UEX CORPORATION

2014 ANNUAL REPORT

Message to Shareholders *March 17, 2015*

Since joining UEX as President and CEO in January of 2014, our team has been hard at work. We refocused our strategy, grew our exploration team and commenced an exciting new basement deposit exploration program. Coinciding with our efforts, we are now starting to see a renewed optimism in the uranium sector.

Basement deposit targeting

The recognition of the potential of basement targeting at our Hidden Bay Project has rapidly evolved into a significant growth opportunity for the Company as we work toward adding to our substantial resource base defined by our existing deposits, which remain key pillars underpinning UEX's value. Confident in the future of uranium, we believe that the best way for the Company to grow in the current operating environment is through finding new basement deposits that will create significant value for our shareholders when the price for our commodity rebounds.

With our focus on new discoveries, the Company has assembled a cohesive and passionate team with the goal of being the best explorers in the business. In addition, we have been actively staking interesting plots of land and evaluating potential acquisitions with an eye on creating shareholder value.

The Company has identified twelve high-priority basement target areas on the Hidden Bay Project where new discoveries similar to the Millennium, Gryphon, PLS and Roughrider basement-hosted uranium deposits could be anticipated. We have just begun to investigate the potential of the intense hydrothermal clay alteration and anomalous uranium concentrations in the Wolf Lake and Dwyer Lake target areas. Such intense clay alteration and anomalous uranium concentrations are rare and are strikingly similar to proximal alteration and uranium concentrations I have observed near the Millennium and Roughrider basement-hosted deposits.

In early January, the Company announced the start of a 10,000 m – $2.5 million drilling program initially targeting the high-priority targets identified in the Wolf Lake and Dwyer Lake areas. This program, utilizing two drills, is anticipated to be completed in the second quarter. Initial drilling results at Dwyer Lake have uncovered the presence of a much larger hydrothermal clay alteration system than our exploration team expected and our geologists are testing the extent of this highly prospective system to determine where uranium may have been deposited.

> *Early results at Dwyer Lake have validated the Company's new approach to exploring for basement uranium deposits. Our exploration team has been quickly able to demonstrate to me the competitive advantage that our database and core library bring to our Hidden Bay Project.*

UEX is uniquely poised to make the next basement uranium discovery in the shallowest part of the Athabasca Basin in an area surrounded by established infrastructure and in the shadow of two operating uranium mills.

This winter's program will test only a fraction of the high-priority targets we have recently identified and UEX shareholders should be interested to hear that many more exciting basement targets will be tested in the coming years in order to evaluate the basement uranium deposit potential of the Hidden Bay Project.

Western Athabasca JV – AREVA

Our partner AREVA has recommitted to our joint venture projects in the Basin with a $4.8-million budget for 2015. This budget includes a significant drill program at Shea Creek to test for mineralization in the SHE-02 area and for new deposits along the Saskatoon Lake Conductor along strike to the south of the four known deposits. The joint venture will also drill test a newly defined conductive corridor on the Erica Project, 15 km southwest of the Shea Creek Deposits. This trend is one of many on our western properties that have geophysical characteristics similar to that of the prolific Saskatoon Lake Conductor trend which hosts the Shea Creek Deposits.

Uranium sector M&A

Over the last quarter and early into 2015, our sector has seen a few of our peers complete mergers and business combinations. UEX continues to look at opportunities that have an existing quality uranium resource with the potential of being developed into a low-cost uranium mine and which are located within world-class uranium mining jurisdictions. This challenging uranium market has exposed several opportunities which we continue to evaluate for their potential to be accretive to UEX shareholders.

Renewed confidence

Without sounding overly optimistic, I believe that our sector has come through the worst of the uranium downturn and there are several key milestones upcoming that I believe should breathe new life into the space. The final approval for the restarts of Sendai 1 and 2 has been granted, with these restarts scheduled for early 2015. I believe that getting the first nuclear plants back into service in Japan cements a clear path for the next reactors to follow. These restarts should lead to the eventual cessation of uranium inventory selling into the spot market and incentivize utilities to return to traditional long-term contracting of uranium purchases, the lack of which has depressed the uranium commodity price in recent years.

Competitive advantage

Blessed with the one of the largest non-producer-owned uranium resources in the Athabasca Basin, our enviable portfolio of brownfields, mid-stage and grassroots exploration targets, the ability to vector towards shallow basement-hosted uranium targets at Hidden Bay, the potential for resource expansion and the discovery of new lenses around known uraniferous targets at Shea Creek, coupled with our financial strength to capitalize on opportunities as they present themselves, UEX is well-positioned to reap the benefits of the ongoing nuclear renaissance.

I look forward to updating you on our progress and successes.

Roger Lemaitre
President & CEO

UEX CORPORATION

Management's Discussion and Analysis
For the years ended December 31, 2014 and 2013
(Expressed in Canadian dollars, unless otherwise noted)

This Management's Discussion and Analysis ("MD&A") of UEX Corporation ("UEX" or the "Company") for the year ended December 31, 2014 is intended to provide a detailed analysis of the Company's business and compares its financial results with those of the previous year. This MD&A is dated March 17, 2015 and should be read in conjunction with the Company's audited annual financial statements and related notes for the years ended December 31, 2014 and 2013. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless specified otherwise, all dollar amounts are in Canadian dollars.

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

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1. Introduction

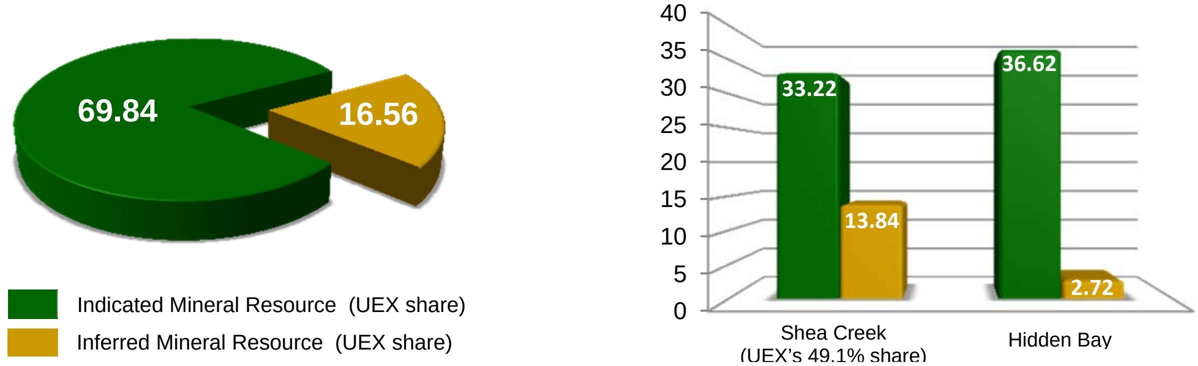
Overview

UEX's fundamental goal is to remain one of the leading global uranium explorers and to advance its portfolio of Athabasca Basin uranium deposits and discoveries through the development stage to the production stage. Since being listed on the Toronto Stock Exchange in 2002, UEX has pursued exploration on a diversified portfolio of prospective uranium projects in three areas within the Athabasca Basin in Saskatchewan, Canada. The Company is focusing its main efforts on two advanced projects, the 100%-owned Hidden Bay Project ("Hidden Bay") which includes the Horseshoe, Raven and West Bear deposits in the eastern Athabasca Basin, and the Kianna, Anne, Colette and 58B deposits within the 49.1%-owned Shea Creek Project ("Shea Creek") in the western Athabasca Basin.

UEX is involved in fifteen uranium projects totaling 251,159 hectares (620,626 acres), located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium district, which in 2014 accounted for approximately 16% of global primary uranium production. The Company's projects include four that are 100% owned and operated by UEX, one joint venture with AREVA Resources Canada Inc. ("AREVA") that is operated by UEX, nine projects joint-ventured with and operated by AREVA, and one project joint-ventured with AREVA and JCU (Canada) Exploration Company, Limited ("JCU"), which is operated by AREVA. AREVA is part of the AREVA group, one of the world's largest nuclear service providers.

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

Millions of Pounds U_3O_8 by Category and Project (UEX Share)



N.I. 43-101 Mineral Resource Estimates

Deposit	SHEA CREEK – Indicated Category at 0.30% U_3O_8 Cut-Off [(1)(2)(4)]			SHEA CREEK – Inferred Category at 0.30% U_3O_8 Cut-Off [(1)(2)(4)]		
	Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)	Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Kianna	1,034,500	1.526	34,805,000	560,700	1.364	16,867,000
Anne	564,000	1.992	24,760,000	134,900	0.88	2,617,000
Colette	327,800	0.786	5,680,000	493,200	0.716	7,780,000
58B	141,600	0.774	2,417,000	83,400	0.505	928,000
Total	**2,067,900**	**1.484**	**67,663,000**	**1,272,200**	**1.005**	**28,192,000**

Deposit	HIDDEN BAY – Indicated Category at 0.05% U_3O_8 Cut-Off [(1)(3)]			HIDDEN BAY – Inferred Category at 0.05% U_3O_8 Cut-Off [(1)(3)]		
	Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)	Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Horseshoe	5,119,700	0.203	22,895,000	287,000	0.166	1,049,000
Raven	5,173,900	0.107	12,149,000	822,200	0.092	1,666,000
West Bear	78,900	0.908	1,579,000	-	-	-
Total	**10,372,500**	**0.16**	**36,623,000**	**1,109,200**	**0.111**	**2,715,000**

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

(2) *The Shea Creek mineral resources were estimated at a cut-off of 0.30% U_3O_8, and are documented in the Shea Creek Technical Report with an effective date of May 31, 2013 which was filed on SEDAR at www.sedar.com on May 31, 2013.*

(3) *The Hidden Bay mineral resources were estimated at a cut-off of 0.05% U_3O_8, and are documented in the Hidden Bay Technical Report with an effective date of February 15, 2011 which was filed on SEDAR at www.sedar.com on February 23, 2011.*

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

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

Growth Strategy – UEX

- To find new uranium deposits at the 100% owned Hidden Bay Project and in the Western Athabasca Projects with our joint-venture partner AREVA.
- To continue the exploration and evaluation work required to delineate and develop economic uranium resources at Shea Creek.
- To advance the evaluation/development process at the Horseshoe, Raven and West Bear uranium deposits at the Hidden Bay Project to a production decision once uranium commodity prices have demonstrated a sustained recovery from current spot and long-term prices.
- To maintain, explore and advance to discovery its other uranium projects.
- To pursue a diversified portfolio of uranium projects from early exploration through to development and production, which may include outright property acquisitions or other business combinations.

(Expressed in Canadian dollars, unless otherwise noted)

2. Exploration and Evaluation Update

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

Western Athabasca Projects ("WAJV") – Overview

AREVA's former Cluff Lake Mine produced over 62 million pounds of U_3O_8 during its successful 22 years of operation*

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

- Joint venture: AREVA 50.9%, UEX 49.1%
  - o Option to earn up to an additional 0.8% interest (*0.1% per $2 million of discretionary exploration expenditures in addition to the annual approved budget*) (see WAJV 2013 Option Agreement below)
- Year-round access, Provincial Highway 955
- Flagship project: Shea Creek Project (see *Shea Creek – 2015 drilling program*)
- Four deposits: Kianna, Anne, Colette & 58B
- Recent and current exploration also focused on the following projects:
  - o Erica - ground geophysical (2014) and drilling (2015) programs
  - o Laurie - drilling program (2014)
  - o Mirror River - drilling program (2014)

Western Athabasca Projects	Number of claims	Hectares	Acres	Project Operator	UEX Ownership %	AREVA Ownership %
Alexandra	3	8,010	19,793	AREVA	49.0975	50.9025
Brander Lake	9	13,993	34,577	AREVA	49.0975	50.9025
Coppin Lake	10	2,768	6,840	AREVA	49.0975	50.9025
Erica	18	31,599	78,083	AREVA	49.0975	50.9025
Laurie	4	8,778	21,691	AREVA	49.0975	50.9025
Mirror River	5	17,400	42,996	AREVA	49.0975	50.9025
Nikita	6	15,131	37,390	AREVA	49.0975	50.9025
Shea Creek	14	27,343	67,566	AREVA	49.0975	50.9025
Uchrich	1	2,263	5,592	AREVA	49.0975	50.9025
Total	70	127,285	314,528			

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

An annual 2014 program with a cost of approximately $2.0 million (Erica - $600,000, Laurie - $700,000 and Mirror River - $700,000) has been completed and UEX funded approximately $1.0 million.

The 2015 programs with a combined budget of $4.8 million have been approved (Shea Creek - $2.8 million, Erica - $1.5 million, Laurie - $500,000 and Alexandra/Brander/Nikita - $30,000) of which UEX will fund approximately $2.1 million. UEX has elected not to participate in the 2015 Laurie program, which will focus exclusively on geophysics. UEX's decision to not fund exploration work at the Laurie Project will result in a reduction in the Company's ownership interest, should AREVA complete and fund the program as proposed (see *Western Athabasca Projects – Other Projects* below). The decision not to fund our share of the proposed Laurie program does not have an impact on UEX's ownership interest in the other eight WAJV projects, which will remain at 49.097%, including the Company's ownership of the existing uranium resources at the Shea Creek Project. The 2015 programs commenced in mid-January 2015, with the majority of expenditures to be incurred by the end of the third quarter of 2015.

Please refer to the *Western Athabasca Projects – Shea Creek* and *Western Athabasca Projects – Other Projects* sections below for further discussion of the 2014 and 2015 programs.

Cumulative expenditures (inclusive of non-cash items) at December 31, 2014 by UEX on exploration and evaluation were $55.0 million and $7.4 million, respectively, with approximately 257,000 metres of drilling completed.

In the third quarter 2014, UEX and AREVA each staked new mineral claims in the Patterson Lake South area. These claims now form the Coppin Lake Project and are part of the Western Athabasca Joint Venture.

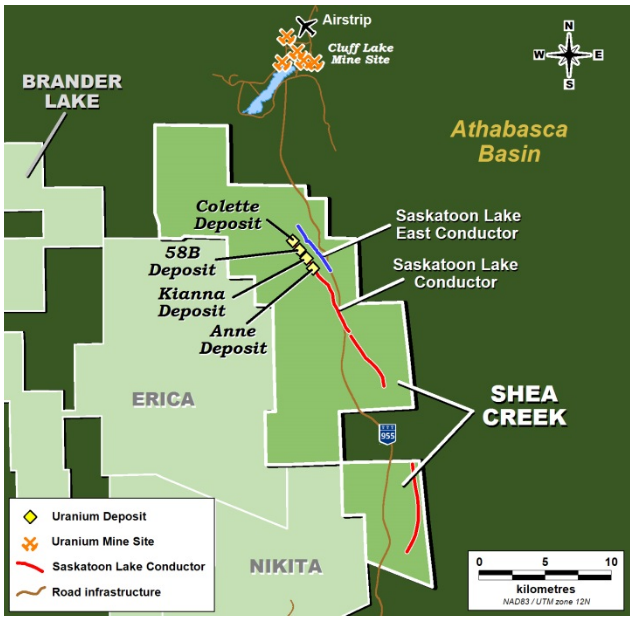
WAJV 2013 Option Agreement

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

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

Due to uranium market conditions, UEX did not propose supplemental program budgets for the Western Athabasca for 2014 or 2015 to date; however, the Company retains the ability to propose budgets that would allow UEX to increase its ownership interest under the agreement.

Western Athabasca Projects – Shea Creek

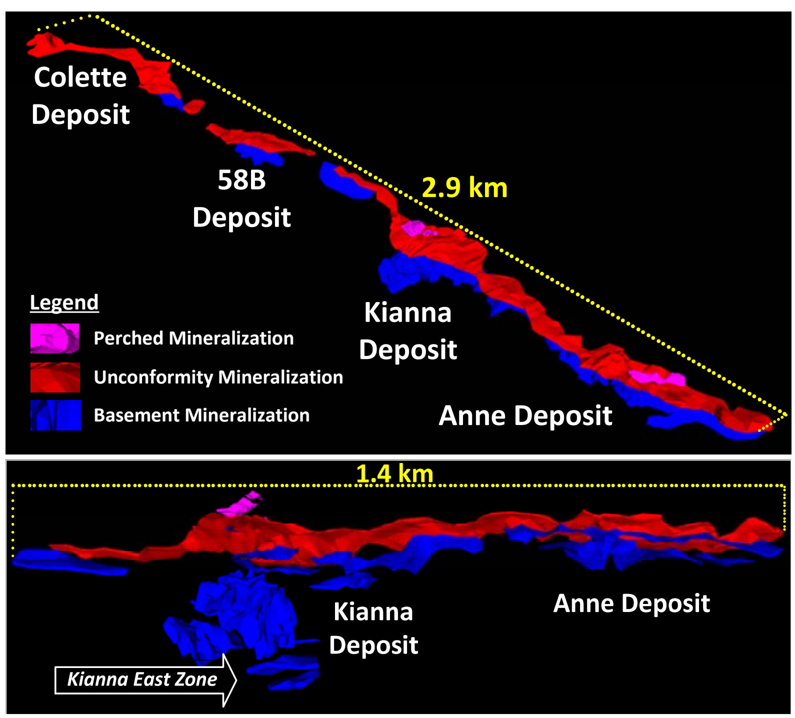


- Four known deposits – Kianna, Anne, Colette and 58B, distributed along a 3 km strike-length at the north end of the 33 km Saskatoon Lake Conductor
- 2015 approved exploration program and budget is $2.8 million and consists of:
  - Drilling near SHE-02 and the southernmost portion of Shea Creek on the Saskatoon Lake Conductor ("SLC")
  - Moving-loop SQUID electromagnetic survey on the southernmost Shea Creek claim
- Former Cluff Lake airstrip is not actively maintained due to mine decommissioning

Cumulative expenditures (inclusive of non-cash items) at December 31, 2014 by UEX on exploration and evaluation were $44.8 million and $7.4 million, respectively, with approximately 253,000 metres of drilling completed.

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

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



(Expressed in Canadian dollars, unless otherwise noted)

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

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

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

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

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

Shea Creek – 2015 Exploration

Approximately 31.5 km of electromagnetic surveying will be completed this winter season on the southernmost Shea Creek claim using a moving-loop SQUID electromagnetic survey.

2015 exploration will also consist of drilling in four areas for a total of 4,900 m of drilling across eight holes:

- One drill hole is planned to intersect a previously untested electromagnetic conductor parallel to and west of the Saskatoon Lake Conductor ("SLC"), approximately 650 m southwest of the Anne Deposit.
- Three holes are planned to systematically test segments of the SLC 3.7 to 4.9 km south of the Shea Creek Deposits.
- Three holes will also be drilled to test the sparsely explored southernmost extent of the SLC at the southern end of the Shea Creek property where unconformity depths are in the range of 450 to 500 m.
- Hole SHE-2: Drilling will follow up on the first mineralized hole encountered on the property during a systematic drilling campaign of the SLC undertaken in 1992 by Amok, a previous operator of the project. SHE-2 intersected significant uranium mineralization (0.342% U3O8 over 0.4 m) associated with the SLC. Until now, this intersection has not been followed up with additional drilling as other mineralized holes that tested the SLC led the exploration team toward the discovery of the current Shea Creek Deposits approximately 2.0 km to the north.

Western Athabasca Projects – Other Projects

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

Erica Project – 2014 and 2015 Programs

2014 Geophysical Program

A ground geophysical program consisting of a Tensor Magnetotelluric ("MT") survey on the Erica Project commenced in mid-April and was completed in mid-June of 2014. Total MT coverage was 50.4 line-km along eleven profiles. This program cost $600,000 of which UEX funded its 49.1% share, or approximately $294,600. The program was successful at defining 2015 drill targets along the NW-SE conductive trend outlined by previous geophysical surveys.

2015 Drilling Program

A 2015 winter drilling program with a budget of $1.5 million has been approved for the Erica Project. It will consist of 3,500 m of drilling (4 to 6 holes) to test a newly defined electromagnetic conductor trend coincident with a magnetic low located 15 km west southwest of the Shea Creek Deposits. The trend is oriented parallel to the SLC and exhibits a similar geophysical signature as the basement rocks on the Shea Creek property. UEX has approved the Erica program and budget and intends to fund its 49.1% share of this program or approximately $736,000.

Laurie Project – 2014 and 2015 Programs

2014 Drilling Program

Drilling on the Laurie Project consisted of five diamond drill holes (LAUR-12 to LAUR-16) totaling 1,803 metres. Hole LAUR-12 intersected a large fault zone in the basement from 294.0 to 315.2 metres characterized by moderately to strongly graphitic and moderately pyritic gneiss with abundant fault gouge, breccia, chloritization and high angle graphitic shears.

The remaining Laurie drill holes tested several EM conductors (A, A2 and C) at the unconformity. Moderately to strongly graphitic pelitic gneiss was intersected confirming the existence of the conductors. No significant radioactivity or geochemical uranium values were returned.

2015 Geophysical Program

A 2015 winter geophysical program with a budget of $500,000 has been approved for the Laurie Project by the joint venture. Exploration activities will consist exclusively of a moving-loop time-domain electromagnetic ("ML-TEM") survey on the southern end of the project where the Athabasca sandstone ranges from 0 to 225 m thick. A total of 49 km of ML-TEM is planned on fourteen profiles with the objective of defining future drill targets. UEX has elected not to participate in the 2015 Laurie program. UEX's interest in this project is anticipated to drop from the current 49.097% interest to approximately 42.25% should AREVA complete the approved ML-TEM program.

UEX's decision to not fund exploration work at the Laurie Project does not have an impact on UEX's ownership interest in the other eight WAJV projects which will remain at 49.097%, including the Company's ownership of the existing uranium resources at the Shea Creek Project.

(Expressed in Canadian dollars, unless otherwise noted)

Mirror River Project – 2014 and 2015 Programs

2014 Drilling Program

Three diamond drill holes totaling 1,579 metres were completed at the Mirror River Project. The holes tested several EM conductors and resistivity anomalies at the unconformity.

- Hole MRR-05 tested a resistivity anomaly near the A4 conductor in the southern portion of the property and intersected minor disseminated sulfides and moderate local bleaching in the sandstone and graphitic pelites in the basement rocks, which likely explain the resistivity anomaly at this location.
- Holes MRR-06 and MRR-07 tested segments of the north-trending EM conductors (C1 and C2) in the northern portion of the property.
    - Hole MRR-06 intersected graphite in sufficient quantities to confirm the conductor.
    - Hole MRR-07 drilled to test the C1-south conductor did not intersect the conductor.

  No significant radioactivity or geochemical uranium values were returned.

2015 Program

No work is planned on the Mirror River Project in 2015.

Alexandra, Brander Lake and Nikita Projects – 2015 Program

No significant exploration activities are planned on the Brander, Alexandra and Nikita Projects in 2015. Budgets of $10,000 have been approved for each of these projects in 2015 to prepare for future exploration activities, possibly as soon as 2016.

UEX has approved the budgets for the Brander, Alexandra and Nikita Projects totaling $30,000. UEX will fund its 49.1% share of these budgets or approximately $14,700.

Beatty River Project

	Number of claims	Hectares	Acres	Project Operator	UEX Ownership %	AREVA Ownership %	JCU Ownership %
Beatty River	7	6,688	16,526	AREVA	25.0	50.7	24.3

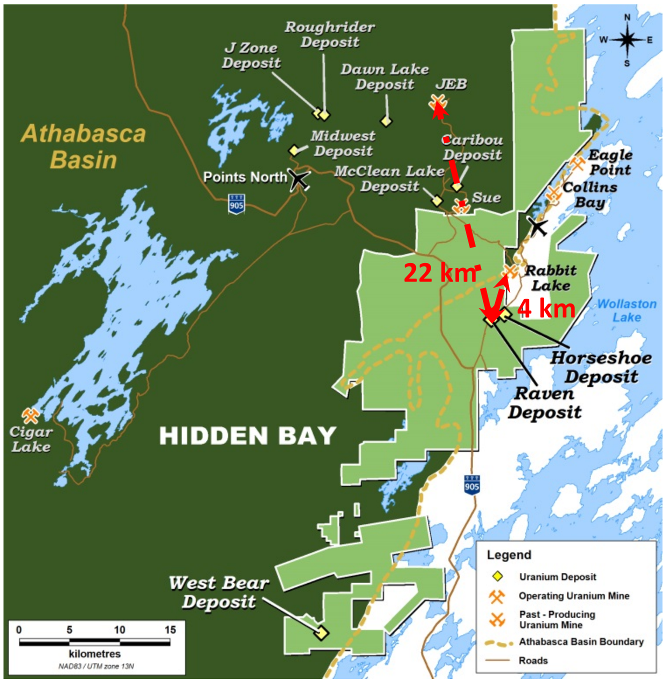
The Beatty River Project is located in the western Athabasca Basin approximately 40 kilometres south of the Shea Creek Deposits. Please see the Western Athabasca Projects map above for location of the Beatty River Project.

Pursuant to an option agreement dated June 15, 2004 and subsequently amended on March 20, 2013, UEX acquired a 25% interest in Beatty River from JCU in 2013.

No program has been proposed for 2015.

(Expressed in Canadian dollars, unless otherwise noted)

Hidden Bay Project



- Cameco's Rabbit Lake Mill (including Eagle Point) produced over 190 million pounds of U_3O_8 to date [(1)]
- AREVA's McLean Lake JEB Mill has produced close to 50 million pounds of U_3O_8 to date [(2)]

(1) Source: *http://www.saskmining.ca/commodity-info/Commodities/32/uranium.html*

(2) Source: *http://us.areva.com/EN/home-984/areva-resources-canada-mcclean-lake.html*

- Three known deposits: Horseshoe, Raven and West Bear.
- Proximal to operating uranium mills, year-round access by road and air, electric transmission lines transect the property.
- Competitive advantage due to extensive historic core library and large historic drilling database
  - o Used to identify and target new basement uranium mineralization;
  - o Provides a reference library of our existing deposits in the area to interpret new drilling results.
- 10,000 metre - $2.5 million exploration program focused on Dwyer Lake & Wolf Lake for basement-hosted uranium deposits in 2015.

	Number of claims	Hectares	Acres	UEX Ownership %
Hidden Bay	47	57,770	142,752	100

Hidden Bay was acquired from Cameco upon UEX's formation in 2002 establishing Cameco's initial equity position in UEX.

In October of 2014, UEX staked five new mineral claims which now form a part of the Hidden Bay Project. Most of the newly staked claims are contiguous to existing Hidden Bay claims and expand the Company's holdings in the Dwyer Lake and Wolf Lake areas.

The 2015 exploration program commenced in December 2014 with the majority of expenditures to be incurred by the end of the second quarter of 2015.

(Expressed in Canadian dollars, unless otherwise noted)

Cumulative expenditures (inclusive of non-cash items) at December 31, 2014 by UEX on exploration and evaluation at Hidden Bay were $69.4 million and $7.3 million, respectively, with approximately 488,000 metres of drilling completed.

Horseshoe and Raven Deposits

- Positive PA at US$60/lb U_3O_8 - see discussion below
- 7th largest undeveloped uranium resource in the Athabasca basin
- Located 4 km from Cameco's Rabbit Lake Mill and 22 km from AREVA's McClean Lake Mill
- Existing power line supplying Rabbit Lake Mill crosses over the deposits
- Year-round all-weather access by commercial airport and via Provincial Highway 905

West Bear Deposit

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

Mineral Resource Estimates

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

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

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

The PA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The PA found the economics of mining the Horseshoe and Raven deposits to be positive and, based on a spot price of US$60 per pound of U_3O_8, reported undiscounted earnings before interest and taxes ("EBIT") of $246 million, a pre-tax net present value ("NPV") at a 5% discount rate of $163 million and an internal rate of return ("IRR") of 42%.

Projects in the mining sector have experienced rising costs, including rising capital and operating costs, during the past few years. Rising capital and operating costs would, in the absence of other changes, negatively impact EBIT, NPV and IRR which have been calculated based upon estimated costs at the time the PA was prepared.

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

Basement Targeting at Hidden Bay

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

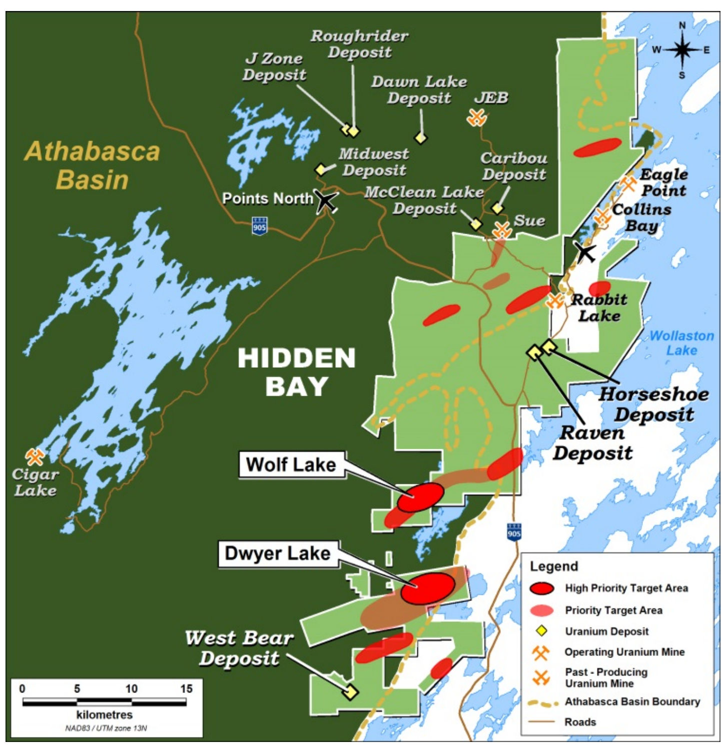
UEX's existing unconformity-focused exploration database is a substantial competitive advantage, as it can be used to generate high-quality basement targets with limited capital outlay. Substantial investment in geophysics, prospecting and drilling would be required to obtain a fraction of the information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

Exploration – Dwyer Lake & Wolf Lake Targets

2014 Exploration Program

Field review of historical drill core was undertaken in summer 2014 to identify high priority basement uranium targets for winter 2015 drilling:

- 12 target areas were identified from the Company's database of 1,800+ historic drill holes and exploration data as being prospective for basement-hosted uranium deposits.
- A field review of the historical drill core from six of the twelve target areas was completed in 2014.
- The Dwyer Lake and Wolf Lake areas were found to exhibit key characteristics associated with basement-hosted uranium deposits similar to the Millennium, Roughrider and Eagle Point deposits.



Dwyer Lake – Key Characteristics

- The Athabasca sandstone cover is approximately 25 to 35 m thick in the area.
- A 65 metre thick strong hydrothermal alteration zone was identified starting at 35 metres depth.
  - The basement alteration observed resembles known basement alteration systems proximal to and within the Millennium, Roughrider and Eagle Point uranium deposits
  - Previous operators did not follow up on this prospective basement alteration zone down-dip or along-strike.

Wolf Lake – Key Characteristics

- The Athabasca sandstone cover is approximately 50 to 60 m thick in the area.
- Alteration systems were found in the 50 to 150 m depth range.
  - Massive continuous clay alteration was observed in multiple holes with extensive core lengths in basement rocks. The alteration resembles that of the basement alteration system associated with the Millennium, Roughrider and Eagle Point uranium deposits.
  - Previous operators did not follow up on this prospective basement alteration with additional holes in either the down-dip or along-strike directions.

Several nearby holes contain anomalous uranium mineralization, which include intersections of 0.135% U_3O_8 over 0.5 m, 0.12% U_3O_8 over 3.5 m and 0.068% U_3O_8 over 2.5 m all at shallow depths of less than 70 m from surface.

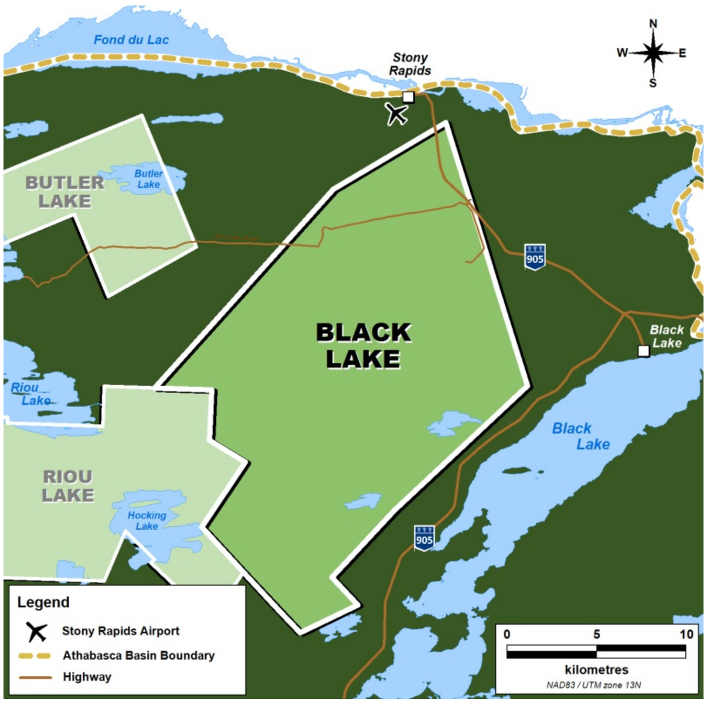
2015 Exploration Program

This exploration program will be the first of a series of programs intended to discover new basement-hosted deposits on Hidden Bay, based on ongoing re-interpretation and leveraging of the extensive historical dataset compiled when historical exploration in the area was targeting unconformity-style mineralization.

- $2.5 million budget for an estimated 10,000 metres of drilling currently underway. It is expected that the program will take approximately four months to execute and will be based out of the Company's Raven exploration camp. As at December 31, 2014, approximately $0.2 million of the Company's 2015 Hidden Bay exploration program budget has been expended.
- Testing of up to 4 of the initial 12 target areas recently identified and exhibit characteristics associated with known basement uranium deposits. These characteristics or markers were present in the core extracted from areas with shallow sandstone cover drilled by previous explorers looking for unconformity style mineralization.
  - Winter 2015 drill holes are targeting depths between 150 and 250 metres from surface.
  - UEX expects to complete approximately 30 holes dependent on drilling conditions.

(Expressed in Canadian dollars, unless otherwise noted)

Black Lake Project



- Located at the northern edge of the Athabasca Basin
- Uracan Resources (TSX.V:URC) has an option to earn a 60% interest
- Year-round access by road and air, electric transmission lines transect the property
- Village of Stony Rapids provides accommodations and other support services
- Uranium mineralization has been encountered on three separate areas of the property

	Number of claims	Hectares	Acres	Project Operator	UEX Ownership %	AREVA Ownership %
Black Lake	12	30,381	75,073	UEX	90.69	9.31

Cumulative expenditures by UEX (inclusive of non-cash items) to December 31, 2014 on exploration at Black Lake were $15.3 million, inclusive of non-option costs that are not covered under the earn-in agreement, with approximately 67,629 metres of drilling completed. . A total of 70,377 metres of drilling had been completed at Black Lake as at December 31, 2014, which includes 2,748 metres of drilling funded by Uracan. The exploration expenditures funded by Uracan are not reflected in UEX's financial statements, with the exception of the 10% management fee received from Uracan, which is netted against salaries, termination and placement fees.

Pursuant to an agreement dated January 24, 2013, and amended June 23, 2014 and December 15, 2014, Uracan Resources Ltd. ("Uracan") can earn a 60% interest in the Black Lake Project by funding $10 million in exploration expenditures over 10 years with a minimum of $1 million per year, with no partial earn-in permitted. UEX remains the project operator until such time as Uracan has earned its 60% interest in the Project and is entitled to a 10% management fee under the Black Lake joint-venture agreement. Uracan has also granted to UEX a 1% NSR royalty from their ownership interest and upon UEX receiving a total of $10.0 million in royalty payments, the NSR royalty will terminate.

In consideration for signing the initial agreement, Uracan issued 300,000 common shares and 150,000 warrants to UEX in 2013. In consideration for signing the June 23, 2014 amendment, Uracan issued a further 50,000 shares and 25,000 warrants to UEX in 2014.

The June 23, 2014 amendment reduced the 2014 expenditure requirement from $2,000,000 to $1,577,560. The $422,440 reduction to the 2014 expenditure requirement was added to the 2015 requirement, increasing it from $1,000,000 to $1,422,440. The December 15, 2014 amendment extended Uracan's 2014 exploration expenditures deadline to January 31, 2015, which have been fulfilled by Uracan. Except for the amendment of the annual expenditure requirements for 2014 and 2015 described above, all original terms of the earn-in agreement remain unchanged.

As at March 17, 2015, Uracan has funded approximately $1.6 million in exploration expenditures toward its earn-in and has completed approximately 4,066 metres of drilling on the Black Lake Project. These amounts are in addition to those incurred by UEX on Black Lake to date.

2015 Exploration Program

A winter diamond drilling program with a budget of $455,000 totaling 1,318 metres was completed in January 2015 on the Black Lake Project. Report writing for this program will be completed in the coming months. This program was fully funded by Uracan as part of the earn-in agreement.

In order to meet the 2015 earn-in requirement under the amended option agreement, Uracan must fund additional exploration expenditures of $1,422,440 before December 31, 2015.

2014 Exploration Program

Exploration drilling conducted in 2014 intersected significant uranium mineralization in several areas including **0.131% U_3O_8 over 0.5 metres** and **0.124% U_3O_8 over 1.0 metres** in drill hole BL-148. This mineralization is hosted within and adjacent to the Eastern Fault Zone from which previous drilling intercepts on the property have been obtained. These mineralized intervals encountered in drill hole BL-148 occur at and up to 19 metres below the unconformity between the overlying Proterozoic Athabasca sandstones and underlying Archean basement rocks. This basement-hosted mineralization intersected below the footwall unconformity is significant as this style of mineralization has not been encountered previously in this area of the Property and represents a new prospective target. Basement-hosted mineralization will be a major exploration target in the upcoming drill program.

Winter 2014 diamond drilling program consisted of six holes totaling 2,748 metres and was completed in February and March. The program tested geophysical and geochemical targets identified through the interpretation of data generated by previous work programs and followed up on uranium mineralization intersected in previous drill campaign.

For further information on the winter 2014 drilling program, please refer to UEX/Uracan's news release dated April 2, 2014 and/or Uracan's website at *www.uracan.ca*.

Notable Historic Intersections

Previous drilling by UEX encountered uranium mineralization has been on three separate areas of the property (as described in UEX press releases dated October 12, 2004, August 14, 2006, February 27, 2007 and August 21, 2007, respectively):

- BL-018: 0.69% U_3O_8 over 4.4 metres, including 1.96% U_3O_8 over 0.5 metres;
- BL-082: 0.50% U_3O_8 over 3.3 metres, including 1.60% U_3O_8 over 0.7 metres;
- BL-110: 0.79% U_3O_8 over 2.82 metres; and
- BL-140: 0.67% U_3O_8 over 3.0 metres, including 1.58% U_3O_8 over 1.0 metre.

These mineralized intervals were encountered at the unconformity between the overlying Proterozoic Athabasca sandstones and underlying Archean/Aphebian basement rocks at relatively shallow down-hole depths between 274 metres and 318 metres.

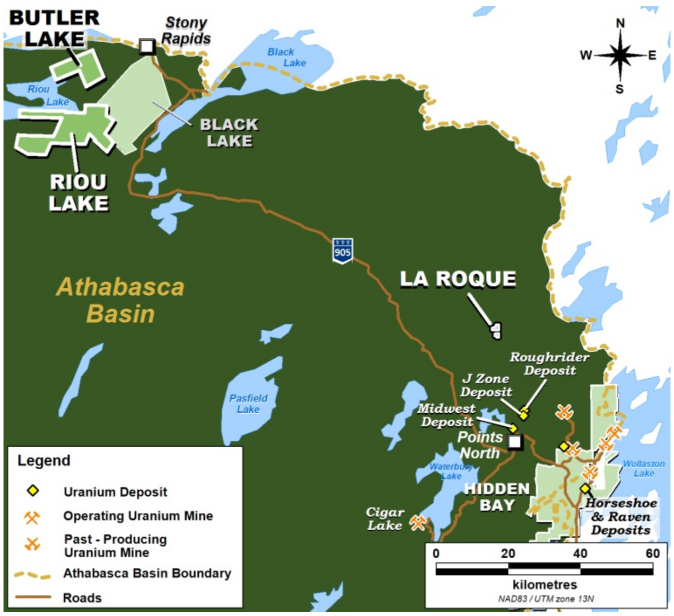
2014 Geophysical Program

The winter 2014 program consisted of a DC Resistivity survey over the central portion of the Project area to complete geophysical coverage over the entire Project area. The survey consisted of 16 profiles totaling 69.7 line-kilometres.

A number of enhanced resistivity anomalies were observed in the lower sandstone resistivity bench and prioritized for drill testing during upcoming programs.

(Expressed in Canadian dollars, unless otherwise noted)

Northern Athabasca and Riou Lake Projects



UEX is actively seeking partners to advance the Northern Athabasca and Riou Lake Projects

- Located at the northern edge of the Athabasca Basin
- Year-round access by road and air, close to existing electric transmission lines.
- Village of Stony Rapids provides accommodation and other support services
- Uranium mineralization has been encountered on three areas of the Riou Lake Project
- Lack of recent activity and exploration budgets triggered impairment charges on these projects despite their potential.
- Newly staked La Roque claims adjacent to Cameco's La Roque Lake deposits.

Northern Athabasca

	Number of claims	Hectares	Acres	UEX Ownership %
Butler Lake	2	7,245	17,903	100
La Roque	3	378	934	100
Total	5	7,623	18,837	100

UEX continues to hold claims on our Northern Athabasca Projects; however, the Company does not have any current plans to continue exploration at this time.

- One claim at each of the former Monroe Lake and Fond du Lac projects lapsed in February 2015. These claims had been written off in 2010 due to a lack of planned exploration activity at that time.
- In September 2014, UEX staked three claims totalling 378 hectares in the La Roque Lake area and will evaluate these areas for their exploration potential in the near future.

(Expressed in Canadian dollars, unless otherwise noted)

Riou Lake

	Number of claims	Hectares	Acres	UEX Ownership %
Riou Lake	12	21,412	52,910	100

UEX recorded an impairment charge of $10,425,937 for the Riou Lake Project during the year due to a lack of future activity planned for the area. UEX maintains several Riou Lake claims in good standing.

- Two claims lapsed in 2014 and one claim lapsed in March 2015. These claims had been written off in the second quarter of 2014 due to a lack of planned exploration activity at that time.
- Four claims were staked in the third quarter of 2014 near one of the three mineralized areas on the property.

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

Qualified Person

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

(Expressed in Canadian dollars, unless otherwise noted)

3. Financial Update

Selected Financial Information

The following is selected financial data from the audited financial statements of UEX for the last three completed fiscal years. The data should be read in conjunction with the audited financial statements for the years ended December 31, 2014, 2013 and 2012 and the notes thereto.

Summary of Annual Financial Results

	December 31, 2014	December 31, 2013	December 31, 2012
Interest income	$ 131,399	$ 202,074	$ 221,465
Net loss for the year	(9,456,981)	(2,348,002)	(3,911,251)
Write-down of mineral properties	(10,425,937)	-	(1,609,741)
Basic and diluted loss per share	(0.041)	(0.010)	(0.018)
Capitalized exploration and evaluation expenditures, net of fair value consideration received (if any)	1,560,079	4,670,032	5,934,804
Total assets	$ 164,943,741	$ 173,871,037	$ 172,460,671

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

Summary of Quarterly Financial Results (Unaudited)

	2014 Quarter 4	2014 Quarter 3	2014 Quarter 2	2014 Quarter 1	2013 Quarter 4	2013 Quarter 3	2013 Quarter 2	2013 Quarter 1
Interest income	$ 34,660	$ 29,358	$ 32,279	$ 35,102	$ 42,073	$ 59,221	$ 38,559	$ 62,221
Net loss for the period	(573,455)	(364,243)	(8,067,108)	(452,175)	(1,175,040)	(271,163)	(464,957)	(436,842)
Write-down of mineral properties	-	-	(10,425,937)	-	-	-	-	-
Basic and diluted loss per share	(0.003)	(0.002)	(0.035)	(0.002)	(0.005)	(0.001)	(0.002)	(0.002)
Capitalized exploration and evaluation expenditures, net of fair value consideration received (if any)	236,706	179,835	515,064	628,474	1,104,791	2,101,877	995,539	467,825
Total assets	$164,943,741	$165,032,267	$162,766,315	$174,264,271	$173,871,037	$175,308,389	$174,898,927	$171,919,938

UEX's business is not affected by seasonality as the Company is able to perform exploration and evaluation work year round. Variations in capitalized exploration and evaluation expenditures from quarter to quarter and year to year are affected by the timing and size of the exploration and evaluation programs in the periods. Beginning in 2012 and continuing through 2014, in response to a decrease in uranium prices following the earthquake and tsunami that damaged Japan's Fukushima nuclear power plant and the global economic slowdown that affected UEX's share price, certain discretionary exploration and evaluation expenditures were deferred. This reduced level of activity in exploration and evaluation expenditures is reflected in the 2014 financial results. Variations in loss are primarily affected by the number of options granted and/or vesting in the period and the associated inputs used in calculating share-based payment expense, by the timing of mineral property impairments that may have occurred during the period (inclusive of the tax impact thereon) and the timing of the recognition of deferred taxes associated with the renunciation of tax benefits related to flow-through expenditures.

- *Impairment:*
  - In the second quarter of 2014, the Company determined that the carrying value of UEX's 100%-owned Riou Lake Project was impaired and a $10,425,937 charge is reflected in the loss for the second quarter of 2014 (net deferred tax effect, which reduced the impact of the impairment by approximately $2,815,000). This impairment was recognized because the Company does not have any exploration activity planned or currently budgeted for the area. UEX continues to maintain several Riou Lake claims in good standing.
- *Renunciation of tax benefits:*
  - The majority of the flow-through expenditures from the September 2014 flow-through private placement will be incurred in the first quarter of 2015. All of the flow-through expenditures from the June 2013 flow-through private placement were incurred prior to December 31, 2013.
  - The renunciation of tax benefits to eligible subscribers effective December 31, 2014 did not result in a significant increase in deferred tax expense in the fourth quarter of 2014 or for the year ended December 31, 2014 as had occurred in 2013 due to the timing of expenditures described above.
  - In the fourth quarter of 2013 and for the year ended December 31, 2013, the loss was increased by $625,617 in deferred tax expense as a result of the renunciation of the tax benefits associated with qualified exploration expenditures which were incurred with flow-through dollars, net of the reversal of the flow-through premium.
- *Deferred tax recovery*
  - The fiscal 2014 loss was reduced by $3.3 million in deferred tax recovery as a result of the impairment of Riou Lake as well as the increase in non-capital loss carryforwards due to the taxable loss incurred during the year.

In the year ended December 31 2014, $229,819 in exploration expenditures were funded with flow-through dollars.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 235,015,069 common shares were issued and outstanding as at December 31, 2014 and March 17, 2015, and an unlimited number of preferred shares (no par value) issuable in series, of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares, none of which are issued and outstanding. At December 31, 2014 and March 17, 2015, the Company had reserved a total of 15,861,000 common shares related to director, employee and consultant share purchase options. The share purchase options are exercisable into common shares at exercise prices ranging from $0.305 per share to $1.450 per share.

Results of Operations for the Three-Month Period Ended December 31, 2014

For the three-month period ended December 31, 2014, the Company generated interest income of $34,660 (2013 - $42,073). The decrease in interest income was due to lower cash balances during the current three-month period. In the fourth quarter of 2014, the Company had an average cash balance invested of approximately $8.8 million versus $10.4 million in the comparative period.

For the three-month period ended December 31, 2014, the Company incurred expenses of $746,342 (2013 - $591,496), with significant changes from the comparative period identified below as follows:

- Legal and audit fees of $42,207 (2013 - $19,500) increased primarily due to legal fees associated with employment matters in the quarter as well as costs related to a transition in the Company's corporate legal counsel;
- Maintenance expenses of $13,835 (2013 - $Nil) were incurred for general repairs to the Raven exploration camp in preparation for the 2015 basement targeting program at Hidden Bay;
- Office expenses of $99,640 (2013 - $51,234) increased primarily due to fees paid to the former President and CEO in 2014 in accordance with the consulting agreement signed upon his retirement;
- No project investigation costs were incurred during the fourth quarter of 2014. Project investigation costs of $79,572 were incurred during the three months ended December 31, 2013 and relate to the Company's evaluation of potentially accretive uranium projects in the period; and
- Salaries, termination and placement fees of $367,094 (2013 - $209,929) increased primarily due to a severance payment in the period, performance-adjusted compensation and a placement fee.

Deferred income tax recovery for the three-month period ended December 31, 2014 was $138,227 (2013 - expense of $625,617). The difference relates to the timing of expenditures using the proceeds from the flow-through private placements that occurred in each of 2014 and 2013 and the tax effects thereon. The majority of the 2014 placement proceeds will be expended in 2015 whereas the 2013 placement proceeds were fully expended in 2013. The deferred income tax expense during the three-month period ended December 31, 2013 reflects the deferred income tax liability created by the renouncement of the 2013 flow-through expenditures (net of the reversal of the flow-through premium).

The vesting of share purchase options during the three-month period ended December 31, 2014 resulted in total share-based compensation of $154,578 (2013 - $200,801), of which $407 was allocated to mineral property expenditures (2013 - $40,753) and the remaining $154,171 was expensed (2013 - $160,048). The cancellation of share purchase options related to a termination in the current quarter reduced the amounts capitalized in mineral properties by $10,504 and also reduced share-based compensation expense by $8,256 in the three-month period ended December 31, 2014.

In response to the continued weak uranium commodity price, along with a corresponding decrease in the Company's share price, the Company continued to curtail its exploration and evaluation expenditures at Hidden Bay from historical activity levels and did not incur WAJV supplemental exploration expenditures in the current quarter.

Results of Operations for the Year Ended December 31, 2014

For the year ended December 31, 2014, the Company generated interest income of $131,399 (2013 - $202,074). The decrease in interest income was due to lower cash balances during the year. In 2014, the Company had an average cash balance invested of approximately $8.2 million versus $11.7 million in the prior year.

For the year ended December 31, 2014, the Company incurred expenses of $12,884,677 (2013 - $2,238,780), with significant changes from the prior year identified below as follows:

- Legal and audit fees of $126,993 (2013 - $187,223) decreased primarily due to legal costs incurred in 2013 associated with the additional earn-in agreement for the Western Athabasca Projects, the Black Lake joint venture earn-in agreement with Uracan and the retirement of UEX's former CEO, with no similar costs incurred in 2014. This decrease was partially offset by costs incurred in 2014 related to a termination and other employment matters;

- Maintenance expenses of $14,200 (2013 - $1,250) were incurred for general repairs to the Raven exploration camp;

- Office expenses of $402,266 (2013 - $245,141) increased primarily due to fees associated with the former CEO's consulting agreement with the Company, as well as administrative costs associated with the transition to the new CEO and with enhanced investor relations activities. Comparative period costs included consulting fees associated with the 2013 transition to the MARS claim management process for Saskatchewan mineral claims, with no comparable costs in the current year;

- Project investigation costs of $90,054 (2013 - $79,572) relate to the Company's evaluation of potentially accretive projects in the uranium sector;

- Salaries, termination and placement fees of $845,545 (2013 - $817,654) increased primarily due to a severance payment in the year, performance-adjusted compensation and a placement fee. The effects of these increases have been reduced by project fees earned by the Company as the operator of the Black Lake joint venture, which have been offset against salaries, termination and placement fees in the year ended December 31, 2014. In addition, the current CEO has a lower base salary than his predecessor;

- Travel and promotion expenses of $198,872 (2013 - $112,089) increased primarily due to enhanced investor relations activities, but also reflect travel costs associated with the Company's CEO splitting his time between Vancouver and Saskatoon. Similar costs were not incurred in the comparative year; and

- Write-down of mineral properties of $10,425,937 (2013 - $Nil) relates to an impairment charge for the 100%-owned Riou Lake Project. The impairment was triggered due to the Company not having any exploration activity planned or budgeted for the Riou Lake Project.

Deferred income tax recovery for the year ended December 31, 2014 was $3,296,297 (2013 - expense of $311,296).

- The 2014 deferred income tax recovery reflects the tax impact of the $10,425,937 Riou Lake impairment charge, which occurred in the second quarter of 2014, as well as the increase in non-capital losses carried forward due to the addition of the current year's operating losses.

- The 2013 deferred income tax expense reflects the deferred income tax liability created by the renouncement of the 2013 flow-through expenditures (net of the reversal of the flow-through premium), offset by the increase in non-capital losses carried forward due to the addition of the comparative year's operating losses.

- The majority of the 2014 placement proceeds of $3.085 million will be expended in the following year, whereas the 2013 placement proceeds of $3.175 million were fully expended in 2013. The deferred income tax expense relating to the renunciation of the 2014 placement will be reflected in the first quarter of 2015, whereas the tax impact of the 2013 renunciation was reflected in the deferred income tax expense in the comparative year.

The vesting of share purchase options during the year ended December 31, 2014 resulted in total share-based compensation of $523,841 (2013 - $667,309), of which $33,734 was capitalized in mineral properties (2013 - $157,082) with the remaining $490,107 expensed (2013 - $510,227).

- Share-based compensation expense was lower than the comparative year and if not for the option grant to the new CEO in the first quarter and the share-based cased compensation expense resulting from the vesting of these options, the share-based compensation expense would have been $173,506 lower, as a significant portion of outstanding options had fully vested previously.

- A reduced amount of share-based compensation deferred in mineral properties in the current year is due to geological staff and consultants spending more of their time on corporate matters rather than exploration projects, when compared to the prior year.

- The cancellation of share purchase options related to a termination in the current year reduced the amounts capitalized in mineral properties by $10,504 and also reduced share-based compensation expense by $8,256 in the year ended December 31, 2014.

(Expressed in Canadian dollars, unless otherwise noted)

In response to the weak uranium commodity price, along with a corresponding decrease in the Company's share price, the Company reduced exploration and evaluation expenditures in 2014 versus 2013. UEX has a diverse portfolio of projects including projects with significant resources one of which has a positive preliminary assessment (see *Exploration and Evaluation Update*). The continuity of expenditures on uranium projects for the years ended December 31, 2014 and 2013 is as follows:

	Hidden Bay (1)	Riou Lake (2)	Western Athabasca (3)	Black Lake (4)	Beatty River	Total (5)
Balance at December 31, 2012	$ 75,363,225	$ 10,425,937	$ 57,548,301	$ 15,232,776	$ 865,950	$ 159,436,189
Additions - exploration	157,865	-	3,808,943	33,335	3,441	4,003,584
Additions - evaluation	702,379	-	-	-	-	702,379
Fair value consideration	-	-	-	(35,931)	-	(35,931)
Balance at December 31, 2013	76,223,469	10,425,937	61,357,244	15,230,180	869,391	164,106,221
Additions - exploration	456,436	-	1,050,323	37,568	-	1,544,327
Additions - evaluation	19,391	-	-	-	-	19,391
Fair value consideration	-	-	-	(3,639)	-	(3,639)
Impairment charge for the year	-	(10,425,937)	-	-	-	(10,425,937)
Balance at December 31, 2014	$ 76,699,296	$ -	$ 62,407,567	$ 15,264,109	$ 869,391	$ 155,240,363

(1) Hidden Bay

- The balance at December 31, 2014 includes evaluation expenditures of $7,311,690 (December 31, 2013 - $7,292,299) which represent costs associated with the continuing evaluation of and advancement of the Raven, Horseshoe and West Bear deposits at Hidden Bay. These costs include the West Bear Preliminary Feasibility Study (February 24, 2010), the Hidden Bay Preliminary Assessment Technical Report (February 23, 2011) and various component technical studies.
- Current year exploration expenditures reflect the time spent identifying new uranium drilling targets at Dwyer Lake and Wolf Lake through a review of both the Company's geological database and historical drill core in the field for the 2015 drilling program. Prior year exploration costs primarily relate to the preparation of supporting information for exploration assessment reports filed in February 2014.
- Evaluation costs in the current year relate to field barrel testing and monitoring programs. Prior year evaluation costs primarily related to component technical studies and the setup of field barrel testing.

(2) Riou Lake: An impairment charge was triggered in the second quarter of 2014 due to the Company not having any exploration activity planned or budgeted for the Riou Lake Project.

(3) Western Athabasca

- Shea Creek: The balance at December 31, 2014 includes evaluation expenditures at Shea Creek of $7,370,026 (December 31, 2013 - $7,370,026) which represent costs associated with the continuing evaluation of and advancement of the Shea Creek Project. There were no evaluation expenditures incurred in 2014 or 2013 that were related to this project as AREVA and UEX have focused on exploration activities.
- Current and prior year exploration costs include both drilling and geophysics at the Western Athabasca Projects. Prior year exploration costs also included additional exploration expenditures for drilling at Shea Creek under the additional earn-in agreement (see *Exploration and Evaluation Update*), which were not incurred in the current year.

(4) Black Lake: Initial fair value consideration relating to the farm-out agreement with Uracan, signed in 2013 and amended in the current year, has been recorded as a reduction in the carrying value of this project in each of 2014 & 2013.

(5) Current year exploration & evaluation additions for all projects include non-cash share-based compensation and depreciation totaling $75,053 (2013 - $197,820).

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

(Expressed in Canadian dollars, unless otherwise noted)

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western and northern Athabasca Basin. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles. The joint arrangements that the Company is party to in some cases entitle the Company, or its joint venture partner, to a right of first refusal on the projects should one of the partners choose to sell their interest. The joint arrangements are governed by management committees which set the annual exploration budgets for these projects. Should the Company be unable to, or choose not to, fund its required contributions as outlined in the agreements, there is a risk that the Company's ownership interest could be diluted. As a result of decisions to fund exploration programs for the joint arrangements, the Company may choose to complete further equity issuances or fund these amounts through the Company's general working capital. UEX is party to the following joint arrangements:

Ownership interest Effective December 31, 2014 and March 17, 2015	**Western Athabasca**	**Black Lake**	**Beatty River**
UEX Corporation	49.097 %	90.690 %	25.000 %
AREVA Resources Canada Inc.	50.903	9.310	50.702
JCU (Canada) Exploration Company, Limited	-	-	24.298
	100.000 %	100.000 %	100.000 %

Financing Activities

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

- On September 29, 2014, the Company completed a non-brokered private placement of 7,176,390 flow-through shares at a price of $0.43 per share for gross proceeds of $3,085,848 with issue costs of $89,736 and paid an agent a cash commission of $154,292, both of which were paid from existing cash reserves. A flow-through premium related to the sale of the associated tax benefits was determined to be $681,757 and a related $65,887 deferred income tax was recorded in share capital. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, their ownership interest in UEX declined from approximately 21.95% to 21.28%.

  The use of proceeds from the September 29, 2014 flow-through private placement as at December 31, 2014 are presented in the table below:

	PROPOSED USE OF PROCEEDS [(1)]	**ACTUAL USE OF PROCEEDS**	
	Flow-through Private Placement	Use of Proceeds	Remaining to be Spent
Hidden Bay	$ 2,500,000	$ 188,265	$ 2,311,735
Western Athabasca	585,848	41,554	544,294
TOTAL	**$ 3,085,848**	**$ 229,819**	**$ 2,856,029**

(1) Expenses of $244,028 related to the offering were funded from existing working capital.

  The Company renounced the income tax benefit of the September 29, 2014 private placement to its subscribers effective December 31, 2014 and expects to incur Part XII.6 tax at a rate of nil% for January 2015 and 1% per month thereafter on unspent amounts. The entire proceeds of the placement must be fully expended by December 31, 2015. As at March 17, 2015 the Company estimates that approximately $400,000 of the placement proceeds remain to be expended.

- On June 5, 2013 the Company completed a non-brokered private placement of 6,350,000 flow-through shares at a price of $0.50 per share for gross proceeds of $3,175,000 with issue costs of $44,972 and a referral fee of $60,000 paid from existing cash reserves. A flow-through premium related to the sale of the associated tax benefits was determined to be $127,000 on issuance. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, their ownership interest in UEX declined from approximately 22.58% to approximately 21.95% after the placement was completed.

  The proceeds from the June 5, 2013 placement funded UEX's 49% share of the $3.1 million Western Athabasca joint-venture exploration budget with AREVA as well as UEX's 100% share of the $2.0 million supplemental exploration budget which related to the additional earn-in agreement with AREVA for the Western Athabasca Projects which was signed in the first quarter of 2013. The Company spent all of the $3.175 million flow-through monies raised in the June 5, 2013 placement during the year ended December 31, 2014. The Company renounced the income tax benefit of this issue to its subscribers effective December 31, 2013 and did not incur any Part XII.6 tax related to this placement.

No share purchase options were exercised during the years ended December 31, 2014 or 2013.

Liquidity and Capital Resources

Working capital as at December 31, 2014 was $8,246,867 compared to working capital of $9,387,418 as at December 31, 2013 and includes the following:

- Current assets as at December 31, 2014 and 2013 were $9,569,306 and $9,608,052 respectively, including;
  - Cash and cash equivalents of $9,321,596 at December 31, 2014 and $9,321,916 at December 31, 2013. The Company's cash balances are invested in highly liquid term deposits redeemable within 90 days or less.
- Accounts payable and other liabilities as at December 31, 2014 and 2013 were $1,322,439 and $220,634, respectively;
  - This difference is primarily comprised of the remaining flow-through share premium liability of $630,984 related to the private placement completed in September 2014 as well as $424,034 relating to the Uracan prepayment for the 2015 exploration program at Black Lake.

The Company had sufficient cash resources at December 31, 2014 to fund its approved 2015 budgets for exploration, evaluation and administrative costs and anticipates a cash balance at December 31, 2015 of approximately $1.3 million, in the absence of a financing.

The Company's net deferred income tax liability of $10,063,649 at December 31, 2014 is comprised of a $13,917,555 deferred income tax liability primarily related to the tax effect of the difference between the carrying value of the Company's mineral properties and their tax values, offset by the Company's deferred income tax assets totaling $3,853,906. At December 31, 2013, the Company's net deferred income tax liability was $13,376,478 and was comprised of a $16,659,679 deferred income tax liability related to the tax effect of the difference between the carrying value of the Company's mineral properties and their tax values, offset by the Company's deferred income tax assets totaling $3,283,201. The net deferred income tax liability decreased from December 31, 2013 to December 31, 2014 primarily due to the Riou Lake impairment charge recorded in the second quarter of 2014, as well as the increase in the tax value of non-capital loss carry-forwards since December 31, 2013 resulting from the operating losses from the current year and from capitalized exploration expenditures which were not funded with flow-through dollars (and thus not renounced to shareholders), thereby creating a deferred income tax asset to offset against the deferred income tax liabilities.

(Expressed in Canadian dollars, unless otherwise noted)

Commitments

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The Company has an obligation under an operating lease for its office premises until November 30, 2015 and an obligation related to a retirement consulting agreement. Future minimum lease payments as at December 31, 2014 are as follows:

	2015	2016	2017	2018	2019
Lease for office premises	$ 56,743	$ -	$ -	$ -	$ -

Pursuant to a retirement agreement, the Company entered into a consulting arrangement whereby Mr. Graham Thody, the former President and Chief Executive Officer, agreed to provide management transition services for a two-year period for $366,000. The second half of this consulting fee ($183,000) was paid in January of 2015 for consulting services up to December 31, 2015 when the consulting arrangement will terminate. While this consulting agreement is in effect, Mr. Thody is not entitled to receive director's fees.

In December 2014, UEX received a prepayment of $455,884 from Uracan, which amounted to 100% of the budgeted 2015 winter drilling program at Black Lake. As at December 31, 2014, $424,034 of this prepayment remains unspent. All previous prepayments received from Uracan were fully expended by December 31, 2014. In January 2015, the unspent portion of this prepayment was fully expended for exploration drilling at Black Lake.

As at December 31, 2014, UEX has committed to fund $2.1 million of the $4.8 million 2015 Western Athabasca exploration budget. UEX has decided not to fund its share of the $500,000 2015 geophysical program at the Laurie Project, or approximately $245,375. UEX's interest in this project is anticipated to drop from the current 49.097% interest to approximately 42.25% should AREVA complete the approved program. This dilution would only apply to UEX's interest in the Laurie Project.

Off-Balance Sheet Arrangements

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

Financial Instruments

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

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development programs on its mineral properties. The Company manages its capital structure, consisting of shareholders' equity, and makes adjustments to it, based on funds available to the Company, in order to support the exploration and development of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements. Accounts payable and other liabilities are due within the current operating period.

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

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

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

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

Investments are recorded at fair value. The fair value change for the Uracan shares represents the change to the quoted price of these publicly traded securities from the date they were acquired. These common shares and common share purchase warrants are being held for long-term investment purposes. The fair value change for the common share purchase warrants reflects the changes to the Black-Scholes valuation input assumptions at the December 31, 2014 revaluation date increase in Uracan's share price, as compared to June 23, 2014 (for the warrants received as part of the amendment agreement consideration) and the decrease in Uracan's share price as compared to December 31, 2013 (for the original warrants). The warrants have expiry dates of February 13, 2016 (150,000 warrants) and June 23, 2017 (25,000 warrants) and have exercise prices of $0.15 and $0.12 per share, respectively (which are currently above market share price).

The impacts of fair value changes are incidental to the Company as the assets impacted by these changes do not represent significant value in comparison with the core assets of the Company. The Company has not exercised any of the Uracan common share purchase warrants that it holds.

The fair value of the Uracan shares, classified as Level 1, is based on the market price for these actively traded securities at December 31, 2014 and 2013, the financial statement fair value dates.

(Expressed in Canadian dollars, unless otherwise noted)

The fair value of the warrants received from Uracan, classified as Level 3, has been determined using the Black-Scholes option-pricing model with the following weighted-average assumptions as at the dates indicated:

February 13, 2013 Agreement	December 31 2014	December 31 2013
Number of warrants – Uracan (1)	150,000	150,000
Expected forfeiture rate	0.00%	0.00%
Weighted-average valuation date fair values	$ 0.01	$ 0.06
Expected volatility	124.13%	150.18%
Risk-free interest rate	1.01%	1.14%
Dividend yield	0.00%	0.00%
Expected life	1.12 years	2.19 years

(1) Initial fair value of the 150,000 Uracan warrants on February 13, 2013 was determined to be $8,931 using the Black-Scholes option-pricing model with the following weighted-average assumptions: Pre-vest forfeiture rate – 0.00%; Expected volatility – 127.26%; Risk-free interest rate – 1.22%; Dividend yield – 0.00%; and Expected life of warrants – 3.00 years.

June 23, 2014 Agreement Amendment	December 31 2014	December 31 2013
Number of warrants – Uracan (2)	25,000	-
Expected forfeiture rate	0.00%	-
Weighted-average valuation date fair values	$ 0.03	-
Expected volatility	121.77%	-
Risk-free interest rate	1.03%	-
Dividend yield	0.00%	-
Expected life	2.48 years	-

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

Market factors, such as fluctuations in the trading prices for the marketable securities as well as fluctuations in the risk-free interest rates offered by the Bank of Canada for short-term deposits, are updated each time the Uracan warrants are revalued. The Company expects that these valuation inputs are likely to change at every reporting period which will result in adjustments to the fair value of these warrants in future periods.

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

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

(Expressed in Canadian dollars, unless otherwise noted)

Related Party Transactions

The Company was involved in the following related party transactions for the three and twelve months ended December 31, 2014 and 2013:

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

	Three months ended December 31		Year ended December 31	
	2014	**2013**	**2014**	**2013**
Other consultants [1]	$ -	$ -	$ 18,883	$ 2,400
Other consultants share-based payments [1][3]	-	299	506	4,446
Panterra Geoservices Inc.[2]	-	6,300	2,000	42,950
Panterra Geoservices Inc. share-based payments .[2][3]	5,503	11,607	18,654	28,020
	$ 5,503	$ 18,206	$ 40,043	$ 77,816

(1) Other consultants include close members of the family of R. Sierd Eriks, UEX's Vice-President of Exploration to October 23, 2014, who provide geological consulting services with specific services invoiced as provided.

(2) Panterra Geoservices Inc. is a company owned by David Rhys, a member of the management advisory board that provides geological consulting services to the Company. The management advisory board members are not paid a retainer or fee; specific services are invoiced as provided.

(3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 11(c) of the December 31, 2014 annual financial statements.

(Expressed in Canadian dollars, unless otherwise noted)

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

	Three months ended December 31		Year ended December 31	
	2014	**2013**	**2014**	**2013**
Salaries and short-term employee benefits (4)(5)(6)	$ 328,176	$ 207,621	$ 854,565	$ 844,592
Share-based payments (3)	124,883	168,772	455,512	578,805
Other compensation (7)	-	-	183,000	-
	$ 453,059	$ 376,393	$ 1,493,077	$ 1,423,397

(3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 11(c) of the December 31, 2014 annual financial statements.

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

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

(6) Includes full payment of all statutory and severance amounts due in respect of the dismissal of UEX's former Vice-President of Exploration on October 23, 2014.

(7) Represents amounts paid in 2014 to Mr. Graham Thody, the Company's previous President and CEO, under the terms of a retirement consulting agreement. The Company has satisfied its commitment to make an additional payment of $183,000 under this agreement in January 2015 for Mr. Thody's consulting services in 2015. During the term of this agreement, Mr. Thody is not entitled to receive director's fees.

Accounting Policies

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

Joint Arrangements

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

(i) *Joint operation* – when the Company has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(ii) *Joint venture* – when the Company has rights only to the net assets of the arrangement, it accounts for its interest using the equity method.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western and northern Athabasca Basin. The financial statements include the Company's proportionate share of the joint operations' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis from the date that the joint arrangement commences until the date that the joint arrangement ceases. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles.

The Company does not have any joint arrangements that are classified under IFRS 11 as joint ventures. However, "joint operations" as defined by IFRS are nevertheless commonly referred to as "joint ventures" by UEX, its operating partners and the general mining industry, and use of the term "joint venture" by UEX in its disclosures for the purposes of describing its operating results is considered consistent with these statements.

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

Critical Accounting Estimates

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

Valuation of Mineral Properties

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

All capitalized exploration and evaluation assets are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the exploration expenditures are not expected to be recovered, this amount is recorded as a write-down of interest in mineral properties in the statement of operations and comprehensive loss in the year.

The Company performed an evaluation of impairment indicators under *IFRS 6(20)* for its exploration and evaluation assets (mineral properties) as at December 31, 2014 and has concluded that there are no indicators of impairment. An impairment charge of $10,425,937 was recorded on June 30, 2014 for the Riou Lake Project due to a lack of future exploration budgets and plans (see Note 7(ii) of the financial statements). Management determined that no other mineral properties exhibited indicators of impairment at that time or at December 31, 2014. As at December 31, 2014, the market capitalization of the Company was below the carrying value of its net assets which are primarily represented by mineral properties. Accordingly, the Company has reviewed the value attributed per pound in the ground of U_3O_8 in the most recent arms-length transactions for the acquisition of uranium resources defined by the National Instrument 43-101. As a result of this review, the Company has concluded that the Company's net assets are not impaired, except as specified in Note 7(ii) of the financial statements, for which an impairment charge was recorded in 2014 and is reflected in the financial statements.

Environmental Rehabilitation Provision

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgements and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. The Company has assessed each of its mineral projects and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

Share-based Payments

The Company has a share option plan which is described in Note 11(c) of the financial statements for the year ended December 31, 2014. The fair value of all share-based awards is estimated using the Black-Scholes option-pricing model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received, or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

None of the Company's awards call for settlement in cash or other assets. Upon the exercise of the share purchase options, consideration paid together with the amount previously recognized in the share-based payments reserve is recorded as an increase in share capital. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments value in the reserve is transferred to share capital. Charges for share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the recorded value is transferred to retained earnings (deficit).

Recent Accounting Announcements

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

4. Risks and Uncertainties

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

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

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

Joint ventures

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

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

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

Reliance on other companies as operators

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

Uranium price fluctuations could adversely affect UEX

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

Reliance on the economics of the Preliminary Assessment Technical Report

The market price of U_3O_8 has decreased since the date of the Hidden Bay PA. The uranium industry has been adversely affected by the natural disasters that struck Japan on March 11, 2011 and the resulting damage to the Fukushima nuclear facility. These events resulted in many countries, which presently rely on nuclear power for a portion of their electrical generation, stating that they will review their commitment to this source of clean energy. These reviews resulted in downward pressure on the price of uranium and may have a significant effect on the country-by-country demand for uranium. The current long-term U_3O_8 market price, as reported by Ux Consulting on March 17, 2015, is US$49.00 /lb. Given that the PA presented three economic scenarios using prices ranging from US$60 to US$80 /lb of U_3O_8, the economic analysis which uses U_3O_8 prices higher than the prevailing market price may no longer be accurate and readers of the PA are therefore cautioned when reading or relying on the PA.

Competition for properties could adversely affect UEX

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

Resource estimates are based on interpretation and assumptions

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

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

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

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

Competition from other energy sources and public acceptance of nuclear energy

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

Dependence on key management employees

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

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

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

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

Conflicts of interest

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

Internal controls

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

Market price of shares

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

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

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

5. Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related unaudited interim condensed financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under applicable Canadian securities laws as at December 31, 2014. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under applicable Canadian securities laws is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

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

6. Internal Controls over Financial Reporting

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

In May of 2013, the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") released an updated *Internal Control – Integrated Framework* (the "2013 COSO Framework"). Previously, the Company applied the COSO *2006 Internal Control over Financial Reporting – Guidance for Smaller Public Companies* which is based on COSO's original framework published in 1992. The 2013 COSO Framework superseded these previous COSO frameworks as of December 15, 2014.

In 2014, we updated our internal controls framework to transition to the 2013 COSO Framework. We have not made any change to our internal controls over financial reporting during 2014 that has materially affected, or is reasonably likely to materially affect, such controls.

Based upon the 2013 COSO Framework, the Company's certifying officers have evaluated or caused to be evaluated under their supervision the effectiveness of the Company's internal controls over financial reporting. Based upon this assessment, management has concluded that as at December 31, 2014 the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the preparation of the Company's financial statements in accordance with IFRS.

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

7. Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this MD&A may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements appear in a number of different places in this MD&A and can be identified by words such as "estimates", "projects", "expects", "intends", "anticipates", "assumes", "believes", "plans", "strategy", "goal", "objective", "potential", "optimistic" or their negatives or other comparable words or statements that contain actions, events or results "may", "will", "could", "would", "might", or "should" occur, be taken or be achieved. Forward-looking information includes statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of any legal proceedings, and other expectations, intention and plans that are not historical fact. Forward-looking information is based on certain factors and assumptions including expected economic conditions, uranium prices, results of operations, performance and business prospects and opportunities. UEX considers the factors and assumptions on which this forward-looking information is based to be reasonable at the time it was prepared, but cautions readers that these assumptions may ultimately prove to be incorrect. Forward-looking information by its nature necessarily involves risks, uncertainties and other factors including without limitation: that UEX's exploration activities may not result in profitable commercial mining operations; the risks associated with UEX's participation in joint ventures; reliance on other companies as operators; uranium price fluctuations; that actual capital and operating costs associated with the Hidden Bay project may significantly exceed those estimated in the Hidden Bay project technical report; the economic analysis contained in the current Hidden Bay project's technical report may not be realized; competition for properties; mineral resource estimates are based on interpretations and assumptions; that failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties; competition from other energy sources and public acceptance of nuclear energy; dependence on key management employees; compliance with and changes to environmental and other regulatory laws; conflicts of interest; accounting policies; internal controls; market price of UEX's shares; potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage; and other factors all as more particularly described herein under the heading "Risks and Uncertainties" and include unanticipated and unusual events. These and other factors could cause actual results to differ materially from future results expressed or implied by such forward-looking information. Many of these factors are beyond the control of UEX. Except as required by applicable securities law, UEX disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise. Consequently, all forward-looking information in this MD&A is qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by UEX will be realized. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Audited Financial Statements of

UEX CORPORATION

Years ended December 31, 2014 and 2013

KPMG LLP
Chartered Accountants
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Canada

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of UEX Corporation

We have audited the accompanying financial statements of UEX Corporation, which comprise the balance sheets as at December 31, 2014 and December 31, 2013, the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UEX Corporation as at December 31, 2014 and December 31, 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants

March 17, 2015
Vancouver, Canada

UEX CORPORATION
Balance Sheets

As at December 31, 2014 and 2013

	Notes	2014	2013
Assets			
Current assets			
Cash and cash equivalents	3	$ 9,321,596	$ 9,321,916
Amounts receivable	4	141,170	143,558
Prepaid expenses	5	106,540	142,578
		9,569,306	9,608,052
Non-current assets			
Equipment	6	111,885	125,031
Mineral properties	7	155,240,363	164,106,221
Investments	7(v), 8, 14	22,187	31,733
Total assets		$ 164,943,741	$ 173,871,037
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	9	$ 1,322,439	$ 220,634
Non-current liabilities			
Deferred tax liability	10	10,063,649	13,376,478
Total liabilities		11,386,088	13,597,112
Shareholders' equity			
Share capital	11(b)	177,542,611	175,316,661
Share-based payments reserve	11(c)	2,787,954	4,585,900
Accumulated other comprehensive income (loss)		(9,082)	-
Deficit		(26,763,830)	(19,628,636)
		153,557,653	160,273,925
Total liabilities and shareholders' equity		$ 164,943,741	$ 173,871,037

Nature and continuance of operations	1
Commitments	7(iv), 7(v), 12, 17(b)
Subsequent events	7(v), 9, 12

See accompanying notes to the financial statements.

Approved on behalf of the Board and authorized for issue on March 17, 2015.

"signed" Director
Roger M. Lemaitre

"signed" Director
Emmet A. McGrath

UEX CORPORATION

Statements of Operations and Comprehensive Loss

Years ended December 31, 2014 and 2013

	Notes	2014	2013
Revenue			
Interest income		$ 131,399	$ 202,074
Expenses			
Bank charges and interest		4,330	4,295
Depreciation		21,276	13,589
Filing fees and stock exchange		116,278	123,015
Legal and audit	18	126,993	187,223
Loss on disposal of equipment		513	2,105
Maintenance		14,200	1,250
Office expenses	16, 18	402,266	245,141
Project investigation	18	90,054	79,572
Rent	18	145,621	138,422
Salaries, termination and placement fees		845,545	817,654
Share-based compensation	11(c)	490,107	510,227
Travel and promotion		198,872	112,089
Unrealized fair value loss on held-for-trading financial assets	7(v), 8, 14	2,685	4,198
Write-down of mineral properties	7(iv)	10,425,937	-
		12,884,677	2,238,780
Loss before income taxes		(12,753,278)	(2,036,706)
Deferred income tax recovery (expense)	10	3,296,297	(311,296)
Loss for the year		$ (9,456,981)	$ (2,348,002)
Other comprehensive income (loss)			
Available-for-sale financial assets Net change in fair value	7(v), 8, 14	(10,500)	-
Deferred income tax recovery on change in fair value of available-for-sale financial assets	10	1,418	-
		(9,082)	-
Comprehensive loss for the year		$ (9,466,063)	$ (2,348,002)
Basic and diluted loss per share		$ (0.041)	$ (0.010)
Basic and diluted weighted-average number of shares outstanding		229,667,184	225,142,014

See accompanying notes to the financial statements.

UEX CORPORATION

Statements of Changes in Equity

Years ended December 31, 2014 and 2013

	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2012	*221,488,679*	$ 172,345,291	$ 5,088,191	$ -	$ (18,450,234)	$ 158,983,248
Loss for the year					(2,348,002)	(2,348,002)
Issued pursuant to private placements	*6,350,000*	3,175,000				3,175,000
Share issuance costs		(104,972)				(104,972)
Value attributed to flow-through premium on issuance		(127,000)				(127,000)
Deferred income taxes on share issuance costs		28,342				28,342
Share-based payment transactions			667,309			667,309
Transfer to deficit on expiry and cancellation of share purchase options			(1,169,600)		1,169,600	-
Balance, December 31, 2013	*227,838,679*	175,316,661	4,585,900	-	(19,628,636)	160,273,925
Loss for the year					(9,456,981)	(9,456,981)
Issued pursuant to private placements	*7,176,390*	3,085,848				3,085,848
Share issuance costs		(244,028)				(244,028)
Value attributed to flow-through premium on issuance		(681,757)				(681,757)
Deferred income taxes on share issuance costs		65,887				65,887
Other comprehensive income (loss)						
Fair value change in AFS financial assets				(10,500)		(10,500)
Deferred income tax recovery - fair value change in AFS financial assets				1,418		1,418
Share-based payment transactions			523,841			523,841
Transfer to deficit on expiry of share purchase options			(2,321,787)		2,321,787	-
Balance, December 31, 2014	*235,015,069*	$ 177,542,611	$ 2,787,954	$ (9,082)	$ (26,763,830)	$ 153,557,653

See accompanying notes to the financial statements.

UEX CORPORATION

Statements of Cash Flows

Years ended December 31, 2014 and 2013

	Notes	2014	2013
Cash provided by (used for):			
Operating activities			
Loss for the year		$ (9,456,981)	$ (2,348,002)
Adjustments for:			
Depreciation		21,276	13,589
Deferred income tax expense (recovery)		(3,296,297)	311,296
Interest income		(131,399)	(202,074)
Loss on disposal of equipment		513	2,105
Share-based compensation		490,107	510,227
Unrealized fair value loss on held-for-trading financial assets		2,685	4,198
Write-down of mineral properties	7(iv)	10,425,937	-
Changes in non-cash operating working capital			
Amounts receivable		(45,711)	7,447
Prepaid expenses		36,038	(41,221)
Accounts payable and other liabilities		355,655	74,547
		(1,598,177)	(1,667,888)
Investing activities			
Interest received		188,762	191,018
Investment in exploration and evaluation assets		(1,382,762)	(4,841,478)
Purchase of equipment		(49,963)	(9,898)
		(1,243,963)	(4,660,358)
Financing activities			
Proceeds from common shares issued	11(b)	3,085,848	3,175,000
Share issuance costs	11(b)	(244,028)	(104,972)
		2,841,820	3,070,028
Increase (decrease) in cash and cash equivalents during the year		(320)	(3,258,218)
Cash and cash equivalents, beginning of year		9,321,916	12,580,134
Cash and cash equivalents, end of year		$ 9,321,596	$ 9,321,916
Supplementary information			
Non-cash transactions			
Increase (decrease) in accounts payable and other liabilities relating to mineral property expenditures		$ 115,166	$ (364,812)
Increase in other liabilities due to flow-through premium		681,757	127,000
Decrease in other liabilities due to extinguishment of flow-through premium on renouncement (under General Rule)		(50,773)	(127,000)
Decrease (increase) in amounts receivable relating to mineral property expenditures		(9,264)	31,476
Non-cash share-based compensation included in mineral property expenditures		33,734	157,082
Fair value of shares and warrants received as partial consideration for mineral property earn-in (reduction in carrying value of mineral properties)		(3,639)	(35,931)
Depreciation included in mineral properties		41,320	40,739
Advance payment received in period			
Prepayment received for Black Lake exploration, net of 2014 disbursements, included in other liabilities (see Notes 7(v) and 9)		424,034	79,006

See accompanying notes to the financial statements.

1. Nature and continuance of operations

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

The Company is currently engaged in the exploration and evaluation of its mineral properties located in the province of Saskatchewan. The Company's shares are listed on the Toronto Stock Exchange under the symbol UEX. The head office and principal address is located at 808 Nelson Street, Suite 1007, Vancouver, British Columbia, Canada V6Z 2H2. The Company's registered office is 885 West Georgia Street, 19th Floor, Vancouver, British Columbia, Canada V6C 3H4.

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

The Company performed an evaluation of impairment indicators under *IFRS 6(20)* for its exploration and evaluation assets (mineral properties) as at December 31, 2014 and has concluded that there are no indicators of impairment. However, as at December 31, 2014, the market capitalization of the Company was below the carrying value of its net assets which are primarily represented by mineral properties. Accordingly, the Company has also reviewed the value attributed per pound in the ground of U_3O_8 in recent arms-length transactions for the acquisition of uranium resources defined by National Instrument 43-101. As a result of this review the Company has concluded that the Company's net assets are not impaired.

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

2. Basis of preparation and significant accounting policies

(a) Statement of compliance

These financial statements, including comparative figures have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements of UEX Corporation were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 17, 2015.

(b) Functional and presentation currency

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

2. Basis of preparation and significant accounting policies (continued)

(c) Use of estimates and judgments

The preparation of financial statements requires management to make accounting estimates and assumptions requiring judgment in applying the Company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual amounts may differ from such estimates. Information about judgment and estimates is contained in the notes to the financial statements, with the key areas summarized below.

Significant areas requiring the use of critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements relate to:

(i) Ongoing review for the support of the carrying value of mineral properties, including: consideration of ongoing and anticipated expenditures on the mineral properties; evaluation of the success of exploration to date and other general factors such as commodity prices and outlook; evaluation of UEX's market capitalization compared to the net assets of the Company (which are primarily mineral properties); and comparison to recent arm's length transactions for similar assets in order to evaluate the appropriateness of the carrying value presented in the financial statements (see Note 1 *Nature and continuance of operations*, Note 2(j) *Mineral properties* and Note 7 *Mineral properties*).

(ii) Review of asset carrying values and impairment assessments for the Company considering whether circumstances have occurred which have impacted the estimated useful life of the assets such as damage or obsolescence, as well as the timing of impairments and the determination of recoverable amounts (see Note 2(i) *Equipment* and Note 6 *Equipment*).

(iii) Determination of deferred income tax assets relating to management's assessment of the probability that future taxable profit will be available to utilize deferred tax assets (see Note 10 *Income taxes*).

(iv) Evaluating company-specific facts and circumstances to determine whether accruals or recognition of liabilities may be required with respect to asset retirement obligations or other circumstances (see Note 2(k) *Provisions*).

(v) Interpretation of new accounting guidelines and assessing their potential impact on the Company's financial statements requires judgment with respect to company-specific facts and circumstances.

Significant areas requiring assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year relate to:

(i) Estimates and/or assumptions used in determining the fair value of non-cash share-based compensation, including Black-Scholes inputs such as the expected forfeiture rate and the expected life of share-purchase options (see Note 11(c) *Share-based compensation*).

(ii) Assumptions used to estimate the useful lives of property, plant and equipment for determining appropriate depreciation rates (see Note 2(i) *Equipment* and Note 6 *Equipment*).

(iii) Estimates that would be used, should the recording of a rehabilitation provision or asset retirement obligation be required in the financial statements in the future. Estimates would relate to the expected inflation rate, estimated mine life and the discount rates applied (see Note 2(k) Provisions).

2. Basis of preparation and significant accounting policies (continued)

(d) Joint arrangements

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

(i) *Joint operation* – when the Company has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(ii) *Joint venture* – when the Company has rights only to the net assets of the arrangement, it accounts for its interest using the equity method.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western and northern Athabasca Basin. The financial statements include the Company's proportionate share of the joint operations' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis from the date that the joint arrangement commences until the date that the joint arrangement ceases. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles.

The Company does not have any joint arrangements that are classified as joint ventures.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

(f) Financial assets

The Company classifies its financial assets in the following categories:

(i) Financial assets at fair value through profit or loss ("FVTPL");

(ii) Held-to-maturity investments;

(iii) Available-for-sale financial assets; and

(iv) Loans and receivables.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is held for trading or is designated as FVTPL. A financial asset is classified as held for trading when it is purchased and incurred with the intention of generating profits in the near term, part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or a derivative that is not designated as a hedging instrument.

2. Basis of preparation and significant accounting policies (continued)

(f) Financial assets (continued)

Financial assets at FVTPL (continued)

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Financial assets at FVTPL include warrants (classified as held-for-trading) which are presented as non-current assets unless management intends to dispose of these assets within 12 months of the end of the reporting period.

Held-to-maturity investments

Investments are measured at amortized cost using the effective interest rate method. Transaction costs are added and amortized to the statement of operations over the life of the financial instrument on an effective yield basis. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale ("AFS") financial assets

Short-term investments are classified as available-for-sale and are carried at fair value (where determinable based on market prices of actively traded securities) with changes in fair value recorded in other comprehensive income. When financial assets classified as available-for-sale are sold or determined to be impaired, the cumulative fair value adjustments recognized in accumulated other comprehensive income are recognized in profit and loss. AFS assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. The Company's AFS assets include marketable securities that are not held for the purpose of trading.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current or non-current assets based on their maturity date and are measured initially at fair value and subsequently at amortized cost using the effective interest rate method. The Company has cash and cash equivalents, as well as trade and other amounts receivable classified as loans and receivables.

De-recognition of financial assets

A financial asset is de-recognized when the contractual right to the asset's cash flows expires or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

2. Basis of preparation and significant accounting policies (continued)

(g) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or financial liabilities at amortized cost.

Financial liabilities

Financial liabilities at amortized cost are initially measured at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity dates. The Company has classified accounts payable and other liabilities as other financial liabilities.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(h) Impairment of non-financial assets

Non-financial assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

(i) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is provided over the expected useful lives of the assets.

2. Basis of preparation and significant accounting policies (continued)

(i) Equipment (continued)

Depreciation (continued)

Depreciation methods and expected useful lives are reviewed at each reporting date and adjusted as required. Commencing on January 1, 2014 the Company began depreciating all assets on a straight-line basis over their useful lives as follows:

Asset	Basis	Useful Life
Exploration camp	Straight line	5 - 20 years
Exploration equipment	Straight line	3 - 5 years
Computer equipment	Straight line	1 - 5 years
Office furniture	Straight line	3 - 5 years
Leasehold improvements	Straight line	Lesser of term of lease or 10 years

In the prior periods, certain asset categories were depreciated on a declining-balance basis as follows:

Asset	Basis	Rate
Exploration camp	Declining balance	5% - 30%
Exploration equipment	Declining balance	30%
Computer equipment	Declining balance	30% - 100%
Office furniture	Declining balance	20%
Leasehold improvements	Straight line	Lesser of term of lease or useful life

This change to the useful life of certain assets resulted in a higher depreciation charge in the current year. Given the low value of the fixed assets that the Company holds, this change in useful life estimate did not have a material impact on the financial results of the Company and has been adopted prospectively.

(j) Mineral properties

Exploration and evaluation assets

All acquisition, exploration and development costs are capitalized until such time as the project to which they relate is put into commercial production, sold, abandoned or the recovery of costs is determined to be unlikely. Upon reaching commercial production (operating in the manner intended by management), these capitalized costs are amortized over the estimated reserves on a unit-of-production basis. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values. The underlying value of all properties is dependent on the existence and economic recovery of mineral resources in the future which includes acquiring the necessary permits and approvals. Management has not identified any exploration and evaluation assets to be classified as an intangible asset. Expenditures incurred before the Company has obtained the legal rights to explore a specific area are expensed as incurred.

2. Basis of preparation and significant accounting policies (continued)

(j) Mineral properties (continued)

Exploration and evaluation assets (continued)

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

All capitalized exploration and evaluation assets are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the exploration expenditures are not expected to be recovered, this amount is recorded as a write-down of interest in mineral properties in the statement of operations and comprehensive loss in the period.

Development properties

When mineral reserves have been determined and the decision to proceed with development has been approved, exploration and evaluation assets are tested for impairment then reclassified as a component of property, plant and equipment. The expenditures related to development and construction are capitalized as construction-in-progress. Costs associated with the commissioning of new assets incurred in the period before they are operating in the manner intended by management, are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase (before the assets are operating in the manner intended by management). Interest on borrowings related to the construction and development of assets are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

Reserve and resource estimates

The Company estimates its reserves and mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 (Standards for Disclosure of Mineral Projects). Reserves are used when performing impairment assessments on the Company's mineral properties once they have moved from Exploration and Evaluation to Development. There are numerous uncertainties inherent in the estimation of mineral reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being revised.

(k) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is presented in profit or loss net of any reimbursement.

2. Basis of preparation and significant accounting policies (continued)

(k) Provisions (continued)

Environmental rehabilitation provision

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. The Company has assessed each of its mineral projects and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

(l) Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years,. It is measured using tax rates enacted or substantively enacted at thte reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets also result from unused loss carry-forwards, resource-related income tax pools and timing differences for other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the Company allocates total proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits.

2. Basis of preparation and significant accounting policies (continued)

(m) Flow-through shares (continued)

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. The remaining amount which is allocated to the sale of tax benefits is recorded as a liability and is reversed when the tax benefits are renounced. The difference between the amount originally recorded as a liability and the estimated income tax benefits on date of renouncement is recognized as a gain or loss in earnings. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation. If the flow-through shares are not issued at a premium, a liability is not established and on renunciation the full value of the tax assets renounced is recorded as a deferred tax expense.

(n) Share capital

Common shares are classified as equity. The Company records proceeds from share issuances net of direct issue costs and any tax effects. Common shares issued for consideration, other than cash, are valued at the quoted market price on the date the shares are issued.

(o) Share-based payments

The Company has a share option plan which is described in Note 11(c). The fair value of all share-based awards is estimated using the Black-Scholes option-pricing model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

None of the Company's awards call for settlement in cash or other assets. Upon the exercise of the share purchase options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in share capital. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to deficit.

(p) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted-average number of common shares outstanding and earnings (loss) available to shareholders. For all periods presented, earnings (loss) available to shareholders equals reported earnings (loss). The treasury share method is used to calculate diluted earnings per share. Under the treasury share method, the weighted-average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds received on exercise of diluted share purchase options are used to repurchase outstanding shares at average market prices during the period.

2. Basis of preparation and significant accounting policies (continued)

(q) Recent accounting announcements

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

3. Cash and cash equivalents

	December 31 2014	December 31 2013
Cash	$ 351,961	$ 429,610
Short-term deposits	8,969,635	8,892,306
	$ 9,321,596	$ 9,321,916

4. Amounts receivable

	December 31 2014	December 31 2013
Interest receivable	$ 73,578	$ 130,942
Other receivables	67,592	12,616
	$ 141,170	$ 143,558

Interest receivable reflects unpaid interest earned on short-term deposits. Other receivables include $22,753 of Goods and Services Tax (GST) receivable as at December 31, 2014 ($12,186 as at December 31, 2013) and a mineral claim deposit of $43,344 related to the Black Lake Project (see Note 7(v)).

5. Prepaid expenses

	December 31 2014	December 31 2013
Advances to vendors	$ 16,357	$ 16,357
Mineral claim deposits (see Note 7(v))	-	43,344
Prepaid expenses	90,183	82,877
	$ 106,540	$ 142,578

6. Equipment

	Exploration camp	Exploration equipment	Computing equipment	Furniture and fixtures	Total
Cost					
Balance at December 31, 2012	$ 99,327	$ 313,384	$ 258,051	$ 24,158	$ 694,920
Additions	-	-	5,036	4,862	9,898
Disposals	-	-	(25,203)	-	(25,203)
Balance at December 31, 2013	99,327	313,384	237,884	29,020	679,615
Additions	-	18,300	28,051	3,612	49,963
Disposals	-	-	(8,237)	-	(8,237)
Balance at December 31, 2014	$ 99,327	$ 331,684	$ 257,698	$ 32,632	$ 721,341
Accumulated depreciation and impairment					
Balance at December 31, 2012	$ 14,899	$ 279,410	$ 218,532	$ 10,513	$ 523,354
Depreciation charge for the year	25,328	10,192	14,937	3,871	54,328
Disposals	-	-	(23,098)	-	(23,098)
Balance at December 31, 2013	40,227	289,602	210,371	14,384	554,584
Depreciation charge for the year	7,884	25,318	19,794	9,600	62,596
Disposals	-	-	(7,724)	-	(7,724)
Balance at December 31, 2014	$ 48,111	$ 314,920	$ 222,441	$ 23,984	$ 609,456
Net book value					
Balance at December 31, 2012	$ 84,428	$ 33,974	$ 39,519	$ 13,645	$ 171,566
Balance at December 31, 2013	$ 59,100	$ 23,782	$ 27,513	$ 14,636	$ 125,031
Balance at December 31, 2014	$ 51,216	$ 16,764	$ 35,257	$ 8,648	$ 111,885

7. Mineral properties

Exploration and evaluation assets

	Hidden Bay (i)	Riou Lake (ii)	Western Athabasca (iv)	Black Lake (v)	Beatty River (vi)	Total
Balance at December 31, 2012	$ 75,363,225	$ 10,425,937	$ 57,548,301	$ 15,232,776	$ 865,950	$ 159,436,189
Additions	860,244	-	3,808,943	33,335	3,441	4,705,963
Fair value consideration (Note 7(v))	-	-	-	(35,931)	-	(35,931)
Balance at December 31, 2013	76,223,469	10,425,937	61,357,244	15,230,180	869,391	164,106,221
Additions	475,827	-	1,050,323	37,568	-	1,563,718
Fair value consideration (Note 7(v))	-	-	-	(3,639)	-	(3,639)
Impairment charge for the year	-	(10,425,937)	-	-	-	(10,425,937)
Balance at December 31, 2014	$ 76,699,296	$ -	$ 62,407,567	$ 15,264,109	$ 869,391	$ 155,240,363

7. Mineral properties (continued)

Exploration and evaluation assets (continued)

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

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

100%-owned projects

(i) Hidden Bay Project

The Company's 100%-owned Hidden Bay Project, including the Horseshoe, Raven and West Bear deposits, is located in the eastern Athabasca Basin of northern Saskatchewan, Canada. In 2014, total exploration and evaluation expenditures of $475,827 at Hidden Bay included evaluation expenditures of $19,392 (2013 - $702,379) primarily relating to component technical studies. Total evaluation costs of $7,311,691 are included in the $76,699,296 balance as at December 31, 2014 (December 31, 2013 - $7,292,299) representing costs associated with the continuing evaluation of and advancement of Hidden Bay, and include the West Bear Preliminary Feasibility Study (February 24, 2010) the Hidden Bay Preliminary Assessment Technical Report (February 23, 2011) and various component technical studies.

(ii) Riou Lake Project

The Company holds a 100% interest in the Riou Lake Project located in the northern Athabasca Basin. During the year, the Company wrote off the deferred mineral property costs associated with its Riou Lake Project of $10,425,937 as the Company does not have budgets or exploration activity planned for the area. UEX continues to maintain several Riou Lake claims in good standing.

(iii) Northern Athabasca Projects

The Company holds a 100% interest in the Northern Athabasca Projects located in the northern Athabasca Basin. The Company wrote off the deferred mineral property costs associated with its Northern Athabasca Projects in 2010 due to a lack of ongoing exploration activity. Subsequent to December 31, 2014, the Munroe Lake and Fond du Lac claims lapsed as a decision was made not to post deposits to hold the claims in good standing for an additional year. The lapsing had no impact on the financial results of the Company as these claims were written off in 2010. UEX continues to maintain mineral claims comprising the Butler Lake and La Roque.

7. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations

(iv) Western Athabasca Projects

The Western Athabasca Projects (the "Projects"), located in the western Athabasca Basin, which include the Kianna, Anne, Colette and 58B deposits located at the Shea Creek Project, are nine joint ventures with the Company holding an approximate 49.1% interest and AREVA Resources Canada Inc. ("AREVA") holding an approximate 50.9% interest as at December 31, 2014 and 2013. The Company is in the process of negotiating joint-venture agreements with AREVA. As at December 31, 2014, total exploration and evaluation assets to date for Western Athabasca include evaluation expenditures of $7,370,026 (December 31, 2013 - $7,370,026).

The Kianna, Anne and Colette deposits are subject to a royalty of US$0.212 per pound of U_3O_8 sold to a maximum royalty of US$10,000,000.

As at December 31, 2014, UEX has committed to fund $2.1 million of the $4.8 million 2015 Western Athabasca exploration budget. UEX has decided not to fund its share of $500,000 for the 2015 geophysical program, or approximately $245,375 at the Laurie Project. UEX's interest in this project is anticipated to drop from the current 49.097% interest to approximately 42.25% should AREVA complete the approved program. This dilution would only apply to UEX's interest in the Laurie Project.

On April 10, 2013 an agreement was signed with AREVA which grants UEX the option to increase its ownership interest in the Western Athabasca Projects, which includes the Shea Creek Project, by 0.9% to a maximum interest of 49.9% by spending $18.0 million on exploration over the six-year period ending December 31, 2018. UEX is under no obligation to propose a budget in any year of the agreement. The ownership interest for the Projects shall be increased at the end of the year by the proportional amount of the additional exploration expenditures incurred in the year which are in addition to the budget amounts proposed by AREVA. UEX may propose an additional exploration budget of up to $4.0 million in any single year without the prior approval of AREVA, who remains the project operator. UEX did not propose a supplemental exploration program for 2014.

In the third quarter 2014, UEX and AREVA each staked new mineral claims in the Patterson Lake South area. These claims now form the Coppin Lake Project and are part of the Western Athabasca Projects.

(v) Black Lake Project

The Black Lake Project ("Black Lake"), located in the northern Athabasca Basin, is a joint venture with the Company holding a 90.69% interest (December 31, 2013 – 89.99%) and AREVA holding a 9.31% interest (December 31, 2013 – 10.01%) as at December 31, 2014.

On December 24, 2013, the Company placed a cash deposit of $43,344 with the Saskatchewan Ministry of the Economy to maintain a mineral claim for Black Lake that would have otherwise lapsed in January 2014. This cash deposit maintains the claim in good standing for a period of one year to January 2015 and is refundable to the Company upon completion of exploration work equal to the amount of the deposit plus the annual work assessment required to maintain the claim. As at December 31, 2014, sufficient work has been completed to ensure the deposit will be refunded upon filing of the necessary technical information. Subsequent to year end, the cash deposit was refunded to the Company.

7. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Black Lake Project (continued)

In early 2013, UEX signed an agreement with Uracan Resources Ltd. ("Uracan") whereby Uracan can earn a 60% interest in Black Lake. An amendment to this original agreement was signed on June 23, 2014.

Uracan must fund a total of $10.0 million of project expenditures over 10 years to earn their 60% interest in Black Lake from UEX, with no partial earn-in permitted. Uracan originally committed to spend $2.0 million on project expenditures by December 31, 2014, with a firm commitment to fund $1.5 million even if a decision was made by Uracan not to proceed with the earn-in or the agreement is otherwise terminated. UEX and Uracan amended the earn-in agreement reducing the 2014 expenditure requirement from $2,000,000 to $1,577,560. The $422,440 reduction to the 2014 expenditure requirement has been added to the 2015 requirement, increasing it from $1,000,000 to $1,422,440. During the remainder of the option period, minimum expenditures of $1.0 million per year are to be funded by Uracan. UEX remains the project operator and is entitled to a 10% management fee (netted against salaries, termination and placement fees) under the Black Lake joint venture agreement until such time as Uracan has earned its 60% interest in Black Lake.

As part consideration for the earn-in, Uracan issued 300,000 shares and 150,000 share purchase warrants to UEX. These warrants are exchangeable for 150,000 Uracan shares. The warrants are exercisable for three years at a price of $0.15 for each warrant. The opening value upon receipt was determined to be $27,000 for the Uracan shares and $8,931 for the Uracan warrants. The combined amount of $35,931 was recorded as a reduction in the carrying value of the Black Lake Project in 2013. On June 23, 2014, Uracan issued 50,000 shares and 25,000 share purchase warrants as consideration for the deferral of $422,440 in exploration commitments from 2014 to 2015. These warrants are exercisable for three years at a price of $0.12 for each warrant and are exchangeable for 25,000 Uracan shares. The fair value upon receipt was determined to be $2,750 for the Uracan shares and $889 for the Uracan warrants. The combined amount of $3,639 was recorded as a reduction in the carrying value of the Black Lake Project in 2014. Uracan has also granted to UEX a 1% NSR royalty from their ownership interest and upon UEX receiving a total of $10.0 million in royalty payments, the NSR royalty will terminate.

On December 15, 2014 Uracan was granted an extension of the deadline to complete their 2014 exploration expenditures to January 31, 2015. On December 22, 2014, UEX received a prepayment of $455,884 from Uracan which amounted to 100% of the currently budgeted remaining 2014 exploration drilling program. This program was completed in January 2015.

As at December 31, 2014, Uracan has $424,034 in prepayments remaining for 2014 exploration programs and has funded approximately $1.6 million toward its earn-in on the Black Lake Project. As at December 31, 2013, $79,006 of the prepayment for the 2013 program budget remained unspent and was expended in early 2014.

(vi) Beatty River Project

The Company has a 25% interest in the Beatty River Project, which is located in the western Athabasca Basin and earned into JCU (Canada) Exploration Company, Limited's ("JCU") interest. AREVA is the operator of this project.

7. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

UEX is party to the following joint arrangements:

Ownership interest **Effective December 31, 2014**	**Western (1)** **Athabasca**	**Black (2)** **Lake**	**Beatty (3)** **River**
UEX Corporation	49.097 %	90.690 %	25.000 %
AREVA Resources Canada Inc.	50.903	9.310	50.702
JCU (Canada) Exploration Co. Ltd.	-	-	24.298
Total	100.000 %	100.000 %	100.000 %

Ownership interest **Effective December 31, 2013**	**Western (1)** **Athabasca**	**Black (2)** **Lake**	**Beatty (3)** **River**
UEX Corporation	49.097 %	89.990 %	25.000 %
AREVA Resources Canada Inc.	50.903	10.010	50.702
JCU (Canada) Exploration Co. Ltd.	-	-	24.298
Total	100.000 %	100.000 %	100.000 %

(1) In 2014, $5,255 in exploration expenditures (2013 - $1,944,020) relating to the 2013 supplemental budget were 100% funded by UEX under the terms of the optional six-year, $18 million, 0.9% additional earn-in agreement. The increase in UEX's ownership interest from 49.0972% to 49.0975% as a result of these expenditures has had a negligible impact on the overall ownership interest of the Western Athabasca Projects.

(2) In early 2015, UEX notified AREVA that their ownership interest in Black Lake had been diluted from 10.010% to 9.310% as a result of their decision to not participate in the 2014 programs (see Note 7(v) *Black Lake Project*). In 2013, UEX entered into an agreement with Uracan Resources Ltd. ("Uracan") whereby the Company will transfer to Uracan a 60% interest in the Black Lake Project upon completion of their funding of $10 million in exploration expenditures on UEX's behalf.

(3) UEX completed its earn-in on the Beatty River Project in 2013 and holds a 25% interest in the project (see Note 7(vi) *Beatty River Project*).

8. Investments

The Company holds 350,000 share and 175,000 warrant certificates of Uracan. In early 2013, 300,000 shares and 150,000 warrants were received as partial consideration for the signing of an agreement which allows Uracan to earn a 60% interest in the Black Lake Project (see Note 7(v)). On June 23, 2014, UEX entered into an amendment to the earn-in agreement with Uracan which deferred $422,440 in exploration commitments from 2014 and added these to the 2015 exploration commitments. Upon execution of this agreement, UEX received from Uracan a further 50,000 shares and 25,000 share purchase warrants. These shares and warrants are being held for long-term investment purposes. The investments include warrants which have been classified as Financial assets at fair value through profit or loss ("FVTPL") and as such are stated at fair value with any changes in fair value recognized in profit or loss. The investments also include shares which have been classified as Available for-sale financial assets and are carried at fair value. Changes in fair value are recognized in other comprehensive income with amounts in accumulated other comprehensive income recognized in profit and loss when they are sold.

8. Investments (continued)

	December 31 2014	December 31 2013
Common shares held – Uracan [1] (TSX.V: URC) (see Note 14)	$ 19,250	$ 27,000
Warrants held – Uracan (see Note 14)	2,937	4,733
	$ 22,187	$ 31,733

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

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

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

February 13, 2013 Agreement	December 31 2014	December 31 2013
Number of warrants – Uracan [2]	150,000	150,000
Expected forfeiture rate	0.00%	0.00%
Weighted-average valuation date fair values	$ 0.01	$ 0.06
Expected volatility	124.13%	150.18%
Risk-free interest rate	1.01%	1.14%
Expected life	1.12 years	2.19 years

(2) Initial fair value of the 150,000 Uracan warrants on February 13, 2013 was determined to be $8,931 using the Black-Scholes option-pricing model with the following weighted-average assumptions: Pre-vest forfeiture rate – 0.00%; Expected volatility – 127.26%; Risk-free interest rate – 1.22%; and Expected life of warrants – 3.00 years.

June 23, 2014 Agreement Amendment	December 31 2014	December 31 2013
Number of warrants – Uracan [3]	25,000	-
Expected forfeiture rate	0.00%	-
Weighted-average valuation date fair values	$ 0.03	-
Expected volatility	121.77%	-
Risk-free interest rate	1.03%	-
Expected life	2.48 years	-

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

9. Accounts payable and other liabilities

	December 31 2014	December 31 2013
Trade payables	$ 199,851	$ 50,936
Other liabilities	67,570	90,692
Uracan – Black Lake program prepayments	424,034	79,006
Flow-through share premium	630,984	-
	$ 1,322,439	$ 220,634

The prepayments received from Uracan in 2014 represent the full budgeted amount of $1,529,384 for the 2014 exploration program at Black Lake. As at December 31, 2014, $424,034 of these prepayments remained unspent. The prepayment received from Uracan in 2013 represented the full budgeted amount of $104,060 for the 2013 exploration program at Black Lake. The unspent amount of $79,006 as at December 31, 2013 was fully expended upon completion of the 2013 exploration program in January 2014.

The flow-through share premium represents the difference between the subscription price of $0.430 per share and the market price at issuance of $0.335 per share relating to the September 29, 2014 flow-through placement of 7,176,390 shares ($681,757). In February of 2015, the flow-through share premium liability of $630,984 relating to unspent amounts of $2,856,029 at December 31, 2014 from the September 29, 2014 flow-through placement was extinguished on the renouncement of the tax benefits to the subscribers of that placement effective December 31, 2014.

10. Income taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2014 and 2013 are presented below:

	December 31 2014	December 31 2013
Deferred tax assets		
Losses carried forward	$ 3,512,468	$ 2,937,669
Charitable donations	8,438	8,438
Equipment	179,648	162,609
Share issuance costs	151,005	173,918
Investments	2,347	567
	3,853,906	3,283,201
Deferred tax liabilities		
Mineral properties	13,917,555	16,659,679
Net deferred tax liabilities	$ 10,063,649	$ 13,376,478

At December 31, 2014, the Company has non-capital losses available for income tax purposes totaling approximately $13,009,139 (December 31, 2013 - $10,880,257) which may be carried forward to reduce future years' taxable income. These losses, if not utilized will begin expiring in 2028, with the current period's non-capital losses expiring in 2034.

10. Income taxes (continued)

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended December 31, 2014 and 2013 is as follows:

	Year ended December 31 2014	2013
Loss before income taxes	$ (12,753,278)	$ (2,036,706)
Statutory rates	27%	27%
Income tax recovery at statutory rates	3,443,385	549,911
Non-deductible expenses and permanent differences	(135,811)	(130,957)
Exploration expenditures renounced net of flow-through premium	(11,277)	(730,250)
Deferred income tax recovery (expense)	$ 3,296,297	$ (311,296)
Deferred income tax recovery – other comprehensive income	$ 1,418	$ -

11. Share capital

(a) Authorized

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

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 2012	*221,488,679*	$ 172,345,291
Issued pursuant to private placement in 2013	*6,350,000*	3,175,000
Share issuance costs		(104,972)
Value attributed to flow-through premium on issuance		(127,000)
Deferred income taxes on share issuance costs		28,342
Balance, December 31, 2013	*227,838,679*	175,316,661
Issued pursuant to private placement in 2014	*7,176,390*	3,085,848
Share issuance costs		(244,028)
Value attributed to flow-through premium on issuance		(681,757)
Deferred income taxes on share issuance costs		65,887
Balance, December 31, 2014	*235,015,069*	$ 177,542,611

11. Share capital (continued)

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

On September 29, 2014, the Company completed a private placement of 7,176,390 flow-through shares at a price of $0.43 per share for gross proceeds of $3,085,848 with issue costs of $89,736 and paid an agent a cash commission of $154,292. A flow-through premium related to the sale of the associated tax benefits was determined to be $681,757 and a related $65,887 deferred income tax was recorded in share capital. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, their ownership interest in UEX declined from approximately 21.95% to 21.28%.

On June 5, 2013, the Company completed a non-brokered private placement of 6,350,000 flow-through shares at a price of $0.50 per share for gross proceeds of $3,175,000 with issue costs of $44,972 and a referral fee of $60,000. A flow-through premium related to the sale of the associated tax benefits was determined to be $127,000 and a related $28,342 deferred income tax was recorded in share capital. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, their ownership interest in UEX declined from approximately 22.58% to approximately 21.95%.

(c) Share-based compensation

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

A summary of the status of the Company's share-based compensation plan as at December 31, 2014 and December 31, 2013 and changes during the years ended on these dates is presented below:

	Number of share purchase options	**Weighted-average exercise price**
Outstanding, December 31, 2012	16,186,000	$ 1.08
Granted	2,285,000	0.36
Cancelled	(1,200,000)	1.38
Expired	(450,000)	0.80
Outstanding, December 31, 2013	16,821,000	0.97
Granted	2,795,000	0.34
Cancelled	(2,400,000)	1.10
Expired	(1,355,000)	0.92
Outstanding, December 31, 2014	15,861,000	$ 0.84

11. Share capital (continued)

(c) Share-based compensation (continued)

In the year ended December 31, 2014, $1,476,501 was transferred from the share-based payments reserve to deficit relating to the cancellation of 2,400,000 share purchase options and $845,286 was transferred from the share-based payments reserve to deficit relating to the expiry of 1,355,000 share purchase options. In the year ended December 31, 2013, $961,852 was transferred from the share-based payments reserve to deficit relating to the cancellation of 1,200,000 share purchase options and $207,748 was transferred from the share-based payments reserve to deficit relating to the expiry of 450,000 share purchase options.

As at December 31, 2014, the Company had a total of 15,861,000 share purchase options outstanding related to director, employee and consultant share purchase options, the details of which are as follows:

	Outstanding			Exercisable	
Range of exercise prices	**Number of share purchase options**	**Weighted-average exercise price**	**Weighted-average remaining contractual life (years)**	**Number of share purchase options**	**Weighted-average exercise price**
$ 0.305 - 0.510	4,855,000	$ 0.350	4.170	2,301,665	$ 0.350
0.520 - 1.060	5,476,000	0.810	6.080	5,476,000	0.810
1.070 - 1.450	5,530,000	1.300	4.710	5,530,000	1.300
	15,861,000	$ 0.840	5.020	13,307,665	$ 0.930

The share-based payments reserve values of $2,787,954 as at December 31, 2014 and $4,585,900 as at December 31, 2013 on the balance sheet reflect the expensed and capitalized fair value of vested share purchase options. If all options that are vested were exercised, the entire balance of the share-based payments reserve would be transferred to share capital.

The estimated fair value expense of all share purchase options vested during the year ended December 31, 2014 is $523,841 (2013 - $667,309). The amount included in mineral properties for the year ended December 31, 2014 is $33,734 (2013 - $157,082) and the remaining $490,107 (2013 - $510,227) was expensed. The unamortized balance of share-based compensation expense for share purchase options that were not vested at December 31, 2014 is $283,693 (2013 - $340,101).

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

	December 31 2014	**December 31 2013**
Number of options granted	2,795,000	2,285,000
Expected forfeiture rate	0.43%	0.47%
Weighted-average grant date fair values	$ 0.34	$ 0.36
Expected volatility	66.86%	69.03%
Risk-free interest rate	1.43%	1.51%
Expected life	4.18 years	4.25 years

11. Share capital (continued)

(d) Flow-through shares

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

As at December 31, 2014, the Company has spent $229,819 of the $3,085,848 flow-through monies raised in the September 29, 2014 placement. The Company renounced the income tax benefit of this issue to its subscribers effective December 31, 2014. All of the $3,175,000 flow-through monies raised in the June 5, 2013 placement were expended on qualified expenditures in 2013 and the income tax benefit related to this placement was renounced effective December 31, 2013.

12. Commitments

The Company has an obligation of $56,743 under an operating lease for its office premises expiring November 2015 and an obligation related to a retirement consulting agreement. The future minimum payments are as follows:

	December 31 2014
2015	239,743
2016	-
2017	-
2018	-
2019	-

Pursuant to a retirement agreement, the Company entered into a consulting arrangement whereby Mr. Graham Thody, the former President and Chief Executive Officer, agreed to provide management transition services for a two-year period for $366,000. The second half of this consulting fee ($183,000) was paid in January of 2015 for consulting services up to December 31, 2015 when the consulting arrangement will terminate. While this consulting agreement is in effect, Mr. Thody is not entitled to receive director's fees. Other commitments in respect of the Company's mineral properties are disclosed in Note 7 and Note 11(d).

13. Management of capital

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

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

14. Management of financial risk

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in Note 13. Accounts payable and other liabilities are due within the current operating period.

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

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

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

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

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

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

14. Management of financial risk (continued)

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

Investments – as at December 31, 2014	Level 1	Level 2	Level 3	Total
Shares – Uracan (TSX-V: URC)	$ 19,250	$ -	$ -	$ 19,250
Warrants – Uracan [(1)]	-	-	2,937	2,937
	$ 19,250	$ -	$ 2,937	$ 22,187

Investments – as at December 31, 2013	Level 1	Level 2	Level 3	Total
Shares – Uracan (TSX-V: URC)	$ 27,000	$ -	$ -	$ 27,000
Warrants – Uracan [(1)]	-	-	4,733	4,733
	$ 27,000	$ -	$ 4,733	$ 31,733

[(1)] Black-Scholes inputs for the Uracan warrant valuation are disclosed in Note 8 – Investments.

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

	Number of Shares	Change in Fair Value (OCI)	Fair Value
Balance, December 31, 2012	-		$ -
Shares received as partial consideration for the Black Lake Project earn-in agreement (February 13, 2013) (see Note 7(v))	*300,000*		27,000
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – year ended December 31, 2013		-	-
Balance, December 31, 2013	*300,000*		$ 27,000
Shares received as partial consideration for the Black Lake Project earn-in agreement amendment (June 23, 2014) (see Note 7(v))	*50,000*		2,750
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – year ended December 31, 2014		(10,500)	(10,500)
Balance, December 31, 2014	*350,000*		$ 19,250

14. Management of financial risk (continued)

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

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

	Number of Warrants	Change in Fair Value (Expense)	Fair Value[1]
Balance, December 31, 2012	-		$ -
Warrants received as partial consideration for the Black Lake Project earn-in agreement (February 13, 2013) (see Note 7(v))	*150,000*		8,931
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – year ended December 31, 2013		(4,198)	(4,198)
Balance, December 31, 2013	*150,000*		$ 4,733
Warrants received as partial consideration for the Black Lake Project earn-in agreement amendment (June 23, 2014) (see Note 7(v))	*25,000*		889
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – year ended December 31, 2014		(2,685)	(2,685)
Balance, December 31, 2014	*175,000*		$ 2,937

(1) See Note 8 for Black-Scholes assumptions.

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

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

15. Segmented information

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

16. Office expenses

	Year ended December 31 2014	2013
Insurance	$ 50,708	$ 49,090
Office supplies and consulting	334,062	182,331
Telephone	17,496	13,720
	$ 402,266	$ 245,141

Certain comparative amounts contained in office expenses have been reclassified to conform to the current financial statement presentation. See Note 18, *Comparative figures*.

17. Related party transactions

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

(a) Related party transactions

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

	Year ended December 31 2014	2013
Other consultants (1)	$ 18,883	$ 2,400
Other consultants share-based payments (3)	506	4,446
Panterra Geoservices Inc.(2)	2,000	42,950
Panterra Geoservices Inc. share-based payments (3)	18,654	28,020
	$ 40,043	$ 77,816

(1) Other consultants include close members of the family of R. Sierd Eriks, UEX's Vice-President of Exploration to October 23, 2014, who provided geological consulting services with specific services invoiced as provided.

(2) Panterra Geoservices Inc. is a company owned by David Rhys, a member of the management advisory board that provides geological consulting services to the Company. The management advisory board members are not paid a retainer or fee; specific services are invoiced as provided.

(3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 11(c).

17. Related party transactions (continued)

(b) Key management personnel compensation

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

	Year ended December 31 2014	2013
Salaries and short-term employee benefits (4)(5)(6)	$ 854,565	$ 844,592
Share-based payments (3)	455,512	578,805
Other compensation (7)	183,000	-
	$ 1,493,077	$ 1,423,397

(3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 11(c).

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

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

(6) Includes full payment of all statutory and severance amounts related to the termination of UEX's former Vice-President of Exploration on October 23, 2014.

(7) Represents amounts paid in 2014 to Mr. Graham Thody, the Company's previous President and CEO, under the terms of a retirement consulting agreement (see Note 12). During the term of this agreement, Mr. Thody is not entitled to receive director's fees.

18. Comparative figures

Certain prior period figures presented for comparative purposes have been reclassified to conform to the current financial statement presentation as follows:

	Previous presentation	Financial statement reclassification		Current presentation
Year ended	**December 31 2013**	**Rent**	**Project investigation**	**December 31 2013**
Legal and audit	$ 204,295	$ -	$ (17,072)	$ 187,223
Office expenses	330,021	(22,380)	(62,500)	245,141
Project investigation	-	-	79,572	79,572
Rent	116,042	22,380	-	138,422

Corporate Information

Board of Directors

Colin C. Macdonald, Chairman
Saskatoon, Saskatchewan

Graham C. Thody
Vancouver, British Columbia

Mark P. Eaton
Toronto, Ontario

Roger M. Lemaitre
President and CEO
Saskatoon, Saskatchewan

Suraj P. Ahuja
Vancouver, British Columbia

Emmet A. McGrath
Vancouver, British Columbia

Officers

Roger M. Lemaitre
President and CEO

Ed Boney
CFO and Corporate Secretary

Nan Lee
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