accounting policies

The accounting policies applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended December 31, 2019.

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(f) Reclassification of Comparative Period Presentation

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

(Unaudited – Expressed in Canadian Dollars)

4. Cash and cash equivalents

		June 30 2020		December 31 2019
Cash	$	791,602	$	889,477
Short-term deposits		2,360,000		2,708,033
	$	3,151,602	$	3,597,510

At June 30, 2020, $701,055 (December 31, 2019 - $1,588,313) 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

		June 30 2020		December 31 2019
Interest receivable	$	17,488	$	1,831
Goods and services tax receivable		16,471		47,468
Current lease receivable		20,946		51,464
Canadian Emergency Wage Subsidy receivable (Note 21)		74,160		-
	$	129,065	$	100,763

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

Finance income from the sublease for the six months ended June 30, 2020 was $1,359 (2019 - $3,358). Total cash inflow for the six months ended June 30, 2020 was $31,878 (2019 - $30,492), including $30,519 (2019 - $27,134) of principal payments received from the receivable related to the sublease.

6. Prepaids and other

		June 30 2020		December 31 2019
Advances to vendors	$	50,000	$	50,000
Prepaid expenses		80,418		70,091
	$	130,418	$	120,091

(Unaudited – Expressed in Canadian Dollars)

7. Equipment

		Exploration camp		Exploration equipment		Computing equipment		Furniture and fixtures		Total
Cost										
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
Additions		4,982		-		573		-		5,555
Disposals		-		-		-		-		-
Balance at June 30, 2020	$	92,801	$	490,128	$	336,742	$	91,908	$	1,011,579
Accumulated depreciation										
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
Depreciation		3,189		9,627		20,477		8,236		41,529
Disposals		-		-		-		-		-
Balance at June 30, 2020	$	73,845	$	465,966	$	279,135	$	82,933	$	901,879
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
Balance at June 30, 2020	$	18,956	$	24,162	$	57,607	$	8,975	$	109,700

8. Right-of-use asset

		Offices
Balance at January 1, 2019	$	241,170
Additions		-
Depreciation		(46,678)
Balance at December 31, 2019		194,492
Additions		-
Depreciation		(23,339)
Balance at June 30, 2020	$	171,153

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.

(Unaudited – Expressed in Canadian Dollars)

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, 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
Additions	-	-	600	-	-	3,378	3,978
Impairment charge for the year	-	-	-	-	-	(2,505)	(2,505)
Balance at June 30, 2020	$ 3,692,310	$ 351,351	$ 444,945	$ 359,385	$ 6,000,000	$ 26,391	$ 10,874,382

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.

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%).

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

100% owned projects (continued)

(iii) West Bear Project (continued)

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.

In June 2020, UEX staked two claims immediately east of and adjacent to West Bear, which now have been incorporated into the property.

(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 acquired Parry Lake and Laurie North via staking and in 2019 decided to let these claims lapse and wrote off the cost of staking (2019 - $9,151).

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 five 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 45 kilometers east of the West Bear Project.

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. In April 2020 UEX decided to let four Riou Lake claims lapse and wrote off the cost of staking (2020 - $2,505). In June 2020, UEX re-staked some of the lands that expired in April 2020. A total of 8 claims were acquired.

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

(Unaudited – Expressed in Canadian Dollars)

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations

UEX is party to the following joint arrangements:

	June 30, 2020 and December 31, 2019				
Ownership interest (%)	**UEX**	**Orano**	**JCU**	**ALX**	**Total**
Beatty River	22.0444	56.5303	21.4253	-	100.0000
Black Lake	51.4260	8.574	-	40.0000	100.0000
Christie Lake	64.3403	-	35.6597	-	100.0000
Western Athabasca					
Alexandra	28.7201	71.2799	-	-	100.0000
Brander	49.0975	50.9025	-	-	100.0000
Erica	49.0975	50.9025	-	-	100.0000
Laurie	32.9876	67.0124	-	-	100.0000
Mirror River	32.3354	67.6646	-	-	100.0000
Nikita	16.1881	83.8119	-	-	100.0000
Shea Creek	49.0975	50.9025	-	-	100.0000
Uchrich	30.4799	69.5201	-	-	100.0000

(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 holding an approximate 50.9% interest in all projects as at June 30, 2020 and December 31, 2019, except for:

- the Alexandra Project, where the Company has an approximate 28.7% interest as at June 30, 2020 and December 31, 2019;
- the Laurie Project, where the Company has an approximate 33.0% interest as at June 30, 2020 and December 31, 2019;
- the Mirror River Project, where the Company has an approximate 32.3% interest as at June 30, 2020 and December 31, 2019;
- the Nikita Project where the Company has an approximate 16.2% interest as at June 30, 2020 and December 31, 2019; and
- the Uchrich Project where the Company has an approximate 30.5% interest as at June 30, 2020 and December 31, 2019.

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.

(Unaudited – Expressed in Canadian Dollars)

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Western Athabasca Projects (continued)

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 17 *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.

For 2020, Orano initially proposed budgets of $2.00 million on Alexandra and $3.55 million on Nikita, which UEX has decided not to fund. Orano confirmed to UEX at the May 2020 joint venture meeting that they will not continue with the proposed summer drilling program at the Nikita Project which will reduce the $3.55 million projected budget to approximately $1.80 million.

Interests on these projects are anticipated to drop as follows, should Orano complete the approved programs. This decision does not impact the ownership interest in the Brander, Erica, Laurie, Mirror River, Shea Creek, and Uchrich Projects.

	June 30, 2020 and December 31, 2019			Projected interest, December 31, 2020		
Ownership interest (%)	**UEX**	**Orano**	**Total**	**UEX**	**Orano**	**Total**
Alexandra	28.7201	71.2799	100.0000	19.5791	80.4209	100.0000
Nikita	16.1881	83.8119	100.0000	12.7832	87.2168	100.0000

(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”) holding a 40% interest as at June 30, 2020 and December 31, 2019.

On September 5, 2017, ALX and UEX entered into an Option Agreement. On June 20, 2018, ALX fulfilled Stage 1 of the Option Agreement and earned a 40% interest in the project by completing $1,000,000 in exploration work on the project and issuing to UEX 5,000,000 common shares of ALX.

Effective March 6, 2020, UEX informed ALX that the terms of the Option Agreement with respect to the Stage 2 requirements had not been met and as a result, UEX had elected to terminate the Option Agreement and replaced it with the Joint Venture Agreement. ALX is no longer eligible to increase its interest in the Black Lake Project to 75% under the provision of the prior Option Agreement. Under the terms of the Joint Venture Agreement, if ALX chooses to not participate in future exploration programs, their ownership interest will be diluted accordingly.

(Unaudited – Expressed in Canadian Dollars)

9. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(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 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. 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 64.3403% and JCU's interest diluted to 35.6597%.

In 2020, UEX proposed a budget of \$2.0 million, in which JCU has chosen not to participate. Per the Joint Venture Agreement, their interest will dilute accordingly.

	June 30, 2020 and December 31, 2019			Projected interest, December 31, 2020		
Ownership interest (%)	**UEX**	**JCU**	**Total**	**UEX**	**JCU**	**Total**
Christie Lake	64.3403	35.6597	100.0000	66.7686	33.2314	100.0000

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		**June 30 2020**		**December 31 2019**
Common shares held – Vanadian [(1)] (TSX.V: VEC) (see Note 15)	\$	3,938	\$	875
Common shares held – ALX [(2)] (TSX.V: AL) (see Note 15)		175,000		225,000
	\$	178,938	\$	225,875

(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.

(Unaudited – Expressed in Canadian Dollars)

11. Accounts payable and other liabilities

		June 30 2020		December 31 2019
Trade payables	$	10,298	$	436,721
Other liabilities		214,103		296,392
Flow-through share premium		-		63,532
	$	224,401	$	796,645

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 13(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 was extinguished in the first quarter of 2020 on the filing and renouncement of the tax benefits to the subscribers of the placement effective December 31, 2019.

12. Lease liability

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

		June 30 2020		December 31 2019
Current	$	64,964	$	93,315
Non-current		137,562		160,290
	$	202,526	$	253,605

The following table presents the contractual undiscounted cash flows for lease obligations as at June 30, 2020:

	June 30 2020
2020	48,590
2021	56,363
2022	56,700
2023 and beyond	66,150

Interest expense on lease obligations for the six-months ended June 30, 2020 was $8,137. Total cash outflow for leases was $59,216, including $51,079 of principal payments on lease liabilities.

(Unaudited – Expressed in Canadian Dollars)

13. 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 June 30, 2020, no preferred shares have been issued.

(b) Issued and outstanding – common shares

	Number of shares	Value
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 and March 31, 2020	394,185,811	$ 206,534,898
Issued pursuant to private placement	12,500,000	2,000,000
Share issuance costs	-	(134,966)
Balance, June 30, 2020	406,685,811	$ 208,399,932

On May 20, 2020, the Company completed a private placement of 12,500,000 units at a price of $0.16 per unit, for gross proceeds of $2,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of $0.21 until May 20, 2023. Share issuance costs totaled $134,966, inclusive of agent commissions of $67,140.

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.

(Unaudited – Expressed in Canadian Dollars)

13. Share capital (continued)

(c) Share-based compensation (continued)

A summary of the status of the Company's share-based compensation plan as at June 30, 2020 and December 31, 2019 and changes during the periods ended on these dates is presented below:

	Number of share purchase options	Weighted-average exercise price
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
Granted	6,450,000	0.125
Cancelled	(425,000)	0.22
Expired	(2,350,000)	0.56
Outstanding, June 30, 2020	31,892,000	$ 0.25

During the six months ended June 30, 2020, 2,775,000 employee share purchase options with a weighted average exercise price of $0.51 per share expired unexercised. The fair value of these options on issuance was $812,777. Upon cancellation, $795,066 related to the vested portion of these share purchase options was transferred to deficit.

The 31,892,000 options outstanding as of June 30, 2020 represent 7.84% of the Company's issued and outstanding common shares. The number of options available for grant as of June 30, 2020 is 8,776,581, representing 2.16% of the Company's issued and outstanding common shares.

Additional information regarding stock options outstanding as at June 30, 2020 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	28,785,000	$ 0.20	4.72	22,401,667	$ 0.09
0.34 – 0.99	2,507,000	0.72	1.36	2,507,000	0.72
1.00 – 1.125	600,000	1.12	0.80	600,000	1.12
	31,892,000	$ 0.25	4.38	25,508,667	$ 0.28

The share-based payments reserve values of $4,019,748 as at June 30, 2020 and $4,435,905 as at December 31, 2019 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.

(Unaudited – Expressed in Canadian Dollars)

13. Share capital (continued)

(c) Share-based compensation (continued)

The estimated fair value expense of all share purchase options vested during the three-month period ended June 30, 2020 is $272,843 (2019 - $352,099). The amount included in exploration and evaluation expenditures for the quarter ended June 30, 2020 is $27,383 (2019 - $52,951) and the remaining $245,460 (2019 - $299,148) was expensed to share-based compensation.

The estimated fair value expense of all share purchase options vested during the six-month period ended June 30, 2020 is $378,909 (2019 - $492,896). The amount included in exploration and evaluation expenditures for the period ended June 30, 2020 is $40,322 (2019 - $76,280) and the remaining $338,587 (2019 - $416,616) 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:

	June 30 2020	**June 30 2019**
Number of options granted	6,450,000	6,800,000
Expected forfeiture rate	0.00%	2.53%
Weighted-average grant date share price	$0.125	$0.18
Expected volatility	60.72%	67.09%
Risk-free interest rate	0.37%	1.34%
Dividend yield	0.00%	0.00%
Expected life	6 years	4.60 years
Weighted-average grant date fair value	$0.07	$0.10

Adjustment of non-material error in prior period

In 2019, 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 year ended December 31, 2019 and adjusted prior year comparative information as follows:

		Share-based payment reserve		**Deficit**
Balance, December 31, 2018, as previously reported	$	2,259,558	$	(186,031,421)
Adjustment		**4,700,638**		**(4,700,638)**
Balance, December 31, 2018, as adjusted		6,960,196		(190,732,059)
Balance, December 31, 2019	$	4,435,905	$	(196,554,406)

(Unaudited – Expressed in Canadian Dollars)

13. Share capital (continued)

(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 June 30, 2020, the Company had spent $898,945 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. The Company incurred $6,618 in Part XII.6 tax on unspent amounts in the six months ended June 30, 2020 (2019 - $20,181), which has been accounted for under financing and interest expense.

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 and paid the Part XII.6 tax of $38,479 in the first quarter of 2020 relating to this placement.

(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, 2018	*16,903,394*	$ 0.42
Expired	*(903,400)*	0.33
Balance, December 31, 2019	*15,999,994*	0.42
Issued pursuant to private placement in 2020	*6,250,000*	0.21
Expired	*(15,999,994)*	0.42
Balance, June 30, 2020	*6,250,000*	$ 0.21

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.

On February 27, 2020 15,999,994 warrants with an exercise price of $0.42 expired.

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

14. Management of capital (continued)

As at June 30, 2020, the Company had working capital of $3.1 million and is required to incur a further $0.7 million of qualifying expenditures before December 31, 2020 as a result of the flow-through share financing discussed in note 13(d). The Government of Canada has announced its intention to extend the deadline to incur qualifying flow-through expenditures to December 31, 2021 but it is not definitive at this time. Given that cash flow from operations are negative, the Company is dependent on additional sources of financing. 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.

While the Company has sufficient resources to finance planned operating activities for the next twelve months, the above noted conditions 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).

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, 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.

(Unaudited – Expressed in Canadian Dollars)

15. Management of financial risk (continued)

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

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

Investments – as at June 30, 2020	Level 1	Level 2	Level 3	Total
Shares – Vanadian (TSX-V: VEC)	$ 3,938	$ -	$ -	$ 3,938
Shares – ALX (TSX-V: AL)	175,000	-	-	175,000
	$ 178,938	$ -	$ -	$ 178,938

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, 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
Gains (losses) for the three months ended March 31, 2020		$ (74,562)	
Gains (losses) for the three months ended June 30, 2020		27,625	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – six months ended June 30, 2020		$ (46,937)	(46,937)
Balance, June 30, 2020	*5,087,500*		$ 178,938

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.

(Unaudited – Expressed in Canadian Dollars)

17. Exploration and evaluation expenditures

Exploration and evaluation expenditures for the three months ended June 30, 2020:

Project			2019			2020		
		Cumulative[1] to March 31, 2019	Expenditures in the period	Cumulative to June 30, 2019		Cumulative to March 31, 2020	Expenditures in the period	Cumulative to June 30, 2020
Beatty River	$	875,920	$ 929	$ 876,849	$	876,877	$ -	$ 876,877
Black Lake		14,488,507	1,903	14,490,410		14,490,256	-	14,490,256
Christie Lake		10,497,326	597,174	11,094,500		13,355,923	88,483	13,444,406
Hidden Bay		33,334,724	203,402	33,538,126		34,382,631	23,358	34,405,989
Horseshoe-Raven		41,823,779	1,916	41,825,695		41,826,371	-	41,826,371
Other [2]		614	8,750	9,364		23,067	18,077	41,144
West Bear Co-Ni		5,374,219	350,347	5,724,566		6,470,936	75,293	6,546,229
Western Athabasca								
Shea Creek		54,234,024	5,821	54,239,845		54,300,350	28,192	54,328,542
Other WAJV		10,900,699	1,512	10,902,211		10,913,183	10,209	10,923,392
All Projects Total	$	171,529,812	$ 1,171,754	$ 172,701,566	$	176,639,594	$ 243,612	$ 176,883,206

Exploration and evaluation expenditures for the six months ended June 30, 2020:

Project			2019			2020		
		Cumulative[1] to December 31, 2018	Expenditures in the period	Cumulative to June 30, 2019		Cumulative to December 31, 2019	Expenditures in the period	Cumulative to June 30, 2020
Beatty River	$	875,793	$ 1,056	$ 876,849	$	876,877	$ -	$ 876,877
Black Lake		14,488,507	1,903	14,490,410		14,490,256	-	14,490,256
Christie Lake		10,317,284	777,216	11,094,500		13,132,095	312,311	13,444,406
Hidden Bay		33,332,693	205,433	33,538,126		34,355,753	50,236	34,405,989
Horseshoe-Raven		41,822,825	2,870	41,825,695		41,825,417	954	41,826,371
Other projects [2]		614	8,750	9,364		13,960	27,185	41,145
West Bear Co-Ni		2,052,491	3,672,075	5,724,566		5,824,985	721,244	6,546,229
Western Athabasca								
Shea Creek		54,222,726	17,119	54,239,845		54,268,480	60,062	54,328,542
Other WAJV		10,896,103	6,108	10,902,211		10,904,088	19,303	10,923,391
All Projects Total	$	168,009,036	$ 4,692,530	$ 172,701,566	$	175,691,911	$ 1,191,295	$ 176,883,206

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

Exploration and evaluation expenditures for period ended June 30, 2020 and 2019 include the following expenditures:

	Three months ended June 30		Six months ended June 30	
	2020	**2019**	**2020**	**2019**
Depreciation	$ 11,460	$ 18,103	$ 25,025	$ 37,215
Share-based compensation	27,383	52,951	40,322	76,280
Project management fee (Note 19)	19,613	160,879	97,362	398,434
Project surcharge (Note 18)	24,530	45,228	54,955	101,336
	$ 82,986	$ 277,161	$ 217,664	$ 613,265

(Unaudited – Expressed in Canadian Dollars)

18. Office expenses

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Insurance	$ 14,468	$ 13,486	$ 28,775	$ 26,777
Office supplies and consulting	62,411	81,244	136,053	130,152
Rent	5,062	6,934	10,125	15,169
Telephone	844	2,753	2,911	5,830
Utilities	2,474	3,107	5,917	7,153
Project surcharge (Note 17)	(24,530)	(45,228)	(54,955)	(101,336)
	$ 60,729	$ 62,296	$ 128,826	$ 83,745

19. Salaries, net of project management fees

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Gross salaries	$ 188,976	$ 227,356	$ 387,922	$ 466,583
Canadian Emergency Wage Subsidy (Note 21)	(152,246)	-	(152,246)	-
Non-cash management fee offset (Note 17):				
Christie Lake – 10%	(7,685)	(53,971)	(27,870)	(70,286)
West Bear Project – 10%	(11,928)	(106,908)	(69,492)	(328,148)
	$ 17,117	$ 66,477	$ 138,314	$ 68,149

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.

20. 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 June 30		Six months ended June 30	
	2020	2019	2020	2019
Cameco group of companies [(1)]	$ -	$ -	$ 1,055	$ 1,029
Management advisory board share-based payments [(2)]	2,589	192	2,589	423
	$ 2,589	$ 192	$ 3,644	$ 1,452

(1) Payments related to fees paid 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 13(c).

(Unaudited – Expressed in Canadian Dollars)

20. Related party transactions (continued)

(b) Key management personnel compensation

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

	Three months ended June 30		Six months ended June 30	
	2020	**2019**	**2020**	**2019**
Salaries and short-term employee benefits (1)(2)(5)	$ 109,082	$ 149,517	$ 222,326	$ 304,826
Share-based payments (3)	206,203	267,180	294,568	385,712
Other compensation (1)(4)	56,877	53,116	112,146	81,832
	$ 372,162	$ 469,813	$ 629,040	$ 772,370

(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 13(c).

(4) Represents payments to 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.

(5) Salaries and short-term employee benefits disclosed are gross amounts paid and does not include the reduction for the Canadian Emergency Wage Subsidy (Note 21).

21. Government Assistance

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy program in April 2020 ("CEWS"). CEWS provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria.

During the six months ended June 30, 2020, the Company assessed its eligibility related to CEWS and determined it has qualified for this subsidy from the March 15, 2020 effective date through to July 4, 2020. It has accordingly applied for and received $78,086 for the period ended May 9, 2020, and has applied for additional periods ended July 4, 2020 and recorded a receivable of $74,160 for to period May 10, 2020 through to June 30, 2020 (Note 5). This subsidy has been recorded as a reduction to the eligible remuneration expense incurred by the Company during this period. Government assistance related to an expense has been recognized as a reduction of related expense for which the grant is intended to compensate. The Company intends to apply for the CEWS in subsequent application periods, subject to continuing to meet the applicable qualification criteria.

Exploration and evaluation salaries for the period that have been compensated by the CEWS have been excluded as flow-through eligible expenditures.

22. 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.

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

Peter Netupsky
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

Koffman Kalef LLP
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Auditors

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Registrar and Transfer Agent

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