UEX CORPORATION

2015 ANNUAL REPORT

Message to Shareholders *March 16, 2016*

Resource investors experienced a wild ride during the last five months. Investor appetite for uranium equity stocks waned as we approached the end of the year, and UEX was certainly impacted. However, with our significant resources and growth potential, UEX's share price has rebounded in the new year, increasing to June 2015 price levels. Our share price rise has been fueled by increasing investor appetite for exposure to quality uranium companies with significant Athabasca-based resources along with growth prospects such as our new Christie Lake Project.

There is a general belief that uranium prices will rise in the near future. Analysts are forecasting a uranium supply deficit around the year 2020. Japanese nuclear restarts commenced in 2015 with the pace of restarts expected to increase through 2016 and beyond. China has indicated that they plan to construct six to eight new reactors annually over the next five years, for a total of 110 plants by 2030. Existing utilities' uncovered uranium requirements are growing rapidly coinciding with the start of a wave of long-term contract expirations commencing this year.

Christie Lake Acquisition and Initiation of our First Drill Campaign

Last quarter, we announced that the Company had signed an LOI with JCU (Canada) Exploration Company Limited to earn up to a 70% interest in the Christie Lake Project for $7 million of staged cash payments and completion of $15 million in work commitments by January 1, 2020. The Christie Lake Project is located only 9 km northeast and along strike of the McArthur River Mine, the world's largest uranium mine. The Project is host to significant historical uranium resources within two known deposits that themselves are located along a substantially under-explored mineralized trend that is approximately 1.5 km long.

In January, UEX and JCU signed the definitive option agreement on the Christie Lake Project. In late December, UEX announced a $2 million private placement with our founding CEO, Mr. Stephen Sorensen, that closed in January. Christie Lake is a highly sought after project that I pursued during my time at Cameco and one that Mr. Sorensen, also pursued on behalf of UEX during his tenure with the Company. When Mr. Sorensen learned of the deal, he immediately stepped up to fund the initial acquisition payment at a difficult time in the capital markets.

Review of historic project data by the UEX technical team resulted in a new 3-D computer model of the Paul Bay and Ken Pen Deposits, clearly showing that the deposits remain open for expansion in the down-dip direction. An analysis of the 1.5 km long mineralized trend confirmed that this trend north of the Paul Bay and Ken Pen Deposits has not yet tested the basement structure below the unconformity.

Concurrent with the financing, UEX developed a new exploration plan and budget, completed all permitting requirements, negotiated contracts with diamond drillers, constructed a new exploration camp and secured all-weather trail access to the project to allow us to start our first exploration program as soon as possible.

Construction of the temporary camp has now been completed and UEX is currently drilling the first holes of our inaugural exploration campaign at Christie Lake. The program has a budget of $2.75 million and will consist of 13 to 18 holes to expand the Paul Bay and Ken Pen Deposits in the down-dip direction. The campaign will likely continue until late July or early August with a short hiatus in April and May during the spring thaw.

I am honoured that JCU selected UEX to be their partner on this highly sought-after and competitively bid project. I am looking forward to reporting the results of our drilling program to you as we receive them.

Metallurgical Testing and Waste Rock Characterization at the Raven and Horseshoe Deposits

UEX continued with its waste rock characterization testing program at the Raven and Horseshoe Deposits on the Hidden Bay Project. These test results will allow UEX and the regulators to determine the suitability of surface storage of non-uranium bearing rocks that would be excavated during the potential mining of the deposits. Such information is required before any mining would be permitted.

In the fourth quarter, UEX initiated a new set of bottle roll and column leach metallurgical tests on the uranium mineralization from the Raven and Horseshoe Deposits. These tests are the first step in determining whether these deposits may be amenable to heap leach extraction. While the final results of the testing are not expected until the second quarter, UEX is encouraged with the preliminary results to date. Positive results from the testing could allow UEX to consider an alternative method of extracting uranium from Raven and Horseshoe minimizing our need for toll milling.

Last year, UEX initiated its first drilling program on the Hidden Bay Basement Targeting Program. While we did not make a discovery in the first program, we did upgrade the targets at Wolf Lake and Dwyer Lake, which remain high priority future drill targets for the Company. Given the fact that we upgraded the only two targets we tested of the thirteen we have identified, the Basement Targeting Program, I believe strongly that this is still one of the very best exploration programs in the Athabasca Basin. Due to financial constraints, UEX will not be testing basement targets on Hidden Bay in 2016 while we focus our resources at Christie Lake.

The Western Athabasca Basin Heats Up

Over the past couple of years, new uranium deposit discoveries have been made by other junior explorers in the Western Athabasca Basin immediately south of our world-class Shea Creek Deposits. The discovery of the Triple R deposit by Fission Uranium and the recent announcement of the huge maiden resource estimate of NexGen Energy's Arrow discovery have revived investor attention on the Western Athabasca Basin. These discoveries confirm what we at UEX have believed all along, that the Western Athabasca is a truly world-class uranium district. UEX, along with our JV partner AREVA and our Shea Creek Deposits will be an integral part of the development of the west side uranium assets.

I am looking forward to updating you on our progress in the near future as UEX continues to energetically grow through discovery, innovation and acquisition.

Roger Lemaitre
President & CEO

UEX CORPORATION

Management's Discussion and Analysis
For the years ended December 31, 2015 and 2014
(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, 2015 is intended to provide a detailed analysis of the Company's business and compares its financial results with those of previous periods. This MD&A is dated March 16, 2016 and should be read in conjunction with the audited annual financial statements and related notes for the years ended December 31, 2015 and 2014. 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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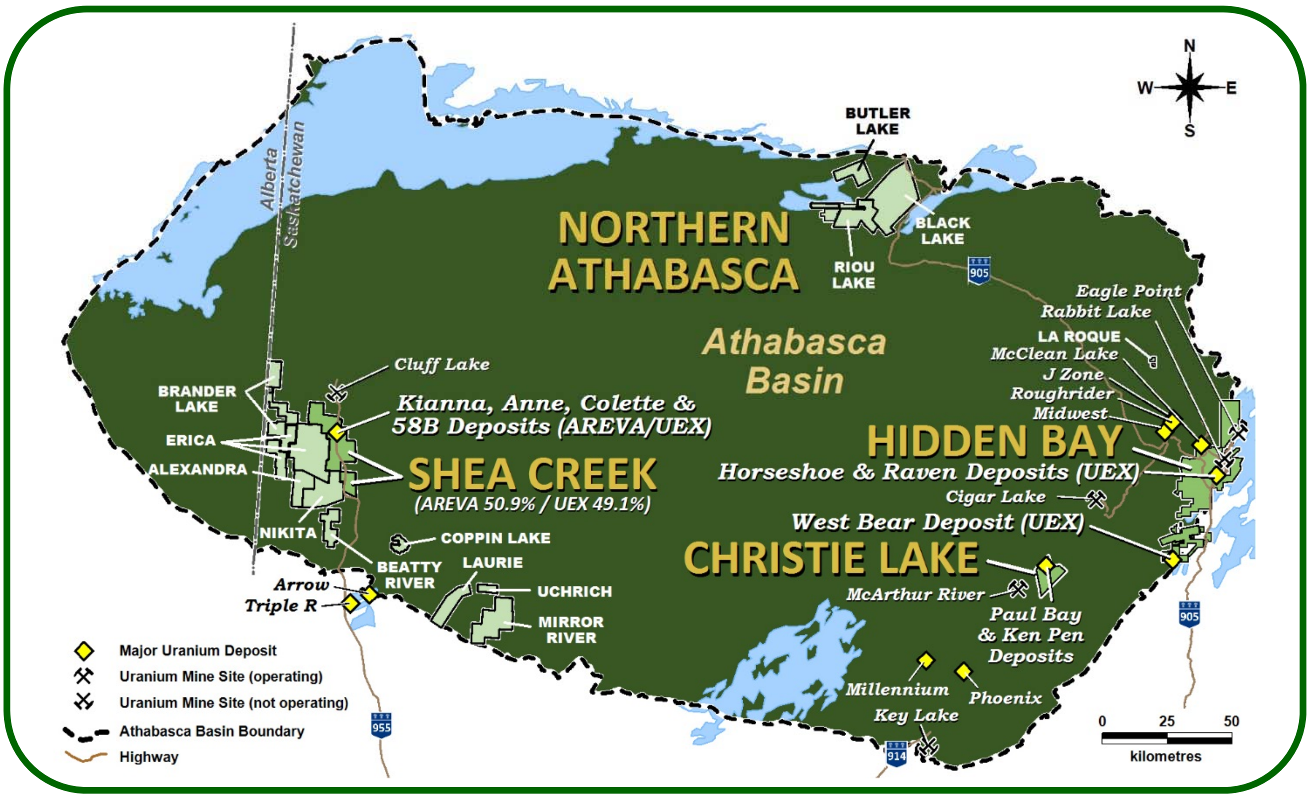
1. Introduction

Overview

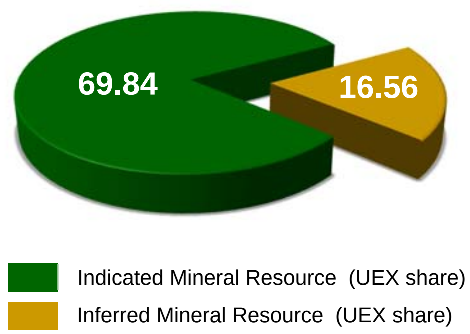
UEX's fundamental goal is to remain one of the leading global uranium explorers and to advance its portfolio of Athabasca Basin uranium deposits and discoveries through the development stage to the production stage. Since being listed on the Toronto Stock Exchange in 2002, UEX has pursued exploration 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 three advanced projects, two in the eastern Athabasca Basin and one in the western Athabasca Basin. Eastern Athabasca Basin advanced projects include the Hidden Bay Project ("Hidden Bay") that hosts the Horseshoe, Raven and West Bear Deposits and the 10%-owned Christie Lake Project ("Christie Lake") that hosts the Paul Lake and Ken Pen Deposits and for which the Company has entered into an Option Agreement to earn up to a 70% interest. The western Athabasca Basin advanced project is the 49.1%-owned Shea Creek Project ("Shea Creek") that hosts the Kianna, Anne, Colette and 58B Deposits.

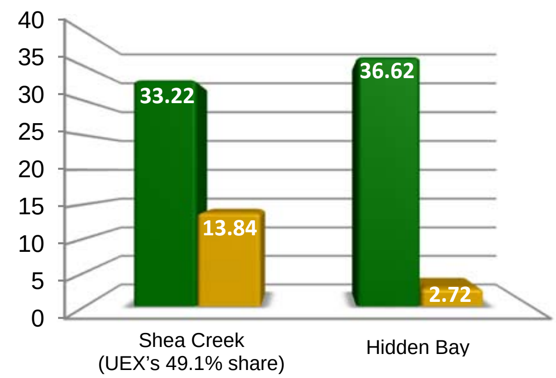


UEX is involved in sixteen uranium projects totalling 260,511 hectares (643,737 acres), located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium district, which in 2015 accounted for approximately 15% of global primary uranium production. The Company's 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 (Western Athabasca), one project joint-ventured with AREVA and JCU (Canada) Exploration Company, Limited ("JCU") that is operated by AREVA and one project under option from JCU and operated by UEX. AREVA is part of the AREVA group, one of the world's largest nuclear service providers, and JCU is a private company with significant investments in uranium projects in Canada.

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.

Non-Compliant Resources

The Company holds a 10% direct interest in the Paul Bay and Ken Pen Uranium Deposits, located on the Christie Lake Project. UEX can increase its ownership interest to 70% in the Christie Lake Project through an option agreement with JCU. The ultimate size of the Paul Bay and Ken Pen Deposits has not been fully defined. The deposits are estimated to host a combined 20.87 million pounds of U_3O_8 at an average grade of 3.22% U_3O_8. *(This is a historic resource estimation which does not use resource classifications consistent with NI 43-101. The historical resource estimate was presented in an internal report titled Christie Lake Project, Geological Resource Estimate completed by PNC Tono Geoscience Center, Resource Analysis Group, dated September 12, 1997. The historical resource was calculated using a 3-D block model using block sizes of 2 m by 2 m by 2 m, and block grades interpolated using the inverse distance squared method over a circular search radius of 25 m and 1 m height. Specific gravities for each deposit were averaged from specific gravity measures of individual samples collected for assay. UEX plans to complete additional infill drilling on the deposits during the option period to upgrade these historic resources to indicated and inferred. A qualified person has not done sufficient work to classify the historic estimate as current mineral resources or mineral reserves. UEX is not treating the historic estimate as current mineral reserves or mineral resources.)*

Further information on these deposits is available under the Christie Lake section of this MD&A.

Growth Strategy – UEX

- To plan and execute the exploration and evaluation work required to delineate and develop economic uranium resources at Christie Lake, as part of our project earn-in.
- To find new uranium deposits at the 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 our other uranium projects.

Change in Rights for Significant Shareholder

Cameco Corporation ("Cameco"), under the agreement between Pioneer Metals Corporation, UEX Corporation and Cameco Corporation dated October 2001, had special rights so long as it maintained a minimum 20% ownership interest in UEX. In January of 2016, Cameco chose not to exercise its pre-emptive right to maintain its equity ownership of UEX and Cameco's equity ownership of UEX has now declined below 20%. The drop in Cameco's equity ownership below the 20% level terminates some of the special rights Cameco has held since UEX's inception:

- Cameco's right to market, on behalf of UEX, its share of uranium produced from any mine in which UEX has an ownership interest.
- Cameco's right of first refusal to match the terms of any equity, equivalent-to-equity, or debt financing required by UEX to develop a new mine.
- Cameco's right to maintain its ownership interest in UEX through a pre-emptive right to participate in UEX's future share equity financings.

(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*

- Nine separate joint ventures:
  - UEX 49.1%, AREVA 50.9% on eight of the joint ventures
  - 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 2013 Option Agreement below)
- Flagship project: Shea Creek Project (see *Shea Creek – 2016 exploration*)
- Four deposits: Kianna, Anne, Colette & 58B
- 2016 revised budget of $2.0 million approved
  - UEX's share of Shea Creek expenditures for 2016 is $0.66 million
  - UEX has elected to dilute its interest on the early stage Mirror River project in 2016

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

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	19	36,600	90,441	AREVA	49.0975	50.9025
Laurie	4	8,778	21,691	AREVA	42.1826	57.8174
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	71	132,286	326,886			

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 approximate 49.1% ownership interest for eight of the nine projects reflects additional amounts funded 100% by UEX under the WAJV option agreement dated April 4, 2013 (see discussion below). The Laurie Project that was previously owned approximately 49.1% by UEX was diluted to approximately 42.2% on December 31, 2015 as a result of UEX's decision not to fund the Laurie 2015 exploration program.

The 2015 exploration programs had a combined budget of $4.8 million and were completed early in the fourth quarter (Shea Creek - $2.8 million budget vs $2.81 million actual, Erica - $1.5 million versus $1.35 million actual, Laurie - $500,000 versus $510,000 actual and Alexandra/Brander/Nikita - $30,000 vs $5,225 actual). Total combined expenditures on the joint venture projects in 2015 totaled approximately $4.68 million of which UEX funded approximately $2.05 million. The 2015 programs were under budget by approximately $150,500, primarily due to lower than expected expenditures on the Erica Project.

UEX elected not to participate in the 2015 Laurie program, which focused exclusively on geophysics. UEX's decision to not fund exploration work at the Laurie Project has resulted in a reduction in the Company's ownership interest effective December 31, 2015 to approximately 42.2% with AREVA owning the balance of the project equity. The decision not to fund our share of the proposed Laurie program did 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 2016 exploration programs originally had a combined budget of $2.2 million approved at the Joint Venture meetings in November 2015. In January 2016, due to higher than expected costs from the tenders received for the Coppin Lake Project for the proposed linecutting and ground geophysics program, UEX and AREVA agreed to cancel the approved program and budget on the Coppin Lake Project, thus reducing the combined 2016 exploration program budgets to $2.0 million (Shea Creek - $1.35 million and Mirror River - $650,000).

UEX has agreed to contribute its share of expenditures for the Shea Creek Project (UEX share - $662,800), which will consist of a 7 to 9 hole - 4,300 m diamond drilling program on the southernmost Shea Creek claim.

UEX has elected not to participate in the 2016 Mirror River program which will focus exclusively on geophysics. UEX's decision not to fund exploration work at the Mirror River Project will result in a reduction in the Company's ownership interest in the Mirror River Project effective December 31, 2016 to an estimated 41.4% 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 Mirror River program will not have an impact on UEX's ownership interest in the other eight WAJV projects, seven of which will remain at 49.097%, including the Company's ownership of the existing uranium resources at the Shea Creek Project.

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

Cumulative expenditures (inclusive of non-cash items) by UEX on the Western Athabasca Projects at December 31, 2015 on exploration and evaluation were $57.1 million and $7.4 million, respectively, with approximately 274,000 m of drilling completed.

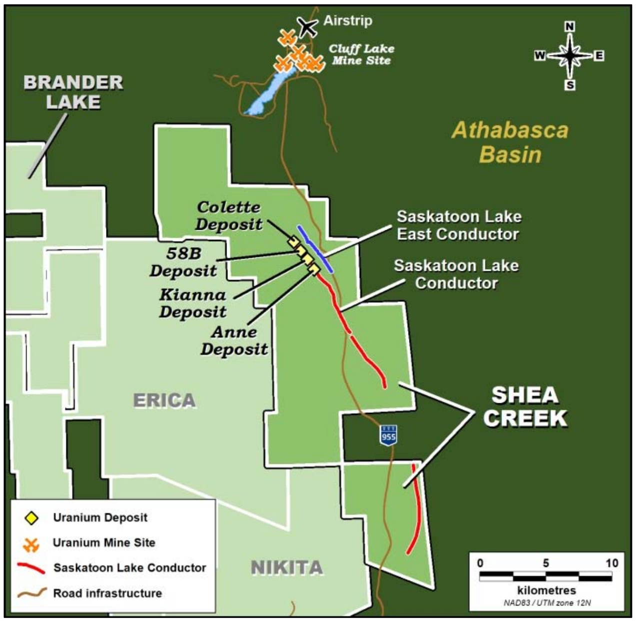
WAJV 2013 Option Agreement

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 approximately $2.0 million relating to this agreement were incurred in 2013 with exploration work completed in December 2013 and minimal costs were incurred in early 2014. 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 and has not proposed a supplemental program for 2016; 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

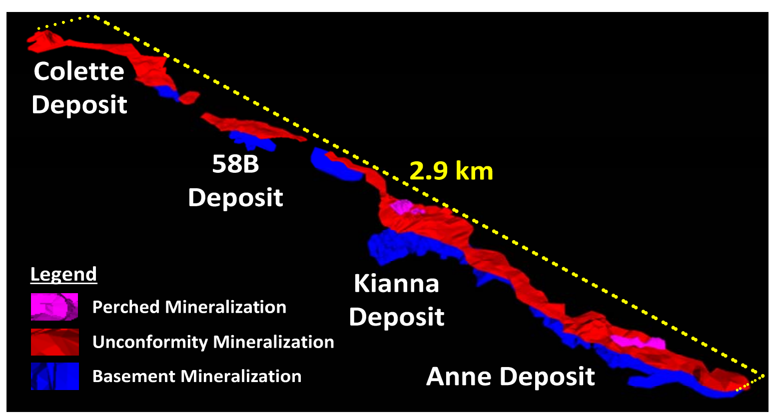


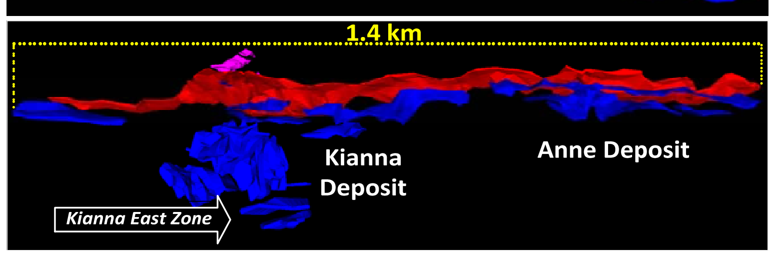
- Four known deposits – Kianna, Anne, Colette and 58B, distributed along a 3 km strike-length at the north end of the 33 km Saskatoon Lake Conductor ("SLC")
- 2015 drilling near SHE-02 to follow-up historical uranium mineralization outlined a previously unknown hydrothermal clay alteration zone that will require follow-up drilling in future programs.
- 2016 exploration will focus on drill testing electromagnetic targets on the southern Shea Creek claims. A total of 4,300 m is planned in 7 to 9 holes.
- Former Cluff Lake airstrip is not actively maintained.

Cumulative expenditures (inclusive of non-cash items) at December 31, 2015 by UEX on exploration and evaluation were $45.8 million and $7.4 million, respectively, with approximately 265,000 m of drilling completed.

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

- Fourth 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.
- Three styles of mineralization have been observed at Shea Creek: unconformity-hosted, basement-hosted and perched.





(Expressed in Canadian dollars, unless otherwise noted)

A 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 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

A $2.81 million exploration program was completed at Shea Creek in 2015. UEX contributed its share of costs to the program which totaled $1.38 million. The 2015 exploration programs consisted of drilling in four areas for a total of 8,184.9 m of drilling in twelve holes and approximately 31.5 km of electromagnetic surveying on the southernmost Shea Creek claim using a moving-loop SQUID electromagnetic survey:

- In the first quarter of 2015, one drill hole was completed 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. This hole successfully intersected its target at the unconformity but did not encounter anomalous uranium radioactivity or alteration.
- Approximately 31.5 km of electromagnetic surveying was completed in mid-April 2015 on the southernmost Shea Creek claim using a moving-loop SQUID electromagnetic survey.
- During the summer 2015 program, six holes were drilled to follow up on hole SHE-2 which was 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 uranium mineralization (0.342% U_3O_8 over 0.4 m) associated with the SLC. Until this program, the SHE-2 intersection had 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. In addition, SHE-127, located approximately 200 m northwest and along strike of SHE-2, also encountered basement mineralization approximately 35 m below the unconformity.

  - AREVA, the project operator, was motivated by the drilling results to allocate remaining WAJV funds to drill additional holes. This drilling was encouraging, but was still over 100 m away from the SHE-2 target which remains open for testing.
  - Five directional offcuts were completed from SHE-127 to test the extent of mineralization to the north of SHE-2. Notable alteration and structure were intersected in all offcuts with three returning significant elevated radioactivity. The sixth hole was completed 185 m north of SHE-127 and successfully intersected the unconformity and narrow zones of structure and alteration within the sandstone.

- A total of four holes were drilled to test along the sparsely explored SLC 3 to 4 km south of the Shea Creek Deposits. Conductive basement lithologies and notable structure were intersected in three holes; however, no significant alteration or elevated radioactivity was noted.
- One drill hole was completed to intersect a previously untested electromagnetic conductor parallel to and west of the SLC, approximately 650 m southwest of the Anne Deposit. This hole intersected fresh basement lithologies with no apparent conductive package.
- The summer 2015 drilling program was temporarily suspended in June by AREVA and the Government of Saskatchewan when forest fires were burning on the property. Drilling operations resumed in August. No joint venture assets were lost to the fires.

Shea Creek – 2016 Exploration Program

The 2016 Shea Creek exploration program will consist of 4,300 m of diamond drilling in 7 to 9 holes and will test the Shea South (S-14) conductor on the southernmost Shea Creek claims. The approved budget for the 2016 program is $1.35 million. UEX has agreed to fund its share of the program, estimated to be approximately $0.66 million.

The 2016 drilling program will test the S14 conductor systematically over a strike length of up to 5 km, mostly north of hole SHE-147 drilled in the winter of 2015. The S14 conductor is undertested by drilling and is believed to be the southern strike extension of the Saskatoon Lake conductor system, host of all the known mineralization associated with the Shea Creek Deposits. The S14 conductor was resurveyed by AREVA during the 2015 exploration program using a small moving loop electromagnetic survey. Prior to the 2015 geophysical survey, a total of eight holes (including SHE-147) had attempted to intersect the S-14 conductor at the unconformity without success.

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

2015 Drilling Program

A $1.35 million winter drilling program was completed at the Erica Project in the first quarter of 2015. The program consisted of two pilot holes and two off-cut holes (one off each pilot hole) totalling 2,643 m, which tested one of the five electromagnetic conductor trends that is 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 funded its 49.1% share of the Erica program, or approximately $0.66 million. None of the holes encountered significant uranium, radioactivity or alteration; however, these were the first holes drilled following up on the electromagnetic survey which was completed in 2014.

2016 Exploration Program

There is no program or budget proposed for the Erica Project in 2016.

Laurie Project

2015 Geophysical Program

A $0.5 million winter geophysical program was completed at the Laurie Project. Exploration activities consisted 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 was completed on fourteen profiles defining future drill targets in the southern portion of the property.

UEX elected not to participate in the 2015 Laurie program and the Company's ownership of the Laurie Project has been reduced to 42.2% with AREVA owning the balance of the project equity.

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% in 2016, including the Company's ownership of the existing uranium resources at the Shea Creek Project.

2016 Exploration Program

There is no program or budget proposed for the Laurie Project in 2016.

Alexandra, Brander Lake, Nikita and Uchrich Projects

2015 Programs

No significant exploration activities were undertaken on the Brander, Alexandra and Nikita Projects in 2015. Budgets of $10,000 were approved for each of these projects in 2015 (for a cumulative total of $30,000) to prepare for future exploration activities, possibly as soon as 2017. Total cumulative expenditures in 2015 for the three projects were $5,222 instead of the $30,000 budgeted as fewer preparation activities were completed on these three projects than planned. UEX funded its share of the combined Alexandra-Brander-Nikita Projects which were $2,564 cumulatively.

There was no proposed program or budget for the Uchrich Project in 2015.

2016 Programs

There is no program or budget proposed for the Alexandra, Brander, Nikita or Uchrich projects in 2016.

Mirror River Project

2015 Exploration Program

There were no exploration activities on the Mirror River Project in 2015.

2016 Geophysical Program

The $0.65 million 2016 exploration program at Mirror River will consist of a 52 line-km DC resistivity survey in eight profiles covering the southern claim on the property where sandstone thicknesses are estimated to range between 50 m and 250 m thick. The objective of the resistivity survey is to prioritize areas for future drilling along the known electromagnetic conductors. While there have been several historical holes drilled in the survey area by previous operators, few holes have directly tested the known conductors which were defined long after the holes were drilled.

UEX has elected not to participate in the 2016 Mirror River program which will focus exclusively on geophysics. UEX's decision not to fund exploration work at the Mirror River Project will result in a reduction in the Company's ownership interest in the Mirror River Project to an estimated 41.4% effective December 31, 2016, 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 Mirror River program will not have an impact on UEX's ownership interest in the other eight WAJV projects, seven of which will remain at 49.097%, including the Company's ownership of the existing uranium resources at the Shea Creek Project.

Coppin Lake Project

2015 Exploration Program

There were no exploration activities on the Coppin Lake Project in 2015.

2016 Geophysical Program

In the fall of 2015, UEX and AREVA approved a $0.2 million geophysical program on the Coppin Lake Project consisting of approximately 41.6 line-kilometres of SQUID Moving Loop electromagnetic surveying with the objective of ground-locating a short conductor segment underlying the southeast corner of the property. The only historical exploration activities conducted on the property consist of airborne magnetic and electromagnetic surveys completed by former operators.

AREVA informed UEX that due to much higher than expected tender costs for linecutting and geophysical contractors, AREVA would be unable to complete the proposed 2016 program within the approved budget. As a result, UEX and AREVA both agreed to cancel the 2016 program.

As a result, it is anticipated that all the claims comprising the Coppin Lake Project will expire in August of 2016.

Given that there are no future plans to explore the property and a decision was made to allow the claims to lapse in the coming months, UEX has recorded an impairment charge of $1,528, which represents UEX's share of the cost to stake the project in 2014.

(Expressed in Canadian dollars, unless otherwise noted)

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

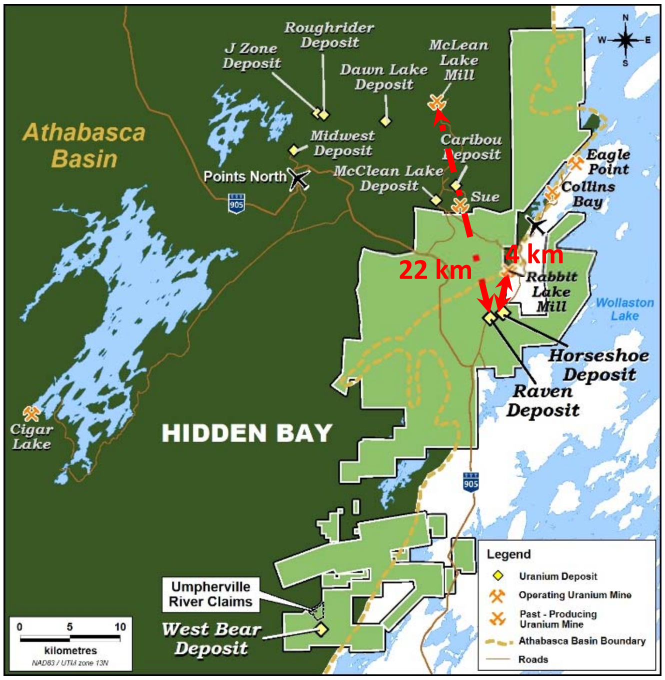
The Beatty River Project is located in the western Athabasca Basin approximately 40 km south of the Shea Creek Deposits. Please see the Western Athabasca Projects map for the location of the Beatty River Project.

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 2016. However, UEX anticipates that the operator will be proposing an exploration program for 2017.

(Expressed in Canadian dollars, unless otherwise noted)

Hidden Bay Project



- Cameco's Rabbit Lake Mill (including Eagle Point) has produced over 202 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)]

- 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:
  - Has identified targets for new basement uranium mineralization.
- 10,179 m - $2.5 million exploration program in 2015 focused on Dwyer Lake and Wolf Lake for basement-hosted uranium deposits.
- Umpherville River claims added to Hidden Bay Project in Q2 2015 and ownership interest increased from 70% to 100% in November 2015.

(1) Source: *2015 Cameco Management Discussion and Analysis, February 2015*
(2) Source: *http://us.areva.com/EN/home-984/areva-resources-canada-mcclean-lake.html*

	Number of claims	Hectares	Acres	UEX Ownership %
Hidden Bay	64	59,584	147,235	100

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

The Hidden Bay Project is comprised of the Tent-Seal, Telephone-Shamus, Rabbit Lake, Raven, Wolf Lake, Rhino, Dwyer-Mitchell and Umpherville River project exploration areas and includes the Horseshoe, Raven and West Bear deposits.

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.

In April of 2015, UEX staked six new mineral claims which expand the Company's holdings in the Dwyer Lake area of the Hidden Bay Project.

In May of 2015, UEX acquired a 70% interest in the Umpherville River property ("Umpherville") from Cameco (significant shareholder of UEX Corporation) for cash consideration of $12,000. On October 7, 2015, the Company acquired a further 20% interest in Umpherville from Glencore for cash consideration of $10,000 plus an agreement to pay to Glencore a 2% NSR royalty on Glencore's current 20% interest for each mineral produced from the project (equivalent to a 0.4% NSR on the total project) with the NSR on uranium capped at $10 million. On November 23, 2015, UEX assumed 100% ownership of the Umpherville when Esso Resources (1989) Ltd., a subsidiary of Imperial Oil, forfeited its 10% interest in the project under the terms of the joint venture agreement by failing to pay its share of joint venture expenditures related to the summer core re-logging program. Esso Resources (1989) Ltd. had indicated in previous correspondence with UEX before the summer program that they did not believe that they retained any interest in Umpherville.

The Umpherville claims abut the Hidden Bay mineral claims in the West Bear area, with any future exploration easily coordinated through our Raven exploration camp.

The 2015 Hidden Bay exploration program commenced in December 2014 with the field work completed early in the third quarter and consisted of drilling at Wolf Lake and Dwyer Lake (completed in Q2 2015), geophysical surveys at Dwyer Lake (completed in Q3 2015) and ongoing historical core and field data review at Umpherville and the south block of Hidden Bay to identify exploration targets for future drill programs.

Cumulative expenditures (inclusive of non-cash items) at December 31, 2015 by UEX on exploration and evaluation at Hidden Bay were $71.8 million and $7.4 million, respectively, with approximately 498,000 m of drilling completed.

Horseshoe and Raven Deposits

- Positive PA at US$60/lb U_3O_8 – see discussion below
- Eighth 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

(Expressed in Canadian dollars, unless otherwise noted)

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 and 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%.

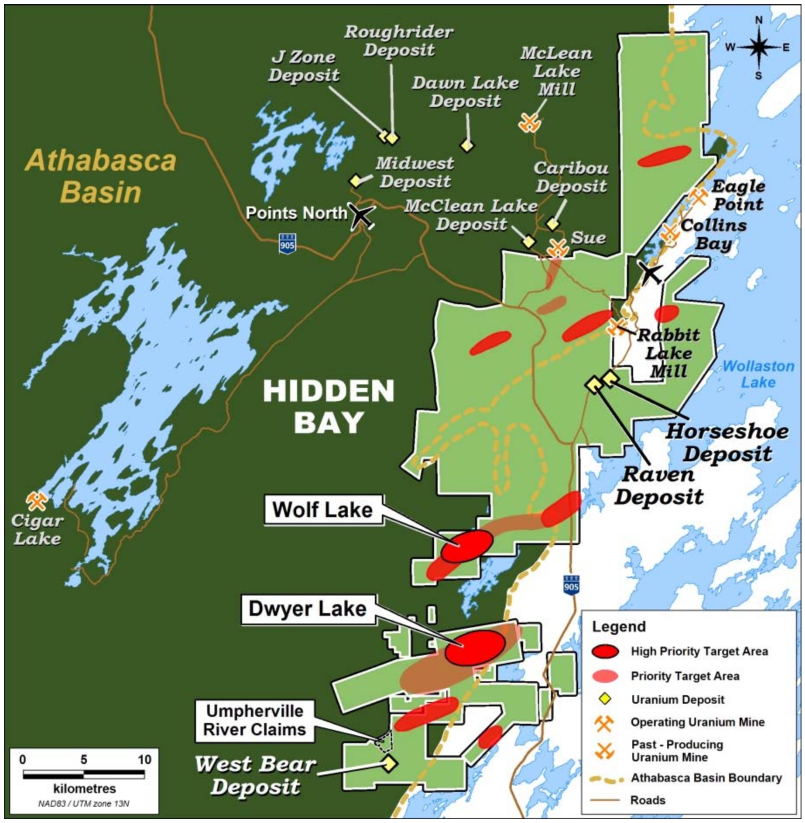
Projects in the mining sector have experienced rising costs, including rising capital and operating costs, during the past few years. The price of uranium has declined since the date of the PA which could negatively impact the results of the PA. Projects in the mining sector have also experienced significant fluctuations of costs, which could impact EBIT, NPV and IRR which have been calculated based upon historical costs. Accordingly, readers should bear these factors in mind when reading the PA and should not place undue reliance on the PA.

- 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 confers 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.



Field review of historical drill core was undertaken in the summer of 2014 and 2015 and identified high priority basement uranium targets:

- Thirteen 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.
- Ten of the thirteen target areas require additional historic core review to select future drill targets.
- The 2015 drilling program confirmed that Dwyer Lake and Wolf Lake, two of the thirteen identified target areas, exhibit key characteristics associated with basement-hosted uranium deposits similar to the Millennium, Roughrider and Eagle Point deposits.
- The summer 2015 Umpherville core and historical data review identified a previously unrecognized target.

2015 Exploration Program

This exploration program was 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.

The $2.5 million winter drilling program of 47 holes totalling 10,179 m was completed in the first quarter, based out of the Company's Raven exploration camp and included a ground resistivity program in the Dwyer Lake are conducted in September.

The winter program tested two of the initial thirteen target areas recently identified and confirmed that they 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.

Highlights of the winter program at Hidden Bay are outlined below:

- At Dwyer Lake, a major hydrothermal clay alteration zone over an area 175 m by 75 m was encountered, significantly expanding the area of intense clay alteration first identified during the 2014 summer re-logging program in historical hole D-57. Massive kaolinite-illite clay replacement of the sandstone and basement rocks is considered highly prospective and confirms Dwyer Lake as a high priority area for follow-up exploration work. The ultimate limits of the clay alteration zone have not yet been defined and the Company believes that following this alteration zone could ultimately lead to a location where uranium could have been deposited.

- A ground resistivity survey was completed in September to define the geographical limits of the clay alteration zone at Dwyer Lake. Data collection was of a high quality and interpretation of the results is ongoing as of year end. Once these results have been interpreted, they will be used with the Dwyer drill results to select future drill targets.

- At Wolf Lake, a new radioactive and hydrothermally-altered graphitic fault system oriented in an east-northeasterly direction in the Wolf Lake area was identified that extends eastward from a known area of hydrothermal alteration, geochemically anomalous uranium and radioactivity that occurs along the main Wolf Lake north-south fault system. The two highest readings of radioactivity intersected during the winter program were encountered in this newly identified fault structure:
    - Hole WO-151 returned a down-hole radiometric probe peak of 12,771 cps
    - Hole WO-152 returned a down-hole radiometric probe peak of 4,348 cps

  This new fault zone has potential for both unconformity-style and basement-type uranium mineralization and remains untested along strike to the east.

  East-northeasterly fault systems that splay off regional fault structures are known to host important basement-uranium mineralization in the district. The nearby Eagle Point Mine (Cameco's Rabbit Lake Operation) is currently mining uranium from such a fault system.

- During August 2015, the UEX exploration team continued the review of historic drill core from the some of the remaining ten areas identified during the 2014 database review, which began in the summer of 2014. The objective of the review was to identify and prioritize additional targets for testing in future drilling programs. The 2015 core review focused on the southern half of the Hidden Bay property extending our knowledge in the vicinity of the winter drilling programs at Dwyer and Wolf Lakes, in the Michael Lake area and along the key Mitchell-Dwyer trend leading to our newly acquired Umpherville River claims.
    - The 2015 core review led to the discovery of a previously unknown graphitic fault zone parallel to and north of the Mitchell-Dwyer trend that is untested by diamond drilling over a 7 km strike length and represents a classic unconformity-style target.

Umpherville River

During the third quarter, UEX geologists located and reviewed historical drill core as well as other cross sections and data related to the Umpherville. Of particular interest was a historic weakly mineralized intercept in hole ML-5-77 drilled in 1977. ML-5-77 encountered uranium mineralization at the unconformity that averaged 0.12% U_3O_8 over 1.5 m at a very shallow depth of approximately 50 m. Later the same year, two holes were drilled to follow up this intersection down dip; however, both of these holes were lost in highly altered clay at the unconformity and did not properly test the target. Significant alteration can be an indicator for basement-hosted uranium deposits. We expect to follow up on these indicators in an upcoming program and are optimistic that advancements in drilling technology should allow us to properly test this promising target.

2016 Activities

UEX has not yet proposed an exploration program for the Hidden Bay Project in 2016. While UEX believes that the Hidden Bay Basement Targeting Program is one of the premier uranium exploration projects in the world today, due to the challenging conditions impacting the global resource industry, the Company will be focusing the majority of its financial resources on the Christie Lake Project in the first quarter of 2016.

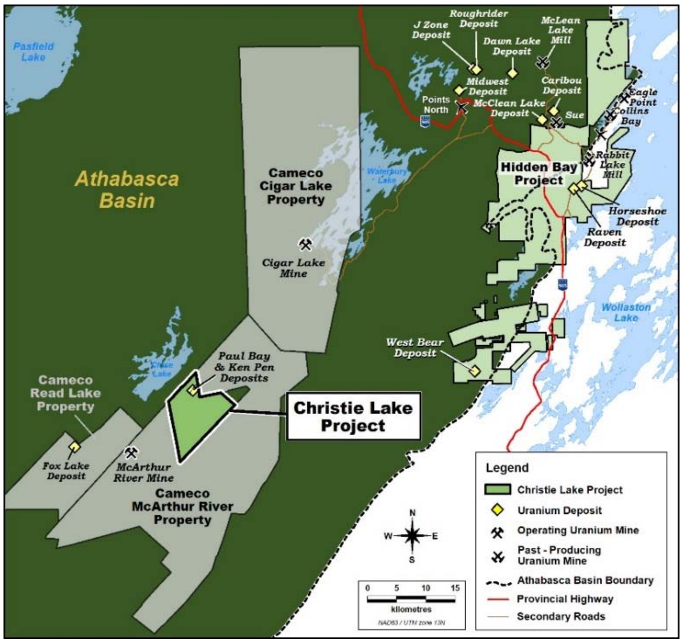
UEX will be revisiting our plans for the Hidden Bay Project in the second quarter of 2016 and may propose a program at that time.

UEX continues to monitor the results of the on-site barrel testing program designed to evaluate the characteristics of rocks that would be exposed during any potential mining operation at Raven and Horseshoe. The tests are expected to continue for at least one more year.

In early January 2016, UEX initiated a metallurgical study of mineralization from the Raven and Horseshoe Deposits. The study, being conducted at the SGS Lakefield laboratories, consists of a column leach test and bottle roll tests of uranium mineralized samples collected in the third quarter of 2015 from existing mineralized drill core from these deposits.

The objective of the metallurgical study is to determine at a preliminary stage the technical viability of recovering uranium from the Raven and Horseshoe Deposits using heap leach techniques.

Christie Lake Project



- Located in the eastern Athabasca Basin, 9 km northeast and along strike of the McArthur River mine and 30 km southwest of the Cigar Lake mine.
- Two known uranium deposits: Paul Bay and Ken Pen with historical non-compliant resource of 20.87 Mlbs at an average grade of 3.22%*.
- UEX signed an Option Agreement on January 16, 2016 to earn up to a 70% interest in the project from JCU.
- UEX has vested a 10% interest in the project.

The Christie Lake Project is 90% owned by JCU (Canada) Exploration Company, Limited (JCU) and 10% by UEX. The Company signed a Letter of Intent ("LOI") on October 26, 2015 to earn up to a 70% interest in the project by making cash payments of $7.0 million and funding $15.0 million in exploration work commitments over 5 years. On January 16, 2016, UEX signed the definitive Option Agreement with JCU under which UEX can earn its interest. UEX earned its 10% interest in the project by making a $250,000 payment upon the signing of the LOI and making a $1,750,000 payment on January 22, 2016.

Historical Resource*

Ore Body	Cut-Off Grade (% U_3O_8)	Ore (t)	Resources (t U_3O_8)	Resources (million lbs U_3O_8)	Average Grade (% U_3O_8)
Paul Bay Ore Shoot	0.3	231,298	7,078	15.60	3.06
Ken Pen Ore Shoot	0.3	62,956	2,392	5.27	3.80
Total		294,254	9,470	20.87	3.22

Source: Geological Resource Estimation Christie Lake Project Saskatchewan September 1997 by Resource Analysis/Evaluation Group PNC Tono Geoscience Center Japan

* *This is a historic resource estimation which does not use resource classifications consistent with NI 43-101. A qualified person has not done sufficient work to classify the historic estimate as current mineral resources or mineral reserves. UEX is not treating the historic estimate as current mineral reserves or mineral resources. The historical resource estimate was presented in an internal report titled Christie Lake Project, Geological Resource Estimate completed by PNC Tono Geoscience Center, Resource Analysis Group, dated September 12, 1997. The historical resource was calculated using a 3-D block model using block sizes of 2 m by 2 m by 2 m, and block grades interpolated using the inverse distance squared method over a circular search radius of 25 m and 1 m height. Specific gravities for each deposit were averaged from specific gravity measures of individual samples collected for assay. UEX plans to complete additional infill drilling on the deposits during the option earn-in period to upgrade these historic resources to indicated and inferred resources.*

(Expressed in Canadian dollars, unless otherwise noted)

	Number of claims	Hectares	Acres	UEX Ownership %
Christie Lake	6	7,922	19,576	10.00

UEX believes that the P2 Fault trend that hosts the McArthur River mine may continue onto the Christie Lake Project. UEX intends to convert the historical resource to a NI 43-101 resource in the coming years with additional drilling and detailed review of the historical work completed. Beyond the known mineralized zones, management believes that the full potential of the productive corridor has only begun to be understood and that it holds very good potential for the discovery of new uranium deposits and expansion of the historical resources. Many kilometers of conductors exist on the southern half of the project which have never been drill tested and provide excellent greenfields exploration potential proximal to producing uranium mines.

Option Agreement – Vesting Schedule

On January 16, 2016, UEX and JCU signed the definitive Option Agreement for the Christie Lake Project. UEX can earn an incremental interest annually up to a maximum 70% cumulative interest in the property by completing the cash payment and exploration work milestones outlined below:

Date	Cash Payment	Completed	Exploration Work Commitment	Completed	UEX Cumulative Interest Earned (%)
Upon signing of the LOI	$ 250,000	Yes	$ -	N/A	-
Before January 28, 2016	1,750,000	Yes	-	N/A	10.00
Before January 1, 2017	2,000,000		2,500,000	In progress	30.00
Before January 1, 2018	1,000,000		2,500,000		45.00
Before January 1, 2019	1,000,000		5,000,000		60.00
Before January 1, 2020	1,000,000		5,000,000		70.00
	$ 7,000,000		$ 15,000,000		70.00

UEX can elect to proceed with or cease future cash payments and work commitments at any time and vest a reduced interest in the property according to this schedule.

2016 Exploration Program

UEX and JCU have approved a $2.75 million exploration drilling program for the Christie Lake Project that commenced in February 2016 and is planned to continue into the second and third quarters of 2016.

The program will consist exclusively of diamond drilling in the Paul Bay and Ken Pen Deposits area. A total of approximately 10,000 m of drilling will be completed in 13 to18 drill holes. The primary goal of the drilling program is to increase the total uranium resources in the Paul Bay and Ken Pen Deposits by drill testing for extensions of both deposits in their down-dip direction.

A technical review of both deposits by the UEX exploration team has led the Company to the conclusion that both deposits are hosted in the basement fault structure below the classic unconformity setting for uranium deposits and that the ultimate size of both deposits has not been defined by the previous exploration work.

UEX believes that the historical operator, whose last exploration campaign on the Christie Lake property occurred in 1997, focused its efforts on defining uranium at the classic unconformity setting consistent with the exploration practices at that time. The historical operator did not test for deposit extensions into the basement structure within the same geological locations and structural setting that have yielded the majority of the new and valuable uranium deposit discoveries made in the Athabasca Basin in the last fifteen years, which include the Eagle Point North Extension Deposits, our Shea Creek basement-hosted extensions, Roughrider, Triple R, Arrow and the Gryphon Zone.

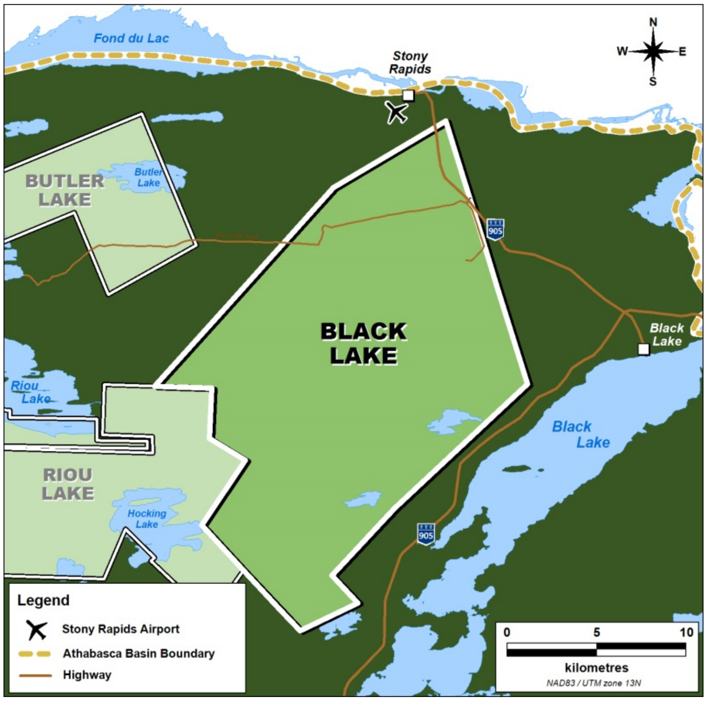
Our review of the technical data provided by JCU and the new three-dimensional geological model constructed by our exploration team appears to indicate that the Paul Bay and Ken Pen Deposits have not been closed off in the down-dip direction.

The objectives of the 2016 exploration program at Christie Lake are to:

- Increase the total uranium resources defined at the Paul Bay and Ken Pen Deposits by growing the size of both deposits.
- Complete a NI 43-101 uranium resource estimate report for the Paul Bay and Ken Pen Deposits in 2017.
- Determine the prospectivity of and develop an exploration plan to test the remaining 1.5 km long mineralized trend that extends northeast of and includes the Paul Bay and Ken Pen Deposits for the presence of new uranium zones for future exploration programs.

(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	90.92	9.08

Cumulative expenditures by UEX (inclusive of non-cash items) to December 31, 2015 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 m of drilling completed. A total of 71,695 m of drilling had been completed at Black Lake as at December 31, 2015, which includes 4,066 m of drilling funded by Uracan Resources Ltd. ("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 expense.

Pursuant to an agreement dated January 24, 2013 and amended June 23, 2014, December 15, 2014 and November 25, 2015, Uracan can earn a 60% interest in the Black Lake Project by funding $10 million in exploration expenditures over 11 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 remained unchanged.

The November 25, 2015 amendment extended Uracan's amended 2015 funding requirements by 12 months until December 31, 2016 and all other annual work commitments deadlines were extended by one year. Under this amendment, Uracan will be required to have completed $3.0 million in cumulative work commitments by December 31, 2016 and will be required to fund at least $1.0 million in additional work commitments annually thereafter for the following seven years until a cumulative $10.0 million is spent prior to December 31, 2023.

As at November 9, 2015, Uracan has funded approximately $1.6 million in exploration expenditures toward its earn-in resulting in approximately 4,066 m of drilling on the Black Lake Project. These amounts are in addition to those incurred by UEX on Black Lake to date. The Black Lake claims are in good standing until at least January 2024.

Notable Historic Intersections

Previous drilling by UEX encountered uranium mineralization in 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 m, including 1.96% U_3O_8 over 0.5 m;
- BL-082: 0.50% U_3O_8 over 3.3 m, including 1.60% U_3O_8 over 0.7 m;
- BL-110: 0.79% U_3O_8 over 2.82 m; and
- BL-140: 0.67% U_3O_8 over 3.0 m, including 1.58% U_3O_8 over 1.0 m.

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 m and 318 m.

2015 Exploration Program

A $455,000 winter diamond drilling program totalling 1,318 m was completed in January 2015 to fulfill the requirements of the December 15, 2014 amendment. Report writing for this program has been completed and the assessment report was submitted for credit to the Saskatchewan government. This program was fully funded by Uracan as part of the earn-in agreement.

Uracan was presented with a budget of $1.6 million for 2015 for work to be completed after January 31, 2015.

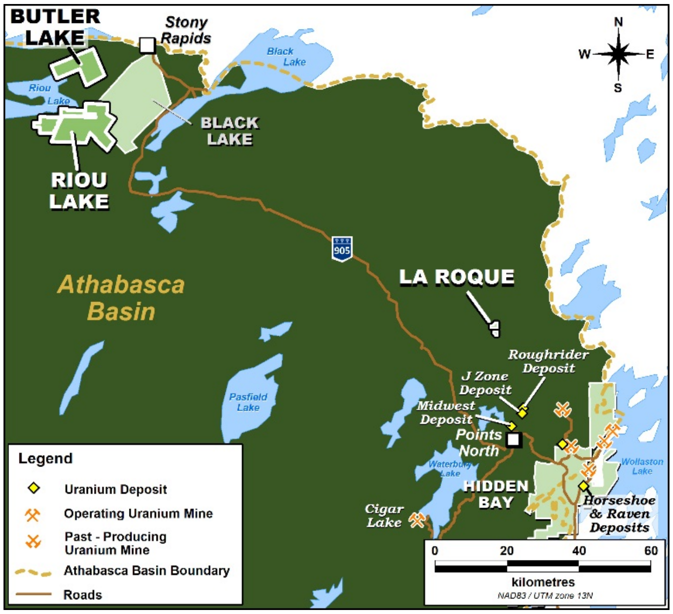
Uracan failed to meet their 2015 amended exploration work commitments and UEX agreed to extend Uracan's amended 2015 funding requirements as outlined in the November 25, 2015 amendment.

2016 Exploration Program

UEX has not yet been informed by Uracan whether they are able to implement the program and budget that was presented to them in 2015, nor have Uracan proposed an alternative to the proposed program at this time.

(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.
- La Roque claims adjacent to Cameco's La Roque Lake deposit.

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 Project; however, the Company does not have any exploration plans at this time. The Northern Athabasca Project was written off in 2010 due to a lack of planned exploration activity at that time.

- One claim at each of the former Monroe Lake and Fond du Lac projects lapsed in February 2015.

(Expressed in Canadian dollars, unless otherwise noted)

Riou Lake

	Number of claims	Hectares	Acres	UEX Ownership %
Riou Lake	11	16,027	39,604	100

The Riou Lake Project was written off in June 2014 due to a lack of planned future activity and the lapsing of two claims. One claim lapsed in March 2015 and was re-staked in April 2015. A second claim lapsed on June 30, 2015 and was not re-staked. One claim lapsed in March 2016 and was not re-staked. UEX maintains several Riou Lake claims in good standing.

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, 2015, 2014 and 2013 and the notes thereto.

Summary of Annual Financial Results

	December 31, 2015	December 31, 2014	December 31, 2013
Interest income	$ 106,027	$ 131,399	$ 202,074
Net loss for the year	(2,148,570)	(9,456,981)	(2,348,002)
Write-down of mineral properties	(1,528)	(10,425,937)	-
Basic and diluted loss per share	(0.009)	(0.041)	(0.010)
Capitalized exploration and evaluation expenditures, net of fair value consideration received and impairment charges (if any)	4,845,662	1,560,079	4,670,032
Total assets	$ 165,730,712	$ 164,943,741	$ 173,871,037

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

Summary of Quarterly Financial Results (Unaudited)

	2015 Quarter 4	2015 Quarter 3	2015 Quarter 2	2015 Quarter 1	2014 Quarter 4	2014 Quarter 3	2014 Quarter 2	2014 Quarter 1
Interest income	$ 20,265	$ 26,993	$ 27,168	$ 31,601	$ 34,660	$ 29,358	$ 32,279	$ 35,102
Net loss for the period	(769,636)	(363,589)	(402,500)	(612,845)	(573,455)	(364,243)	(8,067,108)	(452,175)
Write-down of mineral properties	(1,528)	-	-	-	-	-	(10,425,937)	-
Basic and diluted loss per share	(0.003)	(0.001)	(0.002)	(0.003)	(0.003)	(0.002)	(0.035)	(0.002)
Capitalized exploration and evaluation expenditures, net of fair value consideration received and impairment charges (if any)	476,401	769,345	808,757	2,791,159	236,706	179,835	515,064	628,474
Total assets	$165,730,712	$166,668,889	$167,117,327	$165,232,996	$164,943,741	$165,032,267	$162,766,315	$174,264,271

UEX's business is not affected by seasonality as the Company is able to perform exploration and evaluation work year round. In late Q2 2015, there were some delays to our exploration programs in the Athabasca Basin due to forest fires that led to travel restrictions and evacuations in some areas. 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 to 2015, 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.

In 2015, UEX commenced exploration at Hidden Bay targeting basement deposits. The majority of this work occurred in the first quarter of 2015 followed by geophysics and drill core review at Hidden Bay and there was a larger exploration program at the Western Athabasca Projects than in the previous year. In the fourth quarter of 2015, UEX paid $250,000 and signed a LOI to earn into the Christie Lake Project in the Athabasca Basin and began planning and incurring costs for a 2016 drilling program.

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, 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:*
    - UEX and AREVA each staked claims in July 2014, which became the Coppin Lake Project. A budget of $200,000 for geophysics and line cutting was proposed for 2016, of which UEX would have been responsible for funding its 49.097% share, or approximately $98,000. When bids were received to perform the proposed work, they were much higher than expected. Given the higher than expected costs and small area involved, UEX and AREVA made a decision to cancel the program and will let the claims lapse in the third quarter of 2016. As there is no work budgeted or planned for the project and the claims will be allowed to lapse in 2016, an impairment charge of $1,528 has been recorded for the project in the fourth quarter of 2015.
    - 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:*
    - Approximately $1.485 million of the required flow-through expenditures from the $3.3 million, May 11, 2015 flow-through private placement had been incurred by December 31, 2015. The associated tax benefits were renounced to eligible subscribers in February 2016 effective December 31, 2015 (under the general rule), resulting in a significant increase in deferred tax expense in the fourth quarter of 2015.
    - The remaining $1.815 million in required flow-through expenditures from the May 2015 placement were renounced to eligible subscribers in February 2016, effective December 31, 2015 (under the look-back rule) and will have a significant tax impact in the first quarter of 2016.

- The majority of the required flow-through expenditures from the September 2014 flow-through private placement were incurred during the first quarter of 2015. All remaining proceeds were expended by April 30, 2015. Due to the timing of these expenditures, the tax effect of the renunciation is primarily reflected in the first quarter of 2015 (under the look-back rule) as the renunciation was filed in February 2015.
- In the three-month period ended December 31, 2014, $229,819 in exploration expenditures were funded with flow-through dollars compared to the three-month period ended March 31, 2015 when $2,781,366 in exploration expenditures were funded with flow-through dollars.

- *Deferred tax recovery*
    - The loss for the second quarter of 2014 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 operating losses incurred.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 246,015,069 common shares were issued and outstanding as at December 31, 2015 and 266,015,069 common shares were issued and outstanding as at March 16, 2016, 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, 2015 and March 16, 2016, the Company had reserved a total of 17,316,000 and 17,376,000 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 $0.15 per share to $1.45 per share. At December 31, 2015, the Company had no share purchase warrants outstanding and at March 16, 2016, there were 20,000,000 share purchase warrants outstanding with an exercise price of $0.20 per share.

Results of Operations for the Three-Month Period Ended December 31, 2015

For the three-month period ended December 31, 2015, the Company earned interest income of $20,265 (Q4 2014 - $34,660). The decrease in interest income was primarily due to lower average cash balances, as well as lower interest rates on cash invested during the current three-month period. In the fourth quarter of 2015, the Company had an average cash balance invested of approximately $5.5 million versus $8.5 million in the comparative period.

For the three-month period ended December 31, 2015, the Company incurred expenses of $670,953 (Q4 2014 - $746,342) with significant changes from the comparative period identified as follows:

- Office expenses of $121,658 (Q4 2014 - $99,640) increased primarily due to fees paid to consultants for data migration following the Q2 2015 acquisition of a new geological database solution and costs associated with the transition to a new corporate office location;
- Salaries expense of $297,844 (Q4 2014 - $367,094) decreased primarily as a result of severance paid to a member of the senior management team in the comparative period;
- Share-based compensation expense of $72,141 (Q4 2014 - $154,171) decreased from the comparative quarter as a result of the 2014 annual grant of options being delayed until Q4 2014 due to a black out stemming from a potential acquisition. In November 2014, the annual option grant occurred and

1,795,000 options were granted, with one-third vesting immediately. There was no comparable option grant in the current quarter as the 2015 annual grant of options had already occurred in June 2015; and

- Travel and promotion costs of $44,219 (Q4 2014 - $27,370) increased as UEX attended meetings in Q4 2015 with shareholders and potential investors outside of Canada, which did not occur in Q4 2014.

Deferred income tax expense for the three-month period ended December 31, 2015 was $118,948 (Q4 2014 - recovery of $138,227) and primarily reflects the tax impact of the renunciation under the general rule of approximately $1.485 million in eligible flow-through expenditures (out of $3.300 million raised in May 2015) effective December 31, 2015. Deferred income tax recovery for the three-month period ended December 31, 2014 was $138,277 and primarily reflects the pre-tax loss for the quarter, reduced by the tax impact of the renunciation under the general rule of approximately $0.230 million in eligible flow-through expenditures (out of $3.085 million raised in September 2014) effective December 31, 2014. The majority of flow-through funds raised in 2014 were not expended until Q1 2015, thus the tax impact of the Q4 2014 renouncement was significantly lower than in the current period.

The vesting of share purchase options during the three-month period ended December 31, 2015 resulted in total share-based compensation of $77,158 (Q4 2014 - $154,578), of which $5,017 was allocated to mineral property expenditures (Q4 2014 - $407) and the remaining $72,141 was expensed (Q4 2014 - $154,171).

Results of Operations for the Year Ended December 31, 2015

For the year ended December 31, 2015, the Company earned interest income of $106,027 (2014 - $131,399). The decrease in interest income was due to lower cash balances during 2015 as well as $940 of Part XII.6 tax, which was netted against interest income in 2015 versus $Nil in 2014. In 2015, the Company had an average cash balance invested of approximately $6.6 million versus $8.1 million in 2014.

For the year ended December 31, 2015, the Company incurred expenses of $2,411,825 (2014 - $12,884,677) with significant changes from 2014 identified as follows:

- Filing fees and stock exchange costs of $85,147 (2014 - $116,278) primarily decreased due to a change in the method of distributing the materials for the annual general meeting to shareholders;
- Legal and audit fees of $139,095 (2014 - $126,993) were higher primarily due to third quarter review costs that were higher than the comparative period and professional fees for tax advice that were not incurred in 2014;
- Maintenance costs of $49,750 (2014 - $14,200) relate to repair and maintenance costs at the Company's Raven exploration camp and servicing for the Company's geological server and field equipment, with minimal costs of this nature incurred in the comparative year;
- Office expenses of $452,737 (2014 - $402,266) increased primarily due to fees paid to consultants for database management services related to the evaluation and assessment of the Company's geological database and related processes, as well as data migration which occurred in the third and fourth quarters of 2015;
- Project investigation costs of $21,938 (2014 - $90,054) decreased due to the location of the opportunities which were evaluated. Travel costs and advisory fees incurred in 2014 as part of the project investigation were not incurred in 2015;

- Salaries expense of $869,489 (2014 - $845,545) increased primarily as a result of annual inflation adjustment of compensation and lower Black Lake Project management fees, which are netted against salaries expense, offset by severance paid to a member of the senior management team in 2014 which was not incurred in 2015;
- Share-based compensation expense of $361,095 (2014 - $490,107) decreased from 2014 as the comparative period expense reflects the vesting of options granted prior to 2014, many of which were fully vested by 2015, and the impact of the 1,000,000 share purchase options granted to the CEO in 2014 as part of his employment contract, one-third of which vested immediately;
- An impairment charge of $1,528 for Coppin Lake was recorded in 2015 after UEX and AREVA made a decision to withdraw the proposed program and allow the claims to lapse in 2016. An impairment charge of $10,425,937 for Riou Lake was recorded in 2014 due to a lack of planned or budgeted exploration activity.

Deferred income tax recovery for the year ended December 31, 2015 was $157,228 (2014 - recovery of $3,296,297). The difference primarily relates to the Q2 2014 tax impact of the Riou Lake impairment charge of $10,425,937 recorded in June 2014, which created a deferred income tax recovery of $2,815,003. No comparable impairment charge was recognized in 2015. The deferred income tax recovery for the year ended December 31, 2015 reflects the pre-tax loss for the year, reduced by the combined tax impact of:

- the renunciation under the look-back rule of approximately $2.855 million in eligible flow-through expenditures (out of $3.085 million raised in September 2014), effective December 31, 2014 on February 2, 2015; and
- the renunciation under the general rule of approximately $1.485 million in eligible flow-through expenditures (out of $3.300 million raised in May 2015), effective December 31, 2015.

In 2014, the tax impact of flow-through renouncements was minimal as only $0.230 million in flow-through eligible expenditures were renounced under the general rule (out of $3.085 million raised in September 2014), effective December 31, 2014.

The vesting of share purchase options during the year ended December 31, 2015 resulted in total share-based compensation of $391,997 (2014 - $523,841), of which $30,902 was allocated to mineral property expenditures (2014 - $33,734) and the remaining $361,095 was expensed (2014 - $490,107). The share-based compensation expense in 2014 reflects the granting of options to the CEO upon his appointment in January 2014, with no similar grant occurring in 2015.

(Expressed in Canadian dollars, unless otherwise noted)

The continuity of expenditures on uranium projects for the years ended December 31, 2015 and 2014 is as follows:

	Hidden Bay (1)	Riou Lake	Western Athabasca (2)	Black Lake (3)	Beatty River	Christie Lake (4)	Total (5)
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
Additions - acquisitions/staking	24,180	-	604	-	-	250,000	274,784
Additions - exploration	2,376,823	-	2,055,764	4,170	3,678	58,688	4,499,123
Additions - evaluation	71,755	-	-	-	-	-	71,755
Impairment charge for the year	-	-	(1,528)	-	-	-	(1,528)
Balance at December 31, 2015	$ 79,172,054	$ -	$ 64,462,407	$ 15,268,279	$ 873,069	$ 308,688	$ 160,084,497

(1) Hidden Bay

- The balance at December 31, 2015 includes evaluation expenditures of $7,383,446 (December 31, 2014 - $7,311,691) 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.
- Exploration expenditures in the year ended December 31, 2015 primarily relate to the Hidden Bay winter 2015 drilling program at Dwyer Lake and Wolf Lake. Comparative period exploration costs primarily related to the review of the Company's geological database to identify basement target areas, two of which were at Dwyer Lake and Wolf Lake.
- Evaluation expenditures in the year ended December 31, 2015 primarily relate to ongoing onsite barrel testing. Comparative evaluation costs related to component technical studies and the setup of field barrel testing.
- Acquisitions/staking in the year ended December 31, 2015 includes $12,000 paid to Cameco (20.33% shareholder of UEX Corporation at the time of the transaction, 18.80% shareholder at January 21, 2016) and $10,000 paid to Glencore to acquire a 70% and 20% interest, respectively, in Umpherville River, plus the staking of several small claims in the Dwyer Lake area.

(2) Western Athabasca

- The balance at December 31, 2015 and 2014 includes evaluation expenditures at Shea Creek of $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 the years ended December 31, 2015 or 2014 that were related to this project, as AREVA and UEX have focused on exploration activities.
- Current and comparative year exploration costs include both drilling and geophysics at the Western Athabasca Projects.

(3) Black Lake

- Exploration drilling in early 2015 was fully funded by Uracan as per the farm-out agreement. UEX costs capitalized in 2014 and 2015 related to exploration costs and share-based compensation that were not billable to Uracan under the agreement.

(4) Christie Lake

- Capitalized expenditures of $308,688 in 2015 include the $250,000 initial payment to JCU upon signing the LOI as well as planning for the 2016 exploration program. Costs associated with reviewing the project prior to signing the LOI were expensed as project investigation costs in 2015.

(5) Exploration and evaluation additions in 2015 for all projects include non-cash share-based compensation and depreciation totalling $66,817 (2014 - $75,054).

(Expressed in Canadian dollars, unless otherwise noted)

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.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western, eastern 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:

	March 16, 2016				December 31, 2015			
Ownership interest (%)	**UEX**	**AREVA**	**JCU**	**Total**	**UEX**	**AREVA**	**JCU**	**Total**
Beatty River [(1)]	25.000	50.702	24.298	100.000	25.000	50.702	24.298	100.000
Black Lake [(1)]	90.920	9.080	-	100.000	90.920	9.080	-	100.000
Christie Lake [(2)]	10.000	-	90.000	100.000	-	-	100.000	100.000
Western Athabasca Laurie Project [(1)]	42.183	57.817	-	100.000	42.183	57.817	-	100.000
Western Athabasca All other projects [(1)]	49.097	50.903	-	100.000	49.097	50.903	-	100.000

(1) Joint venture project ownership interests are updated effective December 31 upon receipt of notification from the joint venture operator.

(2) On October 26, 2015, UEX signed a LOI with JCU to earn up to a 70% interest in the Christie Lake Project by making cash payments of $7 million and incurring $15 million in exploration expenditures before January 1, 2020. Upon signing of the LOI, UEX made a cash payment of $250,000 to JCU with a second cash payment of $1,750,000 made on January 22, 2016 to vest a 10% ownership in the project (see "Christie Lake Project").

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 January 21, 2016, the Company completed a non-brokered private placement of 20,000,000 units at a price of $0.10 per unit for gross proceeds of $2,000,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.20 per share for a period of two years. The placement was fully subscribed by a former CEO of the Company, with no commission payable. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, its ownership interest in UEX declined from approximately 20.33% to approximately 18.80%.

  These funds were raised to make the $1,750,000 cash payment to JCU required to complete the 10% Christie Lake Project earn-in on January 22, 2016. The remaining $250,000 from the placement was used to replace funds that were paid to JCU from the Company's working capital upon signing the LOI.

(Expressed in Canadian dollars, unless otherwise noted)

- On May 11, 2015, the Company completed a private placement of 11,000,000 flow-through common shares at a price of $0.30 per share to raise proceeds of $3,300,000 with issue costs of $78,558 and paid an agent a cash commission of $165,000, 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 $275,000 and a related $65,761 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 its ownership interest in UEX declined from approximately 21.28% to approximately 20.33%.

  The use of proceeds from the May 11, 2015 flow-through private placement as at December 31, 2015 is 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	$ 1,300,000	$ 340,955	$ 959,045
Western Athabasca	2,000,000	1,087,824	912,176
Christie Lake	-	56,198	(56,198)
TOTAL	**$ 3,300,000**	**$ 1,484,977**	**$ 1,815,023**

(1) Expenses of $243,558 related to the offering were funded from existing working capital.

  UEX has and intends to use some of the remaining May 11, 2015 flow-through proceeds to exploration at the Christie Lake Project.

  The Company renounced the income tax benefit of the May 11, 2015 private placement to its subscribers effective December 31, 2015 and incurred Part XII.6 tax at a rate of Nil% for January 2016 and 1% per month thereafter on unspent amounts. As at March 16, 2016, an estimated $2.5 million of the placement proceeds have been expended and a Part XII.6 tax expense of approximately $1,500 has been incurred.

- 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, its ownership interest in UEX declined from approximately 21.95% to 21.28%.

  The proceeds from the September 29, 2014 flow-through private placement were fully expended by April 30, 2015 and the allocation by project is presented in the table below:

	PROPOSED USE OF PROCEEDS [2]	ACTUAL USE OF PROCEEDS	
	Flow-through Private Placement	Use of Proceeds	Remaining to be Spent
Hidden Bay	$ 2,500,000	$ 2,173,523	$ 326,477
Western Athabasca	585,848	908,725	(322,877)
Beatty River	-	3,600	(3,600)
TOTAL	**$ 3,085,848**	**$ 3,085,848**	**$ -**

(2) 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 incurred Part XII.6 tax at a rate of Nil% for January 2015 and 1% per month thereafter on unspent amounts. As at April 30, 2015, the placement proceeds had been fully expended and Part XII.6 tax expense of $940 had been incurred and remitted to the CRA.

- No share purchase options were exercised during the years ended December 31, 2015 or 2014.

Liquidity and Capital Resources

Working capital as at December 31, 2015 was $4,825,590 compared to working capital of $8,246,867 as at December 31, 2014 and includes the following:

- Current assets as at December 31, 2015 and December 31, 2014 were $5,302,127 and $9,569,306 respectively, including:
  - Cash and cash equivalents of $5,139,814 at December 31, 2015 and $9,321,596 at December 31, 2014. 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, 2015 and December 31, 2014 were $476,537 and $1,322,439, respectively:
  - The balance at December 31, 2015 is primarily comprised of $325,285 in trade and other payables, with the remainder due to the flow-through share premium liability of $151,252 related to the May 11, 2015 private placement.
  - The balance at December 31, 2014 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, with the remaining $267,421 in trade and other payables.

The Company has sufficient financial resources to fund administrative costs and the majority of its planned 2016 exploration programs for at least twelve months from the end of the reporting period; however, the Company will require additional funding to fully meet its 2016 exploration commitments at Christie Lake. If the funds are not available on reasonable terms to meet the remaining 2016 Christie Lake exploration commitments, the Company may elect not to complete the acquisition as outlined in the Christie Lake Option Agreement (see Christie Lake Project). 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. The Company anticipates a cash balance at December 31, 2016 of approximately $1.1 million in the absence of a financing.

The Company's net deferred income tax liability of $10,596,810 at December 31, 2015 is comprised of a $15,099,662 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 of $4,502,852. At December 31, 2014, the Company's net deferred income tax liability was $10,063,649 and was comprised of a $13,917,555 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 of $3,853,906. The net deferred income tax liability increased from December 31, 2014 to December 31, 2015 primarily due to the filings of the September 29, 2014 flow-through renouncement under the look-back rule and the May 11, 2015 flow-through renouncement under the general rule.

(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 obligations under operating leases for its premises, which expire between July 31, 2018 and October 31, 2020. Future minimum lease payments as at December 31, 2015 are as follows:

	2016	2017	2018	2019	2020
Leases for premises	$ 71,040	$ 71,502	$ 67,774	$ 61,446	$ 53,130

UEX has agreements with partners to fund exploration and make other acquisition related payments that if not made would result in project dilution or potentially loss of the project in its entirety.

Exploration Commitments – Western Athabasca

As at December 31, 2015, UEX committed to fund approximately $0.66 million of the $1.35 million 2016 Western Athabasca exploration budget. UEX has decided not to fund its share of $0.65 million for the 2016 geophysical program, or approximately $0.32 million at the Mirror River Project. UEX's interest in this project is anticipated to drop from the current 49.097% interest to approximately 41.449% should AREVA complete the approved program. This dilution would only apply to UEX's interest in the Mirror River Project.

As at December 31, 2014, UEX had committed to fund $2.1 million of the $4.8 million 2015 Western Athabasca exploration budget. The program was completed in the second quarter of 2015. UEX decided not to fund its share of the 2015 geophysical program at the Laurie Project. As a result of UEX's decision not to fund its share of $509,861 for the geophysical program at the Laurie Project, or approximately $250,326, UEX's interest in this project has dropped from 49.097% at December 31, 2014 to approximately 42.183% effective December 31, 2015. This dilution only applies to UEX's interest in the Laurie Project. As at December 31, 2015, UEX has fully funded its 2015 exploration commitment for the 2015 Western Athabasca exploration budget.

Exploration and Earn-in Commitments – Christie Lake

On January 19, 2016, UEX signed an Option Agreement with JCU formalizing the terms upon which UEX may earn up to 70% interest in the Christie Lake Project.

The Company must complete the cash payments and exploration work outlined in the table below or it risks not achieving its objective of earning a 70% interest in the Christie Lake Project.

Date	Cash Payment	Completed	Exploration Work Commitment	Completed	UEX Cumulative Interest Earned (%)
Upon signing of the LOI	$ 250,000	Yes	$ -	N/A	-
Before January 28, 2016	1,750,000	Yes	-	N/A	10.00
Before January 1, 2017	2,000,000		2,500,000	In progress	30.00
Before January 1, 2018	1,000,000		2,500,000		45.00
Before January 1, 2019	1,000,000		5,000,000		60.00
Before January 1, 2020	1,000,000		5,000,000		70.00
	$ 7,000,000		$ 15,000,000		70.00

Having made the required cash payments to JCU of $250,000 on October 23, 2015 and $1,750,000 on January 22, 2016, UEX vested a 10% ownership interest in the Christie Lake Project in January 2016.

UEX could elect to cease future cash payments and work commitments and instead vest a reduced interest in the property according to the schedule in the table above.

Uracan Exploration Prepayment – Black Lake

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. This program was completed in January 2015. As at December 31, 2015, Uracan has $Nil in prepayments remaining for 2015 exploration programs (December 31, 2014 - $424,034) and has funded approximately $1.6 million (December 31, 2014 - $1.6 million) toward its earn-in on the Black Lake Project. All previous prepayments received from Uracan were fully expended by December 31, 2014.

On November 25, 2015, the agreement was amended such that an aggregate of $3,000,000 for the first, second, third and fourth calendar years in exploration expenditures are required to be paid by December 31, 2016. The 2015 funding requirement of $1,422,440 was reduced to $Nil and deferred to 2016, with all payments after 2016 extended by one year, which caused the agreement expiry date to be extended to December 31, 2023 from December 31, 2022.

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, deposits, 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 or when they experience a prolonged decline in fair value.

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, 2015 revaluation date, as compared to December 31, 2014. The February 13, 2013 warrants, which had an exercise price of $0.15 per share, expired on February 13, 2016 (150,000 warrants). The June 23, 2014 warrants have an exercise price of $0.12 per share (which is currently above market share price) and will expire on June 23, 2017 (25,000 warrants).

(Expressed in Canadian dollars, unless otherwise noted)

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, 2015 and December 31, 2014, the financial statement fair value dates.

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 assumptions as at the dates indicated:

February 13, 2013 Agreement	**December 31 2015**	**December 31 2014**
Number of warrants – Uracan [(1)]	150,000	150,000
Expected forfeiture rate	0.00%	0.00%
Valuation date share price	$ 0.02	$ 0.06
Expected volatility	330.38%	124.13%
Risk-free interest rate	0.48%	1.01%
Dividend yield	0.00%	0.00%
Expected life	0.12 years	1.12 years
Valuation date fair value	$ 0.00	$ 0.01

(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 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 2015**	**December 31 2014**
Number of warrants – Uracan [(2)]	25,000	25,000
Expected forfeiture rate	0.00%	0.00%
Valuation date share price	$ 0.02	$ 0.06
Expected volatility	163.43%	121.77%
Risk-free interest rate	0.48%	1.03%
Dividend yield	0.00%	0.00%
Expected life	1.48 years	2.48 years
Valuation date fair value	$ 0.01	$ 0.03

(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 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.

(Expressed in Canadian dollars, unless otherwise noted)

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.

Related Party Transactions

The Company was involved in the following related party transactions for the three months and years ended December 31, 2015 and 2014:

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	
	2015	2014	2015	2014
Panterra Geoservices Inc. (1)	$ 2,400	$ -	$ 2,400	$ 2,000
Panterra Geoservices Inc. share-based payments (1)(2)	1,718	5,503	9,532	18,654
Cameco Corporation (3)	-	-	12,000	-
	$ 4,118	$ 5,503	$ 23,932	$ 20,654

(1) 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.

(2) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 12(c) of the December 31, 2015 annual financial statements for options granted and vesting in the period.

(3) Represents an amount paid to Cameco (20.33% shareholder of UEX Corporation at the time of the transaction, 18.80% shareholder at January 21, 2016) in May of 2015 to acquire its 70% interest in the Umpherville River Project.

(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	
	2015	2014	2015	2014
Salaries and short-term employee benefits [(1)(2)]	$ 231,803	$ 328,176	$ 676,127	$ 854,565
Share-based payments [(3)]	65,099	124,883	322,770	455,512
Other compensation [(4)]	-	-	183,000	183,000
	$ 296,902	$ 453,059	$ 1,181,897	$ 1,493,077

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

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

(3) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 12(c) of the December 31, 2015 annual financial statements for options granted and vesting in the period.

(4) Represents amounts paid in January 2015 and January 2014 to Mr. Graham Thody, the Company's former President and CEO, under the terms of a retirement consulting agreement for consulting services up to December 31, 2015. During the term of this agreement, Mr. Thody was not entitled to receive director's fees; however, upon expiry of this agreement on December 31, 2015, Mr. Thody became entitled to receive director's fees in 2016 on the same terms as other non-management directors.

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 period.

The Company performed an evaluation of impairment indicators under *IFRS 6(20)* for its exploration and evaluation assets (mineral properties) as at December 31, 2015 and has concluded that there are no indicators of impairment. As at December 31, 2015, 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.

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 12(c) of the annual financial statements for the year ended December 31, 2015. 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).

Valuation of Warrants

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as part of units. The residual value method first allocates value to common shares issued in the private placements at their fair value, as determined by the closing quoted bid price on the announcement date or the price protection date, if applicable. The balance remaining, if any, is allocated to the warrants with the fair value recorded in shareholders' equity under warrant reserve.

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.

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

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, Black Lake, Beatty River and Christie 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 February 29, 2016, is US$44.00 /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 the majority of 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 or inability to earn further interests in the Christie Lake Project. 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 its annual filings, interim filings or other reports filed or submitted by it under securities legislation 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 the financial period end. 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, interim 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.

Based upon the 2013 COSO Framework, the Company's certifying officers 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 concluded that as at December 31, 2015 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

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, joint venture and option earn in arrangements, 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. These forward-looking statements are based on certain factors and assumptions, including expected economic conditions, uranium prices, results of operations, performance and business prospects and opportunities.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- UEX's exploration activities may not result in profitable commercial mining operations;
- risks associated with UEX's participation in joint ventures, ability to earn into joint venture and option arrangements;
- risks related to UEX's reliance on other companies as operators;
- risks related to uranium price fluctuations;
- the economic analysis contained in the 2011 technical report on UEX's Hidden Bay project may no longer be accurate or reliable as prevailing uranium prices are lower than those used in the report;
- risks associated with competition for mineral properties from mining companies which have greater financial resources and more technical staff;
- risks related to reserves and mineral resource figures being estimates based on interpretations and assumptions which may prove to be unreliable;
- uncertainty in UEX's ability to raise financing and fund the exploration and development of its mineral properties which could cause UEX to reduce or be unable to earn interests in properties;
- uncertainty in competition from other energy sources and public acceptance of nuclear energy;
- risks related to dependence on key management employees;
- risks related to compliance with environmental laws and regulations which may increase costs of doing business and restrict our operations;
- risks related to officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests;
- risks related to accounting policies requiring UEX management to make estimates and assumptions that affect reported amounts of financial items;
- risks related to UEX's internal control systems providing reasonable, but not absolute, assurance on the reliability of its financial reporting;
- risks related to the market price of UEX's shares; and
- potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage.

This list is not exhaustive of the factors that may affect our forward-looking statements. Reference should also be made to factors described under "Risk Factors" in UEX's latest Annual Information Form filed on *www.sedar.com*. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. UEX's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Audited Financial Statements of

UEX CORPORATION

Years ended December 31, 2015 and 2014

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
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, 2015 and December 31, 2014, 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, 2015 and December 31, 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

March 16, 2016
Vancouver, Canada

UEX CORPORATION
Balance Sheets

As at December 31, 2015 and 2014

	Notes	2015	2014
Assets			
Current assets			
Cash and cash equivalents	3	$ 5,139,814	$ 9,321,596
Amounts receivable	4	62,010	141,170
Prepaid expenses	5	100,177	106,540
Investments - current portion	8(v), 9, 15	126	-
		5,302,127	9,569,306
Non-current assets			
Deposits	6	44,704	-
Equipment	7	292,202	111,885
Mineral properties	8	160,084,497	155,240,363
Investments	8(v), 9, 15	7,182	22,187
Total assets		$ 165,730,712	$ 164,943,741
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	10	$ 476,537	$ 1,322,439
Non-current liabilities			
Deferred tax liability	11	10,596,810	10,063,649
Total liabilities		11,073,347	11,386,088
Shareholders' equity			
Share capital	12(b)	180,389,814	177,542,611
Share-based payments reserve	12(c)	3,067,912	2,787,954
Accumulated other comprehensive income (loss)		-	(9,082)
Deficit		(28,800,361)	(26,763,830)
		154,657,365	153,557,653
Total liabilities and shareholders' equity		$ 165,730,712	$ 164,943,741

Nature and continuance of operations	1
Commitments	8(iv)(vii), 12(d), 13
Subsequent events	8(vii), 9, 12(b)(c)

See accompanying notes to the financial statements.

Approved on behalf of the Board and authorized for issue on March 16, 2016.

"signed"		***"signed"***	
Roger M. Lemaitre	Director	*Emmet A. McGrath*	Director

UEX CORPORATION

Statements of Operations and Comprehensive Loss

Years ended December 31, 2015 and 2014

	Notes	2015	2014
Revenue			
Interest income		$ 106,027	$ 131,399
Expenses			
Bank charges and interest		5,308	4,330
Depreciation		19,282	21,276
Filing fees and stock exchange		85,147	116,278
Legal and audit		139,095	126,993
Loss on disposal of equipment		423	513
Maintenance		49,750	14,200
Office expenses	17	452,737	402,266
Project investigation		21,938	90,054
Rent		157,456	145,621
Salaries, termination and placement fees		869,489	845,545
Share-based compensation	12(c)	361,095	490,107
Travel and promotion		223,198	198,872
Unrealized loss on available-for-sale financial assets	8(v), 9, 15	22,750	-
Unrealized fair value loss on held-for-trading financial assets	8(v), 9, 15	2,629	2,685
Write-down of mineral properties	8(ii)(iv)	1,528	10,425,937
		2,411,825	12,884,677
Loss before income taxes		(2,305,798)	(12,753,278)
Deferred income tax recovery	11	157,228	3,296,297
Loss for the year		$ (2,148,570)	$ (9,456,981)
Other comprehensive income (loss)			
Available-for-sale financial assets net change in fair value	8(v), 9, 15	-	(10,500)
Losses on available-for-sale assets transferred to earnings	8(v), 9, 15	10,500	-
Deferred income tax recovery (expense) on change in fair value of available-for-sale financial assets	11	(1,418)	1,418
		9,082	(9,082)
Comprehensive loss for the year		$ (2,139,488)	$ (9,466,063)
Basic and diluted loss per share		$ (0.009)	$ (0.041)
Basic and diluted weighted-average number of shares outstanding		242,094,261	229,667,184

See accompanying notes to the financial statements.

UEX CORPORATION

Statements of Changes in Equity

Years ended December 31, 2015 and 2014

	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
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	-
December 31, 2014	*235,015,069*	$ 177,542,611	$ 2,787,954	$ (9,082)	$ (26,763,830)	$ 153,557,653
Loss for the year					(2,148,570)	(2,148,570)
Issued pursuant to private placements	*11,000,000*	3,300,000				3,300,000
Share issuance costs		(243,558)				(243,558)
Value attributed to flow-through premium on issuance		(275,000)				(275,000)
Deferred income taxes on share issuance costs		65,761				65,761
Other comprehensive income (loss)						
Losses on available-for-sale assets transferred to net earnings				10,500		10,500
Deferred income tax recovery (expense) - fair value change in AFS financial assets				(1,418)		(1,418)
Share-based payment transactions			391,997			391,997
Transfer to deficit on expiry and cancellation of share purchase options			(112,039)		112,039	-
December 31, 2015	*246,015,069*	$ 180,389,814	$ 3,067,912	$ -	$ (28,800,361)	$ 154,657,365

See accompanying notes to the financial statements.

UEX CORPORATION

Statements of Cash Flows

Years ended December 31, 2015 and 2014

	Notes	2015	2014
Cash provided by (used for):			
Operating activities			
Loss for the year		$ (2,148,570)	$ (9,456,981)
Adjustments for:			
Depreciation		19,282	21,276
Deferred income tax recovery		(157,228)	(3,296,297)
Interest income		(106,027)	(131,399)
Loss on disposal of equipment		423	513
Part XII.6 tax	12(d)	(940)	-
Share-based compensation		361,095	490,107
Unrealized fair value loss on AFS financial assets		22,750	-
Unrealized fair value loss on held-for-trading financial assets		2,629	2,685
Write-down of mineral properties	8(ii)(iv)	1,528	10,425,937
Changes in non-cash operating working capital			
Amounts receivable		44,826	(45,711)
Prepaid expenses and deposits		(38,341)	36,038
Accounts payable and other liabilities		(291,957)	355,655
		(2,290,530)	(1,598,177)
Investing activities			
Interest received		135,463	188,762
Investment in exploration and evaluation assets		(4,847,220)	(1,382,762)
Purchase of equipment		(236,756)	(49,963)
Proceeds on sale of furniture		819	-
		(4,947,694)	(1,243,963)
Financing activities			
Proceeds from common shares issued	12(b)	3,300,000	3,085,848
Share issuance costs	12(b)	(243,558)	(244,028)
		3,056,442	2,841,820
Increase (decrease) in cash and cash equivalents during the year		(4,181,782)	(320)
Cash and cash equivalents, beginning of year		9,321,596	9,321,916
Cash and cash equivalents, end of year		$ 5,139,814	$ 9,321,596
Supplementary information			
Non-cash transactions			
Increase (decrease) in accounts payable and other liabilities relating to mineral property expenditures		$ (74,213)	$ 115,166
Increase in other liabilities due to flow-through premiums		275,000	681,757
Decrease in other liabilities due to partial extinguishment of flow-through premiums on December 31, 2015 and 2014 renouncements (General Rule)		(123,748)	(50,773)
Decrease in other liabilities due to extinguishment of remaining 2014 flow-through premium on February 2, 2015 renouncement (Look-Back Rule)		(630,984)	-
Decrease (increase) in amounts receivable relating to mineral property Expenditures		5,838	(9,264)
Non-cash share-based compensation included in mineral property Expenditures		30,902	33,734
Fair value of shares and warrants received as partial consideration for mineral property earn-in (reduction in carrying value of mineral properties)		-	(3,639)
Depreciation included in mineral properties		35,915	41,320
Advance payments			
Other liabilities include prepayments received for Black Lake exploration, net of disbursements (see Notes 8(v) and 10)		-	424,034

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 750 West Pender Street, Suite 1700, Vancouver, British Columbia, Canada V6C 2T8. The Company's registered office is 885 West Georgia Street, 19th Floor, Vancouver, British Columbia, Canada V6C 3H4.

The Company is exploring and 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, 2015 and has concluded that there are no indicators of impairment. However, as at December 31, 2015, 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 the most 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 to fund administrative costs and the majority of its planned 2016 exploration programs for at least, but not limited to, twelve months from the end of the reporting period; however, the Company will require additional funding to fully meet its 2016 exploration commitments at Christie Lake. If the funds are not available to meet the remaining 2016 exploration commitments at Christie Lake, the Company may elect not to complete the acquisition as outlined in the Christie Lake Option Agreement (see Note 8(vii)). 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 16, 2016.

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

(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. Translation gains and losses are recorded in profit or loss.

(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 8 *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 7 *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 11 *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.

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

(c) Use of estimates and judgments (continued)

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 12(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 7 *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*).

(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.

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

(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.

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.

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

(f) Financial assets (continued)

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.

(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.

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

(i) Equipment (continued)

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.

Depreciation methods and expected useful lives are reviewed at each reporting date and adjusted as required. All assets are depreciated 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

(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.

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.

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

(j) Mineral properties (continued)

Exploration and evaluation assets (continued)

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.

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.

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

(k) Provisions (continued)

Environmental rehabilitation provision (continued)

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 the 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.

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.

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

(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) Valuation of warrants

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as part of units. The residual value method first allocates value to common shares issued in the private placements at their fair value, as determined by the closing quoted bid price on the announcement date or the price protection date, if applicable. The balance remaining, if any, is allocated to the warrants with the fair value recorded in shareholders' equity under warrant reserve.

(p) Share-based payments

The Company has a share option plan which is described in Note 12(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. The calculation of diluted earnings (loss) per share excludes the effects of share purchase options and warrants that would be anti-dilutive.

(q) 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 and share purchase warrants are used to repurchase outstanding shares at average market prices during the period.

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

(r) 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.

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

3. Cash and cash equivalents

	December 31 2015	December 31 2014
Cash	$ 132,659	$ 351,961
Short-term deposits	5,007,155	8,969,635
	$ 5,139,814	$ 9,321,596

4. Amounts receivable

	December 31 2015	December 31 2014
Interest receivable	$ 45,082	$ 73,578
Other receivables	16,928	67,592
	$ 62,010	$ 141,170

Interest receivable reflects unpaid interest earned on short-term deposits. Other receivables include $15,964 of Goods and Services Tax (GST) receivable as at December 31, 2015 ($22,753 as at December 31, 2014) and a mineral claim deposit of $nil related to the Black Lake Project ($43,344 as at December 31, 2014).

5. Prepaid expenses

	December 31 2015	December 31 2014
Advances to vendors	$ 30,000	$ 16,357
Prepaid expenses	70,177	90,183
	$ 100,177	$ 106,540

6. Deposits

	December 31 2015	December 31 2014
Deposits	$ 44,704	$ -

The Company paid deposits in 2015 relating to new operating leases for its premises. The leases expire between July 31, 2018 and October 31, 2020 (see Note 13 *Commitments*).

7. Equipment

	Exploration camp	Exploration equipment	Computing equipment	Furniture and fixtures	Total
Cost					
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
Additions	-	68,300	86,710	81,746	236,756
Disposals	-	(5,120)	(41,777)	(19,046)	(65,943)
Balance at December 31, 2015	$ 99,327	$ 394,864	$ 302,631	$ 95,332	$ 892,154
Accumulated depreciation and impairment					
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
Depreciation charge for the year	7,883	17,150	22,595	7,569	55,197
Disposals	-	(5,120)	(41,200)	(18,381)	(64,701)
Balance at December 31, 2015	$ 55,994	$ 326,950	$ 203,836	$ 13,172	$ 599,952
Net book value					
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
Balance at December 31, 2015	$ 43,333	$ 67,914	$ 98,795	$ 82,160	$ 292,202

8. Mineral properties

Exploration and evaluation assets

	Hidden Bay (i)	Riou Lake (ii)	Western Athabasca (iv)	Black Lake (v)	Beatty River (vi)	Christie Lake (vii)	Total
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 8(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
Additions	2,472,758	-	2,056,368	4,170	3,678	308,688	4,845,662
Impairment charge for the year	-	-	(1,528)	-	-	-	(1,528)
Balance at December 31, 2015	$ 79,172,054	$ -	$ 64,462,407	$ 15,268,279	$ 873,069	$ 308,688	$ 160,084,497

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 ("Hidden Bay") is comprised of the Tent-Seal, Telephone-Shamus, Rabbit Lake, Raven, Wolf Lake, Rhino, Dwyer-Mitchell and Umpherville River project exploration areas and includes the Horseshoe, Raven and West Bear deposits. Hidden Bay is located in the eastern Athabasca Basin of northern Saskatchewan, Canada. In 2015, total exploration and evaluation expenditures of $2,472,758 at Hidden Bay included evaluation expenditures of $71,755 (2014 - $19,392) primarily relating to component technical studies. Total evaluation costs of $7,383,446 are included in the $79,172,054 balance as at December 31, 2015 (December 31, 2014 - $7,311,691) 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.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

100% owned projects (continued)

(i) Hidden Bay Project (continued)

Umpherville River ("Umpherville") is located in the eastern Athabasca Basin, was acquired in stages in 2015 and is now 100% owned by UEX. The claims are contiguous to other mineral claims included in the Hidden Bay Project and acquisition/project expenditures are included with Hidden Bay.

- In May of 2015, the Company acquired a 70% interest in Umpherville from Cameco (20.33% shareholder of UEX Corporation) for cash consideration of $12,000. This amount is included in 2015 additions to Hidden Bay.
- On October 7, 2015, the Company acquired a further 20% interest in Umpherville from Glencore for cash consideration of $10,000 plus an agreement to pay to Glencore a 2% NSR royalty on Glencore's current 20% interest for each mineral produced from the project (equivalent to a 0.4% NSR on the total project) with the NSR on uranium capped at $10 million.
- In November of 2015, Esso Resources (1989) Ltd., a subsidiary of Imperial Oil, forfeited their 10% ownership interest in the project by failing to fund their proportional share of project expenditures.

(ii) Riou Lake Project

The Company holds a 100% interest in the Riou Lake Project ("Riou Lake") located in the northern Athabasca Basin. During the quarter ended June 30, 2014, the Company wrote off the deferred mineral property costs associated with its Riou Lake Project of $10,425,937 as the Company did not have budgets or exploration activity planned for the area. UEX continues to maintain several Riou Lake claims in good standing. In March 2016, one Riou Lake claim lapsed. The lapsing had no impact on the financial results of the Company as the claim was written off in 2014.

(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. The Munroe Lake and Fond du Lac claims lapsed on February 6, 2015 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 projects.

8. 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 (Alexandra, Brander Lake, Coppin Lake, Douglas River, Erica, Laurie, Mirror River, Nikita, Shea Creek and Uchrich) 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, 2015 and 2014 in all projects except Laurie, where the Company has an approximate 42.2% interest as at December 31, 2015 and 49.1% as at December 31, 2014. The Company is in the process of preparing joint-venture agreements with AREVA. As at December 31, 2015 and December 31, 2014, total exploration and evaluation assets for Western Athabasca include evaluation expenditures of $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, 2015, UEX committed to fund approximately $0.66 million of the $1.35 million 2016 Western Athabasca exploration budget. UEX has decided not to fund its share of $650,000 for the 2016 geophysical program, or approximately $319,000 at the Mirror River Project. UEX's interest in this project is anticipated to drop from the current 49.097% interest to approximately 41.449% should AREVA complete the approved program. This dilution would only apply to UEX's interest in the Mirror River Project. In addition, UEX has decided not to fund its share of the $10,000 2016 budget for the Laurie Project, or approximately $4,200. UEX's interest in this project is anticipated to drop from the current 42.183% interest to approximately 42.066% should AREVA complete the approved program. This dilution would only apply to UEX's interest in the Laurie Project.

As a result of UEX's decision not to fund its share of $509,861 for the geophysical program at the Laurie Project, or approximately $250,326, UEX's interest in this project has dropped from 49.097% at December 31, 2014 to approximately 42.183% effective December 31, 2015. This dilution only applies 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 2015.

In July of 2014, UEX and AREVA each staked claims which became the Coppin Lake Project. A budget of $200,000 for geophysics and line cutting was proposed for 2016, of which UEX would have been responsible for funding its 49.097% share, or approximately $98,000. When bids were received to perform the proposed work, they were much higher than expected. Given the higher than expected costs and small area involved, AREVA made a decision to cancel the program and will let the claims lapse in the third quarter of 2016. As there is no work budgeted or planned for the project and the claims will be allowed to lapse in 2016, an impairment charge of $1,528 has been recorded for the project.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Black Lake Project

The Black Lake Project ("Black Lake"), located in the northern Athabasca Basin, is a joint venture with the Company holding a 90.92% interest (December 31, 2014 - 90.69%) and AREVA holding a 9.08% interest (December 31, 2014 - 9.31%) as at December 31, 2015.

In early 2013, UEX signed an agreement with Uracan Resources Ltd. ("Uracan") whereby Uracan can earn a 60% interest in Black Lake. Amendments to the original agreement were signed on June 23, 2014, December 15, 2014 and November 25, 2015.

Uracan must fund a total of $10.0 million of project expenditures by December 31, 2023, to earn their 60% interest in Black Lake from UEX, with no partial earn-in permitted. UEX remains the project operator and is entitled to a 10% management fee under the Black Lake joint venture agreement until such time as Uracan has earned its 60% interest in Black Lake. 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.

Black Lake Option Agreement – Amendments	Date	Uracan Shares	Uracan Warrants
Agreement signed (1)	January 23, 2013	300,000	150,000
First amendment (2)	June 23, 2014	50,000	25,000
Second amendment (3)	December 15, 2014	-	-
Third amendment (4)	November 25, 2015	-	-
	December 31, 2015	350,000	175,000

(1) As part consideration for the earn-in, Uracan issued 300,000 shares and 150,000 share purchase warrants to UEX (see Note 9 *Investments*). 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.

(2) 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 (see Note 9 *Investments*). 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. The amended earn-in agreement 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.

(3) On December 15, 2014 Uracan was granted an extension of the deadline to complete their 2014 exploration expenditures by January 31, 2015.

(4) On November 25, 2015, the agreement was amended such that an aggregate of $3,000,000 for the first, second, third and fourth calendar years in exploration expenditures are required to be paid by December 31, 2016. The 2015 funding requirement of $1,422,440 was reduced to $Nil and deferred to 2016, with all payments after 2016 extended by one year, which caused the agreement expiry date to be extended to December 31, 2023 from December 31, 2022.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) Black Lake Project (continued)

The following table summarizes Uracan's exploration funding commitments under the Black Lake Project earn-in agreement.

Black Lake Option Agreement Earn-in Funding Schedule		
Project earn-in funded		
2013 earn-in funding	$ 104,060	
2014 earn-in funding required (June 23, 2014 amendment)	1,473,500	
Minimum funding required to meet 2014 expenditure requirement	1,577,560	
Excess funding over minimum 2014 requirement completed in January 2015, net of funds remaining returned to Uracan [(1)]	45,319	
2015 funding requirement (November 25, 2015 amendment)	-	
Black Lake exploration funded by Uracan as at December 31, 2015	1,622,879	1,622,879
Project earn-in funding required		
Funding required by December 31, 2016	1,422,440	
Excess funding carry forward to reduce 2016 commitments	(45,319)	
Cumulative funding required by December 31, 2023 [(2)]	7,000,000	
Black Lake exploration to be funded by Uracan	8,377,121	8,377,121
Black Lake earn-in		$ 10,000,000

(1) Excess funding of $45,319 was partially settled by interest earned of $3,647 on program prepayments invested by UEX.

(2) Required funding of $1,000,000 for exploration expenditures by December 31 of each year from 2017 to 2023 inclusive.

As at December 31, 2015, Uracan has $Nil in prepayments remaining for the 2014 exploration program, completed in 2015 (December 31, 2014 - $424,034).

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(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.

(vii) Christie Lake Project

On October 26, 2015, the Company signed a Letter of Intent ("LOI") with JCU to acquire up to a 70% interest in the Christie Lake Project ("Christie Lake"). The project contains historical non-compliant resources (deposits). JCU is UEX's partner on the Beatty River Project. The consideration includes cash payments and exploration commitments as outlined in the following table:

Date	Cash Payment	Exploration Work Commitment	UEX Cumulative Interest Earned
Upon signing of the LOI	$ 250,000	$ -	- %
Before January 28, 2016	1,750,000 [1]	-	10.00
Before January 1, 2017	2,000,000	2,500,000	30.00
Before January 1, 2018	1,000,000	2,500,000	45.00
Before January 1, 2019	1,000,000	5,000,000	60.00
Before January 1, 2020	1,000,000	5,000,000	70.00
	$ 7,000,000	$ 15,000,000	70.00 %

[1] On January 22, 2016, UEX made the required payment to JCU and earned a 10% ownership interest in the Christie Lake Project.

On January 19, 2016, UEX signed an Option Agreement with JCU formalizing the terms upon which UEX may earn up to 70% interest in the Christie Lake Project.

Capitalized expenditures of $308,688 at Christie Lake in 2015 related to planning for the 2016 exploration program and include the $250,000 initial payment to JCU upon signing the LOI. Costs associated with reviewing the project prior to signing the LOI have been expensed as project investigation costs in 2015.

UEX has committed to make cash payments to JCU and to fund exploration work as outlined in the table above for the Christie Lake Project. Should UEX choose to fund more exploration work than is required in any year, the excess funding is carried forward and reduces the following year's commitment. The funding commitments and cash payments are required to be made in full in order to achieve each ownership increment.

8. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

UEX is party to the following joint arrangements:

	December 31, 2015				December 31, 2014			
Ownership interest (%)	**UEX**	**AREVA**	**JCU**	**Total**	**UEX**	**AREVA**	**JCU**	**Total**
Beatty River	25.000	50.702	24.298	100.000	25.000	50.702	24.298	100.000
Black Lake (1)	90.920	9.080	-	100.000	90.690	9.310	-	100.000
Christie Lake (2)	-	-	100.000	100.000	-	-	100.000	100.000
Western Athabasca Laurie Project (3)	42.183	57.817	-	100.000	49.097	50.903	-	100.000
Western Athabasca All other projects (4)	49.097	50.903	-	100.000	49.097	50.903	-	100.000

(1) In early 2016, UEX notified AREVA that their ownership interest in Black Lake had been diluted from 9.310% to 9.080% as a result of their decision to not participate in the 2015 programs (see Note 8(v)). In 2013, UEX entered into an agreement with Uracan Resources Ltd. 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.

(2) Upon payments to JCU of $250,000 on October 26, 2015 and $1,750,000 on January 22, 2016, UEX vested a 10% ownership interest in the Christie Lake Project in January 2016 (see Note 8(vii)).

(3) As a result of UEX's decision not to fund 2015 exploration programs comprised of geophysics and line cutting at the Laurie Project, its ownership interest has been diluted from 49.097% as at December 31, 2014 to 42.183% as at December 31, 2015. Previously, the Laurie Project was presented with the other Western Athabasca Projects.

(4) Western Athabasca includes the Alexandra, Brander River, Coppin Lake, Erica, Mirror River, Nikita, Shea Creek, Uchrich and Laurie Projects; however, due to a decision not to fund 2015 exploration programs at Laurie, UEX's ownership interest has decreased in this project only. The Company's ownership interest in Laurie is presented separately from its interest in the other Western Athabasca Projects due to the different ownership interest from the rest of the Western Athabasca Projects. UEX chose not to propose/fund any additional exploration work under the terms of the optional six-year, $18 million, 0.9% additional earn-in agreement, thus UEX's ownership interest has not changed from the prior year under this option.

9. 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 8(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.

9. Investments (continued)

Investments – current portion	**December 31 2015**	**December 31 2014**
Warrants held – Uracan (see Note 15)	$ 126	$ -

Investments	**December 31 2015**	**December 31 2014**
Common shares held – Uracan [1] (TSX.V: URC) (see Note 15)	$ 7,000	$ 19,250
Warrants held – Uracan (see Note 15)	182	2,937
	$ 7,182	$ 22,187

(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 Uracan warrants have an expiry of three years after the original grant date, with 150,000 warrants issued on February 13, 2013 exercisable for $0.15 per warrant and 25,000 warrants issued on June 23, 2014 exercisable for $0.12 per warrant. The fair value of the Uracan shares is based on the market price for these actively traded securities.

On February 13, 2016, 150,000 Uracan warrants issued to UEX on February 13, 2013 as part of the original Black Lake earn-in agreement with an exercise price of $0.15 per warrant expired unexercised.

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 2015**	**December 31 2014**
Number of warrants – Uracan [2]	150,000	150,000
Expected forfeiture rate	0.00%	0.00%
Valuation date share price	$ 0.02	$ 0.06
Expected volatility	330.38%	124.13%
Risk-free interest rate	0.48%	1.01%
Dividend yield	0.00%	0.00%
Expected life	0.12 years	1.12 years
Valuation date fair value	$ 0.00	$ 0.01

(2) Initial fair value of the 150,000 Uracan warrants at acquisition on February 13, 2013 was determined to be $8,931 using the Black-Scholes option-pricing model with the following 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.

9. Investments (continued)

June 23, 2014 Agreement Amendment	December 31 2015	December 31 2014
Number of warrants – Uracan [3]	25,000	25,000
Expected forfeiture rate	0.00%	0.00%
Valuation date share price	$ 0.02	$ 0.06
Expected volatility	163.43%	121.77%
Risk-free interest rate	0.48%	1.03%
Dividend yield	0.00%	0.00%
Expected life	1.48 years	2.48 years
Valuation date fair value	$ 0.01	$ 0.03

[3] Initial fair value of the 25,000 Uracan warrants at acquisition on June 23, 2014 was determined to be $889 using the Black-Scholes option-pricing model with the following 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.

10. Accounts payable and other liabilities

	December 31 2015	December 31 2014
Trade payables	$ 70,029	$ 199,851
Other liabilities	255,256	67,570
Uracan – Black Lake program prepayments	-	424,034
Flow-through share premium	151,252	630,984
	$ 476,537	$ 1,322,439

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

The flow-through share premium at December 31, 2015 represents the difference between the subscription price of $0.300 per share and the market price at issuance of $0.275 per share relating to the May 11, 2015 flow-through private placement of 11,000,000 shares ($275,000). In February of 2016, the flow-through share premium liability of $151,252 relating to unspent amounts of $1,815,023 at December 31, 2015 from the May 11, 2015 flow-through placement was extinguished on the filing of and the renouncement of the tax benefits to the subscribers of that placement effective December 31, 2015.

The flow-through share premium at December 31, 2014 represented 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 filing of and the renouncement of the tax benefits to the subscribers of that placement effective December 31, 2014.

11. Income taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2015 and 2014 are presented below:

	December 31 2015	December 31 2014
Deferred tax assets		
Losses carried forward	$ 4,157,177	$ 3,512,468
Charitable donations	3,038	8,438
Equipment	194,159	179,648
Share issuance costs	144,123	151,005
Investments	4,355	2,347
	4,502,852	3,853,906
Deferred tax liabilities		
Mineral properties	15,099,662	13,917,555
Net deferred tax liabilities	$ 10,596,810	$ 10,063,649

At December 31, 2015, the Company has non-capital losses available for income tax purposes totalling approximately $15,396,953 (December 31, 2014 - $13,009,139) which may be carried forward to reduce future years' taxable income. These losses, if not utilized, will begin expiring in 2028, with the current year's non-capital losses expiring in 2035.

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended December 31, 2015 and 2014 is as follows:

	Year ended December 31 2015	2014
Loss before income taxes	$ (2,305,798)	$ (12,753,278)
Statutory rates	27%	27%
Income tax recovery at statutory rates	622,565	3,443,385
Non-deductible expenses and permanent differences	(47,997)	(135,811)
Exploration expenditures renounced net of flow-through premiums	(417,340)	(11,277)
Future corporate tax rate differences	-	-
Deferred income tax recovery	$ 157,228	$ 3,296,297
Deferred income tax recovery (expense) – other comprehensive income	$ (1,418)	$ 1,418

12. Share capital

(a) Authorized

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

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 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
Issued pursuant to private placement in 2015	*11,000,000*	3,300,000
Share issuance costs		(243,558)
Value attributed to flow-through premium on issuance		(275,000)
Deferred income taxes on share issuance costs		65,761
Balance, December 31, 2015	*246,015,069*	$ 180,389,814

On January 21, 2016, UEX completed a private placement of 20,000,000 units at a price of $0.10 per unit for gross proceeds of $2,000,000. Each unit consisted of one common share and one full common share purchase warrant exercisable at $0.20 per share for a period of two years. The placement was fully subscribed by a former CEO of the Company, with no commission payable. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, its ownership interest in UEX declined from approximately 20.33% to approximately 18.80%. Now that Cameco's ownership interest in UEX has fallen below 20.00%, it no longer has a pre-emptive right to maintain its ownership interest in UEX by participating in equity placements on a pro-rata basis.

On May 11, 2015, the Company completed a private placement of 11,000,000 flow-through common shares at a price of $0.30 per share to raise gross proceeds of $3,300,000, with issue costs of $78,558 and paid an agent a cash commission of $165,000, 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 $275,000 and a related $65,761 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, its ownership interest in UEX declined from approximately 21.28% to approximately 20.33%.

12. Share capital (continued)

(c) Share-based compensation

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

A summary of the status of the Company's share-based compensation plan as at December 31, 2015 and December 31, 2014 and changes during the years ended on these dates is presented below:

	Number of share purchase options	Weighted-average exercise price
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
Granted	2,085,000	0.28
Cancelled	(280,000)	0.29
Expired	(350,000)	0.60
Outstanding, December 31, 2015	17,316,000	$ 0.79

During the year ended December 31, 2015, the Company granted 2,085,000 share purchase options pursuant to the Company's share option plan.

On January 15, 2014, the Company granted 1,000,000 share purchase options to a new senior officer pursuant to the Company's share option plan. The share purchase options were issued at an exercise price of $0.41 and expire on January 15, 2019.

In the year ended December 31, 2015, a total of $112,039 was transferred from the share-based payments reserve to deficit relating to the expiry and cancellation of 630,000 share purchase options. In the year ended December 31, 2014, $2,321,787 was transferred from the share-based payments reserve to deficit relating to the expiry and cancellation of 3,755,000 share purchase options.

On February 22, 2016, the Company granted 60,000 share purchase options to a new employee pursuant to the Company's share option plan. The share purchase options were issued at an exercise price of $0.15 and expire on February 22, 2021.

12. Share capital (continued)

(c) Share-based compensation (continued)

As at December 31, 2015, the Company had a total of 17,316,000 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**
$ 0.18 – 0.39	5,660,000	$ 0.32	3.50	3,823,333	$ 0.33
0.40 – 0.99	5,726,000	0.74	5.14	5,392,667	0.76
1.00 – 1.45	5,930,000	1.28	3.73	5,930,000	1.28
	17,316,000	$ 0.79	4.12	15,146,000	$ 0.86

The share-based payments reserve values of $3,067,912 as at December 31, 2015 and $2,787,954 as at December 31, 2014 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, 2015 is $391,997 (2014 - $523,841). The amount included in mineral properties for the year ended December 31, 2015 is $30,902 (2014 - $33,734) and the remaining $361,095 (2014 - $490,107) was expensed. The unamortized balance of share-based compensation expense for share purchase options that were not vested at December 31, 2015 is $144,169 (2014 - $283,693).

	December 31 2015	**December 31 2014**
Number of options granted	2,085,000	2,795,000
Expected forfeiture rate	1.06%	0.43%
Weighted-average grant date share price	$ 0.28	$ 0.34
Expected volatility	63.00%	66.86%
Risk-free interest rate	0.85%	1.43%
Dividend yield	0.00%	0.00%
Expected life	4.09 years	4.18 years
Weighted-average grant date fair value	$0.13	$0.34

12. 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, 2015, the Company has spent, on qualified expenditures, $1,484,977 of the $3,300,000 flow-through monies raised in the May 11, 2015 placement. The Company renounced the income tax benefit of this issue to its subscribers effective December 31, 2015 and will begin incurring Part XII.6 tax on unspent amounts relating to this placement subsequent to December 31, 2015.

As at December 31, 2015, the Company has spent, on qualified expenditures, all (December 31, 2014 - $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. The Company began incurring Part XII.6 tax on unspent amounts relating to this placement subsequent to December 31, 2014. During the year ended December 31, 2015, $940 was incurred and netted against interest income. Part XII.6 tax was not incurred in the comparative year.

13. Commitments

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

	December 31 2015
2016	$ 71,040
2017	71,502
2018	67,774
2019	61,446
2020	53,130

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

14. Management of capital

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

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

15. Management of financial risk

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

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

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

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

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

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

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

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

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

Investments	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares – Uracan (TSX-V: URC)	$ 7,000	$ -	$ -	$ 7,000
Warrants – Uracan (1)	-	-	182	182
Warrants – Uracan (current portion) (1)	-	-	126	126
	$ 7,000	$ -	$ 308	$ 7,308

(1) Black-Scholes inputs for the Uracan warrant valuation are disclosed in Note 9 *Investments*.

15. Management of financial risk (continued)

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

	Number of Shares	Change in Fair Value	Fair Value
Balance, December 31, 2013	*300,000*		$ 27,000
Shares received as partial consideration for the Black Lake Project earn-in agreement amendment (June 23, 2014) (see Note 8(v))	*50,000*		2,750
Changes in fair value – total unrealized gain (loss) on financial assets (shares) – year ended December 31, 2014		(10,500)	(10,500)
Balance, December 31, 2014	*350,000*		19,250
Changes in fair value – total unrealized gain (loss) on financial assets (shares) – year ended December 31, 2015		(12,250)	(12,250)
Balance, December 31, 2015	*350,000*		$ 7,000

In the year ended December 31, 2015, AFS shares experienced a prolonged decline in their value, which warranted the related unrealized losses previously recognized through OCI to be recognized through profit and loss in the current period. This resulted in a fair value loss of $10,500, which had been recognized in OCI in 2014, to be reclassified in the current period's profit and loss, as well as a fair value loss of $12,250 related to 2015 to be recognized directly through profit and loss, for a total fair value impairment of $22,750. Future changes to the fair value of these AFS shares will be recorded through profit and loss.

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, 2013	*150,000*		$ 4,733
Warrants received as partial consideration for the Black Lake Project earn-in agreement amendment (June 23, 2014) (see Note 8(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
Changes in fair value – total unrealized gain (loss) on held-for-trading financial assets (warrants) – year ended December 31, 2015		(2,629)	(2,629)
Balance, December 31, 2015	*175,000*		$ 308

[1] See Note 9 for Black-Scholes assumptions.

15. Management of financial risk (continued)

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.

16. Segmented information

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

17. Office expenses

	Year ended December 31 2015	2014
Insurance	$ 51,664	$ 50,708
Office supplies and consulting	385,995	334,062
Telephone	15,078	17,496
	$ 452,737	$ 402,266

18. 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 2015	2014
Panterra Geoservices Inc.(1)	$ 2,400	$ 2,000
Panterra Geoservices Inc. share-based payments (1)(2)	9,532	18,654
Cameco Corporation (3)	12,000	-
	$ 23,932	$ 20,654

(1) 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.

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

(3) Represents an amount paid to Cameco in May of 2015 to acquire its 70% interest in Umpherville River (20.33% shareholder of UEX Corporation at the time of the transaction, 18.80% shareholder at January 21, 2016) (see Note 8(i)).

(b) Key management personnel compensation

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

	Year ended December 31 2015	2014
Salaries and short-term employee benefits (1)(2)	$ 676,127	$ 854,565
Share-based payments (3)	322,770	455,512
Other compensation (4)	183,000	183,000
	$ 1,181,897	$ 1,493,077

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

(2) In the event that Mr. Lemaitre's (UEX's President and CEO) employment is terminated by the 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.

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

(4) Represents amounts paid in January 2015 and January 2014 to Mr. Graham Thody, the Company's former President and CEO, under the terms of a retirement consulting agreement for consulting services up to December 31, 2015. During the term of this agreement, Mr. Thody was not entitled to receive director's fees; however, upon expiry of this agreement on December 31, 2015, Mr. Thody became entitled to receive director's fees in 2016 on the same terms as other non-management directors.

Corporate Information

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Colin C. Macdonald, Chairman
Saskatoon, Saskatchewan

Roger M. Lemaitre
President and CEO
Saskatoon, Saskatchewan

Suraj P. Ahuja
Vancouver, British Columbia

Mark P. Eaton
Toronto, Ontario

Emmet A. McGrath
Vancouver, British Columbia

Graham C. Thody
Vancouver, British Columbia

Officers

Roger M. Lemaitre
President and CEO

Edward R. Boney
CFO and Corporate Secretary

Nan H. Lee
Vice-President, Project Development

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