



UEX CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(Unaudited – Prepared by Management)

Head office

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UEX CORPORATION

Condensed Interim Consolidated Balance Sheets
As at September 30, 2021 and December 31, 2020
(Unaudited – Expressed in Canadian Dollars)



	Notes	September 30 2021	December 31 2020
Assets			
Current assets			
Cash and cash equivalents	3	\$ 4,688,938	\$ 7,213,551
Amounts receivable	4	234,484	69,628
Prepays and others		78,118	133,904
		5,001,540	7,417,083
Non-current assets			
Deposits		6,817	6,817
Equipment	5	234,484	234,808
Right-of-use asset	6	112,805	147,814
Mineral properties	7	10,875,960	10,874,382
Investment in equity-accounted investee	9	21,001,685	-
Investments	8	533,312	404,375
Total assets		\$ 37,766,603	\$ 19,085,279
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	11	\$ 821,582	\$ 254,569
Lease liability - current	12	49,466	46,609
		871,048	301,178
Non-current liabilities			
Lease liability – long term	12	76,259	113,681
Total liabilities		947,307	414,859
Shareholders' equity			
Share capital	13(b)	234,185,176	213,689,932
Share-based payments reserve		4,638,490	4,177,000
Accumulated other comprehensive income (loss)		126,312	(2,625)
Deficit		(202,130,682)	(199,193,887)
		36,819,296	18,670,420
Total liabilities and shareholders' equity		\$ 37,766,603	\$ 19,085,279
Nature and continuance of operations	1		
Commitments	13(d)		
Contingencies	22		

See accompanying notes to the condensed interim consolidated financial statements.

Approved on behalf of the Board and authorized for issue on November 3, 2021.

“signed”

Roger M. Lemaitre

Director

“signed”

Emmet A. McGrath

Director

UEX CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Three and Nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



	Notes	Three-month period ended September 30		Nine-month period ended September 30	
		2021	2020	2021	2020
Interest income		\$ 3,801	\$ 10,037	\$ 17,080	\$ 31,567
Management fees		9,500	-	9,500	-
Gain on disposal of equipment		-	-	2,500	-
		13,301	10,037	29,080	31,567
Expenses					
Depreciation		16,342	19,850	49,277	59,693
Exploration and evaluation expenditures	17	570,902	623,700	2,181,612	1,814,995
Filing fees and stock exchange		13,358	4,258	83,658	86,511
Financing and interest		9,222	6,143	37,827	22,875
Legal and audit		(147,470)	20,932	216,276	110,760
Maintenance		15,390	8,850	31,607	26,265
Office expenses, net of project surcharges	18	3,046	64,898	172,357	193,724
Salaries, net of project management fees & CEWS	19, 21	51,284	57,935	156,882	196,249
Share-based compensation	13(c)	322,871	70,411	451,200	408,998
Travel and promotion		43,954	4,044	133,367	129,247
Write down of mineral property	7(iv)	-	-	-	2,505
		898,899	881,021	3,514,063	3,051,822
Loss from operations		(885,598)	(870,984)	(3,484,983)	(3,020,255)
Share of loss from equity-accounted investee	9	(303,072)	-	(303,072)	-
Loss before income taxes		(1,188,670)	(870,984)	(3,788,055)	(3,020,255)
Deferred income tax recovery		-	-	-	63,532
Loss for the period		(1,188,670)	(870,984)	(3,788,055)	(2,956,723)
Other comprehensive income (loss)					
Fair value net change on financial assets - FVOCI	8, 15	101,312	201,750	128,937	154,813
Comprehensive loss for the period		\$ (1,087,358)	\$ (669,234)	\$ (3,659,118)	\$ (2,801,910)
Basic and diluted loss per share		(0.002)	(0.002)	(0.008)	(0.007)
Basic and diluted weighted-average number of shares outstanding		476,484,307	406,685,811	461,413,127	400,298,950

See accompanying notes to the condensed interim consolidated financial statements.

UEX CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
For the Nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income (loss)	Deficit	Total
December 31, 2019	394,185,811	\$ 206,534,898	\$ 4,435,905	\$ (181,125)	\$ (196,554,406)	\$ 14,235,272
Loss for the period	-	-	-	-	(2,956,723)	(2,956,723)
Issued pursuant to private placements	12,500,000	2,000,000	-	-	-	2,000,000
Share issuance costs	-	(138,647)	-	-	-	(138,647)
Fair value change in financial assets - FVOCI	-	-	-	154,813	-	154,813
Share-based payment transactions	-	-	464,587	-	-	464,587
Transfer to deficit on cancellation of share purchase options	-	-	(991,149)	-	991,149	-
September 30, 2020	406,685,811	208,396,251	3,909,343	(26,312)	(198,519,980)	13,759,302
Loss for the period	-	-	-	-	(673,907)	(673,907)
Issued pursuant to private placements	45,499,809	6,000,000	-	-	-	6,000,000
Share issuance costs	-	(706,319)	186,569	-	-	(519,750)
Fair value change in financial assets - FVOCI	-	-	-	23,687	-	23,687
Share-based payment transactions	-	-	81,088	-	-	81,088
December 31, 2020	452,185,620	213,689,932	4,177,000	(2,625)	(199,193,887)	18,670,420
Loss for the period	-	-	-	-	(3,788,055)	(3,788,055)
Issued pursuant to private placements	72,950,000	21,155,500	-	-	-	21,155,500
Share issuance costs	-	(2,802,557)	1,286,345	-	-	(1,516,212)
Stock option exercise	4,410,000	1,468,835	(490,585)	-	-	978,250
Warrant exercise	3,281,375	673,466	-	-	-	673,466
Fair value change in financial assets - FVOCI	-	-	-	128,937	-	128,937
Share-based payment transactions	-	-	516,990	-	-	516,990
Transfer to deficit on cancellation and expiry of share purchase options	-	-	(851,260)	-	851,260	-
September 30, 2021	532,826,995	\$ 234,185,176	\$ 4,638,490	\$ 126,312	\$ (202,130,682)	\$ 36,819,296

See accompanying notes to the condensed interim consolidated financial statements.

UEX CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
For the Three and Nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



	Notes	Three-month period ended September 30		Nine-month period ended September 30	
		2021	2020	2021	2020
Cash provided by (used for):					
Operating activities					
Loss for the period		\$ (1,188,670)	\$ (870,984)	\$ (3,788,055)	\$ (2,956,723)
Adjustments for:					
Depreciation		29,822	27,958	89,117	92,826
Deferred income tax recovery		-	-	-	(63,532)
Share of loss from equity-accounted investee		303,072	-	303,072	-
Gain on sale of equipment		-	-	(2,500)	-
Interest income		(3,801)	(10,037)	(17,080)	(31,567)
Interest on lease liabilities	12	2,338	3,391	7,623	11,528
Share-based compensation	13(c)	376,680	85,678	516,990	464,587
Write-off mineral properties	7(iv)	-	-	-	2,505
Changes in:					
Amounts receivable		(254,377)	1,936	(313,141)	(41,228)
Prepaid expenses and deposits		67,344	22,547	55,786	12,219
Accounts payable and other liabilities		401,355	(76,410)	567,013	(585,122)
		(266,237)	(815,921)	(2,581,175)	(3,094,507)
Investing activities					
Interest received		3,224	1,438	21,077	5,952
Lease receivable		-	15,939	-	47,817
Investment in mineral properties		-	-	(1,578)	(3,978)
Investment in equity-accounted investee		(41,660,469)	-	(41,660,469)	-
Purchase of equipment		(35,624)	-	(53,784)	(5,555)
Proceeds from sale of equipment		-	-	2,500	-
		(41,692,869)	17,377	(41,692,254)	44,236
Financing activities					
Lease liability payments	12	(14,175)	(29,608)	(42,188)	(88,823)
Proceeds from short-term loan	10	40,950,000	-	40,950,000	-
Repayment of short-term loan	10	(20,450,000)	-	(20,450,000)	-
Proceeds from common shares issued	13(b)	21,155,500	-	21,155,500	2,000,000
Proceeds from exercise of options	13(c)	471,173	-	978,250	-
Proceeds from exercise of warrants	13(e)	582,656	-	673,466	-
Share issuance costs	13(b)	(1,512,633)	(3,681)	(1,516,212)	(138,647)
		41,182,521	(33,289)	41,748,816	1,772,530
Change in cash and cash equivalents during the period		(776,585)	(881,833)	(2,524,613)	(1,277,741)
Cash and cash equivalents, beginning of period		5,465,523	3,151,602	7,213,551	3,597,510
Cash and cash equivalents, end of period		\$ 4,688,938	\$ 2,319,769	\$ 4,688,938	\$ 2,319,769
Supplementary information					
<u>Non-cash transactions</u>	<u>Notes</u>				
Decrease in other liabilities due to extinguishment of flow-through premium on renouncement		-	-	-	(63,532)
Settlement of short-term loan through sale of equity investment	10	(20,500,000)	-	(20,500,000)	-
Non-cash share-based compensation included in exploration and evaluation expenditures	17	53,809	15,267	65,790	55,589
Depreciation included in exploration and evaluation expenditures	17	13,479	8,108	39,840	33,133

See accompanying notes to the condensed interim consolidated financial statements.

UEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



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 evaluation of its mineral properties located in the province of Saskatchewan. The Company’s shares are listed on the Toronto Stock Exchange under the symbol UEX. The home office and principal address is located at 2465 Berton Place, North Vancouver, BC V7H 2W9, with the regional office located at Unit 200 – 3530 Millar Avenue, Saskatoon, Saskatchewan, Canada S7P 0B6. The Company’s registered office is 885 West Georgia Street, 19th Floor, Vancouver, British Columbia, Canada V6C 3H4.

The Company is exploring and evaluating 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 programs 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 for its mineral properties as at September 30, 2021 and has concluded that there are no indicators of impairment.

The Company has sufficient financial resources for exploration, evaluation, and administrative costs for at least, but not limited to, twelve months from the end of the reporting period. The Company will require additional financing from time to time 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. As at September 30, 2021, the Company had working capital of \$4.1 million of which \$2.0 million is committed to be spent on qualifying expenditures to satisfy flow-through share requirements, leaving \$2.1 million to finance operating activities through the next twelve months and beyond.

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and capital markets are not known at this time.

2. Significant accounting policies

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparative figures have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”) and do not include all of the information required for full annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s annual 2020 audited consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These unaudited condensed interim consolidated financial statements of UEX Corporation were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 3, 2021.

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



2. Significant accounting policies (continued)

(b) Functional and presentation currency

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

(c) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company, its subsidiary, CoEX Metals Corporation, and its joint venture interest, JCU (Canada) Exploration Company, Limited ("JCU").

Subsidiaries

Subsidiaries are entities controlled by the Company. Control is having power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation.

Joint arrangements

Joint arrangements can take the form of a joint operation or a joint venture, both involving a contractual agreement that establishes joint control.

A joint venture is a joint arrangement whereby the parties have joint control over the arrangement and have rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method of accounting. They are initially recorded at cost, which includes transaction costs. Subsequent to initial recognition, the Company's proportionate interest in the assets, liabilities, revenues, and expenses of jointly controlled entities are recognized on a single line in the consolidated statements of financial position and earnings. The share of joint venture results is recognized in the Company's consolidated financial statements from the date that joint control commenced until the date at which it ceases.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated financial statements of the Company would include its share of the assets and liabilities in such joint operations, as well as its share of the revenues and expenses arising from those joint operations, measured in accordance with the terms of each arrangement.

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Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited – Expressed in Canadian Dollars)



2. Significant accounting policies (continued)

(d) Use of estimates and judgments

The preparation of unaudited condensed interim consolidated financial statements requires management to make accounting estimates and assumptions requiring judgment in applying the Company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of these unaudited condensed interim consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual amounts may differ from such estimates. In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's financial statements as at and for the year ended December 31, 2020.

(e) Significant accounting policies

The accounting policies applied by the Company in these unaudited condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended December 31, 2020.

There are no new standards not yet adopted that are expected to have a material impact on the Company's financial statements.

(f) Reclassification of Comparative Period Presentation

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

3. Cash and cash equivalents

	September 30 2021	December 31 2020
Cash	\$ 3,770,129	\$ 6,653,551
Short-term deposits	918,809	560,000
	\$ 4,688,938	\$ 7,213,551

At September 30, 2021, \$1,967,317 (December 31, 2020 - \$3,757,154) of the Company's cash and cash equivalents is to be spent on qualifying exploration expenditures to satisfy the Company's flow-through share commitments (Note 13(d)).

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



4. Amounts receivable

	September 30 2021	December 31 2020
Amounts receivable from a related party (Note 20)	\$ 156,497	\$ -
Interest receivable	218	4,216
Goods and services tax receivable	56,751	47,714
Canadian Emergency Wage Subsidy receivable (Note 21)	21,018	17,698
	\$ 234,484	\$ 69,628

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

5. Equipment

	Exploration camp	Exploration equipment	Computing equipment	Furniture and fixtures	Total
Cost					
Balance at December 31, 2019	\$ 87,819	\$ 490,128	\$ 336,169	\$ 91,908	\$ 1,006,024
Additions	162,844	-	573	-	163,417
Disposals	-	-	(59,411)	(4,308)	(63,719)
Balance at December 31, 2020	250,663	490,128	277,331	87,600	1,105,722
Additions	34,342	9,083	10,359	-	53,784
Disposals	-	(5,912)	(1,001)	-	(6,913)
Balance at September 30, 2021	\$ 285,005	\$ 493,299	\$ 286,689	\$ 87,600	\$ 1,152,593
Accumulated depreciation					
Balance at December 31, 2019	\$ 70,656	\$ 456,339	\$ 258,658	\$ 74,697	\$ 860,350
Depreciation	8,780	16,392	34,493	14,618	74,283
Disposals	-	-	(59,411)	(4,308)	(63,719)
Balance at December 31, 2020	79,436	472,731	233,740	85,007	870,914
Depreciation	26,118	7,959	18,100	1,931	54,108
Disposals	-	(5,912)	(1,001)	-	(6,913)
Balance at September 30, 2021	\$ 105,554	\$ 474,778	\$ 250,839	\$ 86,938	\$ 918,109
Net book value					
Balance at December 31, 2020	\$ 171,227	\$ 17,397	\$ 43,591	\$ 2,593	\$ 234,808
Balance at September 30, 2021	\$ 179,451	\$ 18,521	\$ 35,850	\$ 662	\$ 234,484

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For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



6. Right-of-use asset

	Office
Balance at December 31, 2019	\$ 194,492
Depreciation	(46,678)
Balance at December 31, 2020	147,814
Depreciation	(35,009)
Balance at September 30, 2021	\$ 112,805

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

7. Mineral properties

Exploration and evaluation assets – acquisition costs

	Hidden Bay (i)	Horseshoe- Raven (ii)	West Bear (iii)	Black Lake (vi)	Christie Lake (viii)	Other (iv)	Total
Balance at December 31, 2019	\$ 3,692,310	\$ 351,351	\$ 444,345	\$ 359,385	\$ 6,000,000	\$ 25,518	\$ 10,872,909
Additions	-	-	600	-	-	3,378	3,978
Impairment charge for the year	-	-	-	-	-	(2,505)	(2,505)
Balance at December 31, 2020	3,692,310	351,351	444,945	359,385	6,000,000	26,391	10,874,382
Additions	-	-	1,578	-	-	-	1,578
Balance at September 30, 2021	\$ 3,692,310	\$ 351,351	\$ 446,523	\$ 359,385	\$ 6,000,000	\$ 26,391	\$ 10,875,960

Project ownership interest stated in this note reflects only the Company's direct ownership interest.

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

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

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



7. Mineral properties (continued)

Exploration and evaluation assets (continued)

100% owned projects

(i) Hidden Bay Project

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

(ii) Horseshoe-Raven Project

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

(iii) West Bear Project

The West Bear Project lands host the West Bear Cobalt-Nickel Deposit and the West Bear Uranium Deposit and are 100% owned by UEX, with the exception of Mineral Lease 5424 which is a joint arrangement between UEX (77.961%), Empresa Nacional Del Uranio S.A. (7.548%), Nordostschweizerische Kraftwerke A.G. (7.548%) and Encana (6.944%).

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

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

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

In February 2021, UEX staked one claim immediately south of, and adjacent to, West Bear which now have been incorporated into the project.

(iv) Other Projects

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

The Christie West Project is comprised of two claims adjacent to the Christie Lake Project. An ownership position in these claims was offered to JCU, who elected not to participate in these two claims.

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

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

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



7. Mineral properties (continued)

Exploration and evaluation assets (continued)

100% owned projects (continued)

(iv) Other Projects (continued)

The Company holds a 100% interest in the Riou Lake Project located in the northern Athabasca Basin. Original mineral property acquisition costs associated with the Riou Lake Project were written off due to a lack of ongoing exploration activity. UEX continues to maintain several Riou Lake claims in good standing, with nominal re-staking fees for Riou Lake included in mineral property costs. In April 2020 UEX decided to let four Riou Lake claims lapse and wrote off the cost of staking (2020 - \$2,505). In June 2020, UEX re-staked some of the lands that expired in April 2020. A total of 8 claims were acquired.

Also included in these acquisition costs are nominal staking fees for claims that were incorporated into the Western Athabasca Projects.

Joint operations

UEX is party to the following joint arrangements ⁽¹⁾:

<u>Ownership interest (%)</u>	September 30, 2021 and December 31, 2020				
	UEX	Orano	JCU	ALX	Total
<i>Beatty River</i>	22.0444	56.5303	21.4253	-	100.0000
<i>Black Lake</i>	51.4260	8.574	-	40.0000	100.0000
<i>Christie Lake</i>	65.5492	-	34.4508	-	100.0000
<i>Western Athabasca</i>					
<i>Alexandra</i>	21.0482	78.9518	-	-	100.0000
<i>Brander</i>	49.0975	50.9025	-	-	100.0000
<i>Erica</i>	49.0975	50.9025	-	-	100.0000
<i>Laurie</i>	32.9876	67.0124	-	-	100.0000
<i>Mirror River</i>	32.3354	67.6646	-	-	100.0000
<i>Nikita</i>	12.7151	87.2849	-	-	100.0000
<i>Shea Creek</i>	49.0975	50.9025	-	-	100.0000
<i>Uchrich</i>	30.4799	69.5201	-	-	100.0000

⁽¹⁾ Effective August 3, 2021, the Company has a 50% interest in JCU. See Note 9.

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)



7. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Western Athabasca Projects

The Projects, located in the western Athabasca Basin, which include the Kianna, Anne, Colette and 58B Deposits located at the Shea Creek Project, are eight joint ventures with the Company holding an approximate 49.1% interest and Orano holding an approximate 50.9% interest in all projects as at September 30, 2021 and December 31, 2020, except for:

- the Alexandra Project, where the Company has an approximate 21.0% interest as at September 30, 2021 and December 31, 2020;
- the Laurie Project, where the Company has an approximate 33.0% interest as at September 30, 2021 and December 31, 2020;
- the Mirror River Project, where the Company has an approximate 32.3% interest as at September 30, 2021 and December 31, 2020;
- the Nikita Project where the Company has an approximate 12.7% interest as at September 30, 2021 and December 31, 2020; and
- the Uchrich Project where the Company has an approximate 30.5% interest as at September 30, 2021 and December 31, 2020.

In 2020, Orano completed exploration programs on the Alexandra and Nikita Projects; UEX chose not to participate in these programs and as a result, diluted our interest.

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

The Company has expensed \$65 million on the Western Athabasca Projects since 2004, including \$54 million on Shea Creek, which contains significant mineral resources (see Note 17 *Exploration and evaluation expenditures*). Although acquisition costs associated with the Western Athabasca Projects were previously written off, UEX has no intention to abandon these projects.

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7. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(vi) Black Lake Project

The Black Lake Project (“Black Lake”), located in the northern Athabasca Basin, is a joint venture with the Company holding a 51.4% interest and Orano holding a 8.6% interest, and ALX Resources Corp. (“ALX”) holding a 40% interest as at September 30, 2021 and December 31, 2020.

On September 5, 2017, ALX and UEX entered into an Option Agreement. On June 20, 2018, ALX fulfilled Stage 1 of the Option Agreement and earned a 40% interest in the project by completing \$1.0 million in exploration work on the project and issuing to UEX 5,000,000 common shares of ALX.

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

(vii) Beatty River Project

The Company has a 22.0% interest in the Beatty River Project, which is located in the western Athabasca Basin. Orano is the operator of this project. Although acquisition costs associated with the Beatty River Project were previously written off, UEX has no intention to abandon this project.

(viii) Christie Lake Project

UEX is the operator of this project located in the eastern Athabasca Basin. Per the Christie Lake Option Agreement (“Option Agreement”), the Company earned a 60% interest in the Christie Lake Project by making \$6.0 million in cash payments and completing \$10.0 million in exploration work. On November 13, 2018 the Option Agreement was terminated and replaced with the Joint Venture Agreement, thus UEX is no longer eligible to increase its interest in the Christie Lake Project to 70% under the provisions of the prior Option agreement.

UEX completed its exploration program for 2020, in which JCU chose not to participate. Per the Joint Venture Agreement, UEX’s direct interest increased to 65.5% and JCU’s interest diluted to 34.5%.

In 2021, UEX proposed a budget of \$2.0 million, in which JCU has chosen to participate.

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8. Investments

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

Investments	September 30 2021	December 31 2020
Common shares held – Vanadian ⁽¹⁾ (TSX.V: VEC) (see Note 15)	\$ 8,312	\$ 4,375
Common shares held – ALX ⁽²⁾ (TSX.V: AL) (see Note 15)	525,000	400,000
	\$ 533,312	\$ 404,375

⁽²⁾ 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.

⁽³⁾ The initial fair value of the shares was \$400,000 based on the market closing price on June 14, 2018 (\$0.08 per share), the date the shares were issued.

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

9. Equity-accounted investee

On August 3, 2021, the Company acquired 100% of the shares of JCU from Overseas Uranium Resources Development Co., Ltd. for \$41.0 million. On August 3, 2021, the Company sold 50% of the JCU shares to Denison Mines Corp. (“Denison”) for \$20.5 million. Prior to the transaction, on August 3, 2021, the Company and Denison entered into a three-month, interest-free, Term Loan for \$40.95 million to facilitate the Company’s purchase of 100% of the shares of JCU, \$20.5 million of which was retired upon the Company transferring 50% of the JCU shares to Denison. The remaining \$20.45 million of the Term Loan was repaid on September 17, 2021.

The Company’s participation in JCU is a joint venture, therefore the Company accounts for the joint venture on an equity basis.

The consideration for the asset acquisition of JCU on August 3, 2021 (100% basis) was allocated to the assets and liabilities as follows:

Cash and cash equivalents	\$	5,823,808
Other current assets		1,619
Non-current assets		35,355,252
Current liabilities		(180,679)
Non-current liabilities		-
	\$	41,000,000

JCU is a private Canadian company engaged in the exploration and development of uranium assets in Canada. It has partnerships and interests in 12 uranium exploration and development projects in the Athabasca Basin and Nunavut, including ownership interests in Denison’s Wheeler River Project (10.0%), Cameco’s Millennium Project (33.1%), Orano’s Kiggavik Project (33.8%), and UEX’s Christie Lake Project (34.5%).

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9. Equity-accounted investee (continued)

The following tables summarize the financial information of JCU and reconciles the summarized financial information to the carrying amount of UEX's interest in JCU:

	September 30 2021 (100% basis)	UEX's non- ownership interest (50%)	Consolidating adjustments ⁽¹⁾	Carrying amount in the statement of financial position
Cash and cash equivalents	\$ 5,643,128	(2,821,564)	-	2,821,564
Other current assets	5,971	(2,985)	-	2,986
Non-current assets	21,822,854	(10,911,427)	7,570,956	18,482,383
Current liabilities	(610,496)	305,248	-	(305,248)
Non-current liabilities	(34,459,959)	17,229,979	17,229,980	-
Total	\$ (7,598,502)	3,799,251	24,800,936	21,001,685

⁽¹⁾ The Company records certain consolidating adjustments to allocate the purchase price and acquisition costs, eliminate unrealized profit, and align accounting treatment of mineral property exploration and evaluation costs.

A summary of the investment in JCU is as follows:

	Number of shares	Value
Balance, December 31, 2020	-	\$ -
Purchase of 100% of JCU shares	69,663	41,000,000
Sale of 50% of JCU shares	(34,831)	(20,500,000)
Acquisition costs	-	660,469
Share of equity loss	-	(303,072)
Consolidating adjustments	-	144,288
Balance, September 30, 2021	34,832	\$ 21,001,685

A summary of UEX's share of loss from JCU is as follows:

	For the period from August 3, 2021 to September 30, 2021
Interest income	\$ 1,574
Net loss	(75,290)
Consolidating adjustments ⁽¹⁾	(530,854)
	(606,144)
UEX's 50% share of net loss	(303,072)

UEX CORPORATION

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10. Loans and Borrowings

	Carrying amount
Balance at January 1, 2021	\$ -
New issue – Term loan ⁽¹⁾	40,950,000
Repayment – Cash settled ⁽¹⁾	(20,450,000)
Repayment – Non-cash settled ⁽¹⁾	(20,500,000)
Balance at September 30, 2021	\$ -

⁽¹⁾ See Note 9 for details of Term Loan

11. Accounts payable and other liabilities

	September 30 2021	December 31 2020
Trade payables	\$ 344,852	\$ 204,499
Other liabilities	476,730	50,070
	\$ 821,582	\$ 254,569

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

12. Lease liability

The Company has an obligation under lease for its Saskatoon office which expires in February 2024.

	September 30 2021	December 31 2020
Current	\$ 49,466	\$ 46,609
Non-current	76,259	113,681
	\$ 125,725	\$ 160,290

The following table presents the contractual undiscounted cash flows for lease obligations as at September 30, 2021:

	September 30 2021
2021	\$ 14,175
2022	56,700
2023 and beyond	66,150

Interest expense on lease obligations for the three-month period ended September 30, 2021 was \$2,338 (2020 - \$3,391). Total cash outflow for leases was \$14,175 (2020 - \$29,608), including \$11,837 of principal payments on lease liabilities (2020 - \$26,216).

Interest expense on lease obligations for the nine-month period ended September 30, 2021 was \$7,623 (2020 - \$11,528). Total cash outflow for leases was \$42,188 (2020 - \$88,823), including \$34,565 of principal payments on lease liabilities (2020 - \$77,295).

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13. Share capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of (no par value) preferred shares issuable in series, of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares. As of September 30, 2021, no preferred shares have been issued.

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 2019	394,185,811	\$ 206,534,898
Issued pursuant to private placement	57,999,809	8,000,000
Share issuance costs	-	(844,966)
Balance, December 31, 2020	452,185,620	213,689,932
Issued pursuant to private placement	72,950,000	21,155,500
Issued pursuant to option exercise	4,410,000	1,468,835
Issued pursuant to warrant exercise	3,281,375	673,466
Share issuance costs	-	(2,802,557)
Balance, September 30, 2021	532,826,995	\$ 234,185,176

On September 7, 2021, the Company completed a private placement of 72,950,000 units at a price of \$0.29 per unit, for gross proceeds of \$21,155,500. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.40 until September 7, 2024.

Total share issuance costs of \$2,802,557 included agents' cash commissions of \$1,269,330 equal to 6% of the gross proceeds of the financing, other issuance costs of \$246,882 and the fair value of the broker warrants of \$1,286,345. The agents received 4,377,000 broker warrants equal to 6% of the total number of units sold. Each broker warrant is exercisable for a common share of the Company until September 7, 2024 at a price of \$0.29 per common share. The weighted average assumptions used for the Black-Scholes valuation of the warrants were annualized volatility of 72.35%, risk-free interest rate of 0.49%, expected life of 3.0 years and a dividend rate of Nil.

On December 2, 2020, the Company completed a private placement of 18,498,665 units at a price of \$0.12 per unit and 27,001,144 flow-through common shares at a price of \$0.14 per common share, for gross proceeds of \$6,000,000. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.18 until June 2, 2023.

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13. Share capital (continued)

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

Total share issuance costs of \$706,319 included agents' cash commissions of \$341,040 equal to approximately 6% of the gross proceeds of the financing, other issuance cost of \$178,710 and the fair value of the broker warrants of \$186,569. The agents received 2,581,631 broker warrants equal to approximately 6% of the total number of units and flow-through common shares sold. Each broker warrant is exercisable for a common share of the Company until June 2, 2023 at a price of \$0.13 per common share. The weighted average assumptions used for the Black-Scholes valuation of the warrants were annualized volatility of 63.32%, risk-free interest rate of 0.29%, expected life of 2.5 years and a dividend rate of Nil.

No commission was paid nor brokers' warrants issued on a portion of the financing made to president's list subscribers. As the market price of the Company's common shares on the date of issuance exceeded the flow-through issuance price, no flow-through share premium liability was recorded in 2020.

On May 20, 2020, the Company completed a private placement of 12,500,000 units at a price of \$0.16 per unit, for gross proceeds of \$2,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.21 until May 20, 2023. Share issuance costs totaled \$138,647, inclusive of agent commissions of \$67,140.

(c) Share-based compensation

Stock Option Plan

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

A summary of the status of the Company's share-based compensation plan as at September 30, 2021 and December 31, 2020 and changes during the periods ended on these dates is presented below:

	Number of share purchase options	Weighted-average exercise price
Outstanding, December 31, 2019	28,217,000	\$ 0.30
Granted	6,600,000	0.126
Cancelled	(425,000)	0.22
Expired	(3,750,000)	0.45
Outstanding, December 31, 2020	30,642,000	\$ 0.25
Granted	3,750,000	0.46
Exercised	(4,410,000)	0.22
Expired	(1,407,000)	0.96
Outstanding, September 30, 2021	28,575,000	\$ 0.25

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13. Share capital (continued)

(c) Share-based compensation (continued)

For the nine-month period ended September 30, 2021, 4,410,000 share purchase options were exercised regularly with a weighted average exercise price of \$0.22 for gross proceeds of \$978,250.

Additional information regarding share purchase options outstanding as at September 30, 2021 is 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
\$ 0.125 – 0.41	23,525,000	\$ 0.19	4.21	21,375,000	\$ 0.20
0.42 – 0.60	5,050,000	0.50	3.85	2,550,000	0.53
	28,575,000	\$ 0.25	4.14	23,925,000	\$ 0.23

The estimated fair value expense of all share purchase options vested during the three-month period ended September 30, 2021 is \$349,599 (2020 - \$85,678). The amount included in exploration and evaluation expenditures for the three months ended September 30, 2021 is \$53,809 (2020 - \$15,267) and the remaining \$295,790 (2020 - \$70,411) was expensed to share-based compensation.

The estimated fair value expense of all share purchase options vested during the nine-month period ended September 30, 2021 is \$489,909 (2020 - \$464,587). The amount included in exploration and evaluation expenditures for the nine months ended September 30, 2021 is \$65,790 (2020 - \$55,589) and the remaining \$424,119 (2020 - \$408,998) was expensed to share-based compensation.

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

	September 30 2021	September 30 2020
Number of options granted	3,750,000	6,600,000
Expected forfeiture rate	0%	0%
Weighted-average grant date share price	\$0.46	\$0.126
Expected volatility	63.76%	60.72%
Risk-free interest rate	0.64%	0.37%
Dividend yield	0.00%	0.00%
Expected life	5.00 years	7.00 years
Weighted-average grant date fair value	\$0.22	\$0.07

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13. Share capital (continued)

(c) Share-based compensation (continued)

Restricted Share Unit Plan

During 2020 the Board of Directors and UEX shareholders approved a Restricted Share Unit (“RSU”) Plan. Pursuant to the RSU Plan, the Board may grant to eligible participants awards under the RSU Plan, with each award granted entitling an eligible participant to receive one RSU. Each RSU represents the right of an eligible participant to receive one common share. The aggregate maximum number of common shares that may be issued pursuant to the RSU Plan is limited to 6,000,000 common shares. The RSU’s shall vest at such time or times as may be determined by the Board of Directors.

As at September 30, 2021, 693,478 awards have been granted under the RSU Plan, to vest equally over three years on December 31, 2021, 2022, and 2023. The estimated fair value expense for the three and nine months ended September 30, 2021 of the RSUs was \$27,081 and was included in share-based compensation expense. The fair value of the RSUs granted this period was determined using the closing trading price of the Company’s shares on the grant date.

In addition, the aggregate number of common shares that may be reserved for issuance under the RSU Plan on the grant of awards, together with any other securities based compensation arrangements of the Company in effect, including the Stock Option Plan, shall not exceed 10% of the issued and outstanding common shares of the Company. The 693,478 RSUs and 28,575,000 stock options outstanding as of September 30, 2021 represent 0.13% and 5.36%, respectively, of the Company’s issued and outstanding common shares. The aggregate number of stock options and RSUs available for grant as of September 30, 2021 is 24,014,222, representing 4.51% of the Company’s issued and outstanding common shares.

(d) Flow-through shares

The Company has financed a portion of its exploration programs through the use of flow-through share issuances. Income tax deductions relating to these expenditures are claimable by the investors and not by the Company.

As at September 30, 2021, the Company had spent \$1,812,843 of the \$3,780,160 flow-through funds raised in the December 2, 2020 private placement. The Company renounced the income tax benefit of the private placement to its subscribers effective December 31, 2020. The Company incurred \$27,260 in Part XII.6 tax on unspent amounts for the nine-month period ended September 30, 2021 (2020 - \$8,517), which has been accounted for under financing and interest expense.

As at December 31, 2020, the Company had spent all of the \$1,600,000 flow-through funds raised in the November 29, 2019 private placement. The Company renounced the income tax benefit of the private placement to its subscribers effective December 31, 2019 and paid the Part XII.6 tax of \$7,806 in the first quarter of 2021 relating to this placement.

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13. 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, 2019	15,999,994	\$ 0.42
Issued pursuant to private placements in 2020	18,080,963	0.18
Expired	(15,999,994)	0.42
Balance, December 31, 2020	18,080,963	0.18
Issued pursuant to private placements in 2021	40,852,000	0.39
Exercised	(3,281,375)	0.21
Balance, September 30, 2021	55,651,588	\$ 0.33

As at September 30, 2021 the Company's outstanding share purchase warrants had expiry dates and exercise prices as follows:

Expiry Date for Warrants	Number of Warrants	Exercise Price
May 20, 2023	3,571,875	\$ 0.21
June 2, 2023	8,657,332	0.18
June 2, 2023	2,581,631	0.13
September 7, 2024	36,463,750	0.40
September 7, 2024	4,377,000	0.29
Balance, September 30, 2021	55,651,588	\$ 0.33

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

For the nine-month period ended September 30, 2021, 3,281,375 warrants were exercised regularly with a weighted average exercise price of \$0.21 for gross proceeds of \$673,466.

14. Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation programs on its mineral properties. The Company manages its capital structure, consisting of shareholders' equity, and makes adjustments to it, based on funds available to the Company, in order to support the exploration and evaluation of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements. The Company has not changed its approach to capital management during the current period and is not subject to any external capital restrictions.

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15. Management of financial risk

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

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

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

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

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

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

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

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

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15. Management of financial risk (continued)

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

Investments – as at December 31, 2020	Level 1	Level 2	Level 3	Total
Shares – Vanadian (TSX-V: VEC)	\$ 4,375	\$ -	\$ -	\$ 4,375
Shares – ALX (TSX-V: AL)	400,000	-	-	400,000
	\$ 404,375	\$ -	\$ -	\$ 404,375

Investments – as at September 30, 2021	Level 1	Level 2	Level 3	Total
Shares – Vanadian (TSX-V: VEC)	\$ 8,312	\$ -	\$ -	\$ 8,312
Shares – ALX (TSX-V: AL)	525,000	-	-	525,000
	\$ 533,312	\$ -	\$ -	\$ 533,312

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, 2019	5,087,500		\$ 225,875
Gains (losses) for the three months ended March 31, 2020		\$ (74,562)	
Gains (losses) for the three months ended June 30, 2020		27,625	
Gains (losses) for the three months ended September 30, 2020		201,750	
Gains (losses) for the three months ended December 31, 2020		<u>23,687</u>	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – year ended December 31, 2020		\$ 178,500	178,500
Balance, December 31, 2020	5,087,500		\$ 404,375
Gains (losses) for the three months ended March 31, 2021		\$ 27,188	
Gains (losses) for the three months ended June 30, 2021		437	
Gains (losses) for the three months ended September 30, 2021		<u>101,312</u>	
Changes in fair value – total unrealized gain (loss) on financial assets at FVOCI (shares) – period ended September 30, 2021		\$ 128,937	128,937
Balance, September 30, 2021	5,087,500		\$ 533,312

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.

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17. Exploration and evaluation expenditures

Exploration and evaluation expenditures for the three months ended September 30, 2021:

Project	2020			2021		
	Cumulative ⁽¹⁾ to June 30, 2020	Expenditures in the period	Cumulative to September 30, 2020	Cumulative to June 30, 2021	Expenditures in the period	Cumulative to September 30, 2021
Beatty River	\$ 876,877	\$ 184	\$ 877,061	\$ 877,061	\$ -	\$ 877,061
Black Lake	14,490,256	-	14,490,256	14,498,484	-	14,498,484
Christie Lake	13,444,406	584,995	14,029,401	14,179,446	396,529	14,575,975
Hidden Bay	34,405,989	15,424	34,421,413	34,999,582	7,488	35,007,070
Horseshoe-Raven	41,826,371	-	41,826,371	41,876,429	53,795	41,930,224
Other ⁽²⁾	41,144	7,699	48,843	53,077	78,184	131,261
West Bear Co-Ni	6,546,229	8,244	6,554,473	7,714,439	34,906	7,749,345
<u>Western Athabasca</u>						
Shea Creek	54,328,542	1,321	54,329,863	54,344,746	-	54,344,746
Other WAJV	10,923,392	5,833	10,929,225	10,929,302	-	10,929,302
All Projects Total	\$ 176,883,206	\$ 623,700	\$ 177,506,906	\$ 179,472,566	\$ 570,902	\$ 180,043,468

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

⁽²⁾ Other projects include: Axis Lake, Christie West, Key West, and Riou Lake.

Exploration and evaluation expenditures for the nine months ended September 30, 2021:

Project	2020			2021		
	Cumulative ⁽¹⁾ to December 31, 2019	Expenditures in the period	Cumulative to September 30 2020	Cumulative to December 31, 2020	Expenditures in the period	Cumulative to September 30, 2021
Beatty River	\$ 876,877	\$ 184	\$ 877,061	\$ 877,061	\$ -	\$ 877,061
Black Lake	14,490,256	-	14,490,256	14,498,484	-	14,498,484
Christie Lake	13,132,095	897,306	14,029,401	14,111,375	464,600	14,575,975
Hidden Bay	34,355,753	65,660	34,421,413	34,447,390	559,680	35,007,070
Horseshoe-Raven	41,825,417	954	41,826,371	41,826,371	103,853	41,930,224
Other projects ⁽²⁾	13,960	34,883	48,843	48,843	82,418	131,261
West Bear Co-Ni	5,824,985	729,488	6,554,473	6,784,641	964,704	7,749,345
<u>Western Athabasca</u>						
Shea Creek	54,268,480	61,383	54,329,863	54,338,389	6,357	54,344,746
Other WAJV	10,904,088	25,137	10,929,225	10,929,302	-	10,929,302
All Projects Total	\$ 175,691,911	\$ 1,814,995	\$ 177,506,906	\$ 177,861,856	\$ 2,181,612	\$ 180,043,468

⁽³⁾ Exploration and evaluation expenditures have been presented on a cumulative basis from July 17, 2002.

⁽⁴⁾ Other projects include: Axis Lake, Christie West, Key West, and Riou Lake.

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17. Exploration and evaluation expenditures (continued)

Exploration and evaluation expenditures for the period ended September 30, 2021 and 2020 include the following expenditures:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Depreciation	\$ 13,479	\$ 8,108	\$ 39,840	\$ 33,133
Share-based compensation (Note 13 (c))	53,809	15,267	65,790	55,589
Project management fee (Note 19)	57,307	52,897	147,457	150,259
Project surcharge (Note 18)	31,125	22,563	94,450	77,518
	\$ 155,720	\$ 98,835	\$ 347,537	\$ 316,499

18. Office expenses

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Insurance	\$ 17,331	\$ 15,958	\$ 49,872	\$ 44,733
Office supplies and consulting	7,272	61,924	186,715	197,977
Rent	4,725	5,063	15,188	15,188
Telephone	1,441	2,135	4,376	5,046
Utilities	3,402	2,381	10,656	8,298
Project surcharge (Note 17)	(31,125)	(25,563)	(94,450)	(77,518)
	\$ 3,046	\$ 64,898	\$ 172,357	\$ 193,724

19. Salaries, net of project management fees

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Gross salaries	\$ 180,569	\$ 226,352	\$ 537,338	\$ 614,274
Canadian Emergency Wage Subsidy (Note 21)	(71,978)	(115,520)	(232,999)	(267,766)
Non-cash management fee offset (Note 18):				
Christie Lake – 10%	(55,085)	(52,191)	(61,250)	(80,061)
West Bear Project – 10%	(2,222)	(706)	(86,207)	(70,198)
	\$ 51,284	\$ 57,935	\$ 156,882	\$ 196,249

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

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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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Cameco group of companies ⁽¹⁾	\$ -	\$ 2,308	\$ 622	\$ 3,363
Management advisory board share-based payments ⁽²⁾	18,469	6,750	23,283	9,339
	\$ 18,469	\$ 9,058	\$ 23,905	\$ 12,702

⁽¹⁾ Payments related to fees paid for equipment repairs.

⁽²⁾ Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 13(c).

Related party transactions include the following recoveries of expenditures which were receivable from parties other than key management personnel:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
JCU (Canada) Exploration Company Ltd ⁽³⁾	\$ 156,497	\$ -	\$ 156,497	\$ -
	\$ 156,497	\$ -	\$ 156,497	\$ -

⁽³⁾ JCU is 50% owned by UEX; receipts and receivables above reflect the UEX owned portion of recoveries. Recoveries of expenditures relate to JCU's participation in the Christie Lake joint venture, recovery of administrative costs associated with acquisition of JCU, and fees related to the management of JCU.

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20. Related party transactions (continued)

(b) Key management personnel compensation

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

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Salaries and short-term employee benefits ⁽¹⁾⁽²⁾⁽⁵⁾	\$ 310,791	\$ 109,183	\$ 593,625	\$ 331,509
Share-based payments ⁽³⁾	106,527	63,784	217,361	358,352
Other compensation ⁽¹⁾⁽⁴⁾	53,164	54,716	158,433	166,862
	\$ 470,482	\$ 227,683	\$ 969,419	\$ 856,723

- (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 Company for any reason other than as a result of a change of control, death or termination for cause, the Company will pay a termination amount equal to one year's base salary plus any bonus owing. All other employee related benefits will continue for a period of one year following such termination. Mr. Lemaitre may also terminate the employment agreement upon three months' written notice to the Board and receive a lump sum payment equal to his base salary plus benefits for three months.
- (3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 13(c).
- (4) Represents payments to Evelyn Abbott for CFO services rendered to the Company. In the event that Ms. Abbott's consulting agreement is terminated by the Company for any reason other than as a result of a change of control, death or termination for cause, the Company will pay a termination amount equal to one year's base fee plus any bonus owing. Ms. Abbott may also terminate the consulting agreement upon two months' written notice to the Board.
- (5) Salaries and short-term employee benefits disclosed are gross amounts paid and does not include the reduction for the Canadian Emergency Wage Subsidy (Note 21).

21. Government Assistance

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

During the period ended September 30, 2021, the Company assessed its eligibility related to CEWS and determined it has qualified for this subsidy from the January 1, 2021 through to September 25, 2021. It has accordingly applied for and received \$211,981 for the period ended August 28, 2021 (2020 - \$201,591 for the period ended August 1, 2020), and has applied for additional periods ended September 25, 2021 and recorded a receivable of \$21,018 for the period August 29, 2021 through to September 25, 2021 (2020 - \$66,175 for the period August 2, 2020 through to September 26, 2020) (Note 4). This subsidy has been recorded as a reduction to the eligible remuneration expense incurred by the Company during this period. Government assistance related to an expense has been recognized as a reduction of related expense for which the grant is intended to compensate. The Company intends to apply for the CEWS in subsequent application periods, subject to continuing to meet the applicable qualification criteria.

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

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22. Contingencies

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



Corporate Information

Board of Directors

Graham C. Thody, Chairman
North Vancouver, British Columbia

Roger M. Lemaitre
President and CEO
Warman, Saskatchewan

Suraj P. Ahuja
West Vancouver, British Columbia

Peter J. Netupsky
Toronto, Ontario

Emmet A. McGrath
Burnaby, British Columbia

Catherine A. Stretch
Toronto, Ontario

Officers

Roger M. Lemaitre
President and CEO

Evelyn Abbott
CFO

Bernard Poznanski
Corporate Secretary

Legal Counsel

Koffman Kalef LLP
19th Floor, 885 West Georgia Street
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Auditors

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