UEX CORPORATION

Management's Discussion and Analysis

For the Year Ended

December 31, 2017

TSX: UEX

Energetically Growing by Discovery, Innovation and Acquisition

www.uex-corporation.com

Message to Shareholders

For UEX shareholders, 2017 was a very busy year. While UEX share prices rose 44% during the year, there were certainly several ups and downs along the way.

Early in the year our first hole of the winter exploration program at Christie Lake encountered high-grade uranium mineralization that became part of the new high-grade Ōrora Deposit discovery. Drilling over the remainder of the year defined continuous unconformity-style uranium mineralization over a strike length of 150 m that remains open for expansion along strike in both directions. In December, we announced that UEX had vested a 45% interest in the Christie Lake Project and remained on track to earn our 70% interest. UEX is currently engaged in a winter drilling program that will be testing the Yalowega Trend northeast of the Ōrora Deposit and for strike extensions to the Orora Deposit itself.

While uranium prices started 2017 on a sharp upswing, moving from US$20.25/lb at the beginning of the year and peaking at US$26.50/lb in mid-February, stubbornly low uranium prices returned by spring. Uranium investors retreated from the sector impacting the share prices of all uranium companies and UEX was no exception.

The prolonged and stubbornly low uranium prices have finally begun to impact uranium suppliers. It was not surprising that in 2017 higher cost producers curtailed production, electing to fill their uranium sales contract with purchases of cheap uranium from the spot market. Kazatomprom announced significant production cutbacks in Kazakhstan. However, it was Cameco's announcement of the suspension of production at McArthur River that has shown the market that even the lowest cost producers cannot survive today's uranium price environment.

Suppliers have drawn their line in the sand and have told utilities that they are not willing to sign future sales contracts or make investments to increase or maintain primary uranium supply without significant increase in uranium price. Every single uranium producer in the world cannot continue to indefinitely produce uranium to supply a growing market at a loss forever. Blessed with a substantial uranium resource base due to our ownership in 10 uranium deposits in the low-cost Athabasca Basin, UEX shareholders are well positioned to take advantage of the inevitable rise in uranium prices.

In addition to benefiting from our uranium resource base, UEX shareholders have the opportunity to capitalize on the rapidly growing push towards electric vehicles ("EV") that in turn is powering the skyrocketing demand for battery chemicals, particularly cobalt. In the past eighteen months, cobalt prices have tripled due to the lack of readily available, secure, stable and ethically-sourced cobalt needed to fabricate the batteries to power EVs. Currently, 98% of all cobalt is derived as a by-product of either nickel or copper production, and 65% of that cobalt is sourced from the DRC. To power the EV revolution, the world desperately needs cobalt production from operations whose primary focus and economic drivers are geared towards the extraction of cobalt.

In 2002, UEX discovered the West Bear Cobalt-Nickel Prospect while exploring along strike of the West Bear Uranium Deposit. In 2004 and 2005, UEX drilled thirteen holes that defined continuous high-grade cobalt-nickel mineralization over a 175 m x 75 m area. The Prospect was put on the shelf in 2006 after cobalt prices peaked in 2005.

The rapid appreciation of cobalt prices in 2017 prompted UEX to re-evaluate the potential of the West Bear Cobalt-Nickel Prospect. In November, the Company began the process determining how the Prospect could best enhance shareholder value. In January, UEX announced plans to spin-out the West Bear Cobalt-Nickel Prospect through our newly formed 100%-owned subsidiary CoEX Metals Corporation.

UEX believes that the West Bear Cobalt-Nickel Prospect compares very favorably to the current crop of global cobalt deposits. It is high-grade, open-pit amenable, open for expansion in all directions, surrounded by excellent infrastructure and is located in the world's number two mining investment jurisdiction, Saskatchewan. Our exploration team has a unique set of skills and understanding of these Athabasca-type cobalt-nickel deposits, which provides UEX a substantial competitive advantage.

We believe that West Bear Cobalt -Nickel Prospect has the potential to be a key source of stable, secure, ethically-sourced cobalt, where production is keyed to the dynamics of the cobalt market and not as a fortunate by-product of the production of other commodities.

Currently, UEX has embarked on a $1.5 million, 30 to 40 hole drill program with the objective of growing the high-grade West Bear Cobalt-Nickel Project in advance of the possible spin-out of CoEX Metals. I am eagerly looking forward to reporting the drilling results at West Bear to shareholders in the coming weeks.

With high investor interest in the fledgling cobalt sector, our West Bear Cobalt-Nickel Prospect will likely be driving UEX shareholder value over the next few months. Long-term, the Company's uranium resource holdings and high-quality uranium exploration portfolio should provide shareholders with excellent exposure to what should be the inevitable rise in uranium prices.

Roger Lemaitre
President & CEO

This Management's Discussion and Analysis ("MD&A") of UEX Corporation ("UEX" or the "Company") for the year ended December 31, 2017 is intended to provide a detailed analysis of the Company's business and compares its financial results with those of previous periods. This MD&A is dated March 19, 2017 and should be read in conjunction with the Company's audited annual consolidated financial statements and related notes for the years ended December 31, 2017 and 2016. The audited annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless specified otherwise, all dollar amounts are in Canadian dollars.

Other disclosure documents of the Company, including its Annual Information Form, filed with the applicable securities regulatory authorities in Canada are available at www.sedar.com.

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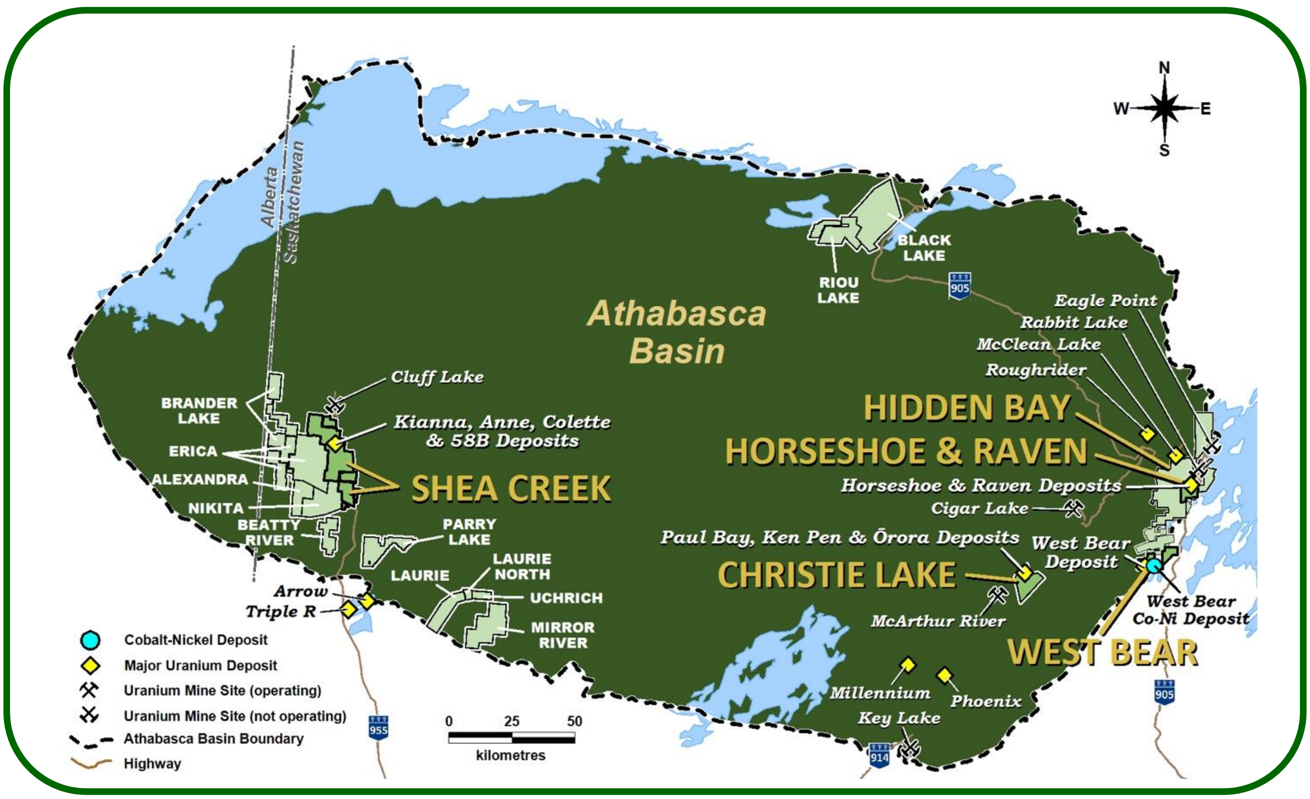
1. Introduction

Overview

UEX's fundamental goal is to remain one of the leading global uranium and cobalt explorers and to advance our portfolio of Athabasca Basin uranium and cobalt deposits and discoveries through the development stage to the production stage. Since being listed on the Toronto Stock Exchange in 2002, UEX has pursued exploration on a diversified portfolio of prospective uranium projects in three areas within the Athabasca Basin in Saskatchewan, Canada. The Company is focusing its main efforts on four advanced projects, three in the eastern Athabasca Basin and one in the western Athabasca Basin. Eastern Athabasca Basin advanced uranium projects include the Horseshoe and Raven Project ("Horseshoe-Raven", formerly a part of the Hidden Bay Project) that hosts the Horseshoe and Raven Deposits and the 45% owned Christie Lake Project ("Christie Lake") that hosts the Paul Bay, Ken Pen, and Ōrora Deposits and for which the Company has entered into an Option Agreement to earn up to a 70% interest. The eastern Athabasca Basin advanced cobalt project is the 100%-owned West Bear Cobalt-Nickel Prospect ("West Bear", formerly part of the Hidden Bay Project), that hosts the West Bear Cobalt-Nickel Zone and the West Bear Uranium Deposit. The western Athabasca Basin advanced project is the 49.1% owned Shea Creek Project ("Shea Creek") that hosts the Kianna, Anne, Colette and 58B Deposits.



UEX is involved in sixteen uranium projects located in the Athabasca Basin, the world's richest uranium district, which in 2016 accounted for approximately 22.6% of global primary uranium production. The Company's uranium projects include:

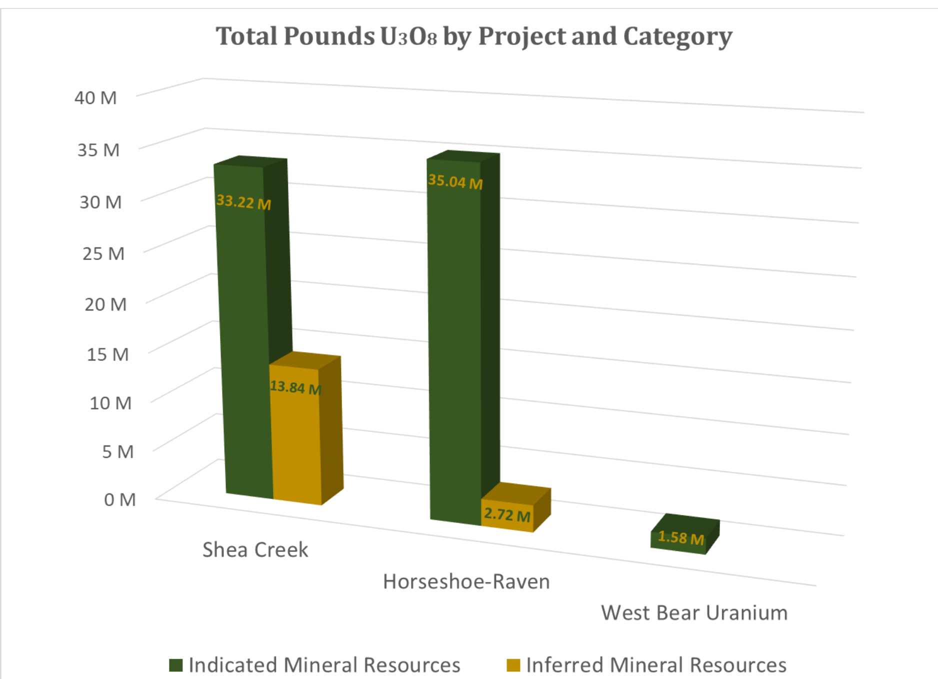
- six that are 100% owned and operated by UEX (West Bear, Horseshoe-Raven, Hidden Bay, Laurie North, Riou Lake and Parry Lake),
- one project under option from JCU and operated by UEX (Christie Lake),

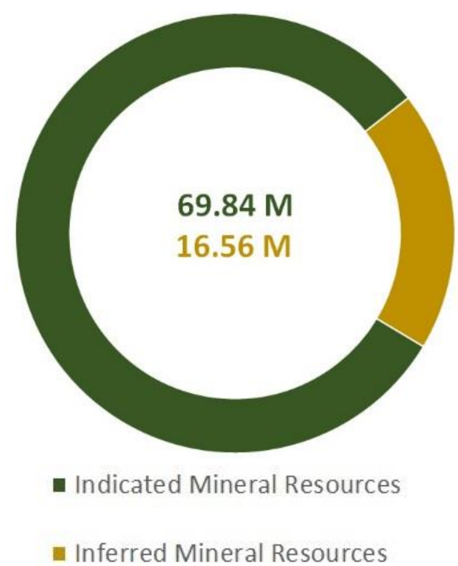
- one joint venture with Orano Canada Inc. (formerly AREVA Resources Canada Inc.) ("Orano") that is under option to and operated by ALX Uranium (Black Lake),
- eight projects joint-ventured with and operated by Orano (Western Athabasca Joint Venture projects Shea Creek, Erica, Brander Lake, Alexandra, Nikita, Mirror River, Laurie and Uchrich),
- one project joint-ventured with Orano and JCU (Canada) Exploration Company Limited ("JCU") that is operated by Orano (Beatty River).

Orano is part of the Orano group, one of the world's largest nuclear service providers, and JCU is a private Japanese company with significant investments in several uranium projects in Canada.

UEX is involved in one cobalt-nickel exploration project located in the Athabasca Basin of northern Saskatchewan. The West Bear Project was formerly part of UEX's Hidden Bay Project and contains the West Bear Cobalt-Nickel Prospect and the West Bear Uranium Deposit.

Since inception, UEX has been successful discovering and advancing uranium resources in the Athabasca Basin. The Company has three 100% owned uranium deposits in the eastern Athabasca Basin (Horseshoe, Raven and West Bear) and a 49.1% interest in four uranium deposits joint-ventured with Orano in the western Athabasca Basin. The following charts summarize UEX's ownership share of these mineral resources.





(Expressed in Canadian dollars, unless otherwise noted)

N.I. 43-101 Mineral Resource Estimates

Deposit	Indicated Resources (at 0.30% U3O8 Cut-Off)				Inferred Resources (at 0.30% U3O8 Cut-Off)			
	Tonnes	Grade (wt% U_3O_8)	U3O8 (lbs)	UEX Share (lbs)	Tonnes	Grade (wt% U_3O_8)	U3O8 (lbs)	UEX Share (lbs)
Shea Creek (49.1% interest)								
Kianna	1,034,500	1.526	34,805,000	17,088,385	560,700	1.364	16,867,000	8,281,275
Anne	564,000	1.991	24,760,000	12,156,541	134,900	0.880	2,617,000	1,284,882
Colette	327,800	0.786	5,680,000	2,788,738	493,200	0.716	7,780,000	3,819,786
58B	141,800	0.774	2,417,000	1,186,687	83,400	0.505	928,000	455,625
Total - Shea Creek	**2,067,900**	**1.484**	**67,663,000**	**33,220,841**	**1,272,200**	**1.005**	**28,192,000**	**13,841,567**

(1) *The mineral resource estimates follow the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects and classifications follow CIM definition standards.*

(2) *The Shea Creek mineral resources were estimated at a cut-off of 0.30% U3O8, and are documented in the Shea Creek Technical Report with an effective date of May 31, 2013 which was filed on SEDAR at www.sedar.com on May 31, 2013*

(3) *Certain amounts presented in the Shea Creek N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.*

Deposit	Indicated Resources (at 0.05% U3O8 Cut-Off)				Inferred Resources (at 0.05% U3O8 Cut-Off)			
	Tonnes	Grade (wt% U_3O_8)	U3O8 (lbs)	UEX Share (lbs)	Tonnes	Grade (wt% U_3O_8)	U3O8 (lbs)	UEX Share (lbs)
Horseshoe-Raven (100% interest)								
Horseshoe	5,119,700	0.203	22,895,000	22,895,000	287,000	0.166	1,049,000	1,049,000
Raven	5,173,900	0.107	12,149,000	12,149,000	822,200	0.092	1,669,000	1,669,000
Total - Horseshoe-Raven	**10,293,600**	**0.154**	**35,044,000**	**35,044,000**	**1,109,200**	**0.111**	**2,715,000**	**2,715,000**
West Bear (100% interest)								
West Bear Uranium	78,900	0.908	1,579,000	1,579,000	-	-	-	-

(1) *The mineral resource estimates follow the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects and classifications follow CIM definition standards.*

(2) *The Horseshoe, Raven, and West Bear mineral resources were estimated at a cut off of 0.05% U3O8, and are documented in the "Preliminary Assessment Technical Report on the Horseshoe and Raven Deposits, Hidden Bay Project, Saskatchewan, Canada" (The Preliminary Assessment Technical Report", the "PA" or the Horseshoe-Raven Report") with an effective date of February 15, 2011 which was filed on SEDAR at www.sedar.com on February 23, 2011.*

(3) *Certain amounts presented in the Hidden Bay N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.*

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Further information on each of these deposits and the mineral resource estimates presented above is available under the Western Athabasca Projects – Shea Creek, Horseshoe-Raven and West Bear sections of this MD&A.

Non-Compliant Resources

The Company holds a 45% direct interest in the Paul Bay, Ken Pen and Ōrora Uranium Deposits, located on the Christie Lake Project. UEX can increase our ownership interest to a maximum 70% in the Christie Lake Project through our option agreement with JCU. The ultimate size of the Paul Bay, Ken Pen and Ōrora Deposits has not been fully defined.

The Paul Bay and Ken Pen Deposits are estimated to host a combined 20.87 million pounds of U_3O_8 at an average grade of 3.22% U_3O_8. (*This is a historic resource estimation which does not use resource classifications consistent with N.I. 43-101. The historical resource estimate was presented in an internal report titled "Christie*

Lake Project, Geological Resource Estimate" completed by PNC Tono Geoscience Center, Resource Analysis Group, dated September 12, 1997. The historical resource was calculated using a 3-D block model using block sizes of 2 m by 2 m by 2 m, and block grades interpolated using the inverse distance squared method over a circular search radius of 25 m and 1 m height. Specific gravities for each deposit were averaged from specific gravity measures of individual samples collected for assay. UEX has completed additional infill drilling on the deposits during the option period to upgrade these historic resources to indicated and inferred. A qualified person has not yet done sufficient work to classify the historic estimate as current mineral resources or mineral reserves. UEX is not treating the historic estimate as current mineral reserves or mineral resources.)

Further information on these deposits and the geology of the Christie Lake Project is available under the *Christie Lake Project* section of this MD&A and is documented in the *Technical Report on the Christie Lake Project, Saskatchewan* with an effective date of December 31, 2016, which was filed on SEDAR at www.sedar.com on March 28, 2017.

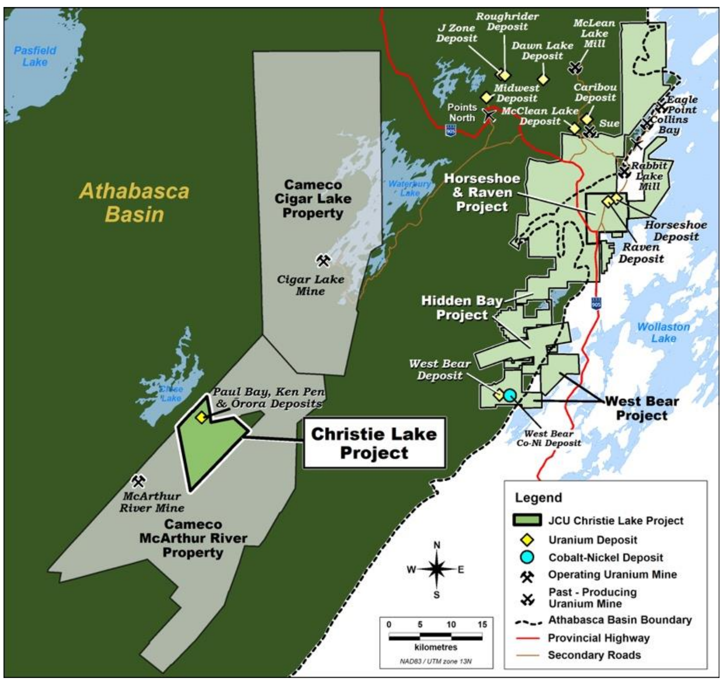
Growth Strategy – UEX

- To extract value for UEX shareholders from our West Bear Cobalt-Nickel Prospect to take advantage of the rapid growth in the demand for cobalt due to the anticipated growth in electric vehicle manufacturing.
- To plan and execute the exploration and evaluation work required to delineate and develop economic uranium resources at Christie Lake, as part of our project earn-in.
- To continue the exploration and evaluation work required to delineate and develop economic uranium resources at Shea Creek.
- To advance the evaluation/development process at our 100%-owned Horseshoe and Raven uranium deposits to a production decision once uranium commodity prices have demonstrated a sustained recovery from current spot and long-term prices.
- To find new uranium deposits at the 100%-owned Hidden Bay Project and at the Western Athabasca Projects with our joint-venture partner Orano.
- To evaluate and make timely acquisitions of uranium and cobalt projects in favorable, low-cost jurisdictions.

2. Exploration and Evaluation Update

The following is a general discussion of UEX's recent exploration and evaluation activities. For more detailed information regarding UEX's exploration projects, please refer to UEX's current Annual Information Form, available at *www.sedar.com*, or to UEX's website at *www.uex-corporation.com*.

Christie Lake Project



- Located in the eastern Athabasca Basin, 9 km northeast and along strike of the McArthur River Mine.
- In early 2017, the Ōrora Zone was discovered. In 2018 UEX will focus on determining the size of the Ōrora zone and testing similar geological features along strike to the northeast.
- Two historical uranium deposits, with historical non-compliant resource of 20.87 Mlbs at a grade of 3.22%*.
- UEX signed an Option Agreement January 2016 to earn up to a 70% interest, currently at a 45% interest.
- UEX signed a Joint Venture agreement on July 15, 2016, to take effect after the option is completed.

Historical Resource*

Ore Body	Cut-Off Grade (% U_3O_8)	Ore (t)	Resources (t U_3O_8)	Resources (million lbs U_3O_8)	Average Grade (% U_3O_8)
Paul Bay Deposit	0.3	231,298	7,078	15.60	3.06
Ken Pen Deposit	0.3	62,956	2,392	5.27	3.80
Total		294,254	9,470	20.87	3.22

Source: Geological Resource Estimation Christie Lake Project Saskatchewan September 1997 by Resource Analysis/ Evaluation Group PNC Tono Geoscience Center Japan

* *This is a historic resource estimation which does not use resource classifications consistent with N.I. 43-101. The historical resource estimate was presented in an internal report titled "Christie Lake Project, Geological Resource Estimate" completed by PNC Tono Geoscience Center, Resource Analysis Group, dated September 12, 1997. The historical resource was calculated using a 3-D block model using block sizes of 2 m by 2 m by 2 m, and block grades interpolated using the inverse distance squared method over a circular search radius of 25 m and 1 m height. Specific gravities for each deposit were averaged from specific gravity measures of individual samples collected for assay. UEX has completed additional infill drilling on the deposits during the option earn-in period to upgrade these historic resources to indicated and inferred resources. A qualified person has not yet done sufficient work to classify the historic estimate as current mineral resources or mineral reserves. UEX is not treating the historic estimate as current mineral reserves or mineral resources.*

(Expressed in Canadian dollars, unless otherwise noted)

	Number of claims	Hectares	Acres	UEX Ownership %
Christie Lake	6	7,922	19,576	45.00

The Christie Lake Project is currently 55% owned by JCU (Canada) Exploration Company, Limited ("JCU") and 45% by UEX. The Company signed a Letter of Intent ("LOI") on October 26, 2015 to earn up to a 70% interest in the project by making cash payments of $7.0 million and funding $15.0 million in exploration work commitments over 5 years. As of the date of this document, UEX has made cash payments of $5.0 million and spent approximately $8.0 million on exploration. UEX current has earned a 45% interest in the Christie Lake Project and is on track to earn a 70% interest in the property.

On January 16, 2016, UEX signed the definitive Option Agreement with JCU under which UEX can earn its interest. UEX earned a 10% interest in the project by making a $250,000 payment upon the signing of the LOI and making a $1,750,000 payment on January 22, 2016. UEX increased its interest in the project to 30% by making a $2,000,000 payment on December 22, 2016 and completing the required $2,500,000 of work in 2016. UEX earned a 45% interest in the project on December 7, 2017 by making a cash payment of $1,000,000 and completing the required $2,500,000 of work as required in 2017 under the Option Agreement.

On July 15, 2016, UEX and JCU signed a Joint Venture Agreement that sets the terms and conditions that will govern all decisions related to the exploration, development and any future mining production from the Christie Lake Project as well as the relationship between the Joint Venture participants. Although signed, the Joint Venture Agreement will only take effect upon the completion of, or termination of, the Option Agreement.

UEX believes that the P2 Fault trend that hosts the McArthur River mine may continue onto the Christie Lake Project. UEX intends to convert the historical resource to a N.I. 43-101 resource by Q2 2018. Beyond the known mineralized zones, management believes that the full potential of this productive corridor has only begun to be understood and that it holds very good potential for the discovery of new uranium deposits and expansion of the historical resources. This belief has been bolstered by the discovery of the Ōrora Zone in January 2017, located 500 m northeast and along strike of the Ken Pen Deposit. Many kilometres of conductors exist on the southern half of the project which have never been drill tested and provide excellent greenfields exploration potential proximal to producing uranium mines.

Further information on the geology of the Christie Lake Project is documented in the *Technical Report on the Christie Lake Project, Saskatchewan* with an effective date of December 31, 2016, which was filed on SEDAR at www.sedar.com on March 28, 2017.

(Expressed in Canadian dollars, unless otherwise noted)

Option Agreement – Vesting Schedule

On January 16, 2016, UEX and JCU signed the definitive Option Agreement for the Christie Lake Project. UEX can earn an incremental interest annually up to a maximum 70% cumulative interest in the property by completing the cash payment and exploration work milestones outlined below:

Date	Cash Payment Required	Cash Payments Completed	Exploration Work Required	Exploration Work Completed(1)	Interest Earned (%)	
Upon signing of the LOI	$ 250,000	$ 250,000				✓
Before January 28, 2016	1,750,000	1,750,000			10	✓
Before January 1, 2017	2,000,000	2,000,000	$ 2,500,000	$ 2,500,000	30	✓
Before January 1, 2018	1,000,000	1,000,000	2,500,000	2,500,000	45	✓
Before January 1, 2019	1,000,000		5,000,000	2,962,022	60	
Before January 1, 2020	1,000,000		5,000,000		70	
Total	**$ 7,000,000**		**$ 15,000,000**		**70**	
Completed as of December 31, 2017		**$ 5,000,000**		**$ 7,962,022**	**45**	✓

(1) Cumulative exploration work completed does not include $100,159 of share based compensation relating to the Christie Lake Project, which is not an eligible earn-in expenditure.

UEX can elect to proceed with or cease future cash payments and work commitments at any time and vest in the project according to this schedule.

2017 Exploration Program

In 2017, UEX commenced exploration on the 1.5 km long Yalowega Uranium Trend (the "Trend") along strike to the northeast of the Ken Pen Deposit. As the Trend is known to host mineralization along its entire length, UEX believes that both the basement-hosted uranium potential and the unconformity potential, where the lower breccia structure intersects the unconformity northwest of the Trend, are both vastly underexplored. Management continues to be very optimistic about the opportunities for additional discoveries along the Trend. In addition, UEX completed follow-up drilling at Paul Bay and Ken Pen to answer key questions related to the upcoming NI 43-101 resource report.

During the winter of 2017, UEX was able to complete an 18 hole - 8,171 m drilling program at a cost of approximately $2.5 million. The summer program focused on expanding the Ōrora Zone to the southwest along strike and consisted of ten holes totaling 4,541 m.

In 2017, UEX has completed 28 drill holes totaling 12,712 m at a cost of approximately $3.9 million.

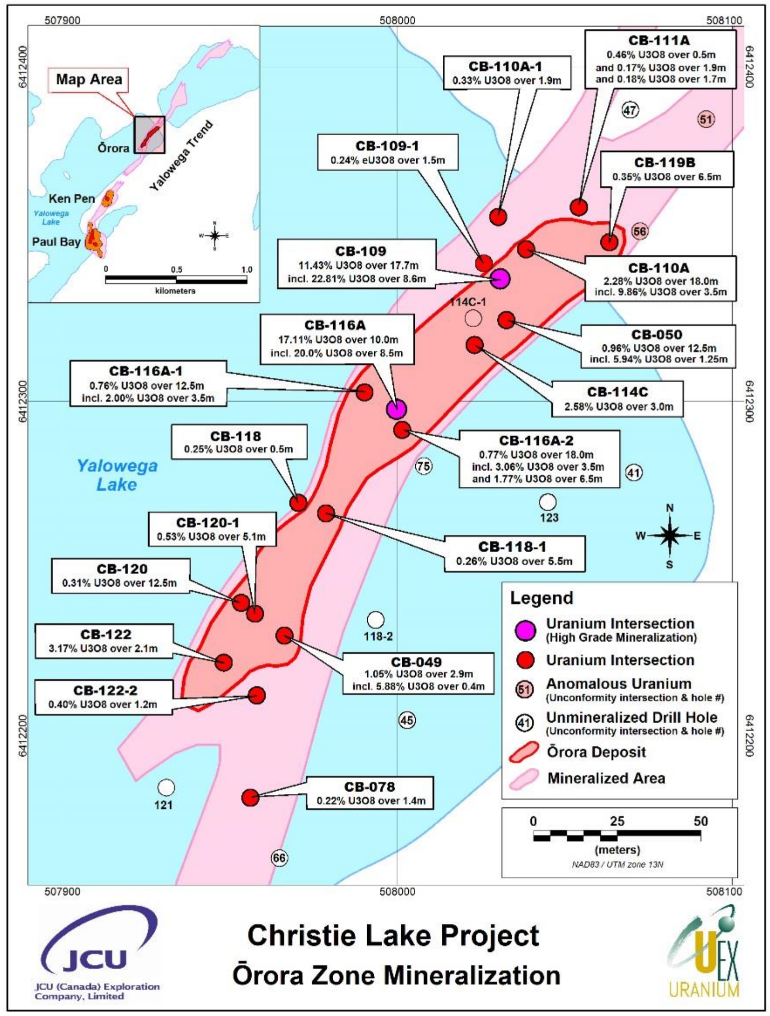
Ōrora Zone Discovery

In late January 2017, UEX announced the discovery of high-grade uranium mineralization, which has been named the "Ōrora Zone", located approximately 500 m northeast and along strike of the Ken Pen Deposit. In February 2017, UEX announced that discovery hole CB-109 returned an assay interval of 22.81% U_3O_8 over 8.6 m, which is the best hole (as defined by grade x thickness) drilled to date on the Christie Lake Project.

The Ōrora Zone has a minimum strike length of 150 m and remains open for expansion along strike to the southwest and to the northeast.

Several of the holes following up CB-109 encountered very high grade uranium mineralization. Highlights from the assay results received from Ōrora Zone drill holes to date include:

- CB-109 which returned 11.43% U_3O_8 over 17.7 m, including a subinterval of 22.81% U_3O_8 over 8.6 m;
- CB-110A, drilled 20 m northeast and along strike returned 2.28% U_3O_8 over 18.0 m and included a subinterval of 9.86% U_3O_8 over 3.5 m;
- CB-114C which returned 2.58% U_3O_8 over 3.0 m;
- CB-116A which returned 17.11% U_3O_8 over 10.0 m, including 20.00% U_3O_8 over 8.5 m;
- CB-116A-1 that intersected 0.91% U_3O_8 over 12.5 m; including 2.90% U_3O_8 over 3.1 m; and
- CB 116A-2 which returned 1.77% U_3O_8 over 6.5 m; including 3.06% U_3O_8 over 3.5 m.



Paul Bay Deposit Drilling

Five holes were drilled to tighten the spacing between existing holes within the high grade subzone and to determine the size of the new lower high grade zone defined by hole CB-102, discovered at the conclusion of the 2016 drill program.

Hole CB-113 successfully confirmed the presence of the high grade subzone between holes CB-092 and CB-004, encountering 5.77% U_3O_8 over 7.6 m, including a subinterval of 8.48% U_3O_8 over 4.9 m.

Hole CB-112-1 filled a gap between CB-092 and CB-093 within the high grade subzone, intersecting 3.60% U_3O_8 over 1.8 m.

Holes CB-108A and CB-108-1 significantly expanded the size of the lower high grade zone defined by hole CB-102. CB-108A intersected 2.92% U_3O_8 over 6.7 m approximately 15 m southwest of CB-102. Located 28 m northeast of CB-102, hole CB-108A-1 encountered 2.42% U_3O_8 over 12.6 m, extending the strike length of the lower high grade zone to at least 43 m in an area of the Paul Bay Deposit previously believed to be comprised of exclusively low grade uranium mineralization.

Ken Pen Deposit Drilling

Due to the success at Ōrora, UEX chose to complete only two holes in 2017 with the objective of expanding the Ken Pen Deposit.

Hole CB-107A-1 was drilled to test the unconformity up-dip of the mineralization encountered in hole CB-107 located at the southwestern margin of the Ken Pen Deposit and encountered a modest interval of weak uranium mineralization .

Hole CB-115 was drilled to test 25 m along strike of the CB-107 mineralization and encountered narrow intervals of low grade uranium mineralization.

Additional drilling will be required to define the ultimate limits of the Ken Pen Deposit along strike to the northeast and at depth to the southwest. This work is intended to be completed in future UEX drilling campaigns.

First NI 43-101 Resource for Christie Lake

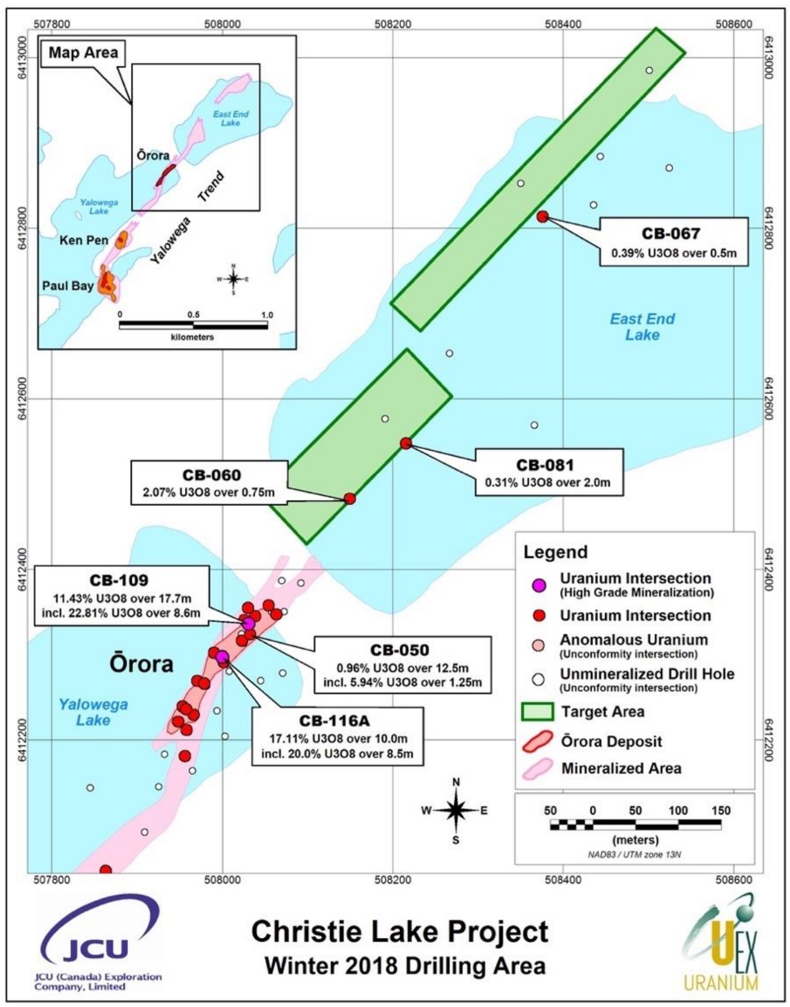
The Company has engaged a geological consulting firm to incorporate the historical results with the results of UEX's 2016 and 2017 programs. In September, a resource estimation geologist came to site to view mineralized drill core from all three deposits. The UEX exploration team and the consulting firm are working together and are on track to complete a maiden NI 43-101 compliant resource before the end of Q2-2018.

2018 Exploration Program

In late January 2018, UEX commenced a \$1.5 million drill program consisting of approximately 4,500 m of drilling in 9 holes. The program will focus on testing targets located along strike and northeast of the Ōrora Deposit.

The winter program will test unconformity targets northwest and up-dip of modest basement-hosted uranium mineralization drilled by the previous operator in the 1990s. Similar testing by UEX in 2017 led to the discovery of the Ōrora Deposit.

The winter program may test the immediate north-east and south-west strike extensions of the Ōrora Deposit. The extension drill testing program may be deferred until the summer program. Should the lake ice conditions on East End Lake remain favorable, drilling will continue to focus on testing the northeastern Yalowega Trend. Extension drilling at Ōrora can be performed during the summer from land.



West Bear Cobalt-Nickel Prospect

- The West Bear Cobalt-Nickel Prospect was initially discovered by UEX in 2002
- The West Bear Cobalt-Nickel Prospect is located east of the West Bear Uranium Deposit but does not itself contain uranium.
- The shallowest Co-Ni deposit in Canada
- Open-pit amenable as cobalt is currently defined between 15-55 m depths and remains open in all directions
- The presence of cobalt at West Bear was not recognized or tested for by previous explorers

West Bear Cobalt-Nickel Prospect

- Very high-grade cobalt was encountered in thirteen holes drilled by UEX over a 175 m by 75 m area between 2002 and 2005.
- The known Co-Ni mineralization remains open for expansion in all directions
- Many historical holes have been drilled in the area but most do not intersect the structure that hosts the Co-Ni mineralization. On the rare occasion when a historical hole actually tested the structure, samples were often not analyzed for cobalt
- UEX has formed a wholly-owned subsidiary, CoEX Metals Corporation ("CoEx"), which has been tasked with the exploration and development of the West Bear Cobalt-Nickel Prospect.
- UEX is exploring options to enhance shareholder value by spinning out CoEX as a new company

West Bear Uranium Deposit

- Shallowest undeveloped uranium deposit in the Athabasca Basin
- Near existing milling infrastructure and power lines
- Short distance from year-round all-weather access by commercial airport and via Provincial Highway 905

(Expressed in Canadian dollars, unless otherwise noted)

Mineral Resource Estimates

For details of the West Bear Resource estimate for the West Bear Uranium Deposit, please see the next section, Mineral Resource Estimates, Horseshoe and Raven Project, as the uranium resources at the West Bear Uranium Deposit were estimated as part of the Horseshoe-Raven Report. There has not been a resource estimate completed on the West Bear Cobalt-Nickel Prospect at this time.

	Number of claims	Hectares	Acres	UEX Ownership %
West Bear	20	6,378	15,760	100.00

The West Bear Co-Ni Prospect lands are 100% owned by UEX with the exception of Mineral Lease 5424 which is a joint venture between UEX (77.575%), Empresa Nacional Del Uranio S.A. (7.680%), Nordostschweizerische Kraftwerke A.G. (7.68%) and Encana (7.066%). West Bear was acquired from Cameco upon UEX's formation in 2001 as part of the Hidden Bay Project, which established Cameco's initial equity position in UEX.

UEX has elected to separate West Bear from the Hidden Bay Project due to its advanced stage of exploration and development compared to the remainder of the original project lands and due to the fact that future exploration focus will be on expanding cobalt-nickel resources instead of uranium resources. The West Bear Uranium Deposit is located on the West Bear Co-Ni Prospect lands and has uranium resources that have been subject to advanced studies including a Preliminary Feasibility Study (https://uex-corporation.com/projects/west-bear/).

Historical Work

Exploration activities on the West Bear Land prior to UEX were conducted by two groups, one being Gulf Minerals, and the other the Conwest Joint Venture. The ownership interests of both groups were eventually consolidated by Saskatchewan Mineral Development Corporation which was a predecessor of Cameco Corporation. Cameco's interest were passed onto UEX as part of UEX's formation in 2001.

In addition to the West Bear Co-Ni Prospect, the Property hosts one uranium deposit and several occurrences and showings including the West Bear Uranium Deposit ("WBU Deposit"), the Pebble Hill Uranium Occurrence, the Mitchel Lake Uranium Occurrences, and the Umpherville Uranium Occurrence. The WBU Deposit has been the subject of several NI-43-101 resource reports and a pre-feasibility study commissioned by UEX (https://uex-corporation.com/projects/west-bear/).

Exploration on different portions of the property commenced in the 1970's by several explorers including Gulf Minerals, Noranda, and the Conwest Exploration Joint Venture that continued through the 1980's and led to the discovery of the WBU Deposit and nearby uranium showings. Historical exploration efforts focused exclusively on discovering classic unconformity uranium deposits of the Cigar Lake-style, which meant that drill holes tested the intersection of graphitic pelites with the unconformity surface. Exploration drill holes rarely penetrated more than 15 m below the unconformity surface.

Upon acquisition of the West Bear Project, UEX completed significant exploration work between 2002 and 2009 that included the definition of the WBU Deposit and the discovery and only partial definition of the West Bear Cobalt-Nickel Prospect in thirteen drill holes. The grades and widths of the cobalt concentrations in these thirteen holes are shown in the table below. These grades and thicknesses compare favorably to the grades and intersection lengths reported from worldwide cobalt deposits.

(Expressed in Canadian dollars, unless otherwise noted)

Composite Grades from 2002-2005 UEX Holes – West Bear Co-Ni Project

Hole	Depth From (m)	Depth To (m)	Core Length (m)	Cobalt (wt% Co)	Nickel (wt% Ni)
WBE-019	**33.80**	**34.00**	**0.2**	**9.94**	**2.97**
	44.00	45.00	1.0	0.39	1.49
	50.50	51.00	0.5	3.60	3.11
WBE-027	43.75	44.87	1.1	0.21	0.26
WBE-028	38.30	39.70	1.4	0.32	0.28
WBE-029	56.60	57.90	1.3	0.85	1.38
WBE-070	37.50	39.50	2.0	0.73	0.70
	42.30	48.80	0.5	2.09	2.71
WBE-071	**45.10**	**53.50**	**8.4**	**2.15**	**0.91**
WBE-072	52.50	56.30	3.8	1.05	1.15
WBE-075	36.10	40.30	4.2	0.62	.47
WBE-077	32.40	41.20	8.8	0.57	0.19
WBE-078	22.20	25.90	2.7	0.25	0.18
	36.60	50.90	14.3	0.79	0.60
including	**43.90**	**49.20**	**5.3**	**1.58**	**0.83**
WBE-079	**50.30**	**72.50**	**22.2**	**1.12**	**0.80**
WBE-080	67.50	75.30	8.1	0.24	0.30

The West Bear Co-Ni Prospect is located just east of the WBU Deposit within the intensely clay-altered West Bear Fault. Mineralization consists of disseminated cobaltite and nicoline predominately located at the base of the very strongly clay-altered West Bear Fault package that in turn is located at the bottom of the graphitic rock sequence. As currently defined, mineralization ranges from 15-55 m in vertical depth over a strike length of 175 m and remains open in all directions. Cobalt-nickel mineralization is also known to exist within the same clay-altered fault structure down-dip of the WBU Deposit. Wherever UEX has encountered cobalt mineralization, high nickel concentrations are most often present.

Despite the large number of historical holes drilled in the West Bear area, the vast majority of these holes failed to test the West Bear Fault structure below its intersection with the Athabasca Basin unconformity.

On the rare occasion when the West Bear Fault was intersected in historical holes below the unconformity, past explorers such as Gulf Minerals often failed to assay samples for cobalt. UEX has identified several areas in the vicinity of the West Bear Co-Ni Prospect and the WBU Deposit where very high concentrations of nickel are present that were not assayed for cobalt.

The WBU Deposit has been defined over a strike length of 530 m, ranges in width between 20 m and 70 m, ranges in thickness from 0.1 m to over 15 m and is located at vertical depths between 15 m to 35 m. The WBU Deposit is a classic cigar-shaped body similar to the Cigar Lake and McClean Lake deposits and is hosted at and above the intersection of faulted graphitic metapelites with the unconformity with the overlying Athabasca Group sandstone. For more details of the WBU Deposit including an estimate of the contained resources, please review the latest technical report filed on SEDAR and on our website accessible from this link: https://uex-corporation.com/projects/west-bear/

2018 Exploration Program

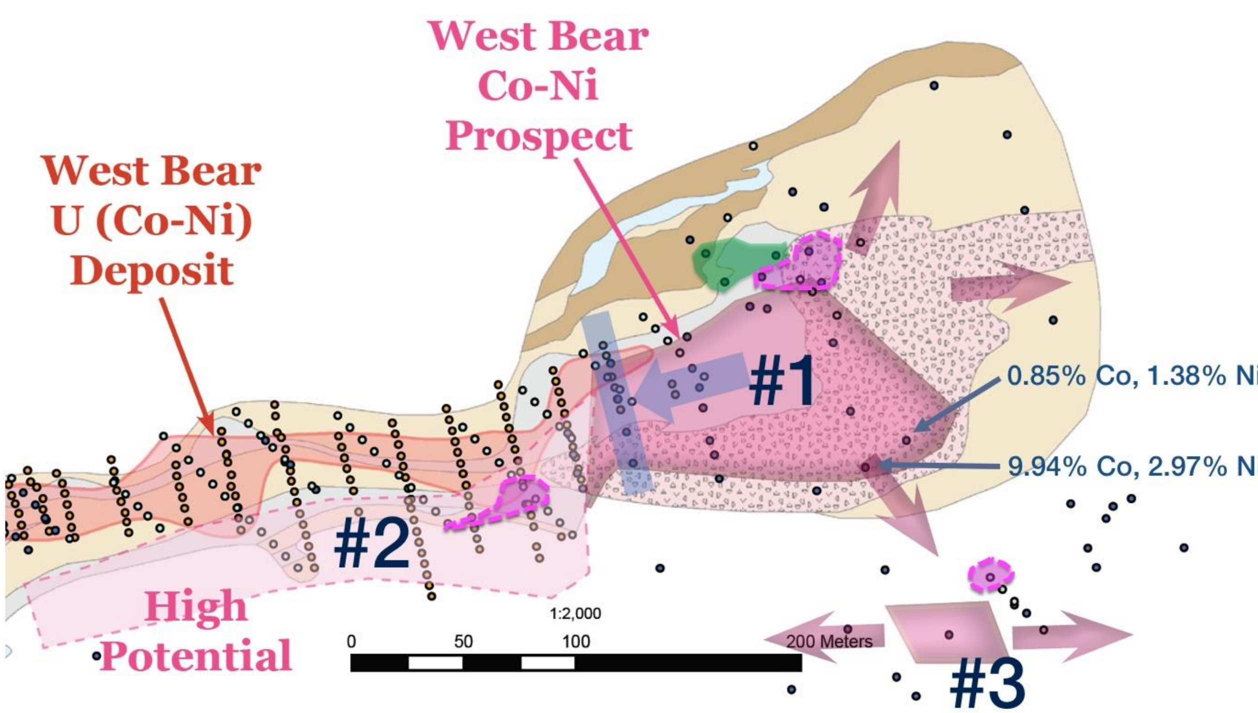
In late February 2018, UEX received all necessary exploration permits and commenced a $1.5 million winter drilling program on the West Bear Co-Ni Prospect with the objective of growing the size of the known Co-Ni mineralized zone and following up other known intersections of Co-Ni discovered by UEX and previous explorers in the immediate area of the Prospect.

The program will consist of approximately 30-40 holes and will initially test the down-dip extension of the known mineralization. The winter drilling program is likely to conclude in mid-April.

Once the program is completed, UEX will work towards completing an NI-43-101-compliant technical report on the West Bear Cobalt-Nickel Prospect. Depending upon the results of this program, this report may include a maiden resource estimate.

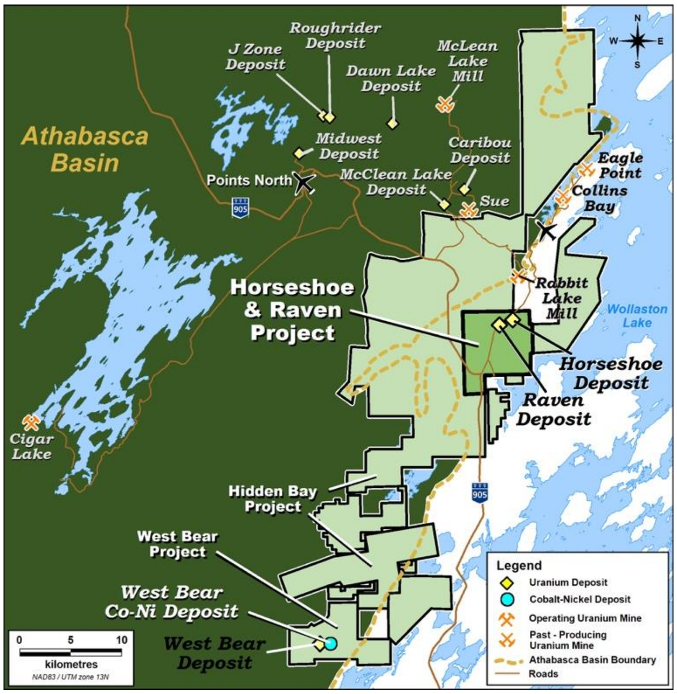
On March 7, 2018, UEX entered into a purchase agreement with Denison Mines Corp. ("Denison") to acquire a single 890 ha claim which was incorporated into the West Bear Project. In consideration to acquire 100% interest in the property UEX made a cash payment of $11,000 and granted a 1.5% net smelter return royalty to Denison which can be purchased anytime for a cash payment of $950,000. This claim partially completes a gap within UEX's land claim holdings in the West Bear area.

Proposed 2018 Exploration Areas – West Bear Cobalt-Nickel Prospect



(Expressed in Canadian dollars, unless otherwise noted)

Horseshoe and Raven Project



- Cameco's Rabbit Lake Mill (including Eagle Point), currently on care and maintenance, has produced over 203.3 million pounds of U_3O_8 to date [(1)]
- Orano's McLean Lake JEB Mill has produced close to 50 million pounds of U_3O_8 to date and is currently being used to process Cigar Lake ore [(2)]

- Two known deposits: Horseshoe and Raven.
- Proximal to uranium mills, year-round access by road and air, electric transmission lines transect the property.
- Two of the shallowest deposits in the Athabasca Basin ranging from 50 – 450 m depth exclusively hosted in competent basement rocks with no sandstone cover and can be mined using conventional hard rock mining techniques.
- July 2016 metallurgical testing of Horseshoe and Raven Deposit mineralization indicates the deposits could be amenable to heap leaching extraction.
- In December 2016, UEX received the results of a positive scoping study determining the viability of a heap-leaching operation at Horseshoe and Raven

(1) Source: *https://www.cameco.com/businesses/uranium-operations/canada/rabbit-lake*
(2) Source: *http://us.areva.com/EN/home-984/areva-resources-canada-mcclean-lake.html*

	Number of claims	Hectares	Acres	UEX Ownership %
Horseshoe & Raven	1	4,486	11,085	100.00

The Horseshoe and Raven Project ("Horseshoe-Raven") was acquired from Cameco upon UEX's formation in 2001 as part of the Hidden Bay Project, which established Cameco's initial equity position in UEX.

UEX has elected to separate Horseshoe-Raven from the Hidden Bay Project due to its advanced stage of exploration and development compared to the remainder of the original project lands. Horseshoe-Raven has significant uranium resources that have been subject to advanced studies including a Preliminary Assessment and a heap leach scoping study.

(Expressed in Canadian dollars, unless otherwise noted)

Horseshoe and Raven Deposits

- In 2011, a positive PA was completed using a commodity price of US$60/lb U_3O_8 – see discussion below
- Very shallow undeveloped uranium resource in the Athabasca Basin amenable to conventional mining techniques
- Located 4 km from Cameco's Rabbit Lake Mill and 22 km from Orano's McClean Lake Mill
- Existing power line supplying Rabbit Lake Mill crosses over the deposits
- Year-round all-weather access by commercial airport and via Provincial Highway 905
- In July 2016, preliminary metallurgical testing indicated that the two deposits may be amenable to heap leach processing.
- In December 2016, a scoping study of the Horseshoe and Raven Deposits that considered heap leach extraction was completed. The objective of the study was to determine whether heap leach processing was as economically viable as the conventional tank leach process considered in the 2011 PA. The results of the scoping study were positive and further investigation is warranted.

Mineral Resource Estimates

The current technical report, "Preliminary Assessment Technical Report on the Horseshoe and Raven Deposits, Hidden Bay Project, Saskatchewan, Canada" (the "Preliminary Assessment Technical Report", the "PA" or the "Horseshoe-Raven Report"), prepared by SRK Consulting (Canada) Inc. ("SRK Consulting") and G. Doerksen, P.Eng., L. Melis, P.Eng., M. Liskowich, P.Geo., B. Murphy, FSAIMM, K. Palmer, P.Geo. and Dino Pilotto, P.Eng., with an effective date of February 15, 2011 was filed on SEDAR at *www.sedar.com* on February 23, 2011. Details for the mineral resource estimates at a cut-off grade of 0.05% U_3O_8 as follows:

Deposit		**Tonnes**	**Grade U_3O_8 (%)**	**U_3O_8 (lbs)**		**Tonnes**	**Grade U_3O_8 (%)**	**U_3O_8 (lbs)**
Horseshoe	**Indicated**	5,119,700	0.203	22,895,000	**Inferred**	287,000	0.166	1,049,000
Raven		5,173,900	0.107	12,149,000		822,200	0.092	1,666,000
West Bear[(1)]		78,900	0.908	1,579,000		-	-	-
TOTAL[(2)]		**10,372,500**	**0.160**	**36,623,000**		**1,109,200**	**0.111**	**2,715,000**

(1) Mineral resource estimates for the West Bear Deposit are located on the Hidden Bay Project but are included in this table as they were estimated, evaluated, and included within the Horseshoe-Raven Report.

(2) The mineral resource estimates follow the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects and classifications follow CIM definition standards.

The PA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.The PA found the economics of mining the Horseshoe and Raven deposits to be positive and, based on a spot price of US$60 per pound of U_3O_8, reported undiscounted earnings before interest and taxes ("EBIT") of $246 million, a pre-tax net present value ("NPV") at a 5% discount rate of $163 million and an internal rate of return ("IRR") of 42%.

Projects in the mining sector have experienced rising costs, including rising capital and operating costs, during the past few years. The price of uranium has declined since the date of the PA which could negatively impact the results of the PA. Projects in the mining sector have also experienced significant fluctuations in costs, which could impact EBIT, NPV and IRR which have been calculated based upon historical costs. Accordingly, readers should bear these factors in mind when reading the PA and should not place undue reliance on the PA.

- The PA recommended the Horseshoe and Raven deposits be advanced to a preliminary feasibility level.

- The PA for the Horseshoe and Raven Deposits (see discussion above) also recommended that the West Bear Deposit be advanced to a preliminary feasibility level along with the Horseshoe and Raven Deposits.

2016 Heap Leach Evaluation

In July 2016, UEX completed a metallurgical study of mineralization from the Raven and Horseshoe Deposits. The study was conducted at the SGS Lakefield Laboratories and consisted of a column leach test and bottle roll tests of uranium mineralized samples collected in the third quarter of 2015 from existing mineralized drill core from these deposits and from surplus material remaining from the 2011 testing completed in conjunction with the PA. A total of three columns tests were conducted: two columns were loaded with the newly collected material crushed to both 12.7 mm and 6.35 mm and one column was loaded with the 2011 test material crushed to 6.35 mm.

The column leach tests averaged 98% uranium recovery over a 60-day leaching period and for the newly collected material crushed to 12.7 mm 95% recovery was achieved after 28 days of testing. We believe that the results of the column leaching test program demonstrate that the Horseshoe and Raven Deposits are promising candidates for heap leach uranium processing.

Before proceeding with further metallurgical testing, UEX commissioned JDS Energy and Mining Inc. to undertake a scoping study incorporating heap leaching to determine whether a reduction of the operating and capital costs could be realized when compared to the Company's 2011 PA, which considered conventional toll-milling at the nearby Rabbit Lake uranium mill (see *Hidden Bay Project - Mineral Resource Estimates* section).

The Company received the scoping study results in the fourth quarter. Scoping studies do not meet NI 43-101 disclosure requirements.

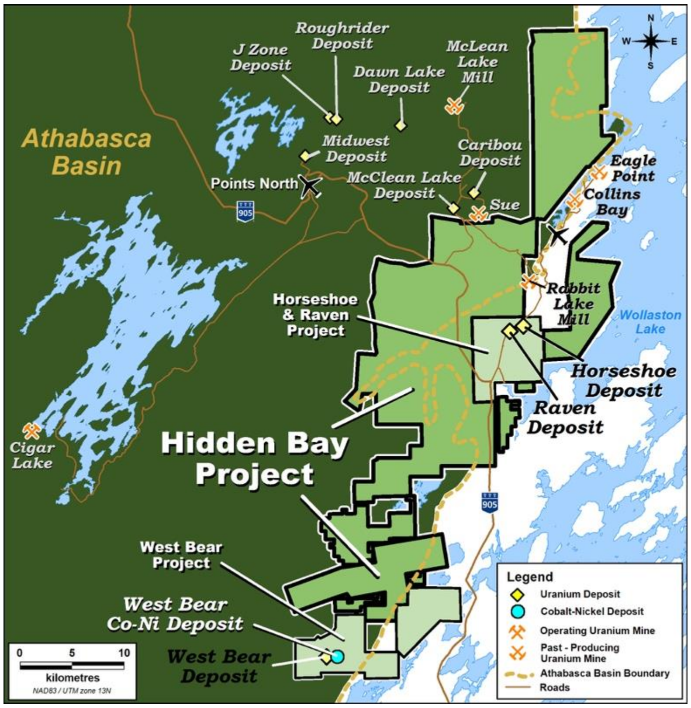
The objective of the scoping study was to determine whether or not employing heap leach processing could be implemented that could produce uranium at the same or lower all-in cost of production on a per pound recovered basis outlined in the 2011 PA. The Company is pleased with the findings of the scoping study and will be contemplating the next steps of the development process, which could consist of a range of actions ranging from the undertaking of additional metallurgical testing in a laboratory environment up to and including field trials of the heap leaching process.

2017 and 2018 Activities

UEX did not conduct an exploration drilling program at Horseshoe-Raven in 2017.

(Expressed in Canadian dollars, unless otherwise noted)

Hidden Bay Project



- Cameco's Rabbit Lake Mill (including Eagle Point), currently on care and maintenance, has produced over 203.3 million pounds of U_3O_8 to date [(1)]
- Orano's McLean Lake JEB Mill has produced close to 50 million pounds of U_3O_8 to date and is currently being used to process Cigar Lake ore [(2)]

- Proximal to uranium mills, year-round access by road and air, electric transmission lines transect the property
- Competitive advantage due to extensive historic core library and large historic drilling database:
  - Have identified new targets for basement-hosted uranium mineralization
- Thirteen high-priority areas identified for additional exploration focusing on basement-hosted uranium deposits
- Over 380 km of conductor trends and 1,800 drill holes that barely tested basement structure where the new generation of Athabasca uranium deposits are located.
- Covered by 0 to 175 m of Athabasca Sandstone cover

(1) Source: *https://www.cameco.com/businesses/uranium-operations/canada/rabbit-lake*
(2) Source: *http://us. .com/EN/home-984/areva-resources-canada-mcclean-lake.html*

	Number of claims	Hectares	Acres	UEX Ownership %
Hidden Bay	49	53,817	132,985	100.00

Hidden Bay, along with the Horseshoe and Raven Project and West Bear Project, was acquired from Cameco upon UEX's formation in 2001 establishing Cameco's initial equity position in UEX.

The Hidden Bay Project is comprised of the Tent-Seal, Telephone-Shamus, Rabbit West, Wolf Lake, Rhino, Dwyer-Mitchell and Umpherville target areas. The Hidden Bay Property originally included the Horseshoe-Raven Project and West Bear, which were separated from the Hidden Bay Project due to its more advanced stage of exploration and development and in the case of West Bear, the focus on cobalt as an exploration target. Acquisition costs for Horseshoe-Raven and West Bear Projects are included in the Hidden Bay Project and evaluated as a group given their proximity to each other and the ability to spread assessment credits.

In July 2017, three non-core Hidden Bay claims were allowed to expire. These claims were staked to expand the property in 2015, but no exploration work was completed on these claims prior to their expiry. UEX is currently disputing the termination of these claims with the Saskatchewan government.

In December 2017, UEX acquired 14 claims totaling 5,782 hectares via staking. The majority of these claims were staked between the Dwyer Lake and Wolf Lake target areas, closing the gap between the north and south claim blocks. Claims were also acquired for staking in the Hidden Bay Landing area to cover the extension of a known electromagnetic conductor trend.

In December 2017, 19 claims totaling 5,488 hectares were removed from the Hidden Bay Project lands and used to form the West Bear Project, which hosts both the West Bear Co-Ni Prospect and the WBU Deposit.

Basement Targeting at Hidden Bay

Work completed between 2015 and 2016 has confirmed that previous operators on the Hidden Bay Project focused primarily on testing unconformity targets with little effort expended on testing basement targets at depths below the unconformity where the Millennium, Gryphon and Roughrider basement-hosted deposits were found. In the western half of the Hidden Bay property where Athabasca sandstone cover is present, less than 25% of the historical drilling extended deep enough below the unconformity to test for basement uranium mineralization potential.

UEX's existing unconformity-focused exploration database confers a substantial competitive advantage, as it can be used to generate high-quality basement targets with limited capital outlay. Substantial investment in geophysics, prospecting and drilling would be required to obtain a fraction of the information that UEX already possesses and is using to vector toward basement-hosted deposits.

2017 Activities

Exploration

UEX did not conduct a drilling or geophysical exploration program for the Hidden Bay Project in 2017. While UEX believes that the Hidden Bay Basement Targeting Program is one of the premier uranium exploration projects in the world today, due to the challenging conditions impacting the global resource industry, the Company focused the majority of its financial resources on the Christie Lake Project in 2017.

During the first and second quarter of 2017, detailed evaluation of the Dwyer Lake and Wolf Lake areas as well as the remaining eleven basement targeting areas on the Project was undertaken. Drill core re-logging of some of the higher priority target areas identified in the first half of 2017 was completed in September and as a result, a new high-priority area was identified along the West Rabbit Lake Fault and the south Wolf Lake area. The objective of the re-logging programs was to prioritize targets and develop an exploration proposal on the property for 2018.

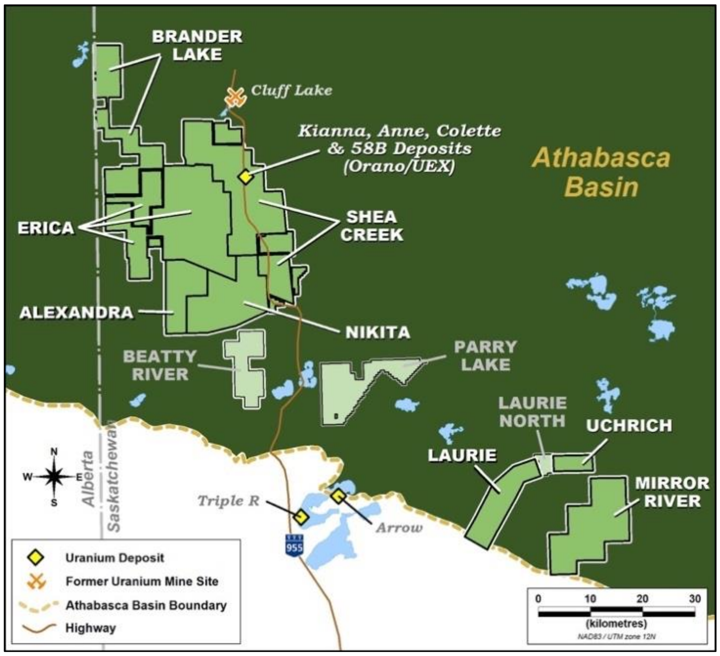
The 2015 Hidden Bay Assessment Report was filed with the Government of Saskatchewan in July 2017.

2018 Exploration Program

UEX is not planning to conduct a drilling or geophysical exploration program for the Hidden Bay Project in 2018. While UEX believes that the Hidden Bay Basement Targeting Program is one of the premier uranium exploration projects in the world today, due to the challenging conditions impacting the global uranium industry, the Company focused the majority of its financial resources on the Christie Lake Uranium Project and on exploration of the West Bear Cobalt-Nickel Prospect (formerly part of the Hidden Bay Project) in 2018.

(Expressed in Canadian dollars, unless otherwise noted)

Western Athabasca Projects ("WAJV") – Overview



- Eight separate joint ventures:
  - UEX 49.1%, Orano 50.9% on four of the joint ventures including Shea Creek.
- Flagship project: Shea Creek Project
  - Four deposits: Kianna, Anne, Colette & 58B.
- 2018 exploration budget of $2.8 million
  - UEX has elected to dilute its interests in the early stage Alexandra and Nikita Projects in 2018.
- Orano's former Cluff Lake Mine produced over 62 million pounds of U_3O_8 during its successful 22 years of operation*

* Source: *http://www.saskmining.ca/commodity-info/Commodities/38/uranium.html*

Western Athabasca Projects	Number of claims	Hectares	Acres	Project Operator	UEX Ownership %	Orano Ownership %
Alexandra	3	8,010	19,793	Orano	49.0975	50.9025
Brander Lake	9	13,993	34,577	Orano	49.0975	50.9025
Erica	20	36,992	91,409	Orano	49.0975	50.9025
Laurie	4	8,778	21,691	Orano	32.9876	67.0124
Mirror River	5	17,400	42,996	Orano	32.3354	67.6646
Nikita	6	15,131	37,390	Orano	42.0413	57.9587
Shea Creek	18	32,962	81,451	Orano	49.0975	50.9025
Uchrich	1	2,263	5,592	Orano	30.4799	69.5201
Total	66	135,529	334,899			

In 2004, UEX entered into an agreement with Cogema (predecessor of AREVA, in turn predecessor to Orano) to fund $30 million of exploration costs in exchange for a 49% interest in the Western Athabasca Projects, which included Shea Creek. UEX successfully met its funding target and earned its 49% interest in 2007. The current approximate 49.1% ownership interest for four of the eight projects reflects additional amounts funded 100% by UEX under the WAJV 2013 Option Agreement dated April 4, 2013 (see discussion below).

In February 2018, UEX received notification that our WAJV partner AREVA Resources Canada Inc. changed their name to Orano Canada Inc. ("Orano").

UEX's interest in the Mirror River Project was diluted to approximately 41.9% on December 31, 2016 as a result of UEX's decision not to fund the Mirror River 2016 exploration program. UEX's interest in the Laurie Project was diluted to approximately 42.1% on December 31, 2015 as a result of UEX's decision not to fund the Laurie 2015 exploration program.

The 2017 WAJV exploration programs had a combined budget of $3.6 million (Mirror River - $1.3 million, Laurie - $1.3 million, Uchrich - $500,000 and Nikita - $500,000) and were funded by Orano. UEX elected not to participate in the 2017 programs at all four projects. The Company decided it was in shareholders' best interests to employ its exploration capital on the Christie Lake Project and not fund these four early grassroots exploration projects, especially since UEX disagreed with the technical approach proposed by the project operator on some of the proposed programs.

The decision not to fund our share of the proposed 2017 exploration programs did not have an impact on UEX's ownership interest in the other WAJV projects, including the Company's ownership of the existing uranium resources at the Shea Creek Project which remains at 49.0975%.

Orano has reported its 2017 expenditures on the Uchrich, Nikita, Laurie, and Mirror River projects in January 2018. However, UEX and Orano have not yet exchanged formal notification of the change in the ownership interests in the four projects as a result of the 2017 exploration programs. UEX is projecting based on Orano's 2017 reported expenditures that the Company's interest in these four projects as shown in the table above.

UEX's ownership interest in the Shea Creek, Erica, Alexandra, and Brander Lake Projects remain at 49.0975% as of December 31, 2017.

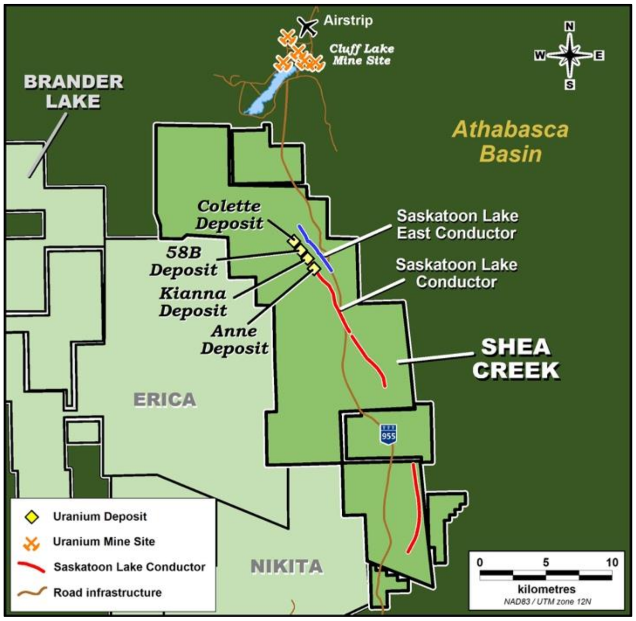
WAJV 2013 Option Agreement

Pursuant to this agreement with Orano dated April 4, 2013, UEX has the option to increase its ownership interest in the Western Athabasca Projects, which includes Shea Creek, to 49.9% through the expenditure by UEX of an aggregate of up to $18.0 million (the "Additional Expenditures") by December 31, 2018. For further details on the terms of this agreement, please refer the most recent Annual Information Form, which is available at *www.sedar.com*.

Total expenditures of approximately $2.0 million relating to this agreement were incurred in 2013 with exploration work completed in December 2013 and minimal costs were incurred in early 2014. This increased UEX's ownership interest in the WAJV by approximately 0.1% to 49.1%.

Due to uranium market conditions, UEX did not propose supplemental program budgets for the Western Athabasca for 2014, 2015, 2016, 2017 or 2018. The Company does not anticipate that it will incur any further additional expenditures on the Western Athabasca Projects and has no intention to abandon these projects.

Western Athabasca Projects – Shea Creek



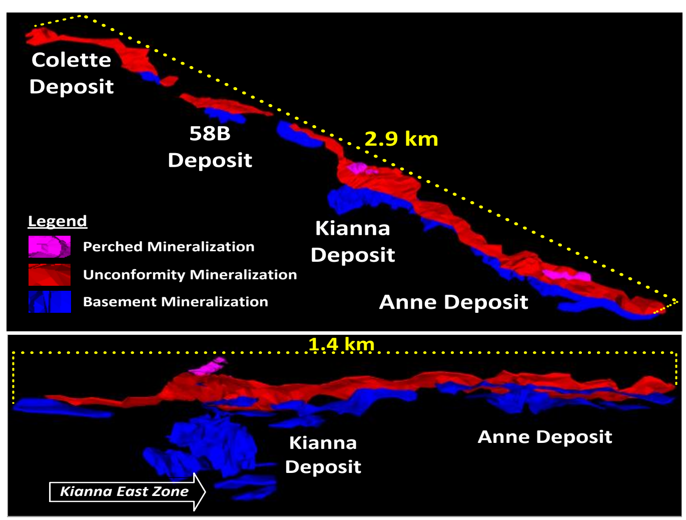
- Four known deposits – Kianna, Anne, Colette and 58B, distributed along a 3 km strike-length at the north end of the 33 km Saskatoon Lake Conductor ("SLC").
- 2015 drilling near SHE-02 to follow-up historical uranium mineralization outlined a previously unknown hydrothermal clay alteration zone that will require follow-up drilling in future programs.
- 2016 exploration drill tested electromagnetic targets on the southern Shea Creek claims. Seven holes totalling 4,099 m were completed in 2016.

In July 2017, UEX and Orano acquired two small mineral claims from Eagle Plains Resources in exchange for a 2% NSR royalty. These two claims abut the southern portion of the Shea Creek project and will be added to the Shea Creek asset.

In December 2017, UEX acquired two claims totalling 4,272 hectares, one located at the north end of the project and one that covered a segment of the Saskatoon Lake Conductor system. Both claims were incorporated into the Shea Creek Property.

Shea Creek – Colette, 58B, Kianna and Anne Deposits

- One of the largest undeveloped uranium resource projects in the Athabasca Basin (the "Basin").
- Resources are open in almost every direction and have excellent potential for significant expansion.
- Three styles of mineralization have been observed at Shea Creek: unconformity-hosted, basement-hosted and perched.



(Expressed in Canadian dollars, unless otherwise noted)

A N.I. 43-101 independent mineral resource estimate for Shea Creek was prepared by James N. Gray, P.Geo. of Advantage Geoservices Limited in April 2013 (see UEX news release dated April 17, 2013). This estimate includes resources from the Kianna, Anne, Colette and 58B deposits based on drilling information up to December 31, 2012. A technical report entitled "Technical Report on the Shea Creek property, northern Saskatchewan, with an updated mineral resource estimate", prepared by R.S. Eriks, P.Geo., J.N. Gray, P.Geo., D.A. Rhys, P.Geo. and S. Hasegawa, P.Geo. with an effective date of May 31, 2013 supporting this mineral resource estimate was filed on SEDAR on May 31, 2013. Details of the mineral resource estimate at a cut-off grade of 0.30% U_3O_8 are as follows:

Deposit		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Kianna	**Indicated**	1,034,500	1.526	34,805,000	**Inferred**	560,700	1.364	16,867,000
Anne		564,000	1.992	24,760,000		134,900	0.880	2,617,000
Colette		327,800	0.786	5,680,000		493,200	0.716	7,780,000
58B		141,600	0.774	2,417,000		83,400	0.505	928,000
TOTALS (1)(2)		**2,067,900**	**1.484**	**67,663,000**		**1,272,200**	**1.005**	**28,192,000**

(1) Certain amounts presented in the Shea Creek N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.

(2) The mineral resource estimates follow the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects and classifications follow CIM definition standards.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. For additional information on the mineral resource estimate, please refer to "Technical Report on the Shea Creek property, northern Saskatchewan, with an updated mineral resource estimate" as filed on SEDAR on May 31, 2013.

Shea Creek – 2017 Exploration Program

Orano did not propose a program or budget for the Shea Creek Project in 2017.

Shea Creek – 2018 Exploration Program

Orano did not propose a program or budget for the Shea Creek Project in 2018.

Western Athabasca Projects – Other Projects

The Western Athabasca Projects – Other Projects include Mirror River, Erica, Laurie, Alexandra, Brander Lake, Nikita, and Uchrich. See area map above under *Western Athabasca Projects ("WAJV") – Overview*.

Mirror River Project

2017 Program

At Mirror River, a $1.2 million drilling program was completed in 2017 testing the shallowest areas of the property along the southern property margin.

Eleven holes totaling 3,707 m were completed on the Mirror River Project in February and March, testing a wide basement resistivity anomaly in the vicinity of broad airborne MegaTEM anomalies in an area where the Athabasca sandstone depth ranges from 50 – 200 m near the southern margin of the property.

All 11 holes drilled by Orano failed to intersect the unconformity-deposit structural target, where faulted graphitic pelites intersect the unconformity surface. In four holes, the presence of the targeted geophysical anomalies was not explained by drilling. The overall drill results failed to explain the Operator's geophysical interpretation upon which the exploration program was targeting.

No significant radiometric anomalies, hydrothermal alteration or anomalous geochemistry were reported by Orano during the winter program.

UEX elected not to fund its share of the drilling programs at the Mirror River Project in 2017. UEX did not support the technical approach of the operator on the Mirror River Project and chose to expend its exploration capital on more advanced stage exploration projects. UEX has no intention to abandon the Mirror River Project.

Laurie Project

2017 Program

At Laurie, a $1.0 million drilling program was completed in 2017 testing the shallowest areas of the property along the southern property margin.

Fourteen holes totaling 3,217 m were completed on the Laurie Project in January and February, testing a wide basement resistivity anomaly in the vicinity of moving loop electromagnetic anomalies in an area where the Athabasca sandstone depth ranges from 50 – 200 m.

All 14 holes drilled by Orano during the winter program failed to intersect the unconformity-deposit structural target, where faulted graphitic pelites intersect the unconformity surface. The drill results failed to explain the Operator's geophysical interpretation upon which the exploration program was targeting.

No significant radiometric anomalies, hydrothermal alteration or anomalous geochemistry were reported to UEX by Orano.

UEX elected not to fund its share of the drilling program at the Laurie Project for 2017 and chose to expend its exploration capital on more advanced stage exploration projects. UEX has no intention to abandon the Laurie Project.

Uchrich Project

2017 Program

A $0.5 million combined geophysics and drilling program was proposed for the Uchrich Project, consisting of 9 km of MLEM-SQUID surveying, followed up by one diamond drill hole.

The MLEM-SQUID survey was completed in February. Orano initiated a drill hole on the project testing the moving loop EM target but abandoned the hole at a depth of 600 m before intersecting the unconformity or the source of the electromagnetic anomaly when warm weather conditions made access to the drill difficult. The casing was removed from the hole during abandonment, making it difficult to complete the hole to target depth in the future.

UEX has elected not to fund the geophysics and drilling program at the Uchrich Project for 2017 and chose to expend its exploration capital on Company-operated exploration projects. UEX has no intention to abandon the Uchrich Project.

Nikita Project

2017 Program

A $0.5 million geophysics program was proposed for the Nikita Project, consisting of 36 km of MLEM-SQUID surveying in 2017.

Linecutting was completed in March and the geophysical team mobilized to the project on March 14, 2017. The geophysical survey commenced on April 2, 2017 and due to the spring thaw and lack of snow, the survey was terminated on April 5, 2017. The survey was completed in December.

UEX has elected not to fund the geophysics program at the Nikita Project for 2017 and chose to expend its exploration capital on Company-operated exploration projects. UEX has no intention to abandon the Nikita Project.

Alexandra, Brander Lake, Erica

2017 Programs

No programs or budgets were proposed for the Alexandra, Brander, or Erica projects in 2017.

In December 2017, Orano staked one claim totaling 332 hectares that was incorporated into the Erica Project. UEX has no intention to abandon these projects.

2018 Exploration Programs at Nikita and Alexandra

Orano, the Operator of the Nikita and Alexandra projects, provided 2018 exploration proposals and budgets for these two projects during the joint venture meetings on November 9, 2017.

The proposed 2018 Nikita Program and budget is $2.2 million and would consist a combined 40.2 km SQUID EM geophysical survey and 7-10 drill holes totaling 4,500 m. UEX's projected share of its expenditures would have been approximately $882,200.

(Expressed in Canadian dollars, unless otherwise noted)

The proposed 2018 Alexandra Program and budget is $600,000 and would consist of 2-3 drill holes totaling 1,900 m to test the 2009 Moving Loop EM conductor. UEX's projected share of expenditures would have been approximately $294,600.

UEX has elected not to participate in the 2018 programs at Nikita and Alexandra. As a result, UEX's ownership interest in the Nikita Project is anticipated to drop to 22.7809% and on the Alexandra Project to 39.6127% on December 31, 2018.

Beatty River Project

	Number of claims	Hectares	Acres	Project Operator	UEX Ownership %	Orano Ownership %	JCU Ownership %
Beatty River	7	6,688	16,526	Orano	25.0	50.70	24.30

The Beatty River Project is located in the western Athabasca Basin approximately 40 km south of the Shea Creek Deposits. Please see the Western Athabasca Projects map for the location of the Beatty River Project.

No program was proposed for 2017.

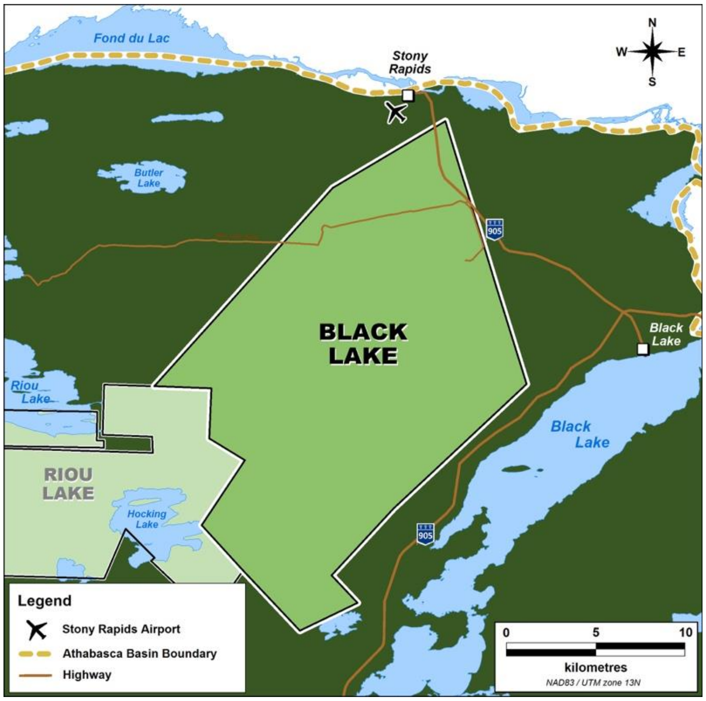
Orano, the Operator of the Beatty River Project, provided a 2018 exploration proposal and budget during the joint venture meeting on November 9, 2017.

The proposed 2018 Beatty River Program and budget is $0.6 million and would consist a combined 41.30 km SQUID EM geophysical survey. UEX's projected share of its expenditures would be approximately $150,000.

UEX has elected not to participate in the 2018 program at Beatty River. As a result, should Orano complete the 2018 program and budget as proposed, UEX's ownership interest in the Beatty River Project is anticipated to drop to 22.49%.

(Expressed in Canadian dollars, unless otherwise noted)

Black Lake Project



- Located at the northern edge of the Athabasca Basin.
- The property is currently under option to ALX Uranium
- Year-round access by road and air, power lines transect the property
- Nearby Stony Rapids provides accommodations and other support services
- Uranium mineralization has been encountered on three separate areas of the property

	Number of claims	Hectares	Acres	Project Operator	UEX Ownership %	Orano Ownership %
Black Lake	12	30,381	75,073	UEX	90.92	9.08

On January 20, 2017, UEX terminated the Black Lake Option Agreement with Uracan, dated January 24, 2013 and amended June 23, 2014, December 15, 2014 and November 25, 2015, due to Uracan's inability to fund the required annual exploration work commitments.

On April 6, 2017, ALX Uranium Corp. ("ALX") entered into a letter of intent ("LOI") with UEX to complete a due diligence review of the Black Lake Project. On July 26, 2017, ALX informed the Company that they had completed their review and wished to proceed with an option to acquire up to a 75% interest in the Project.

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 shares of ALX to earn an initial 40% interest in the project by September 5, 2018;
- 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 shares of ALX to the Company (for a cumulative total of 9,000,000 ALX shares) to earn an additional 11% interest in the project (cumulative interest of 51%) by March 5, 2020;

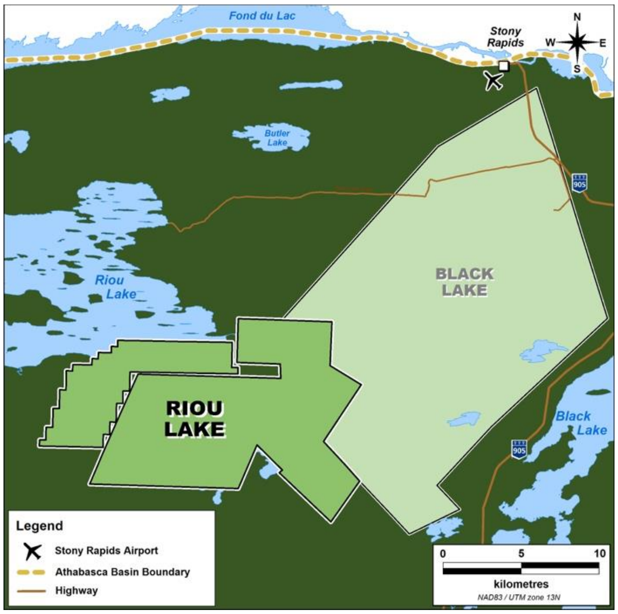
- Stage 3 - By completing an additional $3,000,000 (for a cumulative total of $6,000,000) in exploration work and issuing a further 3,000,000 shares of ALX to the Company (for a cumulative total of 12,000,000 ALX shares) to earn an additional 24% interest in the project (cumulative interest of 75%) by September 5, 2021.

ALX paid $25,000 to UEX and completed approximately $87,000 in exploration work during the due diligence period that will be credited towards the Stage 1 exploration work commitment. Upon vesting any interest, ALX will become a party to the existing Black Lake Joint Venture.

ALX will be earning its interest in the Black Lake Project exclusively from UEX's 90.92% interest in the Joint Venture. Orano has agreed to waive their first right of refusal on the transfer of any of UEX's ownership interest to ALX.

In September 2017, ALX commenced their first exploration program on the Black Lake Project which consisted of an approximately 725 km of airborne ZTEM EM geophysical survey and five drill holes totaling approximately 2,830 m testing targets identified on the northern portion of the project. ALX announced on November 20, 2017 that two holes encountered minor pitchblende veinlets just below the unconformity.

Riou Lake Project



- Located at the northern edge of the Athabasca Basin.
- Year-round access by road and air, close to existing power lines.
- Nearby Stony Rapids provides accommodation and other support services.
- Uranium mineralization has been encountered in three areas.

UEX is actively seeking partners to advance the Riou Lake Project

	Number of claims	Hectares	Acres	UEX Ownership %
Riou Lake	10	16,548	40,891	100.00

With the presence of radioactive boulders in glacial till on the property containing up to 11.3% uranium, graphite-bearing gneiss units in the underlying basement rocks and evidence of significant post-Athabasca reverse faulting, the property is prospective for unconformity-style uranium deposits.

The Riou Lake Project was written off in June 2014 due to a lack of planned future activity and the lapsing of two claims. One claim lapsed in July 2017. UEX continues to maintain several Riou Lake claims in good standing.

The Company will continue to seek partners that may be interested in earning into this project to follow up on historic uranium mineralization encountered on the property.

UEX staked four claims at Riou Lake in January 2018 to cover highly prospective areas of the property as determined from previous drill programs. These four claims cover lands that had previously been covered by mineral claims owned by UEX that had lapsed in 2017.

(Expressed in Canadian dollars, unless otherwise noted)

Other Projects

In December 2017, UEX acquired two new projects via staking. Both projects are located in southwest corner of the Athabasca Basin.

The Parry Lake Project was acquired via staking due to its proximity to the Patterson Lake Corridor and its potential to host different types of uranium deposits.

The Laurie North Project was also acquired via staking. The claims cover the gap between the Laurie and Uchrich projects that is believed to overlie extensions of electromagnetic conductively between the existing projects. Such electromagnetic conductive trends are considered prospective uranium exploration targets in the Athabasca Basin.

An ownership position in both projects were offered to Orano as per area of interest provisions of the Western Athabasca Option Agreement. Orano elected not to exercise its rights to acquire a stake in the two projects at this time. Orano can elect to participate in these projects by January 2021.

For a location of these two claims, please refer to the map in *Section 1 – Introduction, Overview*.

	Number of claims	Hectares	Acres	UEX Ownership %
Parry Lake	11	11,456	28,307	100.00
Laurie North	5	1,138	2,811	100.00

Qualified Person

The disclosure of technical information regarding UEX's properties in this MD&A has been reviewed and approved by Roger Lemaitre, P.Eng., P.Geo., UEX's President and CEO, who is a Qualified Person as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* and is non-independent of UEX.

(Expressed in Canadian dollars, unless otherwise noted)

3. Financial Update

Selected Financial Information

The following is selected financial data from the unaudited and restated consolidated financial statements of UEX for the last three completed fiscal years. During the year ended December 31, 2016, the Company changed its accounting policy related to exploration and evaluation expenditures on a retrospective basis. The data should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2017, 2016, and 2015 and the notes thereto.

Summary of Annual Financial Results

	December 31, 2017	December 31, 2016	December 31, 2015
Interest income	$ 66,539	$ 91,839	$ 106,027
Net loss for the year	(5,865,743)	(5,981,098)	(6,121,944)
Write-off of mineral property acquisition costs	(900)	(1,500)	(1,528)
Basic and diluted loss per share	(0.019)	(0.021)	(0.025)
Exploration and evaluation expense	4,224,084	4,825,953	4,570,879
Capitalized acquisition costs	1,014,840	3,750,000	274,784
Total assets	$ 15,868,986	$ 13,951,299	$ 11,131,280

The following quarterly financial data is derived from the unaudited condensed interim consolidated financial statements of UEX as at (and for) the three-month periods indicated below.

Summary of Quarterly Financial Results (Unaudited)

	2017 Quarter 4	2017 Quarter 3	2017 Quarter 2	2017 Quarter 1	2016 Quarter 4	2016 Quarter 3	2016 Quarter 2	2016 Quarter 1
Interest income	$ 15,305	$ 18,518	$ 19,544	$ 13,172	$ 23,216	$ 30,663	$ 22,494	$ 15,466
Net loss for the period	(787,878)	(1,635,424)	(1,276,131)	(2,166,310)	(1,091,795)	(2,001,153)	(1,221,190)	(1,666,960)
Write-off of mineral property acquisition costs	-	(900)	-	-	(1,500)	-	-	-
Basic and diluted loss per share	(0.003)	(0.005)	(0.004)	(0.007)	(0.004)	(0.007)	(0.005)	(0.006)
Exploration and evaluation expense	304,315	1,336,971	518,621	2,064,177	945,533	1,740,777	711,539	1,428,104
Capitalized mineral property acquisition costs	1,014,840	-	-	-	2,000,000	-	-	1,750,000
Total assets	15,868,986	14,715,173	16,268,322	18,044,420	13,951,299	15,788,028	17,266,442	12,135,936

UEX's business is not affected by seasonality as the Company is able to perform exploration and evaluation work year round. Variations in exploration and evaluation expenditures from quarter to quarter and year to year are affected by the timing and size of the exploration and evaluation programs in the periods. In 2017, UEX is focussed the majority of our exploration efforts on the Christie Lake Project, where we are currently earning up to a 70% interest from JCU. In 2018, UEX is focussing its exploration efforts on the Christie Lake and West Bear Cobalt-Nickel Projects.

In the fourth quarter of 2015, UEX paid $250,000 and signed a LOI to earn into the Christie Lake Project and in the first quarter of 2016, a payment of $1,750,000 was made to complete the first option payment and vest our 10% interest in the project. In the fourth quarter of 2016, a payment of $2,000,000 was made to increase our interest in Christie Lake to 30%, in addition to exploration commitments of $2,500,000 being fulfilled during the year. During the fourth quarter of 2017, UEX paid $1,000,000 to increase our interest in Christie Lake to 45%, in addition to the completion of $2,500,000 of exploration commitments during the year.

Through most of 2017, UEX had two exploration drills running concurrently at the Christie Lake Project and the majority of exploration expenditures were related to this project. UEX chose not to fund its share of exploration on the Western Athabasca Projects for 2017 and we will have our ownership diluted on certain projects but maintain our 49.1% interest in the Shea Creek project, where significant uranium resources have been found.

Variations in loss are primarily affected by the number of options granted and/or vesting in the period and the associated inputs used in calculating share-based payment expense.

- *Impairment:*
  - Three claims that were staked in 2015, and included in the Hidden Bay Project, lapsed on July 22, 2017. As there was no work budgeted of planned for the claims, an impairment charge of $900 was recorded in the third quarter of 2017. These claims did not form a key part of the Hidden Bay Project and no exploration work was completed on them.
  - There were five claims that were staked in 2014, and included in the Hidden Bay Project, that lapsed on January 6, 2017. As there was no work budgeted of planned for the claims, an impairment charge of $1,500 was recorded in the fourth quarter of 2016. These claims did not form a key part of the Hidden Bay Project and no exploration work was completed on them.
- *Renunciation of tax benefits:*
  - Approximately $2.010 million of flow-through expenditures from the February 2017 placement were renounced to eligible shareholders in January 2018 effective December 31, 2017. Approximately $744,000 of flow-through expenditures were incurred by December 31, 2017 and the remaining $1.257 million of flow-through expenditures are expected to be incurred during the remainder of 2018.
  - Approximately $2.002 million of flow-through expenditures from the December 2017 placement were renounced to eligible shareholders in January 2018 effective December 31, 2017 and are expected to be incurred during the remainder of 2018.
  - The remaining $2.959 million in flow-through expenditures from the May 2016 placement was renounced to eligible subscribers in February 2017, effective December 31, 2016 (under the look-back rule) and the resulting tax recovery is reflected in the first quarter of 2017.
  - Approximately $2.291 million in flow-through expenditures from the May 2016 placement was incurred by December 31, 2016. The associated tax benefits were renounced to eligible shareholders in February 2017 effective December 31, 2016, resulting in a deferred tax recovery in the fourth quarter of 2016.

- The remaining $1.815 million in required flow-through expenditures from the May 2015 placement was renounced to eligible subscribers in February 2016, effective December 31, 2015 (under the look-back rule) and this tax impact has been reflected in the first quarter of 2016.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, and an unlimited number of preferred shares (no par value) issuable in series of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares, none of which are issued and outstanding.

- 325,188,073 common shares were issued and outstanding as at December 31, 2017 and 347,949,978 were issued and outstanding as at March 19, 2018;
- 24,097,000 and 24,597,000 common shares related to director, employee and consultant share purchase options were reserved by the Company as at December 31, 2017 and March 19, 2018 respectively. The share purchase options are exercisable into common shares at exercise prices ranging from $0.15 per share to $1.45 per share. As the number of options currently outstanding is 24,597,000 (representing 7.1% of the Company's current issued and outstanding common shares), the number of options available for grant as of March 19, 2018 is 10,197,998 (representing 2.9% of the Company's current issued and outstanding common shares);
- 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.
- 41,665,299 and 16,903,394 share purchase warrants with a weighted average exercise price of $0.30 and $0.42 per share were outstanding as at December 31, 2017 and March 19, 2018 respectively.

Results of Operations for the Three-Month Period Ended December 31, 2017

For the three-month period ended December 31, 2017, the Company earned interest income of $15,305 (Q4 2016 - $23,216). The decrease in interest income was primarily due to the lower monthly average cash balance invested over the period. In the fourth quarter of 2017, the Company had an average cash balance invested of approximately $4.7 million versus $6.5 million in the comparative period.

For the three-month period ended December 31, 2017, the Company incurred expenses of $803,913 (Q4 2016 - $1,319,331) with significant changes from the comparative period identified as follows:

- Exploration and evaluation expenses of $304,315 (Q4 2016 - $945,533) were lower than in the comparative period as the Company focused its exploration efforts at Christie Lake and conducted minimal work on its Western Athabasca projects.
- Office expenses of $129,850 (Q4 2016 - $46,531) increased primarily due to financial advisory, Interim CFO, and website consulting services, which were not incurred in the comparative period.
- Legal and audit expenses of $43,184 (Q4 2016 - $24,122) increased due to legal fees associated with employment matters in the current period, which were not incurred in the comparative period.
- Salaries expense of $160,835 (Q4 2016 - $165,660) slightly decreased due to fewer staff members.
- Travel and promotion expenses of $14,126 (Q4 2016 - $21,794) decreased primarily due to attendance of fewer investor conferences in 2017 than in 2016.

The vesting of share purchase options during the three-month period ended December 31, 2017 resulted in total share-based compensation of $106,770 (Q4 2016 - $68,984), of which $16,096 was allocated to exploration and evaluation expenses (Q4 2016 - $8,404) and the remaining $90,674 was expensed to share-based compensation (Q4 2016 - $60,580). The higher share-based compensation expense is due primarily to more options being granted in 2017 than in 2016.

Results of Operations for the Year Ended December 31, 2017

For the year ended December 31, 2017, the Company earned interest income of $66,539 (2016 - $91,839). The decrease in interest income was primarily due lower average interest rate in 2017 compared to 2016. During 2017, the Company had an average cash balance invested of approximately $6.0 million versus $6.7 million in the comparative period.

For the year ended December 31, 2017, the Company incurred expenses of $6,168,962 (2016 - $6,407,509) with significant changes from the comparative period identified as follows:

- Exploration and evaluation expenses of $4,224,084 (2016 - $4,825,953) decreased primarily due to decision not to fund the 2017 Western Athabasca joint venture projects with Orano.
- Filing fees and stock exchange expenses of $106,837 (2016 - $78,743) increased due to filing fees which were calculated based on a higher market capitalization in 2017 and costs associated with renewing the stock option plan.
- Office expenses of $333,913 (2016 - $189,035) increased primarily due to financial advisory consulting services, Interim CFO services, office relocation costs including broker commissions, and website update consulting fees which were not incurred in the comparative period.
- Salaries expense of $556,830 (2016 - $513,933) increased due to an accrual for severance. Gross salaries expense is reduced by offsetting management fees related to the Christie Lake drilling program in 2017, which were less than the offsetting management fees in 2016 ($355,734 vs. $367,860).
- Travel and promotion expenses of $134,855 (2016 - $119,925) increased primarily due to non-project chargeable site visits in 2017 that were not taken in 2016.

The vesting of share purchase options during the year ended December 31, 2017 resulted in total share-based compensation of $567,012 (2016 - $406,561), of which $83,927 was allocated to mineral property expenditures (2016 - $38,753) and the remaining $483,085 was expensed (2016 - $367,808). The higher share-based compensation expense is due primarily to more options being granted in 2017 than in 2016.

(Expressed in Canadian dollars, unless otherwise noted)

The following table outlines cumulative exploration and evaluation expenditures on projects, cumulatively as at and for the year ended December 31, 2017 and 2016.

Project			2016		2017	
	Cumulative [1] to December 31, 2015	Expenditures in the period	Cumulative to December 31, 2016	Expenditures in the period	Cumulative to December 31, 2017
Beatty River	$ 873,069	$ -	$ 873,069	$ 2,136	$ 875,205
Black Lake	14,508,893	16	14,508,909	(20,402)	14,488,507
Christie Lake	58,689	4,021,603	4,080,292	3,981,889	8,062,181
Hidden Bay [2]	33,026,660	42,556	33,069,216	200,905	33,270,121
Horseshoe-Raven	41,669,712	143,746	41,813,458	8,413	41,821,871
West Bear Co-Ni	-	-	-	38,359	38,359
Western Athabasca					
Alexandra	1,205,251	-	1,205,251	1,457	1,206,708
Brander	1,353,363	-	1,353,363	-	1,353,363
Erica	2,253,085	-	2,253,085	-	2,253,085
Laurie	1,586,528	-	1,586,528	2,774	1,589,302
Mirror	1,987,612	-	1,987,612	2,774	1,990,386
Nikita	1,952,331	-	1,952,331	1,826	1,954,157
Shea Creek	53,581,147	618,032	54,199,179	3,289	54,202,468
Uchrich	543,091	-	543,091	664	543,755
All Projects Total	$ 154,599,431	$ 4,825,953	$ 159,425,384	$ 4,224,084	$ 163,649,468

[1] Exploration and evaluation expenditures have been presented on a cumulative basis from July 17, 2002.

[2] Includes the West Bear Deposit and all other Hidden Bay exploration areas: Tent-Seal, Telephone-Shamus, Rabbit West, Wolf Lake, Rhino, Dwyer-Mitchell, and Umpherville River.

Exploration and evaluation expenditures for the year ended December 31, 2017 and 2016 include the following non-cash expenditures:

	Year ended December 31 2017	2016
Depreciation	$ 70,431	$ 53,092
Share-based compensation	83,927	38,753
Project management fee	355,734	367,860
	$ 510,092	$ 459,705

For further information regarding expenditures on the projects shown in the table above, please refer to *Exploration and Evaluation Activities*. Also please refer to the *Critical Accounting Estimates, Valuation of mineral properties* section.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western, eastern and northern Athabasca Basin. These interests 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, or its joint venture partner, 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 management committees which set 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 agreements, 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.

(Expressed in Canadian dollars, unless otherwise noted)

UEX is party to the following joint arrangements as at December 31, 2017 and March 19, 2018:

Ownership interest (%)	UEX	ORANO	JCU	Total
Beatty River	25.0000	50.7020	24.2980	100.0000
Black Lake	90.9200	9.0800	-	100.0000
Christie Lake	45.0000	-	55.0000	100.0000
Western Athabasca				
Alexandra	49.0975	50.9025	-	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	42.0413	57.9587	-	100.0000
Shea Creek	49.0975	50.9025	-	100.0000
Uchrich	30.4799	69.5201	-	100.0000

Financing Activities

As UEX has not begun production on any of its mineral properties, the Company does not generate cash from operations and has historically funded its operations through monies raised in the public equity markets:

- On December 14, 2017, the Company completed a flow-through private placement of 5,560,000 common shares at a price of $0.36 per common share, for gross proceeds of $2,001,600. Share issue costs included the agent's commission of $140,112 equal to 7% of the aggregate gross proceeds of the financing paid in common shares of the Company at a price of $0.36 per common share, the fair value of brokers warrants of $29,520 and other issuance costs of $64,392. The agent also received 222,400 broker warrants equal to 4% of the number of flow-through shares placed by the agent. Each broker warrant is exercisable for one common share of the Company for a period of two years at a price of $0.42 per common share. As the quoted market price of the Company's common shares exceeded the flow through issuance price at the time flow-through shares were issued in 2017, no share premium liability was recorded in 2017.

  The initial fair value of the broker warrants on December 14, 2017 was determined using the Black-Scholes option-pricing model with the following assumption: Pre-vest forfeiture rate – 0.00%; Expected volatility – 73.42%; Risk-free interest rate – 1.56%; Dividend yield – 0.00%; and Expected life of warrants – 2.00 years.

(Expressed in Canadian dollars, unless otherwise noted)

The proposed use of proceeds from the December 14, 2017 flow-through private placement is presented in the table below:

	PROPOSED USE OF PROCEEDS (1)	ACTUAL USE OF PROCEEDS	
	Flow-through Private Placement	Use of Proceeds	Remaining to be Spent
West Bear Cobalt-Nickel Prospect	$ 1,570,000	$ -	$ 1,570,000
Christie Lake Project	431,600	-	431,600
TOTAL	**$ 2,001,600**	**$ -**	**$ 2,001,600**

(1) Expenses related to the flow-through placement were funded out of the December 14, 2017 unit placement proceeds.

The Company renounced the income tax benefit of the December 14, 2017 private placement to its subscribers effective December 31, 2017 and will incur Part XII.6 tax at a rate of Nil% for January 2018 and 1% per month thereafter on unspent amounts.

- On February 27, 2017, the Company completed a private placement of 15,999,994 units at a price of $0.25 per unit and 6,700,000 flow-through common shares at a price of $0.30 per common share, for gross proceeds of $6,009,999. Share issue costs included a cash commission of $360,600, the fair value of brokers warrants of $105,755 and other issuance costs of approximately $204,938. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of $0.42 per common share for a period of three years. The Company also issued 681,000 common share broker warrants as part of the placement. Each broker warrant is exercisable at a price of $0.30 per common share for a period of two years.

The initial fair value of the brokers warrants on February 27, 2017 was determined using the Black-Scholes option-pricing model with the following assumptions: Pre-vest forfeiture rate – 0.00%; Expected volatility – 67.84%; Risk-free interest rate – 0.76%; Dividend yield – 0.00%; and Expected life of warrants – 2.00 years.

The use of proceeds from the February 27, 2017 flow-through private placement as at December 31, 2017 is presented in the table below:

	PROPOSED USE OF PROCEEDS (1)	ACTUAL USE OF PROCEEDS	
	Flow-through Private Placement	Use of Proceeds	Remaining to be Spent
Christie Lake Project	$ 1,510,000	$ 611,774	$ 898,226
West Bear Cobalt-Nickel Prospect	500,000	35,329	464,671
Hidden Bay Project	-	102,777	(102,777)
Western Athabasca	-	2,299	(2,299)
TOTAL	**$ 2,010,000**	**$ 752,179**	**$ 1,257,821**

(1) Expenses related to the flow-through placement were funded out of the February 27, 2017 unit placement proceeds.

(Expressed in Canadian dollars, unless otherwise noted)

The Company renounced the income tax benefit of the February 27, 2017 private placement to its subscribers effective December 31, 2017 and will incur Part XII.6 tax at a rate of Nil% for January 2018 and 1% per month thereafter on unspent amounts.

- On May 17, 2016, the Company completed a private placement of 21,000,000 flow-through common shares at a price of $0.25 per common share for gross proceeds of $5,250,000 and 9,523,810 units at a price of $0.21 per unit for gross proceeds of $2,000,000. Total gross proceeds were $7,250,000 with share issue costs of $505,882. Each unit consisted of one common share and one-half share purchase warrant exercisable at a price of $0.30 per common share for a period of two years. A flow-through premium related to the sale of the associated tax benefits was determined to be $420,000.

The use of proceeds from the May 17, 2016 flow-through private placement as at December 31, 2017 is presented in the table below:

	PROPOSED USE OF PROCEEDS [1]	**ACTUAL USE OF PROCEEDS**
	Flow-through Private Placement	Use of Proceeds
Christie Lake Project	$ 4,400,000	$ 5,104,650
Western Athabasca	750,000	72,883
Hidden Bay Project	100,000	71,061
Black Lake Project	-	956
Beatty River Project	-	450
TOTAL	**$ 5,250,000**	**$ 5,250,000**

(1) Expenses related to the flow-through placement were funded out of the May 17, 2016 unit placement proceeds.

The net proceeds from the May 17, 2016 unit private placement of $2.0 million funded approximately $100,000 of ongoing heap leach evaluation work at the Hidden Bay Project, with the remainder allocated to working capital and general corporate expenses.

The Company renounced the income tax benefit of the May 17, 2016 private placement to its subscribers effective December 31, 2016 and incurred Part XII.6 tax at a rate of Nil% for January 2017 and 1% per month thereafter on unspent amounts. As at December 31, 2017, all of the flow-through placement proceeds have been expended and a Part XII.6 tax expense of approximately $4,249 has been incurred.

- On January 21, 2016, the Company completed a non-brokered private placement of 20,000,000 units at a price of $0.10 per unit for gross proceeds of $2,000,000 with issue costs of $42,744. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.20 per common share for a period of two years. The placement was fully subscribed by a former CEO of the Company, with no commission payable.

  These funds were raised to make the $1,750,000 cash payment to JCU required to complete the 10% Christie Lake Project earn-in on January 22, 2016. The remaining $250,000 from the placement was used for general working capital.

No share purchase options were exercised during the year ended December 31, 2017 or 2016.

No share purchase warrants were exercised during the year ended December 31, 2017 or 2016.

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.

(Expressed in Canadian dollars, unless otherwise noted)

Liquidity and Capital Resources

Working capital as at December 31, 2017 was $4,956,732 compared to working capital of $3,852,198 as at December 31, 2016 and includes the following:

- Current assets as at December 31, 2017 and 2016 were $5,315,843 and $4,385,173 respectively, including:
  - Cash and cash equivalents of $5,106,761 at December 31, 2017 and $4,136,636 at December 31, 2016. The Company's cash balances are invested in highly liquid term deposits redeemable within 90 days or less.
- Accounts payable and other liabilities as at December 31, 2017 and 2016 were $359,111 and $532,975, respectively:
  - The balance at December 31, 2017 was comprised of trade payables and other liabilities. There was no flow-through premium liability related to the February 27, 2017 and December 14, 2017 placement.
  - The balance at December 31, 2016 was comprised of $296,295 in trade payables and other liabilities, with the remainder due to the flow-through share premium liability of $236,680 related to the May 17, 2016 flow-through private placement.

The Company has sufficient financial resources for exploration, evaluation, and administrative costs. The Company will require additional financing and although it has been successful in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. 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.

Commitments

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The Company has obligations under operating leases for its premises, which expire between July 31, 2018 and February 29, 2024. Future minimum lease payments are as follows:

	December 31 2017
2018	$ 134,907
2019	116,121
2020	107,805
2021	54,675
2022 and beyond	166,050

UEX has agreements with partners to fund exploration and make acquisition related payments that if not made would result in project dilution or potentially loss of a project in its entirety.

(Expressed in Canadian dollars, unless otherwise noted)

Exploration Commitments – Western Athabasca

Due to uranium market conditions, UEX did not propose supplemental program budgets for the Western Athabasca for 2014, 2015, 2016, 2017 or 2018. The Company does not anticipate that it will incur any further additional expenditures on the Western Athabasca Projects.

Exploration and Earn-in Commitments – Christie Lake

The Company has earned a 45% interest in the Christie Lake Project by making $5 million in cash payments and completing $7.9 million in exploration work. The Project is located in the eastern Athabasca Basin and JCU (Canada) Exploration Company Limited ("JCU") holds a 55% interest. UEX is the operator of this project and has an option to earn up to a 70% interest in the project by making a total of $7 million in cash payments and completing $15 million in exploration on the property. A summary of cash payments and exploration expenditures made to date and commitments remaining is summarized in the table below.

	Cash payments	Exploration work	UEX Cumulative Interest Earned
Completed:			
As at December 31, 2017	$ 5,000,000	$ 7,962,022 (1)(2)	45.00 %
To be completed:			
Before January 1, 2019	1,000,000	2,037,978 (2)	60.00
Before January 1, 2020	1,000,000	5,000,000	70.00
	2,000,000	7,037,978	
Total	$ 7,000,000	$ 15,000,000	70.00 %

(2) Cumulative exploration work completed does not include $100,159 of share based compensation relating to the Christie Lake Project, which is not an eligible earn-in expenditure.

(3) Exploration work completed in excess of the minimum yearly commitment is applied to future years' commitments. Exploration work commitments remaining per the earn-in agreement are as follows:

- $2,500,000 before January 1, 2017 (completed),
- $2,500,000 before January 1, 2018 (completed),
- $5,000,000 before January 1, 2019 ($2,962,022 completed), and
- $5,000,000 before January 1, 2020.

UEX could elect to cease future cash payments and work commitments and instead vest a reduced interest in the property according to the schedule in the table above.

In 2016, UEX incurred approximately $1.5 million over and above the exploration expenditures required under the agreement for 2016. These amounts have been applied to the 2017 exploration work commitment of $2.5 million.

In 2017, the Company began a further $4.0 million exploration program at Christie Lake. As at December 31, 2017, UEX had completed the exploration work component of the 2017 Christie Lake earn-in commitment, with an approximate $3.0 million carried over to the 2018 exploration work commitment.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, deposits, investments and accounts payable and other liabilities. Interest income is recorded in the statement of operations and comprehensive loss. Cash and cash equivalents, as well as amounts receivable, are classified as loans and receivables, and accounts payable and other liabilities are classified as other financial liabilities and recorded at amortized cost using the effective interest rate method. In addition, any impairment of loans and receivables is deducted from amortized cost. Investments include warrants which have been classified as *Financial assets at fair value through profit or loss* ("FVTPL") and as such are stated at fair value with any changes in fair value recognized in profit or loss. The investments also include shares which have been classified as *Available-for-sale financial assets* and are carried at fair value with changes in fair value recognized in profit and loss.

The Company operates entirely in Canada and is 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. 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 development 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 development of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements. Accounts payable and other liabilities are due within the current operating period.

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

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

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

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

(Expressed in Canadian dollars, unless otherwise noted)

Investments are recorded at fair value. The Company holds 350,000 shares of Uracan. The fair value change for the Uracan shares represents the change to the quoted price of these publicly traded securities from the date they were acquired. These common shares are being held for long-term investment purposes.

On June 23, 2017, 25,000 Uracan common share purchase warrants expired. Accordingly, the Company does not hold any outstanding warrants of Uracan.

The fair value of the Uracan shares, classified as Level 1, is based on the market price for these actively traded securities at December 31, 2017 and 2016, the financial statement fair value dates.

Related Party Transactions

The Company was involved in the following related party transactions for the year ended December 31, 2017 and 2016.

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

	Year ended December 31			
		2017		2016
Cameco Corporation [1]	$	1,324	$	1,323
Management advisory board share-based payments [2]		6,329		9,055
	$	7,653	$	10,378

(1) Payments related to fees paid for use of the Cameco airstrip at the McArthur River mine.

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

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

	Year ended December 31			
		2017		2016
Salaries and short-term employee benefits [1][2]	$	696,749	$	740,259
Share-based payments [3]		399,104		338,449
Other compensation [4]		15,750		-
	$	1,111,603	$	1,078,708

(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 12(c) of the audited consolidated financial statements.

(4) Represents payments to Altastra Office Systems Inc., a company owned by Mr. Hui, for Interim CFO services rendered to UEX.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

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 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 under IFRS 11 as joint ventures. However, "joint operations" as defined by IFRS are nevertheless commonly referred to as "joint ventures" by UEX, its operating partners and the general mining industry, and use of the term "joint venture" by UEX in its disclosures for the purposes of describing its operating results is considered consistent with these statements.

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. In certain cases, should the Company choose not to fund the minimum 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.

Critical Accounting Estimates

The Company prepares its consolidated financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the consolidated financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period and would materially impact the Company's consolidated financial statements. The Company's significant accounting policies are discussed in the consolidated financial statements. Critical estimates inherent in these accounting policies are discussed below.

Valuation of Mineral Properties

The recovery of amounts capitalized as mineral property assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete exploration and development of the properties, and on future profitable production or proceeds of disposition. The Company recognizes in income any costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Upon transfer of exploration and evaluation assets into development properties, all subsequent expenditures on the exploration, construction, installation or completion of infrastructure facilities is capitalized within development properties.

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

The Company performed an evaluation of impairment indicators under IFRS 6(20) for its exploration and evaluation assets (mineral properties) as at December 31, 2017 and has concluded that there are no indicators of impairment.

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 capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The 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 judgements 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.

Share-based Payments

The Company has a share option plan which is described in Note 12(c) of the audited consolidated financial statements for the year ended December 31, 2017. 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. Upon the exercise of the share purchase options, consideration paid together with the amount previously recognized in the share-based payments reserve is recorded as an increase in share capital. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments value in the reserve is transferred to share capital. 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 recorded value is transferred to retained earnings (deficit).

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 fair value recorded in shareholders' equity under warrant reserve.

Recent Accounting Announcements

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

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

On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. The effective date is for reporting periods beginning on or after January 1, 2018 with early application permitted. The Company does not expect this standard to have a significant impact to the consolidated financial statements.

4. Risks and Uncertainties

An investment in UEX common shares is considered speculative due to the nature of UEX's business and the present stage of its development. A prospective investor should carefully consider the risk factors set out below.

It is not possible to determine if the exploration programs of UEX will result in profitable commercial mining operations

The successful exploration and development of mineral properties is speculative. Such activities are subject to a number of uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Most exploration projects do not result in the discovery of commercially mineable deposits. There is no certainty that the expenditures made or to be made by UEX in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of uranium or other mineralized materials in commercial quantities. While discovery of a uranium deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. There is no assurance that the current exploration programs of UEX will result in profitable commercial uranium mining operations. UEX may abandon an exploration project because of poor results or because UEX feels that it cannot economically mine the mineralization.

Joint ventures

UEX participates in certain of its projects (such as the Western Athabasca, Black Lake, Beatty River and Christie Lake projects) through joint ventures (referred to as "joint operations" in the consolidated financial statements) with third parties. UEX has other joint ventures and may enter into more in the future. There are risks associated with joint ventures, including:

- disagreement with a joint-venture partner about how to develop, operate or finance a project;
- a joint-venture partner not complying with a joint-venture agreement;
- possible litigation between joint-venture partners about joint-venture matters; and
- limited control over decisions related to a joint venture in which UEX does not have a controlling interest.

In particular, UEX is in the process of negotiating joint-venture agreements with Orano on the Western Athabasca Projects and there is no assurance that the parties will be able to conclude a mutually satisfactory agreement.

Reliance on other companies as operators

Where another company is the operator and majority owner of a property in which UEX has an interest, UEX is and will be, to a certain extent, dependent on that company for the nature and timing of activities related to those properties and may be unable to direct or control such activities.

Uranium price fluctuations could adversely affect UEX

The market price of uranium is the most significant market risk for companies exploring for and producing uranium. The marketability of uranium is subject to numerous factors beyond the control of UEX. The price of uranium has recently experienced and may continue to experience volatile and significant price movements over short periods of time. Factors impacting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, natural disasters such as those that struck Japan in March 2011, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants and production levels and costs of production in countries such as Kazakhstan, Russia, Africa and Australia.

Reliance on the economics of the Preliminary Assessment Technical Report

The market price of U_3O_8 has decreased since the date of the Hidden Bay PA. The uranium industry has been adversely affected by the natural disasters that struck Japan on March 11, 2011 and the resulting damage to the Fukushima nuclear facility. These events resulted in many countries, which presently rely on nuclear power for a portion of their electrical generation, stating that they will review their commitment to this source of clean energy. These reviews resulted in downward pressure on the price of uranium and may have a significant effect on the country-by-country demand for uranium. The current long-term U_3O_8 market price, as reported by Ux Consulting on March 19, 2018 is US$30.00/lb. Given that the PA presented three economic scenarios using prices ranging from US$60 to US$80 /lb of U_3O_8, the economic analysis which uses U_3O_8 prices higher than the prevailing market price may no longer be accurate and readers of the PA are therefore cautioned when reading or relying on the PA.

Competition for properties could adversely affect UEX

The international uranium industry is highly competitive and significant competition exists for the limited supply of mineral lands available for acquisition. Many participants in the mining business include large, established companies with long operating histories. UEX may be at a disadvantage in acquiring new properties as many mining companies have greater financial resources and more technical staff. Accordingly, there can be no assurance that UEX will be able to compete successfully to acquire new properties or that any such acquired assets would yield reserves or result in commercial mining operations.

Resource estimates are based on interpretation and assumptions

Mineral resource estimates presented in this document and in UEX's filings with securities regulatory authorities, news releases and other public statements that may be made from time to time are based upon estimates. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that this mineralization could be extracted or processed profitably.

Mineral resource estimates for UEX's properties may require adjustments or downward revisions based upon further exploration or development work, actual production experience, or future changes in uranium price. In addition, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties

The Company currently has sufficient financial resources to carry out the majority of its anticipated short-term planned exploration and development on all of its projects and to fund its short-term general administrative costs; however, there are no revenues from operations and no assurances that sufficient funding will be available to conduct further exploration and development of its projects or to fund exploration expenditures under the terms of any joint-venture or option agreements after that time. If the Company's exploration and development programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional funding could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties or inability to earn further interests in the Christie Lake Project. It is intended that such funding will be obtained primarily from future equity issues. If additional funds are raised from the issuance of equity or equity-linked securities, the percentage ownership of the current shareholders of UEX will be reduced, and the newly issued securities may have rights, preferences or privileges senior to or equal to those of the existing holders of UEX's common shares. The ability of UEX to raise the additional capital and the cost of such capital will depend upon market conditions from time to time. There can be no assurances that such funds will be available at reasonable cost or at all.

Competition from other energy sources and public acceptance of nuclear energy

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrate and uranium conversion services. Furthermore, the growth of the uranium and nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

Dependence on key management employees

UEX's development to date has depended, and in the future will continue to depend, on the efforts of key management employees. UEX will need additional financial, administrative, technical and operations staff to fill key positions as the business grows. If UEX cannot attract and train qualified people, the Company's growth could be restricted.

Compliance with and changes to current environmental and other regulatory laws, regulations and permits governing operations and activities of uranium exploration companies, or more stringent interpretation, implementation, application or enforcement thereof, could have a material adverse impact on UEX

Mining and refining operations and exploration activities, particularly uranium mining, refining and conversion in Canada, are subject to extensive regulation by provincial, municipal and federal governments. Such regulations relate to production, development, exploration, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mines decommissioning and reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing and constructing. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact UEX's decision to proceed with exploration or development or that such laws or regulations may result in UEX incurring significant costs to remediate or decommission properties which do not comply with applicable environmental standards at such time. UEX believes it is in substantial compliance with all material laws and regulations that currently apply to its operations. However, there can be no assurance that all permits which UEX may require for the conduct of uranium exploration operations will be obtainable or can be maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any uranium exploration project which UEX might undertake. World-wide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Conflicts of interest

Some of the directors of UEX are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of those consequences may be that corporate opportunities presented to a director of UEX may be offered to another company or companies with which the director is associated and may not be presented or made available to UEX. The directors of UEX are required by law to act honestly and in good faith with a view to the best interests of UEX, to disclose any interest which they may have in any project or opportunity of UEX, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by procedures prescribed in the Company's by-laws and Code of Ethics and by the *Canada Business Corporations Act.*

Internal controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Market price of shares

Securities of mining companies have experienced substantial volatility in the past often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of UEX's securities is also likely to be significantly affected by short-term changes in uranium or other commodity prices, currency exchange fluctuation, or in its financial condition or results of operations as reflected in its periodic reports. Other factors unrelated to the performance of UEX that may have an effect on the price of the securities of UEX include the following: the extent of analytical coverage available to investors concerning the business of UEX may be limited if investment banks with research capabilities do not follow UEX's securities; lessening in trading volume and general market interest in UEX's securities may affect an investor's ability to trade significant numbers of securities of UEX; and the size of UEX's public float and its inclusion in market indices may limit the ability of some institutions to invest in UEX's securities. If an active market for the securities of UEX does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the securities of UEX at any given point in time may not accurately reflect the long-term value of UEX. Securities class-action litigation has been brought against companies following periods of volatility in the market price of their securities. UEX may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting UEX's financial position

The nature of the risks UEX faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting UEX's financial position.

5. Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related audited consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee.

The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under applicable Canadian securities laws as at December 31, 2017. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under applicable Canadian securities laws is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

6. Internal Controls over Financial Reporting

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

Based upon the 2013 COSO Framework, the Company's certifying officers evaluated or caused to be evaluated under their supervision the effectiveness of the Company's internal controls over financial reporting. Based upon this assessment, management concluded that as at December 31, 2017 the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the preparation of the Company's consolidated financial statements in accordance with IFRS.

The internal controls over financial reporting were designed to ensure that testing and reliance could be achieved. Management and the Board of Directors work to mitigate the risk of material misstatement in financial reporting; however, there can be no assurance that this risk can be reduced to less than a remote likelihood of material misstatement.

7. Cautionary Statement Regarding Forward-Looking Information

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, joint venture and option earn in arrangements, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of any legal proceedings, and other expectations, intention and plans that are not historical fact. These forward-looking statements are based on certain factors and assumptions, including expected economic conditions, uranium, cobalt, and nickel prices, results of operations, performance and business prospects and opportunities.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- UEX's exploration activities may not result in profitable commercial mining operations;
- risks associated with UEX's participation in joint ventures, ability to earn into joint venture and option arrangements;
- risks related to UEX's reliance on other companies as operators;
- risks related to uranium, cobalt, and nickel price fluctuations;
- the economic analysis contained in the 2011 technical report on UEX's Horseshoe-Raven project may no longer be accurate or reliable as prevailing uranium prices are lower than those used in the report;
- risks associated with competition for mineral properties from mining companies which have greater financial resources and more technical staff;
- risks related to reserves and mineral resource figures being estimates based on interpretations and assumptions which may prove to be unreliable;
- uncertainty in UEX's ability to raise financing and fund the exploration and development of its mineral properties which could cause UEX to reduce or be unable to earn interests in properties;
- uncertainty in competition from other energy sources and public acceptance of nuclear energy;
- risks related to dependence on key management employees;
- risks related to compliance with environmental laws and regulations which may increase costs of doing business and restrict our operations;
- risks related to officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests;
- risks related to accounting policies requiring UEX management to make estimates and assumptions that affect reported amounts of financial items;
- risks related to UEX's internal control systems providing reasonable, but not absolute, assurance on the reliability of its financial reporting;
- risks related to the market price of UEX's shares; and
- potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage.

This list is not exhaustive of the factors that may affect our forward-looking statements. Reference should also be made to factors described under "Risk Factors" in UEX's latest Annual Information Form filed on *www.sedar.com*. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. UEX's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.