
U308 CORP.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2017
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of U308 Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

A **Green** Resource Company

U308 CORP

U308 Corp.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at June 30, 2017	As at December 31, 2016
ASSETS		
Current assets		
Cash	\$ 81,148	\$ 124,387
Amounts receivable and other assets (note 6)	30,929	56,252
Total current assets	112,077	180,639
Non-current assets		
Equipment (note 4)	52,604	58,449
South American property interests (note 15)	2,807,660	2,807,660
Total non-current assets	2,860,264	2,866,109
Total assets	\$ 2,972,341	\$ 3,046,748
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (note 7)	\$ 1,072,667	\$ 1,029,711
	1,072,667	1,029,711
Non-current liabilities		
Other payable	176,000	176,000
	1,248,667	1,205,711
Equity		
Share capital (note 5)	94,456,792	93,274,023
Reserves	7,151,143	7,536,240
Deficit	(99,884,261)	(98,969,226)
Total equity	1,723,674	1,841,037
Total equity and liabilities	\$ 2,972,341	\$ 3,046,748

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Going concern (note 2)
Subsequent events (note 16)

Approved by the Board of Directors:

"David Franklin" _____ Director

"David Constable" _____ Director

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Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Expenses				
Exploration and evaluation expenditures (note 10)	\$ 161,709	\$ 228,377	\$ 471,786	\$ 369,801
General and administrative (note 11)	230,106	206,827	441,360	354,379
	(391,815)	(435,204)	(913,146)	(724,180)
Other items				
Interest (expense) income	-	(1,250)	-	3,633
Foreign exchange gain (loss)	15,754	3,993	(1,889)	(32,587)
Recovery of loan from South American Silica Corp.	-	23,815	-	23,815
Gain on sale of fully depreciated field equipment	-	16,792	-	16,792
Loss and comprehensive loss	\$ (376,061)	\$ (391,854)	\$ (915,035)	\$ (712,527)
Basic and Diluted loss per common share (note 9)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	343,938,267	278,520,586	335,925,496	275,755,879

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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U308 Corp.

Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

Six Months Ended June 30,	2017	2016
Operating activities		
Net loss	\$ (915,035)	\$ (712,527)
Adjustment for:		
Amortization (note 4)	5,845	71,886
Share-based payments (note 8)	63,725	22,997
Foreign exchange loss	1,889	32,587
Interest income	-	(3,633)
Non-cash working capital items:		
Amounts receivable and other assets	25,323	38,148
Amounts payable and other liabilities	42,956	143,245
Net cash used in operating activities	(775,297)	(407,297)
Financing activities		
Issue of securities, net of transaction costs	733,947	343,850
Net cash provided by financing activities	733,947	343,850
Investing activities		
Interest income	-	3,633
Net cash provided by investing activities	-	3,633
Effect of exchange rate changes on cash held in foreign currencies	(1,889)	(32,587)
Net change in cash	(43,239)	(92,401)
Cash, beginning of period	124,387	205,703
Cash, end of period	\$ 81,148	\$ 113,302

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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U308 Corp.**Condensed Interim Consolidated Statements of Equity
(Expressed in Canadian Dollars)
(Unaudited)**

	<u>Reserves</u>				
	Share capital	Share-based payments reserve	Warrants	Deficit	Total
Balance, December 31, 2015	\$ 91,995,659	\$ 5,326,035	\$ 2,098,730	\$(89,903,293)	\$ 9,517,131
Issue of securities, net of transaction costs (note 5(b) ⁽¹⁾⁽²⁾)	116,429	-	97,421	-	213,850
Shares to be issued	130,000	-	-	-	130,000
Warrants expiry	438,448	-	(438,448)	-	-
Share-based payments (note 8)	-	22,997	-	-	22,997
Loss for the period	-	-	-	(712,527)	(712,527)
Balance, June 30, 2016	\$ 92,680,536	\$ 5,349,032	\$ 1,757,703	\$(90,615,820)	\$ 9,171,451
Balance, December 31, 2016	\$ 93,274,023	\$ 5,422,588	\$ 2,113,652	\$(98,969,226)	\$ 1,841,037
Issue of securities, net of transaction costs (note 5(b) ⁽³⁾⁽⁴⁾⁽⁵⁾)	278,478	-	230,244	-	508,722
Warrant cancellation or expiry	630,649	-	(630,649)	-	-
Exercise of stock options	35,919	(15,444)	-	-	20,475
Shares to be issued (note 16(b))	99,750	-	-	-	99,750
Exercise of warrants	137,973	-	(32,973)	-	105,000
Share-based payments (note 8)	-	63,725	-	-	63,725
Loss for the period	-	-	-	(915,035)	(915,035)
Balance, June 30, 2017	\$ 94,456,792	\$ 5,470,869	\$ 1,680,274	\$(99,884,261)	\$ 1,723,674

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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U308 Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations

U308 Corp. (the "Company") is a Canadian exploration company focused on exploration for uranium and related minerals in South America; on the definition of resources and advancing these deposits toward production. The Company was incorporated by articles of incorporation dated December 6, 2005 under the Business Corporations Act (Ontario). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol UWE, on the OTC QB International under the symbol UWEFF and on the senior market of the Santiago Stock Exchange in Chile, under the symbol UWECL. The Company maintains a registered and records office at 401 Bay Street, Suite 2702, Toronto, Ontario, M5H 2Y4, Canada.

2. Basis of presentation and going concern

The Company is in the exploration and evaluation stage and as is common with many exploration companies, it raises financing for its exploration and evaluation activities through the sale of equities. The Company has incurred a loss in the current and prior periods, with a net loss for the six months ended June 30, 2017 of \$915,035 (six months ended June 30, 2016 - net loss of \$712,527) and has an accumulated deficit of \$99,884,261 (December 31, 2016 - \$98,969,226). In addition, the Company had a working capital deficit balance of \$960,590 at June 30, 2017 (December 31, 2016 - working capital deficit of \$849,072). Included in the working capital deficit is cash of \$81,148 (December 31, 2016 - \$124,387) and accounts payable and other liabilities of \$1,072,667 (December 31, 2016 - \$1,029,711). Additional financings will be required to develop the properties and continue operations. While there is no assurance these funds can be raised, the Company believes such financings will be available as required. Certain of the Company's discretionary exploration activities have scope for flexibility in terms of the amount and timing of exploration activities, and expenditures may be adjusted accordingly.

These unaudited condensed interim consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The certainty of funding future exploration expenditures and availability of sources of additional financing cannot be assured at this time and accordingly, these uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not include adjustments to the carrying values and classifications of recorded assets and liabilities and related revenues and expenses that might be necessary should the Company be unable to continue as a going concern.

3. Significant accounting policies

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IASB. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements. The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 14, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

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U308 Corp.**Notes to the Condensed Interim Consolidated Financial Statements****Six Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

3. Significant accounting policies (continued)*New standards not yet adopted and interpretations issued but not yet effective*

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company has not yet assessed the full impact of IFRS 16.

4. Equipment***COST***

	Field equipment
Balance, December 31, 2016 and June 30, 2017	\$ 1,657,716

ACCUMULATED DEPRECIATION

	Field equipment
Balance, December 31, 2016	\$ 1,599,267
Depreciation for the period	5,845
Balance, June 30, 2017	\$ 1,605,112

CARRYING AMOUNTS

	Field equipment
At December 31, 2016	\$ 58,449
At June 30, 2017	\$ 52,604

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

5. Share capital

a) Authorized share capital

At June 30, 2017, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At June 30, 2017, the issued share capital amounted to \$94,456,792. The change in issued share capital for the periods was as follows:

	Number of common shares	Amount
Balance, December 31, 2015	272,035,127	\$ 91,995,659
Cancelled	(357)	-
Issue of securities, net of transaction costs ⁽¹⁾⁽²⁾	9,100,000	116,429
Shares to be issued	-	130,000
Warrants expired	-	438,448
Balance, June 30, 2016	281,134,770	\$ 92,680,536

	Number of common shares	Amount
Balance, December 31, 2016	322,934,769	\$ 93,274,023
Issue of securities, net of transaction costs ⁽³⁾⁽⁴⁾⁽⁵⁾	18,933,333	278,478
Exercise of stock options	585,000	35,919
Shares to be issued (note 16(b))	-	99,750
Exercise of warrants	3,330,000	137,973
Warrants cancelled or expired	-	630,649
Balance, June 30, 2017	345,783,102	\$ 94,456,792

A summary of cash raised through private placements of equity in 2017 and 2016, and associated warrants valuations, using the Black Scholes option pricing model, is tabulated below:

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Six Months Ended June 30, 2017
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5. Share capital (continued)

b) Common shares issued (continued)

Fiscal 2016

Date	Note	Value (\$)	Costs (\$)	Net Value (\$)	Number of shares	Number of warrants	Common share amount (\$)	Warrant amount (\$)
March 2, 2016	(1)	75,000	4,500	70,500	3,000,000	3,180,000	40,433	30,067
May 9, 2016	(2)	152,500	9,150	143,350	6,100,000	6,466,000	75,996	67,354
		227,500	13,650	213,850	9,100,000	9,646,000	116,429	97,421

Fiscal 2017

Date	Note	Value (\$)	Costs (\$)	Net Value (\$)	Number of shares	Number of warrants	Common share amount (\$)	Warrant amount (\$)
January 20, 2017	(3)	120,000	8,400	111,600	3,000,000	3,180,000	61,017	50,583
March 21, 2017	(4)	295,000	39,500	255,500	9,833,333	9,833,333	144,783	110,717
April 21, 2017	(5)	152,500	10,878	141,622	6,100,000	6,527,000	72,678	68,944
		567,500	58,778	508,722	18,933,333	19,540,333	278,478	230,244

Of the total share issue costs of \$58,778 (2016 - \$13,650), \$33,305 (2016 - \$7,824) was allocated to common shares and \$25,473 (2016 - \$5,826) was allocated to warrants.

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
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5. Share capital (continued)

b) Common shares issued (continued)

Fiscal 2016 Warrant Value

Note	Number of warrants	Strike price (\$)	Term (years)	Total BS value (\$)	BS value to common shares(\$)	BS value to warrants (\$)	Dividend yield (%)	Volatility (%)	Risk free rate (%)	Average Expected Life (years)
(1)	3,000,000	0.03	2	30,000	-	30,000	-	152	0.54	2
	180,000	0.03	2	3,112	1,867	1,245	-	152	0.54	2
(2)	6,100,000	0.04	3	67,100	-	67,100	-	142	0.52	3
	366,000	0.04	2	7,642	4,280	3,362	-	161	0.52	2
	9,646,000			107,854	6,147	101,707				

Fiscal 2017 Warrant Value

Note	Number of warrants	Strike price (\$)	Term (years)	Total black-scholes ("BS") value (\$)	BS value to common shares(\$)	BS value to warrants (\$)	Dividend yield (%)	Volatility (%)	Risk free rate (%)	Average Expected Life (years)
(3)	3,000,000	0.055	2	51,000	-	51,000	-	179	0.73	2
	180,000	0.055	2	5,483	3,153	2,330	-	179	0.73	2
(4)	9,833,333	0.03	2.5	127,833	-	127,833	-	175	0.79	2.50
(5)	6,100,000	0.035	2	67,100	-	67,100	-	178	0.70	2
	427,000	0.035	2	11,839	6,630	5,209	-	178	0.70	2
	19,540,333			263,255	9,783	253,472				

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

6. Amounts receivable and other assets

	As at June 30, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	\$ 13,485	\$ 16,723
Deposits with service providers	17,444	39,529
	\$ 30,929	\$ 56,252

7. Amounts payable and other liabilities

	As at June 30, 2017	As at December 31, 2016
Falling due within the year	\$ 1,072,667	\$ 1,029,711

8. Stock options

The following table reflects the continuity of stock options for the periods ended June 30, 2017 and 2016:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2015	14,590,000	0.14
Expired	(1,385,000)	0.49
Balance, June 30, 2016	13,205,000	0.11

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2016	19,975,000	0.08
Exercised	(585,000)	0.035
Expired	(2,230,000)	0.35
Cancelled	(1,715,000)	0.07
Balance, June 30, 2017	15,445,000	0.05

(a) On November 9, 2016, the Company granted 8,000,000 stock options to directors, officers, employees and consultants pursuant to the Company's stock option plan. Of the options granted, 7,425,000 remained outstanding at June 30, 2017. The stock options were issued at an exercise price of \$0.03, vest over 18 months and will expire on November 9, 2021. For the purposes of the 8,000,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 132% using the historical price history of the Company; risk free interest rate of 0.82%; and an expected average life of five years. The estimated value of \$169,935 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. The options vest as to 25% immediately, 25% on May 9, 2017, 25% on November 9, 2017 and 25% on May 9, 2018. For the three and six months ended June 30, 2017, the impact on expenses was \$24,782 and \$63,725, respectively (three and six months ended June 30, 2016 - \$nil) (cumulative to June 30, 2017 - \$132,171).

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

8. Stock options (continued)

The portion of the estimated fair value of options granted in the current and prior periods and vesting during the three and six months ended June 30, 2017, which have been reflected in the unaudited condensed interim consolidated statements of comprehensive loss are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Canada				
Salaries and benefits	\$ 15,179	\$ 4,143	\$ 39,032	\$ 12,431
Guyana, South America				
Salaries and benefits	-	109	-	325
Colombia, South America				
Salaries and benefits	1,177	1,812	3,026	5,437
Argentina, South America				
Salaries and benefits	8,426	1,601	21,667	4,804
Total	\$ 24,782	\$ 7,665	\$ 63,725	\$ 22,997

Stock option volatility was based on historical volatility of the common shares, which is assumed to be an appropriate and approximate proxy for future volatility of a stock option instrument granted for the underlying common shares.

The following table reflects the actual stock options issued and outstanding as of June 30, 2017:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
May 29, 2018	0.16	0.91	750,000	750,000	-
September 10, 2018	0.12	1.20	1,220,000	1,220,000	-
April 21, 2019	0.16	1.81	500,000	500,000	-
March 30, 2020	0.035	2.75	5,550,000	5,550,000	-
November 9, 2021	0.03	4.36	7,425,000	1,856,250	5,568,750
		3.28	15,445,000	9,876,250	5,568,750

9. Loss per common share

The calculation of basic and diluted loss per common share for the three and six months ended June 30, 2017 was based on the loss after tax attributable to common shareholders of \$376,061 and \$915,035, respectively (three and six months ended June 30, 2016 – \$391,854 and \$712,527, respectively) and the weighted average number of common shares outstanding of 343,938,267 and 335,925,496, respectively (three and six months ended June 30, 2016 – 278,520,586 and 275,755,879, respectively). Diluted loss per share did not include the effect of 15,445,000 (2016 - 13,205,000) share purchase options and 126,766,665 (2016 - 101,627,033) warrants as they are anti-dilutive.

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

10. Exploration expenditures

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore, or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

The following is a detailed list of expenditures incurred on the Company's mineral properties:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Guyana, South America (a)				
Exploration activities	\$ 6,000	\$ (1,500)	\$ 12,000	\$ 9,000
Salaries and benefits	-	12,109	-	12,325
	\$ 6,000	\$ 10,609	\$ 12,000	\$ 21,325
Colombia, South America (b)				
Exploration activities	\$ 12,861	\$ 75,430	\$ 109,602	\$ 85,118
Salaries and benefits	13,015	(2,410)	26,052	22,437
Amortization	-	37,244	-	49,508
	\$ 25,876	\$ 110,264	\$ 135,654	\$ 157,063
Argentina, South America (c)				
Exploration activities	\$ 71,861	\$ 70,632	\$ 199,617	\$ 109,231
Salaries and benefits	55,049	25,684	118,670	59,804
Amortization	2,923	11,188	5,845	22,378
	\$ 129,833	\$ 107,504	\$ 324,132	\$ 191,413
	\$ 161,709	\$ 228,377	\$ 471,786	\$ 369,801

(a) Total cumulative exploration activities incurred in Guyana, South America to June 30, 2017 amounted to \$35,514,787 (December 31, 2016 - \$35,502,787).

(b) Total cumulative exploration activities incurred in Colombia, South America to June 30, 2017 amounted to \$23,646,790 (December 31, 2016 - \$23,511,136).

(c) Total cumulative exploration activities incurred in Argentina, South America to June 30, 2017 amounted to \$14,371,874 (December 31, 2016 - \$14,047,742).

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

11. General and administrative

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Salaries and benefits	\$ 56,394	\$ 46,173	\$ 121,127	\$ 95,364
Administrative and general	22,549	30,240	43,972	47,889
Professional fees	53,845	33,796	95,495	77,604
Business development	26,973	5,575	49,226	17,300
Reporting issuer costs	70,345	91,043	131,540	116,222
	\$ 230,106	\$ 206,827	\$ 441,360	\$ 354,379

12. Segmented information

The Company primarily operates in one reportable operating segment, being the development of properties for production of uranium in South America. The Company has administrative offices in Toronto, Canada. Segmented information on a geographic basis is as follows:

June 30, 2017

	Canada	Colombia	Argentina	Total
Current assets	\$ 48,467	\$ 54,330	\$ 9,280	\$ 112,077
Non-current assets	-	-	2,860,264	2,860,264
	\$ 48,467	\$ 54,330	\$ 2,869,544	\$ 2,972,341

December 31, 2016

	Canada	Colombia	Argentina	Total
Current assets	\$ 62,675	\$ 105,091	\$ 12,873	\$ 180,639
Non-current assets	-	-	2,866,109	2,866,109
	\$ 62,675	\$ 105,091	\$ 2,878,982	\$ 3,046,748

13. Warrants

	Number of warrants	Grant date fair value (\$)
Balance, December 31, 2015	104,787,241	2,098,730
Issued (note 5(b) ⁽¹⁾⁽²⁾)	9,646,000	97,421
Expired	(12,806,208)	(438,448)
Balance, June 30, 2016	101,627,033	1,757,703

	Number of warrants	Grant date fair value (\$)
Balance, December 31, 2016	138,264,532	2,113,652
Issued (note 5(b) ⁽³⁾⁽⁴⁾⁽⁵⁾)	19,540,333	230,244
Expired or cancelled	(27,708,200)	(630,649)
Warrant exercised	(3,330,000)	(32,973)
Balance, June 30, 2017	126,766,665	1,680,274

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U3O8 Corp.**Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)**

13. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of June 30, 2017:

Expiry date	Exercise price (\$)	Warrants outstanding	Fair Value (\$)
July 13, 2017	0.04	150,000	3,121
September 8, 2017	0.12	2,500,000	68,244
September 23, 2017	0.05	180,000	2,945
October 3, 2017	0.11	2,500,000	46,871
December 29, 2017	0.03	6,100,000	54,935
December 29, 2017	0.03	366,000	6,012
March 2, 2018	0.03	180,000	3,112
May 9, 2018	0.04	366,000	7,642
September 13, 2018	0.045	259,000	5,718
September 13, 2018	0.045	21,333,333	271,276
October 12, 2018	0.045	1,316,666	16,680
October 12, 2018	0.045	21,000	378
November 3, 2018	0.035	24,905,000	244,260
December 16, 2018	0.03	7,300,000	71,770
December 16, 2018	0.03	366,000	8,711
December 20, 2018	0.15	3,500,000	127,736
January 20, 2019	0.055	3,000,000	45,100
January 20, 2019	0.055	180,000	5,483
January 23, 2019	0.21	3,333,333	146,035
April 21, 2019	0.035	427,000	11,840
April 21, 2019	0.035	6,100,000	57,104
May 9, 2019	0.04	6,100,000	59,712
July 8, 2019	0.03	11,850,000	106,650
September 21, 2019	0.05	9,833,333	110,717
March 6, 2020	0.05	2,500,000	32,982
March 27, 2020	0.05	3,000,000	39,687
May 8, 2020	0.065	3,600,000	60,971
July 13, 2020	0.05	2,500,000	29,198
September 23, 2020	0.05	3,000,000	35,384
		126,766,665	1,680,274

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Notes to the Condensed Interim Consolidated Financial Statements
Six Months Ended June 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

14. Related party balances and transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
John C. Ross Consulting Inc. (i)	\$ 7,500	\$ 7,500	\$ 15,000	\$ 15,000

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At June 30, 2017, \$55,425 is included in amounts payable and other liabilities (December 31, 2016 - \$61,075).

(b) The Company defines its key management personnel as its Board of Directors, Chief Executive Officer ("CEO"), and CFO. Remuneration of Directors and key management personnel of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Salaries and benefits (*)	\$ 34,250	\$ 34,250	\$ 68,500	\$ 68,500
Director fees	-	-	-	-
Share based payments	14,405	3,355	37,041	10,064
	\$ 48,655	\$ 37,605	\$ 105,541	\$ 78,564

(*) Members of the Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and are eligible for stock options for their services. However, the Board of Directors has opted to waive cash fees until the financial condition of the Company improves. As of June 30, 2017, directors of the Company were owed \$nil (December 31, 2016 - \$nil). During the third quarter of 2015, \$132,000 in director fees and \$217,225 of salary owed to the Chief Executive Officer were waived. The CEO of the Company was owed \$184,668 (December 31, 2016 - \$168,318).

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

15. South American property interests

	Acquisition Costs
Balance December 31, 2015 and June 30, 2016	\$ 10,474,652
Balance, December 31, 2016 and June 30, 2017	\$ 2,807,660

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U308 Corp.**Notes to the Condensed Interim Consolidated Financial Statements****Six Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

16. Subsequent events

(a) The following warrants expired unexercised:

Expiry date	Exercise price (\$)	Warrants outstanding
July 13, 2017	0.04	150,000
		150,000

(b) On July 28, 2017, Dr. Keith Barron, a director of the Company, exercised 2,850,000 warrants with an exercise price of \$0.035 for cash of \$99,750.

(c) On August 2, 2017 the Company closed the Existing Shareholder Prospectus Exemption financing announced on June 27, 2017. The Company raised \$119,353 in a financing that was available only to existing shareholders. The Company issued 4,774,120 Units priced at 2.5c per Unit ("Financing"). Each Unit consisted of a share and one half of a warrant. Each warrant will entitle the holder to purchase a common share of the Company at a price of 5c and shall be valid for 30 months. If the Company's shares trade above 7c for 20 consecutive business days, the Company may elect to accelerate the term of the warrants such that they should be exercised within 30 days of notice of the acceleration being given.

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