U3O8 CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED

DECEMBER 31, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

A **Green** Resource Company

U3O8 CORP

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
U3O8 Corp.

Opinion

We have audited the accompanying consolidated financial statements of U3O8 Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company incurred a net loss of $1,403,857 during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by $1,645,966. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

March 27, 2019

U3O8 Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash	**$ 94,578**	$ 65,865
Amounts receivable and other assets (note 8)	**50,232**	52,718
Total current assets	**144,810**	118,583
Non-current assets		
Equipment (note 7)	**37,407**	46,759
South American property interests (note 19)	**2,807,660**	2,807,660
Total non-current assets	**2,845,067**	2,854,419
Total assets	**$ 2,989,877**	$ 2,973,002
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities	**$ 1,395,843**	$ 1,291,598
Loan payable (note 17)	**394,933**	-
	1,790,776	1,291,598
Non-current liabilities		
Other payable (note 20)	**176,000**	176,000
	1,966,776	1,467,598
Equity		
Share capital (note 6)	**95,916,595**	95,283,074
Reserves	**7,512,348**	7,118,987
Deficit	**(102,405,842)**	(100,896,657)
Total equity	**1,023,101**	1,505,404
Total equity and liabilities	**$ 2,989,877**	$ 2,973,002

The notes to the consolidated audited financial statements are an integral part of these statements.

Going concern (note 2)
Subsequent event (note 21)

Approved by the Board of Directors:

"David Franklin" Director

"David Constable" Director

A Green Resource Company

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U3O8 Corp.

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

Years ended December 31,	**2018**	**2017**
Expenses		
Exploration and evaluation expenditures (note 12)	**$ 689,190**	$ 953,470
General and administrative (note 13)	**688,607**	884,354
	(1,377,797)	(1,837,824)
Other items:		
Interest expense (note 17)	**(24,933)**	-
Interest income	**-**	2,920
Foreign exchange loss	**(1,127)**	(54,443)
Loss and comprehensive loss	**$ (1,403,857)**	$ (1,889,347)
Basic and diluted loss per common share (note 11)	**$ (0.07)**	$ (0.11)
Basic and diluted weighted average number of common shares outstanding	**20,644,546**	17,551,600

The notes to the consolidated audited financial statements are an integral part of these statements.

U3O8 Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Years ended December 31,	2018	2017
Operating activities		
Net loss	**$ (1,403,857)**	$ (1,889,347)
Adjustment for:		
Depreciation	**9,352**	11,690
Share-based payments	**135,535**	99,903
Foreign exchange loss	**1,127**	54,443
Interest income	**-**	(2,920)
Interest expense	**24,933**	-
Non-cash working capital items:		
Amounts receivable and other assets	**(11,264)**	17,284
Amounts payable and other liabilities	**241,326**	168,291
Net cash used in operating activities	**(1,002,848)**	(1,540,656)
Financing activities		
Issue of securities, net of transaction costs	**660,001**	1,440,061
Loan payable	**370,000**	-
Net cash provided by financing activities	**1,030,001**	1,440,061
Investing activities		
Interest income	**-**	2,920
Net cash provided by investing activities	**-**	2,920
Effect of exchange rate changes on cash held in foreign currencies	**1,560**	39,153
Net change in cash	**28,713**	(58,522)
Cash, beginning of year	**65,865**	124,387
Cash, end of year	**$ 94,578**	$ 65,865
Cash paid for interest	**$ -**	$ -
Cash paid for taxes	**$ -**	$ -
Non-cash transactions:		
Proceeds from issue of securities in subscription receivable	**$ -**	$ 13,750
Agents warrants share issuance costs allocated to common shares	**$ 5,433**	$ 9,783
Agents warrants share issuance costs allocated to warrants	**$ 4,041**	$ 7,539
Warrant extension	**$ 105,328**	$ -
Shares for debt	**$ 139,768**	$ -

The notes to the consolidated audited financial statements are an integral part of these statements.

A **Green** Resource Company

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U3O8 Corp.
Consolidated Statements of Equity
(Expressed in Canadian Dollars)

		Reserves			
	Share capital	Share-based payments reserve	Warrants	Deficit	Total
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 6)	684,788	-	394,548	-	1,079,336
Warrants expiry (note 15)	773,050	-	(773,050)	-	-
Exercise of stock options (note 10)	35,919	(15,444)	-	-	20,475
Exercise of warrants (note 15)	515,294	-	(161,294)	-	354,000
Extension of warrants (note 15)	-	-	38,084	(38,084)	-
Share-based payments (note 10)	-	99,903	-	-	99,903
Loss for the year	-	-	-	(1,889,347)	(1,889,347)
Balance, December 31, 2017	**95,283,074**	**5,507,047**	**1,611,940**	**(100,896,657)**	**1,505,404**
Issue of securities, net of transaction costs (note 6)	350,763	-	295,488	-	646,251
Settlement of debt (note 6)	116,696	-	23,072	-	139,768
Warrants expiry (note 15)	166,062	-	(166,062)	-	-
Extension of warrants (note 15)	-	-	105,328	(105,328)	-
Share-based payments (note 10)	-	135,535	-	-	135,535
Loss for the year	-	-	-	(1,403,857)	(1,403,857)
Balance, December 31, 2018	**$ 95,916,595**	**$ 5,642,582**	**$ 1,869,766**	**$(102,405,842)**	**$ 1,023,101**

The notes to the consolidated audited financial statements are an integral part of these statements.

The Uranium Discovery Company
U3O8 CORP

1. Nature of operations

U3O8 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 ("date of incorporation") under the Business Corporations Act (Ontario). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol UWE, and on the OTC QB International under the symbol UWEFF. 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 year ended December 31, 2018 of $1,403,857 (2017 - $1,889,347) and has an accumulated deficit of $102,405,842. In addition, the Company had a working capital deficit balance of $1,645,966 at December 31, 2018 (2017 - $1,173,015). Included in the working capital deficit is cash of $94,578 and accounts payable and other liabilities of $1,395,843. Additional financings will be required to develop the properties and continue operations. 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.

The 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 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

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2018. The policies set out below are based on IFRS issued and effective as of March 27, 2019, the date the Board of Directors approved the statements.

(b) Basis of presentation

These audited annual consolidated financial statements have been prepared on a historical cost basis except for the re-valuation of certain financial instruments. In addition, these audited annual consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Significant accounting policies (continued)

(b) Basis of presentation (continued)

In the preparation of these audited annual consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 3(o).

(c) Basis of consolidation

The audited annual consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(i) Subsidiaries - The following companies have been consolidated within the audited annual consolidated financial statements:

Company	Registered	Principal activity
U3O8 Corp.	Ontario, Canada	Parent company
Prometheus Resources (Barbados) Limited [1]	Barbados	Holding company
Prometheus Resources (Guyana) Inc.[1]	Guyana, South America	Exploration company
Gaia Energy Inc. [1]	Ontario, Canada	Holding company
Maple Minerals Exploration and Development Inc. [1]	Ontario, Canada	Exploration company
Maple Minerals Exploration and Development Inc. [1]	Argentina	Exploration company
Maple Minerals Exploration and Development Inc. [1]	Colombia	Exploration company
Gaia Energy Argentina S.A. [1]	Argentina	Exploration company
Gaia Energy Investments Ltd. (BVI) [1]	British Virgin Islands	Exploration company
Gaia Energy Colombia Ltd. [1]	Colombia	Exploration company
0964104 B.C. Ltd. [1]	British Columbia, Canada	Holding company
Calypso Holdings Inc.[1]	Cayman Islands	Holding company
Energia Mineral Inc. [1]	Cayman Islands	Exploration company
Pampa Amarilla Inc. [1]	Cayman Islands	Exploration company

[1] 100% owned by ultimate shareholder - U3O8 Corp.

(ii) Equity investment in South American Silica Corp. - Since April 2011, the Company has significant influence in South American Silica Corp., ("SAS") (formerly South American Rare Earth Corp.), but does not have control; this investment is accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of post acquisition income or loss. The amount of adjustment is included in the determination of net income or loss of the Company, and the investment account of the Company is also increased or decreased to reflect the Company's share of capital transactions and changes in accounting policies. The carrying values of equity investments are regularly reviewed to ensure there is no impairment. When there is objective evidence of impairment, the investment is written down to recognize the loss (note 14).

3. Significant accounting policies (continued)

(d) Foreign currencies

The functional currency, as determined by management, of U3O8 Corp. and each of its subsidiaries is the Canadian Dollar. For the purpose of the audited annual consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the audited annual consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Financial instruments

The Company has adopted the new accounting standard IFRS 9 – Financial Instruments, effective January 1, 2018. The new standard sets out requirements for classifying, recognizing and measuring financial assets and financial liabilities. This standard replaces IAS 39 – Financial Instruments: Recognition and Measurement.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. IFRS 9 allows for an exemption from restating prior periods in respect of the standard's classification and measurement requirements. The Company has chosen to apply this exemption upon initial adoption, although it was determined that the adoption of IFRS 9 had no impact on the comparative period's financial statements.

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument. For financial liabilities, the new standard retains most of the requirements of IAS 39, except that fair value changes due to changes in an entity's own credit risk are recorded in other comprehensive income rather than in net earnings.

Upon adoption of IFRS 9, the Company has changed its accounting policy for financial instruments as follows:

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, FVTPL, or FVOCI. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. A financial liability is classified as measured at amortized cost or FVTPL.

3. Significant accounting policies (continued)

Classification (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company completed an assessment of its financial assets and liabilities as at December 31, 2018. The adoption of IFRS 9 has no quantitative impact on the Company's financial instruments as at December 31, 2018.

However, it has an impact on the classification of the Company's financial instruments compared to the old standard, IAS 39, as follows:

Classification	**IAS 39**	**IFRS 9**
Cash	Loans and receivables	FVTPL
Amounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Loan payable	Other liabilities	Amortized cost
Other payable	Other liabilities	Amortized cost

3. Significant accounting policies (continued)

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2018 and 2017, none of the Company's financial instruments are recorded at fair value on the consolidated statements of financial position

Categories of financial instruments:

	As at December 31, 2018	As at December 31, 2017
Financial assets:		
FVTPL		
Cash	$ 94,578	$ 65,865
Amounts receivable	22,200	32,096
Financial liabilities:		
Amortized cost		
Amounts payable and other liabilities	$ 1,395,843	$ 1,291,598
Loan payable	394,933	-
Other payable	176,000	176,000

As of December 31, 2018 and 2017, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company has assessed the assets of all its operating entities and has determined that no impairment was considered necessary for the Company's non-financial assets as at December 31, 2018 and 2017.

(g) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are recognized at the fair value at the acquisition date.

Once a project has been established as commercially viable and technically feasible, related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

(h) Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Furniture and fixtures	20% to 30%	Declining balance
Field equipment	20%	Declining balance

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(i) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company’s cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates which are available on demand by the Company for its programs. The Company has no cash equivalents as at December 31, 2018 and 2017.

(j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company has provided for all material provisions at December 31, 2018 and December 31, 2017.

(k) Share-based payment transactions

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods and services received.

(l) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, a deferred tax asset is not recognized.

(m) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is minimal.

(n) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(o) Significant accounting judgments and estimates

The preparation of these audited annual consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These audited annual consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited annual consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- the Company reviews its South American property interests for impairment based on results to date and when events and changes in circumstances indicate that the carrying value of the assets may not be recoverable. IFRS 6 - Exploration for and evaluation of mineral resources and IAS 36 – Impairment of assets requires the Company to make certain judgments in respect of such events and changes in circumstances, and in assessing their impact on the valuations of the affected assets;
- the estimated useful lives of equipment. Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence; and

3. Significant accounting policies (continued)

(o) Significant accounting judgments and estimates (continued)

Critical accounting estimates (continued):

- Share-based payments expense. We measure our share-based payments expense by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures.

Critical accounting judgments

- management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to advance the mineral properties (Note 1);
- management applied judgment in determining the functional currency of the Company as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the period;
- management determination of no material restoration, rehabilitation and environmental exposure, based on the facts and circumstances that existed during the period; and
- the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

(p) New standards not yet adopted and interpretations issued but not yet effective

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. Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments – New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

4. Capital risk management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2018, totalled $1,023,101 (December 31, 2017 – $1,505,404).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other means of raising funds.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2018 and December 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Section 710 of the TSX Company Manual which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern. As of December 31, 2018 and December 31, 2017, the Company may not be compliant with these TSX requirements. The impact of this violation is not known and ultimately dependent on the discretion of the TSX. The Company was delisted from the Santiago Stock Exchange on July 17th, 2017.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's size, is appropriate.

5. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and uranium price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. The majority of the Company's cash is held with major Canadian chartered banks and financial institutions in South America, from which management believes the risk of loss to be minimal.

Financial instruments included in amounts receivable consist of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

5. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2018, the Company had a cash balance of $94,578 (December 31, 2017 - $65,865) to settle current liabilities of $1,790,776 (December 31, 2017 - $1,291,598). All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except loan payable (note 17). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company will need to secure additional financing to meet its ongoing obligations. However, there is no assurance that it will be able to do so (note 2).

Market risk

(a) Interest rate risk

The Company has cash balances and fixed interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse effect on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

(c) Foreign currency risk

The Company's functional and reporting currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. As of December 31, 2018, the Company funds certain operations, exploration and administrative expenses in Colombia and Argentina on a cash call basis using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Company maintains US Dollar bank accounts in Canada, Barbados, and Colombian Peso accounts in Colombia and Argentina Peso accounts in Argentina. The Company is subject to gains and losses from fluctuations in the US Dollar and Colombian and Argentina Peso against the Canadian Dollar.

Sensitivity analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would have affected the reported loss and comprehensive loss by an immaterial amount.

(ii) The Company holds balances in foreign currencies which creates foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rates against the Canadian Dollar would have affected the reported loss and comprehensive loss by approximately $58,000.

(Expressed in Canadian Dollars)

6. Share capital

a) Authorized share capital

At December 31, 2018 and 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 December 31, 2018, the issued share capital amounted to $95,916,595. The change in issued share capital for the periods was as follows:

	Number of common shares	Amount
Balance, December 31, 2016	16,146,738	$ 93,274,023
Cancelled	(127,266)	-
Issue of securities, net of transaction costs (1)(2)(3)(4)(5)	3,253,373	684,788
Exercise of stock options	29,250	35,919
Exercise of warrants	580,250	515,294
Warrants expired	-	773,050
Balance, December 31, 2017	19,882,345	95,283,074
Issue of securities, net of transaction costs (6)(7)	2,650,720	350,763
Settlement of debt (8)(9)	510,371	116,696
Warrants expired	-	166,062
Balance, December 31, 2018	23,043,436	$ 95,916,595

On September 11, 2017, the common shares of the Company, were consolidated for 20 old shares to one new share and all share, option and warrant and per share, option and warrant data have been retroactively adjusted to reflect the share consolidation as if it occurred at the beginning of the earliest period presented.

(Expressed in Canadian Dollars)

6. Share capital (continued)

b) Common shares issued (continued)

Fiscal 2017

Date	Note	Value ($)	Costs ($) (a)	Net Value ($)	Number of shares	Number of warrants	Common share amount ($)	Warrant amount ($)
January 20, 2017	(1)	120,000	11,195	108,805	150,000	159,000	59,410	49,395
March 21, 2017	(2)	295,000	42,272	252,728	491,667	491,667	143,213	109,515
April 21, 2017	(3)	152,500	13,349	139,151	305,000	326,350	71,294	67,857
August 2, 2017	(4)	119,353	20,522	98,831	238,706	119,353	71,158	27,673
November 1, 2017	(5)	517,000	37,179	479,821	2,068,000	1,034,000	339,713	140,108
		1,203,853	124,517	1,079,336	3,253,373	2,130,370	684,788	394,548

Fiscal 2018

Date	Note	Value ($)	Costs ($)	Net Value ($)	Number of shares	Number of warrants	Common share amount ($)	Warrant amount ($)
July 11, 2018	(6)	103,449	12,792	90,657	356,720	356,720	51,847	38,810
October 19, 2018	(7)	573,500	17,906	555,594	2,294,000	2,294,000	298,916	256,678
October 19, 2018	(8)	51,500	-	51,500	206,000	206,000	28,428	23,072
October 19, 2018	(9)	88,268	-	88,268	304,371	-	88,268	-
		816,717	30,698	786,019	3,161,091	2,856,720	467,459	318,560

Of the total share issue costs of $30,698 (2017 - $124,517), $22,445 (2017 - $81,210) was allocated to common shares and $8,253 (2017 - $43,307) was allocated to warrants.

(Expressed in Canadian Dollars)

6. Share capital (continued)

b) Common shares issued (continued)

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)
(1)	150,000	1.10	2	51,000	-	51,000	-	179	0.73	2
	9,000	1.10	2	5,483	3,153	2,330	-	179	0.73	2
(2)	491,667	1.00	2.5	127,833	-	127,833	-	175	0.79	2.50
(3)	305,000	0.70	2	67,100	-	67,100	-	178	0.70	2
	21,350	0.70	2	11,839	6,630	5,209	-	178	0.70	2
(4)	119,353	1.00	2.5	33,418	-	33,418	-	178	1.24	2.50
(5)	1,034,000	0.35	2	150,965	-	150,965	-	177	1.38	2.50
	2,130,370			447,638	9,783	437,855				

Fiscal 2018 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)
(6)	356,720	0.41	2	41,380	-	41,380	-	148	1.94	2
	21,350	0.41	2	4,245	2,547	1,698	-	148	1.94	2
(7)	2,294,000	0.40	3	256,928	-	256,928	-	161	2.30	3
	28,000	0.40	2	5,229	2,886	2,343	-	143	2.29	2
(8)	206,000	0.40	3	23,072	-	23,072	-	161	2.30	3
	2,906,070			330,854	5,433	325,421				

(Expressed in Canadian Dollars)

7. Equipment

COST

	Field equipment	Furniture and fixtures	Total
Balance, December 31, 2016	$ 1,657,716	$ 148,180	$ 1,805,896
Disposals	-	(148,180)	(148,180)
Balance, December 31, 2017	1,657,716	-	1,657,716
Balance, December 31, 2018	$ 1,657,716	$ -	$ 1,657,716

ACCUMULATED DEPRECIATION

	Field equipment	Furniture and fixtures	Total
Balance, December 31, 2016	$ 1,599,267	$ 148,180	$ 1,747,447
Depreciation for the year	11,690	-	11,690
Disposals	-	(148,180)	(148,180)
Balance, December 31, 2017	1,610,957	-	1,610,957
Depreciation for the year	9,352	-	9,352
Balance, December 31, 2018	$ 1,620,309	$ -	$ 1,620,309

CARRYING AMOUNTS

	Field equipment	Furniture and fixtures	Total
At December 31, 2017	$ 46,759	$ -	$ 46,759
At December 31, 2018	$ 37,407	$ -	$ 37,407

8. Amounts receivable and other assets

	As at December 31, 2018	As at December 31, 2017
Sales tax receivable - (Canada)	$ 22,200	$ 18,346
Subscription receivable	-	13,750
Deposits with service providers	28,032	20,622
	$ 50,232	$ 52,718

(Expressed in Canadian Dollars)

9. Income taxes

Income tax expense

A reconciliation between income tax expense and the product of accounting profit (loss) multiplied by the Company's domestic tax rate is provided below:

Years ended December 31,	**2018**	**2017**
Loss before Income Tax	$ (1,403,857)	$ (1,889,347)
Income tax at statutory rate of 26.50% (2017 - 26.50%)	(372,000)	(501,000)
Change in statutory, foreign tax, foreign exchange rates and other	(29,000)	1,363,000
Permanent differences	33,000	25,000
Share issue costs	(6,000)	(33,000)
Adjustment to prior year's provision versus statutory tax returns and expiration of non-capital losses	(204,000)	(638,000)
Expiry of non-capital losses	1,486,000	1,454,000
Change in unrecognized temporary differences	(908,000)	(1,670,000)
	$ -	$ -

Deferred Tax Assets and Liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets are recognized for the carry-forward or unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the unused tax losses/credits can be utilized. The following represent the deductible temporary differences which have not been recognized in the financial statements.

	2018	**2017**	**Expiry**
Equipment	$ 3,601,000	$ 3,691,000	N/A
Loss carry-forward	24,955,000	29,068,000	See below
Equity accounted investment	3,807,000	3,807,000	N/A
Share issue costs	118,000	201,000	2037 - 2040
Deferred mining expenditures	48,421,000	47,763,000	N/A
	$ 80,902,000	**$ 84,530,000**	

(b) Non-capital losses

The following table summarizes the Company’s non-capital losses that can be applied against future taxable profit:

Country	**Amount**	**Expiry date**
Canada	$ 23,654,914	2026 to 2038
Barbados	507,179	2018 to 2025
Colombia	718,157	indefinite
Guyana	75,194	indefinite

(Expressed in Canadian Dollars)

10. Stock options

U3O8 Corp's stock option plan (the "Plan") was approved by the shareholders of the Company on June 30, 2009 and subsequent amendments approved on June 27, 2012 and July 29, 2015, for the purpose of attracting, retaining and motivating directors, officers, employees and other service providers by providing them with an opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The number of stock options which may be granted under the plan is limited to not more than 10% of the issued common shares of U3O8 Corp. at the time of the stock option grant. The exercise price of options granted under the Plan may not be lower than the market price of the common shares at the time the option is granted, as calculated based upon the prior trading day closing price of the common shares on any stock exchange on which the common shares are listed or dealing network where the common shares trade, where applicable. In the event that there is no such closing price or trade on the prior trading day, the market price shall be based upon the average of the daily high and low board lot trading prices of the common shares on any stock exchange on which the shares are listed or dealing network on which the common shares trade for the five immediately preceding trading days. Vesting terms are 25% immediately and 25% every 6 months thereafter, fully vested by 18 months or other period as the Board deems appropriate. The maximum term of the stock options is 10 years.

The Company records a charge to the statement of loss and comprehensive loss account using the Black-Scholes fair valuation option pricing model. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options. The following table reflects the continuity of stock options for the years ended December 31, 2018 and 2017:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2016	998,750	1.69
Granted (a)	57,500	0.51
Exercised	(29,250)	0.70
Expired	(111,500)	7.09
Cancelled	(85,750)	1.35
Balance, December 31, 2017	829,750	0.96
Granted (b)	1,065,500	0.28
Expired	(98,500)	2.70
Cancelled	(71,250)	0.61
Balance, December 31, 2018	1,725,500	0.45

(a) On December 11, 2017, the Company granted 57,500 stock options to a director of the Company pursuant to the Company's stock option plan. Of the options granted, 57,500 remained outstanding at December 31, 2018. The stock options were issued at an exercise price of $0.51, vest in tranches of 25%, with 25% vesting immediately and the remaining tranches at six-month intervals with the final vesting date being June 11, 2019 and will expire on December 11, 2022. For the purposes of the 57,500 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 150% using the historical price history of the Company; risk free interest rate of 1.67%; and an expected average life of five years. The estimated value of $26,163 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. For the year ended December 31, 2018, the impact on expenses was $16,367 (2017 - $7,855) (cumulative to December 31, 2018 - $24,222).

(Expressed in Canadian Dollars)

10. Stock options (continued)

(b) On November 13, 2018, the Company granted 1,065,500 stock options to directors, officers and consultants of the Company pursuant to the Company's stock option plan. Of the options granted, 1,065,500 remained outstanding at December 31, 2018. The stock options were issued at an exercise price of $0.28, vest in tranches of 25%, with 25% vesting immediately and the remaining tranches at six-month intervals with the final vesting date being May 13, 2020 and will expire on November 14, 2023. For the purposes of the 1,065,500 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 151% using the historical price history of the Company; risk free interest rate of 2.39%; and an expected average life of five years. The estimated value of $272,425 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. For the year ended December 31, 2018, the impact on expenses was $109,727 (2017 - $nil) (cumulative to December 31, 2018 - $109,727).

(c) During the year ended December 31, 2018, $25,808 in share-based payments (2017 - $92,048) related to stock options granted in prior years and vesting during the year ended December 31, 2018. The portion of the estimated fair value of options granted in the current and prior periods and vesting during the year ended December 31, 2018 and 2017, which have been reflected in the consolidated statements of loss and comprehensive loss are as follows:

Years ended December 31,	2018	2017
Canada		
Salaries and benefits	$ 115,510	$ 56,380
Colombia, South America		
Salaries and benefits	448	4,373
Argentina, South America		
Salaries and benefits	19,577	39,150
Total	$ 135,535	$ 99,903

Stock option price volatility was based on historical price 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 December 31, 2018:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
April 21, 2019	3.20	0.30	25,000	25,000	-
March 30, 2020	0.70	1.25	272,500	272,500	-
November 9, 2021	0.60	2.86	305,000	305,000	-
December 11, 2022	0.51	3.95	57,500	43,125	14,375
November 14, 2023	0.28	4.87	1,065,500	266,375	799,125
		3.85	1,725,500	912,000	813,500

(Expressed in Canadian Dollars)

11. Loss per common share

The calculation of basic and diluted loss per common share for the year ended December 31, 2018 was based on the loss after tax attributable to common shareholders of $1,403,857 (December 31, 2017 – $1,889,347) and the weighted average number of common shares outstanding of 20,644,546 (December 31, 2017 – 17,551,600). Diluted loss per share did not include the effect of 1,725,500 (2017 - 829,750) share purchase options and 8,722,357 (2017 - 6,644,387) warrants as they are anti-dilutive.

12. Exploration and evaluation 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:

Years ended December 31,	2018	2017
Guyana, South America (a)		
Exploration activities	$ 18,000	$ 24,000
	$ 18,000	$ 24,000
Colombia, South America (b)		
Exploration activities	$ 68,759	$ 104,775
Salaries and benefits	33,411	51,257
	$ 102,170	$ 156,032
Argentina, South America (c)		
Exploration activities	$ 424,203	$ 519,784
Salaries and benefits	135,465	241,964
Depreciation	9,352	11,690
	$ 569,020	$ 773,438
	$ 689,190	$ 953,470

(a) Total cumulative exploration activities incurred in Guyana, South America to December 31, 2018 amounted to $35,544,787 (December 31, 2017 - $35,526,787). As of December 31, 2018, the Company decided to discontinue it operations in Guyana and all claims were dropped.

(b) Total cumulative exploration activities incurred in Colombia, South America to December 31, 2018 amounted to $23,769,338 (December 31, 2017 - $23,667,168).

(c) Total cumulative exploration activities incurred in Argentina, South America to December 31, 2018 amounted to $15,390,200 (December 31, 2017 - $14,821,180).

(Expressed in Canadian Dollars)

13. General and administrative

Years ended December 31,	**2018**	**2017**
Salaries and benefits	$ 291,836	$ 215,971
Administrative and general	104,108	64,352
Professional fees	131,650	171,227
Business development	50,642	124,513
Reporting issuer costs	110,371	308,291
	$ 688,607	$ 884,354

14. Equity accounted investment

As at December 31, 2018, the Company had a 38.9% equity interest in SAS (as defined in note 3(c)(ii)), which is a private company (December 31, 2017 – 38.9%). Since inception, SAS has incurred losses and the Company is not required to fund any losses incurred by SAS beyond its initial equity investment and the investment in SAS has a carrying value of $nil.

15. Warrants

	Number of warrants	**Grant date fair value ($)**	**Weighted average exercise price ($)**
Balance, December 31, 2016	6,913,227	2,113,652	1.19
Issued (note 6(b)(1)(2)(3)(4)(5))	2,130,370	394,548	0.65
Exercised	(580,250)	(161,294)	1.04
Warrant modification (a)	-	38,084	-
Expired	(1,818,960)	(773,050)	1.67
Balance, December 31, 2017	6,644,387	1,611,940	0.90
Issued (note 6(b)(6)(7)(8)(9))	2,906,070	318,560	0.40
Expired	(828,100)	(166,062)	1.14
Warrant modification (b)(c)	-	105,328	-
Balance, December 31, 2018	8,722,357	1,869,766	0.71

(Expressed in Canadian Dollars)

15. Warrants (continued)

Expiry date	Exercise price ($)	Warrants outstanding
January 20, 2019	1.10	150,000
January 20, 2019	1.10	9,000
January 23, 2019	4.20	166,667
April 21, 2019	0.70	21,350
April 21, 2019	0.70	305,000
May 9, 2019	0.80	305,000
July 8, 2019	0.60	592,500
September 13, 2019	0.50	1,066,667
September 21, 2019	1.00	491,667
October 12, 2019	0.50	65,833
November 3, 2019	0.50	759,250
February 2, 2020	1.00	119,353
March 6, 2020	1.00	125,000
March 27, 2020	1.00	150,000
May 1, 2020	0.35	1,034,000
May 8, 2020	1.30	180,000
July 11, 2020	0.41	356,720
July 11, 2020	0.41	21,350
July 13, 2020	1.00	125,000
September 23, 2020	1.00	150,000
October 19, 2021	0.40	2,294,000
October 19, 2020	0.40	28,000
October 19, 2021	0.40	206,000
		8,722,357

(a) On August 23, 2017, the following terms were changed for the following warrants:

- 125,000 warrants with an exercise price of $2.60 per share (pre consolidation - 2,500,000 warrants at a price of $0.13 per share) were issued on September 8, 2015 as part of a private placement, having an original expiry date of September 8, 2017. Each warrant entitles the holder to purchase one common share of the Company. The expiry date of the warrants was extended to December 29, 2017 and the exercise price was repriced to $0.44 per common share. The Company recorded the incremental difference of $30,160 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification. These warrants were valued immediately prior to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 1.24%, a dividend yield of 0%, a volatility of 258.73%, and an expected life of 0.04 year. These warrants were valued subsequent to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 1.24%, a dividend yield of 0%, a volatility of 200.05%, and an expected life of 0.35 year.

15. Warrants (continued)

(a) On August 23, 2017, the following terms were changed for the following warrants (continued):

- 9,000 warrants with an exercise price of $0.80 per share (pre consolidation - 180,000 broker warrants at a price of $0.04 per share) issued on September 23, 2015 as part of a private placement, having an original expiry date of September 23, 2017. Each warrant entitles the holder to purchase one common share of the Company. The expiry date of the warrants were extended to December 29, 2017 and the exercise price was repriced to $0.44 per common share. The Company recorded the incremental difference of $1,585 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification. These warrants were valued immediately prior to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 1.24%, a dividend yield of 0%, a volatility of 242.01%, and an expected life of 0.08 year. These warrants were valued subsequent to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 1.24%, a dividend yield of 0%, a volatility of 200.05%, and an expected life of 0.35 year.

- 125,000 warrants with an exercise price of $2.20 per share (pre consolidation - 2,500,000 warrants at a price of $0.11 per share) issued on October 3, 2015 as part of a private placement, having an original expiry date of October 3, 2017. Each warrant entitles the holder to purchase one common share of the Company. The expiry date of the warrants were extended to December 29, 2017 and the exercise price was repriced to $0.44 per common share. The Company recorded the incremental difference of $6,339 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification. These warrants were valued immediately prior to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 1.24%, a dividend yield of 0%, a volatility of 215.35%, and an expected life of 0.11 year. These warrants were valued subsequent to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 1.24%, a dividend yield of 0%, a volatility of 200.05%, and an expected life of 0.35 year.

(b) On September 11, 2018, the following terms were changed for the following warrants:

- 1,066,667 warrants with an exercise price of $0.90 per share were issued on September 13, 2016 as part of a private placement, having an original expiry date of September 13, 2018. Each warrant entitles the holder to purchase one common share of the Company. The expiry date of the warrants was extended to September 13, 2019 and the exercise price was repriced to $0.50 per common share. The Company recorded the incremental difference of $66,540 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification. These warrants were valued immediately prior to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 2.12%, a dividend yield of 0%, a volatility of 0%, and an expected life of 0.00 year. These warrants were valued subsequent to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 2.12%, a dividend yield of 0%, a volatility of 97.76%, and an expected life of 1.0 year.

15. Warrants (continued)

(b) On September 11, 2018, the following terms were changed for the following warrants (continued):

- 65,833 warrants with an exercise price of $0.90 per share were issued on October 12, 2016 as part of a private placement, having an original expiry date of October 12, 2018. Each warrant entitles the holder to purchase one common share of the Company. The expiry date of the warrants was extended to October 12, 2019 and the exercise price was repriced to $0.50 per common share. The Company recorded the incremental difference of $5,434 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification. These warrants were valued immediately prior to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 2.12%, a dividend yield of 0%, a volatility of 81.27%, and an expected life of 0.08 year. These warrants were valued subsequent to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 2.12%, a dividend yield of 0%, a volatility of 111.08%, and an expected life of 1.0 year.

(c) On November 3, 2018, the following terms were changed for the following warrants:

- 759,250 warrants with an exercise price of $0.70 per share were issued on November 3, 2015 as part of a private placement, having an original expiry date of November 3, 2018. Each warrant entitles the holder to purchase one common share of the Company. The expiry date of the warrants was extended to November 3, 2019 and the exercise price was repriced to $0.50 per common share. The Company recorded the incremental difference of $33,354 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification. These warrants were valued immediately prior to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 2.28%, a dividend yield of 0%, a volatility of 0%, and an expected life of 0.00 year. These warrants were valued subsequent to the subsequent extension using the following Black-Scholes option pricing model parameters; a risk-free interest rate of 2.28%, a dividend yield of 0%, a volatility of 94.83%, and an expected life of 1.0 year.

16. 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.

(Expressed in Canadian Dollars)

16. Related party balances and transactions (continued)

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

Years ended December 31,	2018	2017
John C. Ross Consulting Inc. (i)	$ 30,000	$ 30,000

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At December 31, 2018, $12,800 is included in amounts payable and other liabilities (December 31, 2017 - $38,900).

(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:

Years ended December 31,	2018	2017
Salaries and benefits (*)	$ 137,000	$ 137,000
Share based payments	93,626	61,358
	$ 230,626	$ 198,358

(*) The Board of Directors do not have employment or service contracts with the Company. There were no director fees accrued or paid during the year ended December 31, 2018 or December 31, 2017. The CEO of the Company was owed $332,084 as at December 31, 2018 (December 31, 2017 - $241,751). Salaries and benefits of $137,000 excludes $30,000 expensed to CFO above. In addition, a director of the Company was owed $20,400 as at December 31, 2018 (December 31, 2017 - $nil).

During the year ended December 31, 2018, a company with a common director charged the Company $36,283 for general and administrative services (December 31, 2017 - $nil) at market rates. These general and administrative services were incurred in the normal course of operations.

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.

(c) On July 25, 2017, Dr. Keith Barron, a director of the Company, exercised 142,500 warrants with an exercise price of $0.70 for cash of $99,750.

(d) On August 31, 2017, Dr. Keith Barron, a director of the Company, exercised 115,000 warrants with an exercise price of $0.70 for cash of $80,500.

(e) See note 17 for details of the loan advanced from a director of the Company during the year ended December 31, 2018.

(f) Dr. Spencer acquired 140,000 units for proceeds of $35,000 and Mr. Ross acquired 140,000 units for proceeds of $35,000.

(Expressed in Canadian Dollars)

17. Loan payable

During the year ended December 31, 2018, the Company entered into a series of advances from Bambazonke Holdings Ltd. ("Bambazonke"), pursuant to which Bambazonke agreed to lend the Company cash to fund working capital. Amounts outstanding under loan payable will incur interest at a rate of 8% per annum and the principal and interest payable thereon will be repaid on a best efforts basis. Bambazonke is a company controlled by a director of the Company. Aggregate advances at December 31, 2018 amounted to $370,000 (December 31, 2017 - $nil). Interest expense of $24,933 was included in loan payable as at December 31, 2018.

18. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of uranium properties in South America. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

December 31, 2018

	Canada	Colombia	Argentina	Total
Current assets	$ 94,136	$ 47,715	$ 2,959	$ 144,810
Non-current assets	-	-	2,845,067	2,845,067
	$ 94,136	$ 47,715	$ 2,848,026	$ 2,989,877

December 31, 2017

	Canada	Colombia	Argentina	Total
Current assets	$ 93,990	$ 1,643	$ 22,950	$ 118,583
Non-current assets	-	-	2,854,419	2,854,419
	$ 93,990	$ 1,643	$ 2,877,369	$ 2,973,002

19. South American property interests

	Acquisition Costs
Balance, December 31, 2017 and 2018	**$ 2,807,660**

The Company controls various exploration and mining concessions in Argentina. The various concessions have a carrying value of $2,807,660 (2017 - $2,807,660).

In Colombia, the Company holds five exploration concessions that constitute its Berlin Project. These concessions were valued at $7,666,992. The Company has undertaken a less than optimal level of exploration in the previous four years and has no immediate plans to resume exploration in Colombia until the share price recovers. As a result, the Company recorded an impairment charge of $7,666,992 in fiscal 2016. As at December 31, 2018 and 2017, the carrying value of the Berlin Project was $nil.

In Guyana, the Company held nil (2017 - 10) contiguous prospecting licence claims which were acquired by application. All exploration expenses in Guyana have been expensed to date. As of December 31, 2018, the Company decided to discontinue its operations in Guyana and all claims were dropped.

20. Other payable

In fiscal 2011, the Company vended an exploration concession for a share interest in a new entity. The other payable of $176,000 represents an allowance for a potential tax exposure from this transaction.

21. Subsequent event

On January 20, 2019 and January 23, 2019, 159,000 warrants with an exercise price of $1.10 and 166,667 warrants with an exercise price of $4.20, respectively, expired unexercised.