



UEX CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2017

(Unaudited – Prepared by Management)



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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

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

UEX CORPORATION

Condensed Interim Balance Sheets
(Unaudited – Prepared by Management)



	Notes	June 30 2017	December 31 2016
Assets			
Current assets			
Cash and cash equivalents	3	\$ 6,575,067	\$ 4,136,636
Amounts receivable	4	58,803	106,036
Prepaid expenses	5	84,903	142,357
Investments – current portion	9, 15	-	144
		6,718,773	4,385,173
Non-current assets			
Deposits	6	44,377	44,377
Equipment	7	261,107	267,184
Mineral properties	8	9,233,565	9,233,565
Investments	9, 15	10,500	21,000
Total assets		\$ 16,268,322	\$ 13,951,299
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	10	\$ 494,000	\$ 532,975
Total liabilities		494,000	532,975
Shareholders' equity			
Share capital	12(b)	191,942,568	186,603,862
Share-based payments reserve	12(c)	3,046,400	3,231,238
Accumulated other comprehensive income		3,500	14,000
Deficit		(179,218,146)	(176,430,776)
		15,774,322	13,418,324
Total liabilities and shareholders' equity		\$ 16,268,322	\$ 13,951,299
Nature and continuance of operations	1		
Commitments	8(vii), 12(d), 13		
Subsequent event	8(v)		

See accompanying notes to the unaudited condensed interim financial statements.

Approved on behalf of the Board and authorized for issue on August 2, 2017.

“signed”
 Roger M. Lemaitre Director

“signed”
 Emmet A. McGrath Director

UEX CORPORATION

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



	Notes	Three-month period ended June 30		Six-month period ended June 30	
		2017	2016	2017	2016
Revenue					
Interest income	12(d)	\$ 19,544	\$ 22,494	\$ 32,716	\$ 37,960
Expenses					
Bank charges and interest		1,271	1,012	2,420	2,301
Depreciation		7,437	7,434	15,074	14,877
Exploration and evaluation expenditures	17	518,621	711,540	2,582,798	2,139,643
Filing fees and stock exchange		51,733	36,254	98,560	70,578
Legal and audit		37,205	39,809	63,886	81,672
Maintenance		1,258	5,754	3,858	12,340
Office expenses	18	54,706	45,913	108,135	105,105
Project investigation		-	-	2,532	-
Rent		35,330	33,566	70,688	68,692
Salaries	19	325,396	152,409	345,990	291,746
Share-based compensation	12(c)	227,962	185,180	313,995	228,185
Travel and promotion		34,754	25,062	103,757	62,499
Unrealized fair value loss (gain) on held-for-trading financial assets	9, 15	2	(249)	144	(276)
Unrealized fair value loss (gain) on available-for-sale financial assets	9, 15	-	(7,000)	-	(10,500)
		1,295,675	1,236,684	3,711,837	3,066,862
Loss before income taxes		(1,276,131)	(1,214,190)	(3,679,121)	(3,028,902)
Deferred income tax recovery (expense)	11	-	-	236,680	151,252
Loss for the period		(1,276,131)	(1,214,190)	(3,442,441)	(2,877,650)
Other comprehensive income (loss)					
Available-for-sale financial assets net change in fair value	9, 15	(7,000)	-	(10,500)	-
Comprehensive loss for the period		\$ (1,283,131)	\$ (1,214,190)	\$ (3,452,941)	\$ (2,877,650)
Basic and diluted loss per share		(0.004)	(0.005)	(0.011)	(0.011)
Basic and diluted weighted-average number of shares outstanding		319,238,873	261,109,261	312,090,256	271,361,363

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION

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



	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2015	246,015,069	\$ 178,279,744	\$ 3,067,912	\$ -	\$ (170,692,913)	\$ 10,654,743
Loss for the period					(2,877,650)	(2,877,650)
Issued pursuant to private placements	50,523,810	9,250,000				9,250,000
Share issuance costs		(505,882)				(505,882)
Value attributed to flow-through premium on issuance		(420,000)				(420,000)
Other comprehensive income (loss)				7,000		7,000
<i>Fair value change in AFS financial assets</i>						
Share-based payment transactions			250,393			250,393
Balance, June 30, 2016	296,538,879	186,603,862	3,318,305	7,000	(173,570,563)	16,358,604
Loss for the period					(3,103,448)	(3,103,448)
Other comprehensive income (loss)				7,000		7,000
<i>Fair value change in AFS financial assets</i>						
Share-based payment transactions			156,168			156,168
Transfer to deficit on expiry and cancellation of share purchase options			(243,235)		243,235	-
Balance, December 31, 2016	296,538,879	186,603,862	3,231,238	14,000	(176,430,776)	13,418,324
Loss for the period					(3,442,441)	(3,442,441)
Issued pursuant to private placements	22,699,994	6,009,999				6,009,999
Share issuance costs		(671,293)	105,754			(565,539)
Other comprehensive income (loss)				(10,500)		(10,500)
<i>Fair value change in AFS financial assets</i>						
Share-based payment transactions			364,479			364,479
Transfer to deficit on expiry and cancellation of share purchase options			(655,071)		655,071	-
Balance, June 30, 2017	319,238,873	\$ 191,942,568	\$ 3,046,400	\$ 3,500	\$ (179,218,146)	\$ 15,774,322

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION

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



	Three-month period ended June 30		Six-month period ended June 30	
	2017	2016	2017	2016
Cash provided by (used for):				
Operating activities				
Loss for the period	\$ (1,276,131)	\$ (1,221,190)	\$ (3,442,441)	\$ (2,888,150)
Adjustments for:				
Depreciation	24,966	21,140	49,128	40,154
Deferred income tax recovery	-	-	(236,680)	(151,252)
Interest income	(19,544)	(22,494)	(32,716)	(37,960)
Part XII.6 tax	12(d) (2,042)	(576)	(4,213)	(2,043)
Share-based compensation	271,606	203,668	364,479	250,393
Unrealized fair value loss (gain) on held-for-trading financial assets	2	(249)	144	(276)
Changes in non-cash operating working capital				
Amounts receivable	61,338	(5,714)	13,060	(26,906)
Prepaid expenses and deposits	13,560	4,213	57,454	(77,673)
Accounts payable and other liabilities	(763,968)	(645,833)	197,705	169,552
	(1,690,213)	(1,667,035)	(3,034,080)	(2,724,161)
Investing activities				
Interest received	71,102	72,753	71,102	72,753
Investment in exploration and evaluation assets	-	-	-	(1,750,000)
Purchase of equipment	(15,691)	(29,474)	(43,051)	(44,484)
	55,411	43,279	28,051	(1,721,731)
Financing activities				
Proceeds from common shares issued	12(b) -	7,250,000	6,009,999	9,250,000
Share issuance costs	12(b) (605)	(463,138)	(565,539)	(505,882)
	(605)	6,786,862	5,444,460	8,744,118
Increase (decrease) in cash and/or cash equivalents during the period	(1,635,407)	5,163,106	2,438,431	4,298,226
Cash and cash equivalents, beginning of period	8,210,474	4,274,934	4,136,636	5,139,814
Cash and cash equivalents, end of period	\$ 6,575,067	\$ 9,438,040	\$ 6,575,067	\$ 9,438,040
Supplementary information				
<u>Non-cash transactions</u>				
Decrease in other liabilities due to extinguishment of flow-through premium on renouncement	-	-	(236,680)	(151,252)
Non-cash share-based compensation included in exploration and evaluation expenditures	43,644	18,488	50,484	22,208
Depreciation included in exploration and evaluation expenditures	17,529	13,706	34,054	25,277
Non-cash share issuance costs – brokers warrants	-	-	105,754	-

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION

Notes to the Condensed Interim Financial Statements
For the six-month periods ended June 30, 2017 and 2016
(Unaudited – Prepared by Management)



1. Nature and continuance of operations

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

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

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

The Company performed an evaluation of impairment indicators under IFRS 6(20) for its exploration and evaluation assets (mineral properties) as at June 30, 2017 and has concluded that there are no indicators of impairment.

The Company has sufficient financial resources to fund exploration, evaluation and administrative costs for at least, but not limited to, twelve months from the end of the reporting period. From time to time, the Company will require additional financing and although the Company has been successful in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

2. Basis of preparation and significant accounting policies

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparative figures, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”) and do not include all of the information required for full annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the Company’s annual 2016 audited financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These unaudited condensed interim financial statements were approved by the Board of Directors for issue on August 2, 2017.

UEX CORPORATION

Notes to the Condensed Interim Financial Statements
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2. Basis of preparation and significant accounting policies (continued)

(b) Estimates

The preparation of unaudited interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these unaudited condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's financial statements as at and for the year ended December 31, 2016.

(c) Significant accounting policies

The accounting policies applied by the Company in these condensed unaudited interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2016.

(d) Recent accounting announcements

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

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

UEX CORPORATION

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3. Cash and cash equivalents

	June 30 2017	December 31 2016
Cash	\$ 89,035	\$ 290,603
Short-term deposits	6,486,032	3,846,033
	\$ 6,575,067	\$ 4,136,636

4. Amounts receivable

	June 30 2017	December 31 2016
Interest receivable	\$ 19,391	\$ 53,564
Other receivables	39,412	52,472
	\$ 58,803	\$ 106,036

Interest receivable reflects interest earned on short-term deposits. Other receivables include \$39,369 of Goods and Services Tax (GST) receivable as at June 30, 2017 (December 31, 2016 - \$51,826).

5. Prepaid expenses

	June 30 2017	December 31 2016
Advances to vendors	\$ 50,000	\$ 50,000
Prepaid expenses	34,903	92,357
	\$ 84,903	\$ 142,357

6. Deposits

	June 30 2017	December 31 2016
Deposits	\$ 44,377	\$ 44,377

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

UEX CORPORATION

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(Unaudited – Prepared by Management)



7. Equipment

	Exploration camp	Exploration equipment	Computing equipment	Furniture and fixtures	Total
Cost					
Balance at December 31, 2015	\$ 99,327	\$ 394,864	\$ 302,631	\$ 95,332	\$ 892,154
Additions	-	31,358	12,754	14,625	58,737
Disposals	-	(3,811)	(1,311)	(7,422)	(12,544)
Balance at December 31, 2016	99,327	422,411	314,074	102,535	938,347
Additions	-	32,763	9,265	1,023	43,051
Disposals	-	-	-	-	-
Balance at June 30, 2017	\$ 99,327	\$ 455,174	\$ 323,339	\$ 103,558	\$ 981,398
Accumulated depreciation					
Balance at December 31, 2015	\$ 55,994	\$ 326,950	\$ 203,836	\$ 13,172	\$ 599,952
Depreciation charge for the year	7,883	23,822	30,004	19,969	81,678
Disposals	-	(2,288)	(1,311)	(6,868)	(10,467)
Balance at December 31, 2016	63,877	348,484	232,529	26,273	671,163
Depreciation charge for the period	3,941	17,252	17,700	10,235	49,128
Disposals	-	-	-	-	-
Balance at June 30, 2017	\$ 67,818	\$ 365,736	\$ 250,229	\$ 36,508	\$ 720,291
Net book value					
Balance at December 31, 2015	\$ 43,333	\$ 67,914	\$ 98,795	\$ 82,160	\$ 292,202
Balance at December 31, 2016	\$ 35,450	\$ 73,927	\$ 81,545	\$ 76,262	\$ 267,184
Balance at June 30, 2017	\$ 31,509	\$ 89,438	\$ 73,110	\$ 67,050	\$ 261,107

8. Mineral properties

Exploration and evaluation assets – acquisition costs

	Hidden Bay (i) (ii)	Western Athabasca (iv)	Black Lake (v)	Christie Lake (vii)	Total
Balance at December 31, 2015	\$ 4,475,680	\$ -	\$ 759,385	\$ 250,000	\$ 5,485,065
Additions	-	-	-	3,750,000	3,750,000
Impairment charge for the year	(1,500)	-	-	-	(1,500)
Balance at December 31, 2016	4,474,180	-	759,385	4,000,000	9,233,565
Additions	-	-	-	-	-
Balance at June 30, 2017	\$ 4,474,180	\$ -	\$ 759,385	\$ 4,000,000	\$ 9,233,565

UEX CORPORATION

Notes to the Condensed Interim Financial Statements
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(Unaudited – Prepared by Management)



8. Mineral properties (continued)

Exploration and evaluation assets (continued)

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

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

100% owned projects

(i) Hidden Bay Project

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

The Umpherville River mineral claims that are included as part of the Hidden Bay Project are subject to a 2% NSR royalty on 20% of the project for each mineral produced (equivalent to a 0.4% NSR on the total project) with the NSR on uranium capped at \$10 million.

(ii) Horseshoe-Raven Project

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

(iii) Riou Lake Project

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

Joint operations

(iv) Western Athabasca Projects

The Western Athabasca Projects (the "Projects"), located in the western Athabasca Basin, which include the Kianna, Anne, Colette and 58B Deposits located at the Shea Creek Project, are eight joint ventures with the Company holding an approximate 49.1% interest and AREVA Resources Canada Inc. ("AREVA") holding an approximate 50.9% interest in all projects as at June 30, 2017 and December 31, 2016, except for the Laurie Project, where the Company has an approximate 42.2% interest and the Mirror River Project, where the Company has an approximate 41.9% interest. The Company is in the process of negotiating joint-venture agreements with AREVA.

UEX CORPORATION

Notes to the Condensed Interim Financial Statements
For the six-month periods ended June 30, 2017 and 2016
(Unaudited – Prepared by Management)



8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(iv) Western Athabasca Projects (continued)

The Kianna, Anne and Colette deposits are subject to a royalty of US\$0.212 per pound of U₃O₈ sold to a maximum royalty of US\$10,000,000.

In 2016, UEX decided not to fund its share of the 2016 geophysical program at the Mirror River Project. UEX's interest in this project has dropped from the current 49.1% interest to approximately 41.9%. This dilution only applied to UEX's interest in the Mirror River Project.

In 2017, AREVA proposed budgets of \$0.5 million each on Uchrich and Nikita and \$1.3 million each on Laurie and Mirror River, of which UEX has decided not to fund. Interests on these projects are anticipated to drop as follows, should AREVA complete the approved programs. This decision does not impact the ownership interest in the Shea Creek, Erica, Brander, or Alexandra Projects.

Ownership interest (%)	December 31, 2016			Projected interest, December 31, 2017		
	UEX	AREVA	Total	UEX	AREVA	Total
Uchrich	49.0975	50.9025	100.000	25.8546	74.1454	100.000
Nikita	49.0975	50.9025	100.000	40.0992	59.9008	100.000
Laurie	42.1827	57.8173	100.000	31.0372	68.9628	100.000
Mirror River	41.9475	58.0525	100.000	31.8912	68.1088	100.000

On April 10, 2013, an agreement was signed with AREVA which grants UEX the option to increase its ownership interest in the Western Athabasca Projects, which includes the Shea Creek Project, by 0.9% to a maximum interest of 49.9% by spending \$18.0 million on exploration over the six-year period ending December 31, 2018. UEX is under no obligation to propose a budget in any year of the agreement. The Company does not anticipate that it will incur any further expenditures on this option before its expiry on December 31, 2018 and will likely allow the option to expire.

(v) Black Lake Project

The Black Lake Project ("Black Lake"), located in the northern Athabasca Basin, is a joint venture with the Company holding a 90.92% interest and AREVA holding a 9.08% interest as at June 30, 2017 and December 31, 2016.

Uracan Resources Ltd. ("Uracan") had an option to earn into the Black Lake Project, but did not meet the exploration expenditures required under the amended Black Lake Project earn-in agreement by December 31, 2016 and UEX did not extend the funding deadline. On January 20, 2017, UEX terminated the earn-in agreement with Uracan, with Uracan earning no interest in the Black Lake Project.

UEX CORPORATION

Notes to the Condensed Interim Financial Statements
For the six-month periods ended June 30, 2017 and 2016
(Unaudited – Prepared by Management)



8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Black Lake Project (continued)

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.

ALX will have the right to earn a 75% interest in 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 within a 12-month period from the signing of an option agreement;
- 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%) within a 30-month period from the signing of an option agreement;
- 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%) within a 48-month period from the signing of an option agreement.

Upon signing of the LOI, ALX paid \$25,000 to UEX and were permitted to conduct up to \$100,000 in exploration work. ALX completed \$87,000 of exploration work that will be credited towards the Stage 1 exploration work commitment. Upon vesting any interest, ALX will become a party to the 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. AREVA has agreed to waive their first right of refusal on the transfer of any of UEX’s ownership interest to ALX.

(vi) Beatty River Project

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

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(Unaudited – Prepared by Management)



8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(vii) Christie Lake Project

The Company has earned a 30% interest in the Christie Lake Project by making \$4 million in cash payments and completing \$2.5 million in exploration work. The Project is located in the eastern Athabasca Basin and JCU (Canada) Exploration Company Limited (“JCU”) holds a 70% 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 June 30, 2017	4,000,000	6,564,616 ⁽¹⁾⁽²⁾	30.00 %
To be completed:			
Before January 1, 2018	1,000,000	- ⁽²⁾	45.00
Before January 1, 2019	1,000,000	3,435,384 ⁽²⁾	60.00
Before January 1, 2020	1,000,000	5,000,000	70.00
	3,000,000	8,435,384	
Total	\$ 7,000,000	\$ 15,000,000	70.00 %

- (1) Cumulative exploration work completed does not include \$76,736 of share based compensation relating to the Christie Lake Project, which is not an eligible earn-in expenditure.
- (2) Exploration work completed in excess of the minimum yearly commitment is applied to future years' commitments. Exploration work commitments 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 (\$1,564,616 completed); and
 - \$5,000,000 before January 1, 2020.

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8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

UEX is party to the following joint arrangements:

Ownership interest (%)	June 30, 2017				December 31, 2016			
	UEX	AREVA	JCU	Total	UEX	AREVA	JCU	Total
Beatty River	25.0000	50.7020	24.2980	100.0000	25.0000	50.7020	24.2980	100.0000
Black Lake	90.9200	9.0800	-	100.0000	90.9200	9.0800	-	100.0000
Christie Lake	30.0000	-	70.0000	100.0000	30.0000	-	70.0000	100.0000
Western Athabasca								
Laurie Project	42.1827	57.8173	-	100.0000	42.1827	57.8173	-	100.0000
Mirror River Project	41.9475	58.0525	-	100.0000	41.9475	58.0525	-	100.0000
All other projects ⁽¹⁾	49.0975	50.9025	-	100.0000	49.0975	50.9025	-	100.0000

⁽¹⁾ Western Athabasca includes the Alexandra, Brander River, Erica, Nikita, Shea Creek, Uchrich, Mirror River and Laurie Projects; however, due to a decision not to fund 2016 and 2015 exploration programs at Mirror River and Laurie, respectively, UEX's ownership interest has decreased in these two projects only. The Company's ownership interest in Mirror River and Laurie is presented separately from its interest in the other Western Athabasca Projects due to the different ownership interest from the rest of the Western Athabasca Projects.

9. Investments

The Company holds 350,000 shares of Uracon. In early 2013, UEX received 300,000 shares and 150,000 warrants from Uracon as partial consideration for the signing of an agreement which granted Uracon an option to earn a 60% interest in the Black Lake Project. On February 13, 2016, these warrants expired.

On June 23, 2014, UEX entered into an amendment to the earn-in agreement with Uracon which deferred \$422,440 in exploration commitments from 2014 and added these to the 2015 exploration commitments. Upon execution of this agreement, UEX received from Uracon a further 50,000 shares and 25,000 share purchase warrants. On June 23, 2017, these warrants expired.

These shares are being held for long-term investment purposes. The shares have been classified as *Available-for-sale* ("AFS") financial assets and are carried at fair value, with changes in fair value reflected in other comprehensive income.

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9. Investments (continued)

Investments – current portion	June 30 2017	December 31 2016
Warrants held – Uraacan (see Note 15)	\$ -	\$ 144

Investments	June 30 2017	December 31 2016
Common shares held – Uraacan ⁽¹⁾ (TSX.V: URC) (see Note 15)	\$ 10,500	\$ 21,000

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

The Uraacan warrants had an expiry of three years after the original grant date. The 25,000 Uraacan warrants which were issued on June 23, 2014, exercisable for \$0.12 per warrant, expired on June 23, 2017. The 150,000 warrants which were issued on February 13, 2013, exercisable at \$0.15 per warrant, expired on February 13, 2016.

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

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

	June 30, 2017	December 31, 2016
	June 23, 2014 Agreement Amendment ⁽²⁾	June 23, 2014 Agreement Amendment ⁽²⁾
Number of warrants – Uraacan	N/A	25,000
Expected forfeiture rate	-	0.00%
Weighted-average valuation date share price	-	\$ 0.06
Expected volatility	-	107.45%
Risk-free interest rate	-	0.76%
Dividend yield	-	0.00%
Expected life	-	0.47 years
Weighted-average valuation date fair value	-	\$ 0.01

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

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10. Accounts payable and other liabilities

	June 30 2017	December 31 2016
Trade payables	\$ 150,653	\$ 57,427
Other liabilities	343,347	238,868
Flow-through share premium	-	236,680
	\$ 494,000	\$ 532,975

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

The flow-through share premium at December 31, 2016 represents the difference between the subscription price of \$0.25 per share and the market price at issuance of \$0.23 per share related to the May 17, 2016 flow-through private placement of 21,000,000 shares (\$420,000). Flow-through premium of \$183,320 relating to flow-through renunciation under the general rule was extinguished during the year ended December 31, 2016, leaving a balance of \$236,680. In February 2017, the flow-through share premium of \$236,680 relating to unspent amounts of \$2,958,500 at December 31, 2016 from the May 17, 2016 flow-through placement was extinguished on the filing and renouncement of the tax benefits to the subscribers of that placement effective December 31, 2016.

11. Income taxes

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

	Six months ended June 30 2017	June 30 2016
Canadian statutory income tax rate	27.00%	27.00%
Loss before income taxes	\$ (3,679,121)	\$ (3,028,902)
Income tax at statutory rate	993,363	817,804
Tax effect of:		
Permanent differences	52,811	67,902
Flow-through expenditures renounced and other	(622,113)	(304,685)
Valuation allowance	(187,381)	(429,769)
Income tax provision	\$ 236,680	\$ 151,252

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11. Income taxes (continued)

The Company recognized a deferred income tax recovery of \$236,680 in the interim statement of operations for the six months ended June 30, 2017 (2016 - \$151,252) related to the extinguishment of the flow-through premium related to flow-through shares renounced during the year ended December 31, 2016. Flow-through premiums related to the following placements as renounced resulted in deferred tax recoveries as follows:

	Six months ended June 30	
	2017	2016
May 11, 2015 placement flow-through premium of \$275,000	\$ -	\$ 151,252
May 17, 2016 placement flow-through premium of \$420,000	236,680	-
	\$ 236,680	\$ 151,252

At June 30, 2017, the Company has Canadian non-capital income tax losses carried forward of approximately \$17,780,374 which are available to offset future years' taxable income. These losses expire as follows:

	June 30 2017
2037	\$ 928,043
2036	1,455,378
2035	2,157,909
2034	2,128,882
2033	1,870,696
2032	1,787,321
2031	1,684,498
2030	1,642,206
2029	2,666,670
2028	1,458,771
	\$ 17,780,374

The unrecognized deductible temporary differences at June 30, 2017 and 2016 are as follows:

	Six months ended June 30	
	2017	2016
Non-capital loss carryforwards	\$ 17,780,374	\$ 16,224,537
Charitable donations	2,000	9,000
Equipment	851,712	759,261
Investments	29,070	21,486
Mineral resource expenditure pool	81,822,027	82,137,018
Share issuance costs	1,068,588	854,563
	\$ 101,553,772	\$ 100,005,865

The Company also has available mineral resource related expenditure pools totaling approximately \$91,055,592, which may be deducted against future taxable income on a discretionary basis.

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12. Share capital

(a) Authorized

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

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 2015	246,015,069	\$ 178,279,744
Issued pursuant to private placement in 2016	50,523,810	9,250,000
Share issuance costs		(505,882)
Value attributed to flow-through premium on issuance		(420,000)
Balance, December 31, 2016	296,538,879	\$ 186,603,862
Issued pursuant to private placement in 2017	22,699,994	6,009,999
Share issuance costs		(565,539)
Fair value of brokers warrants		(105,754)
Balance, June 30, 2017	319,238,873	\$ 191,942,568

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 share, for gross proceeds of \$6,009,999. Share issue costs included a cash commission of \$360,600, issuance costs of \$204,939, as well as the fair value of brokers warrants of \$105,754. Each unit consisted of one common share and one full share purchase warrant exercisable at a price of \$0.42 per share for a period of three years. The 681,000 full share broker warrants issued as part of the placement and are exercisable at a price of \$0.30 per share for a period of two years.

The fair value of the brokers warrants issued was determined using the Black-Scholes pricing model with the following weighted-average assumptions:

	February 27 2017
Number of broker warrants granted	681,000
Expected forfeiture rate	0.00%
Weighted-average grant date share price	\$ 0.36
Expected volatility	67.84%
Risk-free interest rate	0.76%
Dividend yield	0.00%
Expected life	2.00 years
Weighted-average grant date fair value	\$ 0.16

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12. Share capital (continued)

(c) Share-based compensation

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

A summary of the status of the Company's share-based compensation plan as at June 30, 2017 and December 31, 2016 and changes during the periods ended on these dates is presented below:

	Number of share purchase options	Weighted-average exercise price
Outstanding, December 31, 2015	17,316,000	\$ 0.79
Granted	4,426,667	0.28
Cancelled	(838,667)	0.29
Outstanding, December 31, 2016	20,904,000	0.68
Granted	6,725,000	0.20
Cancelled	(1,150,000)	0.92
Outstanding, June 30, 2017	26,479,000	\$ 0.55

As the number of options currently outstanding is 26,479,000 (representing 8.29% of the Corporation's current issued and outstanding common shares), the number of options available for grant as of August 2, 2017 is 5,444,887 (representing 1.71% of the Corporation's current issued and outstanding common shares).

As at June 30, 2017, the Company had a total of 26,479,000 share purchase options outstanding related to director, employee and consultant share purchase options, the details of which are as follows:

Range of exercise prices	Outstanding			Exercisable	
	Number of share purchase options	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Number of share purchase options	Weighted-average exercise price
\$ 0.15 – 0.33	14,285,000	\$ 0.23	4.84	8,411,665	\$ 0.25
0.34 – 0.93	5,675,000	0.54	2.73	5,625,000	0.54
0.94 – 1.45	6,519,000	1.25	2.42	6,519,000	1.25
	26,479,000	\$ 0.55	3.79	20,555,665	\$ 0.64

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12. Share capital (continued)

(c) Share-based compensation (continued)

The share-based payments reserve values of \$3,046,400 as at June 30, 2017 and \$3,231,238 as at December 31, 2016 on the balance sheet reflect the expensed and capitalized fair value of vested share purchase options. If all options that are vested were exercised, the entire balance of the share-based payments reserve would be transferred to share capital.

The estimated fair value expense of all share purchase options vested during the three-month period ended June 30, 2017 is \$271,606 (2016 - \$203,668). The amount included in exploration and evaluation expenditures for the quarter ended June 30, 2017 is \$43,644 (2016 - \$18,488) and the remaining \$227,962 (2016 - \$185,180) was expensed to share-based compensation.

The estimated fair value expense of all share purchase options vested during the six-month period ended June 30, 2017 is \$364,479 (2016 - \$250,393). The amount included in exploration and evaluation expenditures for the six months ended June 30, 2017 is \$50,484 (2016 - \$22,208) and the remaining \$313,995 (2016 - \$228,185) was expensed to share-based compensation.

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

	June 30 2017	June 30 2016
Number of options granted	6,725,000	4,401,667
Expected forfeiture rate	2.27%	1.70%
Weighted-average grant date share price	\$ 0.20	\$ 0.23
Expected volatility	65.15%	63.47%
Risk-free interest rate	1.06%	0.59%
Dividend yield	0.00%	0.00%
Expected life	4.47 years	4.21 years
Weighted-average grant date fair value	\$ 0.20	\$ 0.11

(d) Flow-through shares

The Company has financed a portion of its exploration programs through the use of flow-through share issuances. Income tax deductions relating to these expenditures are claimable by the investors and not by the Company. As at June 30, 2017, the Company had spent, on qualified expenditures, \$4,584,572 (December 31, 2016 - \$2,291,500) of the \$5,250,000 flow-through monies raised in the May 17, 2016 placement. The Company renounced the income tax benefit of this issue to its subscribers effective December 31, 2016. The Company incurred \$4,213 in Part XII.6 tax on unspent flow-through monies in the six months ended June 30, 2017 (2016 - \$2,043), which has been netted against interest income.

As at June 30, 2017, the Company had spent \$nil of the \$2,009,999 flow-through monies raised in the February 27, 2017 placement.

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12. Share capital (continued)

(e) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2015	-	\$ -
Issued pursuant to private placements in 2016	24,761,905	0.22
Balance, December 31, 2016	24,761,905	0.22
Issued pursuant to private placements in 2017	16,680,994	0.42
Balance, June 30, 2017	41,442,899	\$ 0.30

As at June 30, 2017 the Company's outstanding share purchase warrants had expiry dates and exercise prices as follows:

Expiry Date for Warrants	Number of Warrants	Exercise Price
January 22, 2018 (2 year life)	20,000,000	\$ 0.20
May 17, 2018 (2 year life)	4,761,905	0.30
February 27, 2019 (2 year life)	681,000	0.30
February 27, 2020 (3 year life)	15,999,994	0.42
Balance, June 30, 2017	41,442,899	\$ 0.30

13. Commitments

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

	June 30 2017
2017	35,982
2018	67,774
2019	61,446
2020	53,130

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

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14. Management of capital

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

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

15. Management of financial risk

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

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

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

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

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

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

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

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15. Management of financial risk (continued)

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

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

Investments – as at December 31, 2016	Level 1	Level 2	Level 3	Total
Shares – Uracon (TSX-V: URC)	\$ 21,000	\$ -	\$ -	\$ 21,000
Warrants – Uracon ⁽¹⁾	-	-	144	144
	\$ 21,000	\$ -	\$ 144	\$ 21,144

Investments – as at June 30, 2017	Level 1	Level 2	Level 3	Total
Shares – Uracon (TSX-V: URC)	\$ 10,500	\$ -	\$ -	\$ 10,500
Warrants – Uracon ⁽¹⁾	-	-	-	-
	\$ 10,500	\$ -	\$ -	\$ 10,500

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

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

	Number of Shares	Change in Fair Value	Fair Value
Balance, December 31, 2015	350,000		\$ 7,000
Gains for the three months ended March 31, 2016		3,500	
Gains for the three months ended June 30, 2016		7,000	
Gains for the three months ended September 30, 2016		10,500	
Losses for the three months ended December 31, 2016		(7,000)	
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – year ended December 31, 2016		14,000	14,000
Balance, December 31, 2016	350,000		21,000
Losses for the three months ended March 31, 2017		(3,500)	
Losses for the three months ended June 30, 2017		(7,000)	
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – six months ended June 30, 2017		(10,500)	(10,500)
Balance, June 30, 2017	350,000		\$ 10,500

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15. Management of financial risk (continued)

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

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

	Number of Warrants	Change in Fair Value	Fair Value ⁽¹⁾
Balance, December 31, 2015	175,000		308
Expiry of warrants	(150,000)	(126)	
Gains for the three months ended March 31, 2016		153	
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – three months ended March 31, 2016		27	
Gains for the three months ended June 30, 2016		249	
Gains for the three months ended September 30, 2016		119	
Losses for the three months ended December 31, 2016		(559)	
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – year ended December 31, 2016		(164)	(164)
Balance, December 31, 2016	25,000		144
Expiry of warrants	(25,000)	(2)	
Losses for the three months ended March 31, 2017		(142)	
Losses for the three months ended June 30, 2017		-	
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – six months ended June 30, 2017		(144)	(144)
Balance, June 30, 2017	-		\$ -

⁽¹⁾ See Note 9 for Black-Scholes assumptions

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

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

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16. Segmented information

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

17. Exploration and evaluation expenditures

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

Project	Cumulative to March 31, 2017	June 30, 2017		Cumulative to March 31, 2016	June 30, 2016	
		Expenditures in the period	Total		Expenditures in the period	Total
Beatty River	\$ 873,069	\$ 672	\$ 873,741	\$ 873,069	\$ -	\$ 873,069
Black Lake	14,509,366	(21,599)	14,487,767	14,508,909	-	14,508,909
Christie Lake	6,124,318	500,817	6,625,135	905,929	636,041	1,541,970
Hidden Bay ⁽¹⁾	33,085,140	33,791	33,118,931	33,038,370	22,871	33,061,241
Horseshoe-Raven	41,816,054	-	41,816,054	41,719,063	18,264	41,737,327
<u>Western Athabasca</u>						
Alexandra	1,205,251	-	1,205,251	1,205,251	-	1,205,251
Brander	1,353,363	-	1,353,363	1,353,363	-	1,353,363
Erica	2,253,085	-	2,253,085	2,253,085	-	2,253,085
Laurie	1,586,990	1,658	1,588,648	1,586,528	-	1,586,528
Mirror	1,988,074	1,658	1,989,732	1,987,612	-	1,987,612
Nikita	1,952,331	362	1,952,693	1,952,331	-	1,952,331
Shea Creek	54,199,429	900	54,200,329	54,100,933	34,364	54,135,297
Uchrich	543,091	362	543,453	543,091	-	543,091
All Projects Total	\$ 161,489,561	\$ 518,621	\$ 162,008,182	\$ 156,027,534	\$ 711,540	\$ 156,739,074

Exploration and evaluation expenditures – for the six-month periods ended June 30:

Project	Cumulative to December 31, 2016	June 30, 2017		Cumulative to December 31, 2015	June 30, 2016	
		Expenditures in the period	Total		Expenditures in the period	Total
Beatty River	\$ 873,069	\$ 672	\$ 873,741	\$ 873,069	\$ -	\$ 873,069
Black Lake	14,508,909	(21,142)	14,487,767	14,508,893	16	14,508,909
Christie Lake	4,080,292	2,544,843	6,625,135	58,689	1,483,281	1,541,970
Hidden Bay ⁽¹⁾	33,069,216	49,715	33,118,931	33,026,660	34,581	33,061,241
Horseshoe-Raven	41,813,458	2,596	41,816,054	41,669,712	67,615	41,737,327
<u>Western Athabasca</u>						
Alexandra	1,205,251	-	1,205,251	1,205,251	-	1,205,251
Brander	1,353,363	-	1,353,363	1,353,363	-	1,353,363
Erica	2,253,085	-	2,253,085	2,253,085	-	2,253,085
Laurie	1,586,528	2,120	1,588,648	1,586,528	-	1,586,528
Mirror	1,987,612	2,120	1,989,732	1,987,612	-	1,987,612
Nikita	1,952,331	362	1,952,693	1,952,331	-	1,952,331
Shea Creek	54,199,179	1,150	54,200,329	53,581,147	554,150	54,135,297
Uchrich	543,091	362	543,453	543,091	-	543,091
All Projects Total	\$ 159,425,384	\$ 2,582,798	\$ 162,008,182	\$ 154,599,431	\$ 2,139,643	\$ 156,739,074

⁽¹⁾ 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.

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17. Exploration and evaluation expenditures (continued)

Exploration and evaluation expenditures for the three and six months ended June 30, 2017 and 2016 include the following non-cash expenditures:

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Depreciation	\$ 17,529	\$ 13,706	\$ 34,054	\$ 25,277
Share-based compensation	43,644	18,488	50,484	22,208
Project management fee	42,299	56,474	227,273	138,414
	\$ 103,472	\$ 88,668	\$ 311,811	\$ 185,899

Hidden Bay Project

During the six months ended June 30, 2017, total expenditures at Hidden Bay included evaluation expenditures of \$1,051 (2016 - \$49,352) in deposit areas. These amounts reflect costs associated with the continuing evaluation of and advancement of Hidden Bay, and include the heap leach evaluation and various component technical studies.

Western Athabasca Projects

UEX has decided not to fund its share of the 2017 Western Athabasca exploration budget (\$0.5 million each for geophysics on Uchrich and Nikita, \$1.3 million each for drilling on Laurie and Mirror River). UEX's decision to not fund exploration work will result in a dilution of interest in certain properties (see Note 8(iv)).

Christie Lake Project

During the six months ended June 30, 2017, the Company began a further \$4.0 million exploration program at Christie Lake. UEX is the project operator and is entitled to a 10% management fee, which is offset against salaries and is deemed to be an expenditure for the exploration work commitment portion of the project earn-in (see Note 19).

18. Office expenses

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Insurance	\$ 12,761	\$ 12,360	\$ 25,881	\$ 25,010
Office supplies and consulting	38,152	30,015	75,031	74,302
Telephone	3,793	3,538	7,223	5,793
	\$ 54,706	\$ 45,913	\$ 108,135	\$ 105,105

UEX CORPORATION

Notes to the Condensed Interim Financial Statements
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(Unaudited – Prepared by Management)



19. Salaries

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Gross salaries	\$ 367,695	\$ 208,903	\$ 573,263	\$ 426,085
Management fee offset:				
Christie Lake – 10%	(42,299)	(56,494)	(227,273)	(134,320)
Black Lake – 10%	-	-	-	(19)
	\$ 325,396	\$ 152,409	\$ 345,990	\$ 291,746

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

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

20. Related party transactions

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

(a) Related party transactions

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

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Cameco Corporation ⁽¹⁾	\$ -	\$ -	\$ 700	\$ -
Management advisory board share-based payments ⁽²⁾	2,810	4,501	4,233	5,590
	\$ 2,810	\$ 4,501	\$ 4,933	\$ 5,590

⁽¹⁾ 2017 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).

UEX CORPORATION

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(Unaudited – Prepared by Management)



20. Related party transactions (continued)

(b) Key management personnel compensation

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

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Salaries and short-term employee benefits ⁽¹⁾⁽²⁾	\$ 325,784	\$ 172,453	\$ 479,727	\$ 411,620
Share-based payments ⁽³⁾	198,100	164,453	279,423	202,380
	\$ 523,884	\$ 336,906	\$ 759,150	\$ 614,000

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

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

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



Corporate Information

Board of Directors

Graham C. Thody, Chairman
Vancouver, British Columbia

Roger M. Lemaitre
President and CEO
Saskatoon, Saskatchewan

Suraj P. Ahuja, Lead Director
Vancouver, British Columbia

Mark P. Eaton
Toronto, Ontario

Emmet A. McGrath
Vancouver, British Columbia

Catherine A. Stretch
Toronto, Ontario

Officers

Roger M. Lemaitre
President, CEO, and interim CFO

Nan Lee
Vice-President, Project Development

Bernard Poznanski
Corporate Secretary

Legal Counsel

Koffman Kalef LLP
19th Floor, 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3H4

Auditors

KPMG LLP
777 Dunsmuir Street
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