

Condensed Interim Financial Statements of

Uracan Resources Ltd.

Three and nine months ended April 30, 2016 and
2015

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of Uracon Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim financial statements.

Uracan Resources Ltd.

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	April 30, 2016	July 31, 2015
Assets		
Current assets		
Cash	\$ 41,724	\$ 61,276
Amounts receivable (Note 3)	11,905	17,362
Prepaid expenses	4,345	10,958
Advances (Note 4(a))	-	14,212
	57,974	103,808
Exploration and evaluation assets (Note 4)	2,214,879	2,213,709
Total assets	\$ 2,272,853	\$ 2,317,517
Liabilities		
Current liabilities		
Trade and other payables	\$ 311,786	\$ 132,442
Notes payable (Note 5)	270,000	150,000
Total liabilities	581,786	282,442
Equity		
Share capital (Note 6)	38,307,690	38,307,690
Reserves (Note 6)	7,088,342	7,088,342
Deficit	(43,704,965)	(43,360,957)
Total equity	1,691,067	2,035,075
Total liabilities and equity	\$ 2,272,853	\$ 2,317,517

Nature of operations and going concern (Note 1)

Commitments (Notes 4(a),4(b))

Subsequent event (Note 6(b))

Approved by the Board of Directors and authorized for issue on June 17, 2016:

"Gordon Keep" Director

"Jay Sujir" Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Uracan Resources Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended		Nine months ended	
		April 30,		April 30,
	2016	2015	2016	2015
Expenses				
Camp maintenance and storage	\$ 28,229	\$ 51,361	\$ 95,014	\$ 154,302
Consulting	30,285	30,000	90,285	90,380
Salaries and benefits (Note 7)	24,457	33,236	72,641	125,408
Professional fees	5,000	12,950	54,509	44,414
Office and administration	2,575	3,443	8,169	10,346
Regulatory and transfer agent	2,669	2,561	6,741	16,421
Shareholder services	(151)	(2,350)	3,838	4,144
Marketing and advertising	260	6,492	560	26,160
Travel	63	2,648	211	12,416
Depreciation	-	-	-	221
	(93,387)	(140,341)	(331,968)	(484,212)
Finance expense	(6,582)	(475)	(12,040)	(2,593)
Finance income	-	22	-	2,878
Net loss and comprehensive loss	(99,969)	(140,794)	(344,008)	(483,927)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding				
basic and diluted	71,974,640	71,974,640	71,974,640	60,603,712

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Uracan Resources Ltd.

Condensed Interim Statements of Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital		Reserves	Deficit	Total equity
	Shares issued	Amount			
At July 31, 2014	45,324,278	\$ 37,058,000	\$ 7,053,341	\$ (43,220,907)	\$ 890,434
Private placement: Flow-through	14,603,332	876,200	-	-	876,200
Private placement: Non-flow-through	11,747,030	552,015	35,337	-	587,352
Share issue costs	-	(50,492)	(1,392)	-	(51,884)
Shares issued to Forum (Note 4(b))	300,000	18,000	-	-	18,000
Warrants issued to Forum (Note 4(b))	-	-	1,056	-	1,056
Net loss	-	-	-	(483,927)	(483,927)
At April 30, 2015	71,974,640	38,453,723	7,088,342	(43,704,834)	1,837,231
Flow-through premium	-	(146,033)	-	-	(146,033)
Net income	-	-	-	343,877	343,877
At July 31, 2015	71,974,640	38,307,690	7,088,342	(43,360,957)	2,035,075
Net loss	-	-	-	(344,008)	(344,008)
At April 30, 2016	71,974,640	\$ 38,307,690	\$ 7,088,342	\$ (43,704,965)	\$ 1,691,067

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Uracan Resources Ltd.

Condensed Interim Statements of Cash Flows
For the nine months ended April 30, 2016 and 2015
(Expressed in Canadian dollars)
(Unaudited)

	2016	2015
Operating activities		
Net loss for the period	\$ (344,008)	\$ (483,927)
Items not involving cash:		
Depreciation	-	221
Changes in non-cash working capital items:		
Amounts receivable	5,457	(16,553)
Prepaid expenses	6,613	(9,594)
Advances	14,212	7,332
Trade and other payables	179,344	79,924
	(138,382)	(422,597)
Financing activities		
Issuance of notes payable	120,000	150,000
Proceeds on shares issued, net of share issuance costs	-	1,411,668
Repayment of notes payable	-	(168,000)
	120,000	1,393,668
Investing activities		
Exploration and evaluation asset expenditures	(1,170)	(968,435)
	(1,170)	(968,435)
Change in cash during the period	(19,552)	2,636
Cash, beginning of period	61,276	10,742
Cash, end of period	\$ 41,724	\$ 13,378

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Uracan Resources Ltd.

Notes to the Condensed Interim Financial Statements

April 30, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Uracan Resources Ltd. ("Uracan" or "Company") was originally incorporated as 583860 B.C. Ltd. in the province of British Columbia on April 21, 1999. The Company changed its name to Uracan Resources Ltd. on July 27, 2006. The Company is publicly listed on the TSX Venture Exchange under the symbol URC and its registered office is located at 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3. The Company operates in one reportable segment, being the acquisition and exploration of uranium properties. All of the Company's assets are located in Canada. The Company has not generated revenues from operations and is considered to be in the exploration stage.

While these unaudited condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business, there are conditions that cast significant doubt on the validity of this assumption. As at April 30, 2016, the Company had a working capital deficiency of \$523,812. The Company recorded a loss of \$344,008 during the nine months ended April 30, 2016, and had an accumulated deficit of \$43,704,965 as at April 30, 2016. The Company's ability to continue as a going concern is dependent on management's capacity to identify additional sources of capital and to raise sufficient resources in order to fund on-going operating expenditures and the Company's development plan. Although management has been successful in the past, there is no assurance these initiatives will be successful in the future. These unaudited condensed interim financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These conditions may cast significant doubt as to the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

(a) *Statement of compliance*

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements. These unaudited condensed interim financial statements were approved by the board of directors on June 17, 2016.

(b) *Adoption of new accounting standards*

Effective August 1, 2015, the following standards were adopted but have had no material impact on the financial statements:

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

(c) *Recent accounting standards not yet effective*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

Uracan Resources Ltd.

Notes to the Condensed Interim Financial Statements

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3. AMOUNTS RECEIVABLE

Amounts receivable are comprised of input tax credits receivable from the Canadian Government and amounts due for consulting services provided to another corporation by the Company through its CEO (Note 7).

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

Saskatchewan Properties

a) Clearwater Project

On August 25, 2014, Uracan signed a definitive option agreement (the "Forum Agreement") with Forum Uranium Corp. (TSX.V:FDC) ("Forum"), whereby Uracan can earn up to a 70% interest in Forum's Clearwater Project (the "Clearwater Project") in northern Saskatchewan. Forum is the 100% owner of the Clearwater Project.

Pursuant to the Forum Agreement, the Company issued a total of 300,000 shares and 150,000 warrants of Uracan to Forum. The warrants were exercisable at a price of \$0.15 per share until March 3, 2016. During the nine months ended April 30, 2016, the 150,000 warrants expired (Note 6(d)). In order for Uracan to earn a 51% interest in the property it must commit to the following:

1. Complete exploration expenditures of \$0.5 million by August 29, 2015 (Completed),
2. Complete additional exploration expenditures of \$1.0 million by August 29, 2016, at which point Uracan will have earned a 25% interest. The Company is currently in the process of negotiating an extension on the time frame.
3. Complete additional exploration expenditures of \$1.5 million by August 29, 2017, to earn a 51% interest.

As of April 30, 2016, expenditures of \$525,414 were incurred by Forum, on behalf of the Company, in relation to the Clearwater Project, of which \$22,878 (July 31, 2015: \$22,878) is included in trade and other payables (Note 10).

Uracan can elect to earn an additional 19% interest in the Clearwater Project (total 70% interest) by making an additional \$3 million in exploration expenditures within a two year period following the date it earns its 51% interest. Uracan will also grant Forum a 2% NSR Royalty on the property, with Uracan having the option to purchase 1% of the NSR for \$1.0 million.

Uracan will fund all exploration work until the earn-in option has been completed, after which further work will be funded by both Uracan and Forum under a joint venture agreement. Forum will be the Project operator until Uracan earns its 51% interest, after which Uracan may elect to become the operator.

b) Black Lake Property

On January 24, 2013, the Company entered into an agreement (the "Agreement") with UEX Corporation ("UEX") whereby the Company can earn into the Black Lake Project (the "Project") in the Athabasca Basin in northern Saskatchewan. The Project is currently a joint venture between UEX (89.99% interest) and AREVA Resources Canada Inc. ("AREVA") (10.01% interest).

Uracan Resources Ltd.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Black Lake Property (continued)

Under the Agreement, as amended on November 25, 2015, Uracan must fund a total of \$10.0 million of project expenditures on or before December 31, 2023, to earn a 60% interest in the Project from UEX, with no partial earn-in permitted. Uracan has committed to advance \$1,557,560 (advanced) to fund project expenditures by December 31, 2014, and an additional \$1,422,440 of project expenditures by December 31, 2016. As at April 30, 2016, the Company has satisfied its December 31, 2014, commitment.

During the remainder of the option period, minimum expenditures of \$1.0 million per year are to be funded by Uracan. UEX remains the project operator 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.

As required under the Agreement, Uracan issued the following to UEX:

- 300,000 shares and 150,000 warrants of Uracan effective February 13, 2013. Each warrant was exercisable until February 13, 2016, at an exercise price of \$0.15 per share. During the nine months ended April 30, 2016, the 150,000 warrants expired (Note 6(d)).
- 50,000 common shares and 25,000 common share purchase warrants effective July 23, 2014. Each warrant is exercisable until July 23, 2017, at an exercise price of \$0.12 per share.

As of April 30, 2016, the Company has advanced \$1,633,444 to UEX. As of April 30, 2016, expenditures to date of \$1,624,725 were incurred in relation to the Project. During the nine months ended April 30, 2016, unspent advances of \$14,212 were returned to the Company from UEX. As at April 30, 2016, nil (July 31, 2015: \$37,620) was recorded as advances.

c) Pipewrench Lake and Narrows Lake Properties

The Company holds four claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties.

During the year ended July 31, 2015, the Company determined expenditures on further exploration and evaluation of mineral resources on the Pipewrench Lake and Narrows Lake Properties was not budgeted nor planned in the foreseeable future and as such recognized an impairment of \$42,169 on the statement of loss and comprehensive loss.

d) Quebec properties

On July 27, 2006, the Company signed an option agreement with Sheridan Platinum Group Limited ("Sheridan") whereby the Company purchased a 100% interest in the Lac Turgeon, Wee Gee, Pontbriand and Costabelle properties (the "North Shore Properties") located along the Quebec North Shore of the Gulf of St. Lawrence. The Company paid Sheridan \$2,000,000 and issued Sheridan 70,000 common shares of the Company. The Company granted Sheridan a Net Smelter Royalty ("NSR") of 3% in the first 2 years after commencement of commercial production, increasing to 5% thereafter. Additionally, with a payment of \$3,000,000 within the first 30 days after commencement of commercial production, the Company has the right to reduce the NSR to 1.5% for the entire term.

Pursuant to the option agreement, the Company is required to make advance royalty payments of \$25,000 per quarter, which commenced January 1, 2008. As at April 30, 2012, the Company had paid Sheridan a total of \$450,000. Following the de facto moratorium on uranium exploration in Quebec, in 2013, the company considered the agreement to have been frustrated, but due to potential legal uncertainty it continued to accrue the payments and as at July 31, 2015, had accrued a total of \$325,000 in advance royalty payments.

Uracan Resources Ltd.

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(Expressed in Canadian dollars)

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4. EXPLORATION AND EVALUATION ASSETS (continued)

d) Quebec properties (continued)

During the year ended July 31, 2015, the holder of the advance royalty acknowledged the Company's position that the agreement had been frustrated and accordingly the Company recorded \$325,000 as forgiven advance royalties payable in the statement of loss and comprehensive loss.

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets:

	Saskatchewan		Total
	Black Lake Property	Clearwater Property	
	\$	\$	\$
Acquisition costs:			
Balance, July 31, 2015 and April 30, 2016	45,684	19,056	64,740
Exploration costs:			
Balance, July 31, 2015	1,623,555	525,414	2,148,969
Office and other	167	-	167
Personnel	1,003	-	1,003
Balance, April 30, 2016	1,624,725	525,414	2,150,139
Total costs:			
Balance, April 30, 2016	1,670,409	544,470	2,214,879

	Saskatchewan			Total
	Black Lake Property	Clearwater Property	Pipewrench and Narrows Properties	
	\$	\$	\$	\$
Acquisition costs:				
Balance, July 31, 2014	45,684	-	42,169	87,853
Shares and warrants issued	-	19,056	-	19,056
Impairment of Pipewrench and Narrows Properties (Note 4(c))	-	-	(42,169)	(42,169)
Balance, July 31, 2015	45,684	19,056	-	64,740
Exploration costs:				
Balance, July 31, 2014	1,139,940	-	-	1,139,940
Equipment rental	18,722	43,008	-	61,730
Office and other	100,626	65,479	-	166,105
Meals & lodging	35,498	-	-	35,498
Travel	-	17,499	-	17,499
Personnel	114,338	2,536	-	116,874
Construction & access	-	21,833	-	21,833
Camp and accommodation	-	174,771	-	174,771
Drilling & analysis	214,431	200,288	-	414,719
Balance, July 31, 2015	1,623,555	525,414	-	2,148,969
Total costs:				
Balance, July 31, 2015	1,669,239	544,470	-	2,213,709

Uracan Resources Ltd.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

5. NOTES PAYABLE

As at April 30, 2016, notes payable of \$270,000 (July 31, 2015: \$150,000) were outstanding to a director of the Company. The notes accrue interest at 6% per annum and are payable on demand. As at April 30, 2016, accrued interest on notes payable of \$13,882 (July 31, 2015: \$1,956) was included in trade and other payables in the statements of financial position.

6. EQUITY

(a) Authorized

Unlimited number of common shares with no par value
Unlimited number of preferred shares with no par value

(b) Issued and fully paid common shares

As at April, 2016, there were 71,974,640 common shares issued and outstanding. No common shares were issued during the nine months ended April 30, 2016.

On May 24, 2016, the Company announced a non-brokered private placement of up to 20,000,000 flow through shares at a price of \$0.05 per share for gross proceeds of \$1,000,000, and up to 10,000,000 non-flow through shares at a price of \$0.05 per unit for gross proceeds of up to \$500,000. Each non-flow through unit will consist of one common share and one half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of \$0.10 per common share for a period of one year from closing.

(c) Share options

The Company has established a "rolling" Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period. All other options vest at the discretion of the Board of Directors.

A summary of the changes in share options is presented below:

	Outstanding	Weighted average exercise price
Balance, July 31, 2014	4,400,000	\$ 0.13
Forfeited or expired	(155,000)	0.13
Balance, July 31, 2015	4,245,000	0.13
Forfeited or expired	(200,000)	0.13
Balance, April 30, 2016	4,045,000	\$ 0.13

No share options were granted during the nine months ended April 30, 2016.

Uracan Resources Ltd.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

6. EQUITY (continued)

(c) Share options (continued)

The following table summarizes information about the share options outstanding and exercisable at April 30, 2016:

Options outstanding	Options exercisable	Weighted average exercise price	Expiry Date	Weighted average remaining contractual life (years)
385,000	385,000	\$ 0.13	January 27, 2019	2.7
310,000	310,000	0.13	March 23, 2020	3.9
390,000	390,000	0.13	March 22, 2021	4.9
2,660,000	2,660,000	0.13	March 3, 2024	7.8
300,000	300,000	0.16	March 18, 2024	7.9
4,045,000	4,045,000	\$ 0.13		6.8

During the nine months ended April 30, 2016, 200,000 share options with an exercise price of \$0.13 expired.

(d) Share purchase warrants

A summary of changes in share purchase warrants is presented below:

	Number of warrants	Weighted average exercise price
Balance, July 31, 2014	4,756,750	\$ 0.15
Issued	4,995,000	0.07
Expired	(4,581,750)	0.15
Balance, July 31, 2015	5,170,000	0.07
Expired	(5,145,000)	0.07
Balance, April 30, 2016	25,000	\$ 0.12

No share purchase warrants were issued during the nine months ended April 30, 2016.

During the nine months ended April 30, 2016, 300,000 share purchase warrants with an exercise price of \$0.15 expired.

The following table summarizes information about the warrants outstanding and exercisable at April 30, 2016:

Warrants outstanding & exercisable	Weighted average exercise price	Expiry Date	Weighted average remaining contractual life (years)
25,000	\$ 0.12	July 23, 2017	1.2

Uracan Resources Ltd.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

7. RELATED PARTY TRANSACTIONS

- (a) During the nine months ended April 30, 2016, the Company incurred consulting fees of \$90,000 (2015: \$104,636) to Fiore Management and Advisory Corp. ("Fiore"), a company of which a director of the Company is an officer. As at April 30, 2016, \$70,000 (July 31, 2015: \$25,000) due to Fiore is included in trade and other payables on the statement of financial position.
- (b) As at April 30, 2016, notes payable of \$270,000 (July 31, 2015: \$150,000) and accrued interest of \$13,882 (July 31, 2015: \$1,956) were owed to a director of the Company (Note 5).
- (c) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended	
	April 30, 2016	April 30, 2015
Salaries and benefits expensed ^{(1) (2)}	\$ 45,693	\$ 48,294

	For the nine months ended	
	April 30, 2016	April 30, 2015
Salaries and benefits expensed ^{(1) (2)}	\$ 137,560	\$ 135,708
Salaries and benefits capitalized	Nil	2,536
	\$ 137,560	\$ 138,244

(1) During the three and nine months ended April 30, 2016, the Company received salary recoveries of \$24,095 (2015: \$15,928) and \$70,067 (2015: \$15,928), respectively, from an arm's length company for services provided by the Company's CEO.

(2) No directors fees were paid or accrued for the three and nine months ended April 30, 2016 and 2015.

8. FINANCIAL INSTRUMENTS

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, trade and other payables and notes payable.

Fair Value Measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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

Uracan Resources Ltd.

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(Expressed in Canadian dollars)

(Unaudited)

8. FINANCIAL INSTRUMENTS

Fair Value Measurement (continued)

Cash, amounts receivable, trade and other payables and notes payable are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash and amounts receivable. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash and amounts receivable.

Liquidity Risk

At April 30, 2016, the Company had cash of \$41,724 to settle current liabilities of \$581,786 and had a working capital deficiency of \$523,812. Refer to Note 1 for additional details of liquidity risk as it relates to the Company continuing as a going concern.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company's notes payable bear interest at fixed rates and the Company's bank account earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates.

Commodity Price Risk

Although the Company is an exploration stage company, it is subject to price risk from fluctuations in market prices of natural resource commodities since its future profitability is dependent on the market price of these commodities. The prices of commodities are affected by numerous factors beyond the Company's control. Fluctuations in commodity prices could result in future commercial production that is impracticable to the Company. Therefore, management regularly monitors natural resource commodity prices to determine the appropriate course of action to be taken by the Company.

Equity Price Risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Currency Risk

The Company is not exposed to currency risk as all transactions are denominated in Canadian dollars.

Uracan Resources Ltd.

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(Expressed in Canadian dollars)

(Unaudited)

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its uranium properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets. Refer to Note 1 for additional details of the Company's ability to continue as a going concern. The Company is not subject to externally imposed capital requirements.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing or financing transactions included:

- Included in trade and other payables at April 30, 2016, is \$22,878 (July 31, 2015: \$22,878) of exploration and evaluation costs.