Financial Statements of

Uracan Resources Ltd.

Years ended July 31, 2017 and 2016
(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Uracan Resources Ltd.

We have audited the accompanying financial statements of Uracan Resources Ltd., which comprise the statements of financial position as at July 31, 2017 and 2016 and the statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and 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 the auditors' 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, the auditor considers 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, these financial statements present fairly, in all material respects, the financial position of Uracan Resources Ltd. as at July 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Uracan Resources Ltd.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

November 23, 2017

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

Uracan Resources Ltd.
Statements of Financial Position
(Expressed in Canadian dollars)

		July 31, 2017		July 31, 2016
Assets				
Current assets				
Cash	$	**40,826**	$	906,034
Amounts receivable (Note 4)		**7,149**		19,249
Prepaid expenses		**7,707**		7,582
		55,682		932,865
Exploration and evaluation assets (Note 5)		**1,542,147**		2,214,878
Total assets	$	**1,597,829**	$	3,147,743
Liabilities				
Current liabilities				
Trade and other payables	$	**340,492**	$	173,694
Notes payable (Note 6, 8)		**205,000**		45,000
Flow-through share premium (Note 7(b)(e))		**23,077**		80,000
Total liabilities		**568,569**		298,694
Equity				
Share capital (Note 7)		**39,747,478**		39,510,071
Reserves (Note 7)		**7,594,799**		7,145,685
Deficit		**(46,313,017)**		(43,806,707)
Total equity		**1,029,260**		2,849,049
Total liabilities and equity	$	**1,597,829**	$	3,147,743

Nature of operations and going concern (Note 1)
Subsequent events (Note 5(a), 7(d)(e))

Approved by the Board of Directors and authorized for issue on November 23, 2017:

"Gordon Keep" Director

"Jay Sujir" Director

The accompanying notes are an integral part of these financial statements

Uracan Resources Ltd.
Statements of Loss and Comprehensive Loss
For the years ended July 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Expenses		
Camp maintenance and storage	$ 131,274	$ 105,657
Consulting (Note 8(a))	120,000	120,285
Marketing and advertising	940	740
Office and administration	4,886	10,572
Professional fees	38,697	69,689
Regulatory and transfer agent	15,460	13,469
Salaries and benefits (Note 8)	165,864	111,473
Share-based compensation (Note 7(c), 8)	448,156	-
Shareholder services	3,680	3,838
Travel	-	268
	(928,957)	(435,991)
Other income - flow-through (Note 7(e))	98,000	-
Exploration tax credits (Note 5)	-	5,104
Impairment of exploration and evaluation assets (Note 5(b))	(1,670,408)	-
Finance income	1,435	-
Finance expense	(6,380)	(14,863)
Loss and comprehensive loss	(2,506,310)	(445,750)
Basic and diluted loss per share	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding basic and diluted	105,476,310	74,363,551

The accompanying notes are an integral part of these financial statements

Uracan Resources Ltd.

Statement of Changes in Equity

(Expressed in Canadian dollars)

	Share capital				
	Shares issued	Amount	Reserves	Deficit	Total equity
At July 31, 2015	71,974,640	$ 38,307,690	$ 7,088,342	$ (43,360,957)	$ 2,035,075
Private placement: Flow-through	16,000,000	800,000	-	-	800,000
Private placement: Non flow-through	12,127,500	546,397	59,978	-	606,375
Flow-through share premium	-	(80,000)	-	-	(80,000)
Share issue costs	-	(64,016)	(2,635)	-	(66,651)
Loss and comprehensive loss	-	-	-	(445,750)	(445,750)
At July 31, 2016	100,102,140	39,510,071	7,145,685	(43,806,707)	2,849,049
Private placement: Flow-through	5,138,461	280,000	-	-	280,000
Private placement: Non flow-through	704,000	34,151	1,049	-	35,200
Flow-through share premium	-	(41,077)	-	-	(41,077)
Share issue costs	-	(35,667)	(91)	-	(35,758)
Share-based compensation	-	-	448,156	-	448,156
Loss and comprehensive loss	-	-	-	(2,506,310)	(2,506,310)
At July 31, 2017	105,944,601	$ 39,747,478	$ 7,594,799	$ (46,313,017)	$ 1,029,260

The accompanying notes are an integral part of these financial statements

Uracan Resources Ltd.

Statements of Cash Flows
For the years ended July 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Operating activities		
Loss for the year	**$ (2,506,310)**	$ (445,750)
Items not involving cash:		
Impairment of exploration and evaluation assets	**1,670,408**	-
Share-based compensation	**448,156**	-
Flow-through share premium	**(98,000)**	-
Finance expense - accrued	**6,377**	14,863
Changes in non-cash working capital items:		
Amounts receivable	**12,100**	(1,887)
Prepaid expenses	**(125)**	3,376
Advances	**-**	14,212
Trade and other payables	**167,223**	26,389
	(300,171)	(388,797)
Financing activities		
Proceeds on shares issued, net of share issuance costs	**289,080**	1,339,724
Issuance of notes payable	**160,000**	120,000
Repayment of notes payable	**-**	(225,000)
	449,080	1,234,724
Investing activities		
Exploration and evaluation asset expenditures	**(1,014,117)**	(1,169)
	(1,014,117)	(1,169)
Change in cash during the year	**(865,208)**	844,758
Cash, beginning of year	**906,034**	61,276
Cash, end of year	**$ 40,826**	$ 906,034

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Uracan Resources Ltd. ("Uracan" or the "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 and records 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 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 July 31, 2017, the Company had a working capital deficit of $512,887. The Company recorded a loss of $2,506,310 during the year ended July 31, 2017, and had an accumulated deficit of $46,313,017 as at July 31, 2017. 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 financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These conditions cast significant doubt as to the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements as at and for the year ended July 31, 2017, including comparatives, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Significant accounting judgments and estimates

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

<u>Critical Judgments</u>

The preparation of these financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 1.

2. BASIS OF PRESENTATION (continued)

(c) Significant accounting judgments and estimates (continued)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our financial statements include:

Share-based payments

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options and warrants attached to units requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, risk-free interest rate, and rate of forfeitures for options, and making assumptions about them. The fair value of the share-based compensation expense for the year along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 7.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these financial statements are described below:

(a) Cash

Cash includes deposits held with banks that are available on demand.

(b) Exploration and Evaluation Assets

Exploration and evaluation expenditures are capitalized on a property by property basis once the legal right to explore a property has been acquired, and future economic benefits are more likely than not to be realized. These include the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold, or considered impaired in value. Costs incurred before the Company has obtained the legal right to explore, as well as indirect administrative costs, are expensed as incurred.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(c) Financial Instruments

Financial instruments are classified into one of the following categories: fair-value-through-profit-and-loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets, financial liabilities at fair-value-through-profit-or-loss, or other financial liabilities. Financial instruments are measured in the statement of financial position at fair value, except for loans and receivables, held-to-maturity investments, and other financial liabilities, which are measured at amortized cost. Subsequent measurement of financial instruments measured at fair value is dependent upon initial classification as follows: (1) fair-value-through-profit-and-loss financial assets are measured at fair value with changes in fair value recognized in profit or loss; (2) available-for-sale financial instruments are measured at fair value with changes in fair value recognized in other comprehensive income (loss) until the instrument is derecognized or impaired.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

The Company's financial instruments consist of cash, amounts receivable, trade and other payables and notes payable. Cash and amounts receivable are classified as loans and receivables. Trade and other payables and notes payable are classified as other financial liabilities. Refer to Note 9 for further disclosures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is 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. Impairment losses are recognized in profit and loss for the year. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

(e) Loss per Share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(f) Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Decommissioning and Restoration Provision

Decommissioning and restoration 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 amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted for the market discount rate.

Over time the discounted liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Changes in closure and reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost. There are no decommissioning and restoration provisions for the years presented.

(h) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to common shares and warrants on a relative fair value basis whereby the common shares are valued based on the quoted market price of the common shares at the time the units are priced, and the warrants are valued using the Black-Scholes option pricing model.

(i) Share-based payments

The Company's stock option plan allows Company employees, directors, officers, consultants and charities to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity. 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.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Flow-through Common Shares

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares. These instruments permit the enterprise to renounce, or transfer to the investor the tax deductions associated with an equal value of qualifying resource expenditures. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. Any incremental proceeds, or "premium", are recorded as a liability, which is reduced and recorded as other income or deferred tax expense as the Company incurs qualifying resource expenditures. The tax effect of the renunciation is recorded at the time the Company incurs the eligible expenditures, which may differ from the effective date of renunciation.

(k) Foreign Exchange

The Company's functional and reporting currency is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at the date of the statement of financial position to reflect exc hange rates prevailing at that date. Non-monetary assets and liabilities are translated at historical exchange rates. Gains and losses on translation are included in profit or loss for the year.

(l) 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.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

4. AMOUNTS RECEIVABLE

		As at July 31, 2017		As at July 31, 2016
Input tax credits	**$**	**2,692**	$	19,249
Other receivables		**4,457**		-
	$	**7,149**	$	19,249

5. 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.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets located in Saskatchewan, Canada:

	Clearwater Property	Black Lake Property	Total
Acquisition costs:			
Balance, July 31, 2016	$ 19,056	$ 45,684	$ 64,740
Impairment of Black Lake Property (Note 5(b))	-	(45,684)	(45,684)
Balance, July 31, 2017	19,056	-	19,056
Exploration costs:			
Balance, July 31, 2016	525,414	1,624,724	2,150,138
Drilling & analysis	613,658	-	613,658
Camp and accommodation	173,216	-	173,216
Geophysics	70,545	-	70,545
Office and other	94,492	-	94,492
Travel & transport	45,426	-	45,426
Equipment rental	340	-	340
Impairment of Black Lake Property	-	(1,624,724)	(1,624,724)
Balance, July 31, 2017	1,523,091	-	1,523,091
Total costs:			
Balance, July 31, 2017	$ 1,542,147	$ -	$ 1,542,147

	Clearwater Property	Black Lake Property	Total
Acquisition costs:			
Balance, July 31, 2015 and July 31, 2016	$ 19,056	$ 45,684	$ 64,740
Exploration costs:			
Balance, July 31, 2015	525,414	1,623,555	2,148,969
Office and other	-	166	166
Personnel	-	1,003	1,003
Balance, July 31, 2016	525,414	1,624,724	2,150,138
Total costs:			
Balance, July 31, 2016	$ 544,470	$ 1,670,408	$ 2,214,878

During the year ended July 31, 2016, the Company received $5,104 in Quebec exploration tax credits related to expenditures incurred during the year ended July 31, 2013, all of which was recorded as income in the statement of loss and comprehensive loss.

Saskatchewan Properties

a) Clearwater Project

In August 2014, Uracan signed a definitive option agreement (the "Forum Agreement") with Forum Uranium Corp. ("Forum"), whereby Uracan had the option to earn up to a 70% interest in Forum's Clearwater Project (the "Clearwater Project") in northern Saskatchewan.

Subsequent to July 31, 2017, Uracan and Forum agreed to terminate the Forum Agreement. Forum currently owns 75% and Uracan has earned a 25% interest after spending $1.5 million on exploration since August 2014.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Saskatchewan Properties (continued)

b) Black Lake Project

In January, 2013, the Company entered into an agreement (the "Agreement") with UEX Corporation ("UEX") whereby the Company could earn into the Black Lake Project (the "Project") in the Athabasca Basin in northern Saskatchewan.

During the year ended July 31, 2017, the Company was unable to fund its minimum commitment under the Agreement and the option expired. As such, the Company recognized an impairment of $1,670,408 in the statement of loss and comprehensive loss in the year.

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, which are carried at $nil.

d) Quebec Properties

The Company holds two non-contiguous claim blocks in the Baie Johan Beetz, Aguanish and Natashquan corridor along the North Shore of the Gulf of St. Lawrence. The blocks consist of two distinct claim groups: Costebelle and Lac Turgeon. The Company has a 100% interest in these properties, which are carried at $nil.

6. NOTES PAYABLE

During the year ended July 31, 2017, notes payable of $160,000 were issued to a director of the Company. As at July 31, 2017, notes payable of $205,000 (July 31, 2016: $45,000) were outstanding to this director. The notes accrue interest at 6% per annum and are payable on demand. As at July 31, 2017, accrued interest on notes payable of $23,196 (July 31, 2016: $16,819) is included in trade and other payables.

7. 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 July 31, 2017, there were 105,944,601 common shares issued and outstanding.

During the year ended July 31, 2017, the Company closed a non-brokered private placement, consisting of 1,538,461 flow-through shares at a price of $0.065 per share for gross proceeds of $100,000. Cash share issue costs of $16,985 were incurred. A flow-through share premium liability of $23,077 was allocated to these flow-through funds.

During the year ended July 31, 2017, the Company closed the second tranche of a non-brokered private placement, consisting of 3,600,000 flow-through shares at a price of $0.05 per share for gross proceeds of $180,000, and 704,000 non flow-through units at a price of $0.05 per unit for gross proceeds of $35,200. Each non flow-through unit consists of one common share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until August 2, 2017. The warrants issued in connection with the non-brokered private placement were allocated a fair value of $1,049 on a relative fair value basis. Cash share issue costs of $18,773 were incurred, of which $18,682 and

(Expressed in Canadian dollars)

7. EQUITY (continued)

(b) Issued and fully paid common shares (continued)

$91 were deducted from share capital and reserves respectively, based on the pro rata allocation of the fair value on issuance of the units to share capital and reserves (Note 7(d)). A flow-through share premium liability of $18,000 was allocated to the flow-through portion of this non-brokered private placement.

During the year ended July 31, 2016, the Company closed the first tranche of a non-brokered private placement, consisting of 16,000,000 flow-through shares at a price of $0.05 per share for gross proceeds of $800,000, and 12,127,500 non flow-through units at a price of $0.05 per unit for gross proceeds of $606,375. Each non flow-through unit consists of one common share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until June 30, 2017. The warrants issued in connection with the non-brokered private placement were allocated a fair value of $59,978 on a relative fair value basis. Cash share issue costs of $66,651, of which $64,016 and $2,635 were deducted from share capital and reserves respectively, based on the pro rata allocation of the fair value on issuance of the units to share capital and reserves (Note 7(d)). A flow-through premium liability of $80,000 was allocated to the flow-through portion of the non-brokered private placement.

(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, 2015	4,245,000	$	0.13
Forfeited	(200,000)		0.13
Balance, July 31, 2016	4,045,000		0.13
Forfeited	(650,000)		0.13
Granted	6,550,000		0.09
Balance, July 31, 2017	9,945,000	$	0.10

During the year ended July 31, 2017, 6,150,000 share options were granted to directors, officers, consultants and charities of the Company, with an exercise price of $0.09 and an expiry date of September 29, 2026. The fair value of the share options granted was estimated on the date of the grant in the amount of $428,070 using the Black-Scholes option pricing model with the following assumptions: i) exercise price per share of $0.09; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.78%; iv) expected life of 10 years; v) no dividend yield.

During the year ended July 31, 2017, 400,000 share options were granted to officers of the Company, with an exercise price of $0.07 and an expiry date of February 17, 2027. The fair value of the share options granted was estimated on the date of the grant in the amount of $20,086 using the Black-Scholes option pricing model with the following assumptions: i) exercise price per share of $0.07; ii) expected share price volatility of 75%; iii) risk-free interest rate of 1.45%; iv) expected life of 10 years; v) no dividend yield.

(Expressed in Canadian dollars)

7. EQUITY (continued)

(c) Share options (continued)

The following table summarizes information about the share options outstanding and exercisable at July 31, 2017:

Options outstanding	Exercise price	Expiry Date
200,000	$ 0.09	January 4, 2018
200,000	0.09	June 30, 2018
285,000	0.13	January 27, 2019
250,000	0.13	March 23, 2020
310,000	0.13	March 22, 2021
2,250,000	0.13	March 3, 2024
300,000	0.16	March 18, 2024
5,750,000	0.09	September 29, 2026
400,000	0.07	February 17, 2027
9,945,000		

(d) Warrants

During the year ended July 31, 2017, the Company issued 352,000 warrants in connection with the second tranche of a non-brokered private placement. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until August 2, 2017.

The fair value of the warrants issued in connection with the second tranche of a non-brokered private placement closed during the year ended July 31, 2017, was calculated using the Black-Scholes option pricing model with the following assumptions: i) exercise price per warrant of $0.10; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.54%; iv) expected life of 1 year; v) no dividend yield.

During the year ended July 31, 2016, the Company issued 6,063,750 warrants in connection with the first tranche of a non-brokered private placement. Each Warrant will entitle the holder to purchase one common share at an exercise price of $0.10 per common share until June 30, 2017.

The fair value of the warrants issued in connection with the first tranche of a non-brokered private placement closed during the year ended July 31, 2016, was calculated using the Black-Scholes option pricing model with the following assumptions: i) exercise price per warrant of $0.10; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.62%; iv) expected life of 1 year; v) no dividend yield.

A summary of changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
Balance, July 31, 2015	5,170,000	$ 0.07
Expired	(5,145,000)	0.07
Issued	6,063,750	0.10
Balance, July 31, 2016	6,088,750	0.10
Expired	(6,088,750)	0.10
Issued	352,000	0.10
Balance, July 31, 2017	352,000	$ 0.10

(Expressed in Canadian dollars)

7. EQUITY (continued)

(d) Warrants (continued)

The following table summarizes information about the warrants outstanding and exercisable at July 31, 2017:

Warrants outstanding		Exercise price	Expiry date
352,000	$	0.10	August 2, 2017

Subsequent to July 31, 2017, 352,000 warrants with an exercise price of $0.10 expired.

(e) Flow-through shares

During the year ended July 31, 2017, the Company issued 3,600,000 flow-through shares for gross proceeds of $180,000 (Note 7(b)). As at July 31, 2017, all of these flow-through funds have been spent and the tax benefit has been renounced. And as such, $18,000 in flow-through premium amortization was recognized as other income in the statement of loss and comprehensive loss during the year ended July 31, 2017.

During the year ended July 31, 2017, the Company issued 1,538,461 flow-through shares for gross proceeds of $100,000 (Note 7(b)). As at July 31, 2017, $nil of these flow-through funds have been spent and the tax benefit has been renounced, resulting in a flow-through share premium liability of $23,077. Subsequent to July 31, 2017, all of these flow-through funds have been spent.

During the year ended July 31, 2016, the Company issued 16,000,000 flow-through shares for gross proceeds of $800,000 (Note 7(b)). As at July 31, 2017, all of these flow-through funds have been spent and the tax benefit has been renounced. And as such, $80,000 in flow-through premium amortization was recognized as other income in the statement of loss and comprehensive loss during the year ended July 31, 2017.

8. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2017, the Company:

(a) Incurred consulting fees of $120,000 (2016: $120,000) and share issue costs of $3,152 (2016: $14,064) to a company of which a director of the Company is an officer. As at July 31, 2017, $5,250 (July 31, 2016: $nil) is due to this company and included in trade and other payables in the statement of financial position.

(b) Incurred legal fees of $6,341 (2016: $10,144) and share issue costs of $10,867 (2016: $10,312) to a legal firm of which a director of the Company is a partner.

(c) Had notes payable of $205,000 (July 31, 2016: $45,000) outstanding and accrued interest of $23,196 (July 31, 2016: $16,819) that were owed to a director of the Company (Note 6).

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:

During the year ended July 31, 2017, salaries and benefits of $160,633 (2016: $106,178), net of salary recoveries of $21,396 (2016: $77,628) from arm's length companies, was expensed in the statements of loss and comprehensive loss.

8. RELATED PARTY TRANSACTIONS (continued)

During the year ended July 31, 2017, share-based compensation of $437,715 (2016: $nil), was recorded relating to 6,400,000 share options granted to directors and officers of the Company.

9. 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.

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.

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 is exposed to credit risk on cash and amounts receivable. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. Amounts receivable is comprised of GST refundable from the Canadian Government and amounts owing from an arm's length company for exploration services rendered on their behalf. The maximum exposure to credit risk is equal to the carrying value of its cash and amounts receivable.

Liquidity Risk

At July 31, 2017, the Company had cash of $40,826 to settle current payables of $545,492, as flow-through share premium does not represent a cash obligation, and had a working capital deficit of $512,887. Management has concluded that the Company does not have adequate financial resources to settle obligations as at July 31, 2017, and will require additional funding to continue operations for the next twelve months (Note 1).

9. FINANCIAL INSTRUMENTS (continued)

***Financial Instrument Risk Exposure** (continued)*

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and currency risk:

I. Interest Rate Risk

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 financial instruments is relatively unaffected by changes in short-term interest rates.

II. 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.

III. 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.

IV. Currency Risk

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

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss before income tax	**$ (2,506,310)**	$ (445,750)
Combined Canadian federal and provincial taxes at expected rate	**(676,000)**	(120,000)
Change in unrecognized deductible temporary differences and other	**686,000**	134,000
Share issue costs	**(10,000)**	(14,000)
Income tax recovery	**$ -**	$ -

(Expressed in Canadian dollars)

10. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets that have not been included in the statement of financial position are as follows:

	2017	2016
Non-capital losses	**1,161,000**	$ 955,000
Share issue costs	**29,000**	33,000
Allowable capital losses	**208,000**	208,000
Property and equipment	**70,000**	70,000
Exploration and evaluation assets	**5,965,000**	5,806,000
Canadian eligible capital	**10,000**	10,000
Unrecognized deferred tax assets	**$ 7,443,000**	$ 7,082,000

The significant components of the Company's temporary differences, unused tax credits, and unused tax losses that have not been included in the statement of financial position are as follows:

	2017	**Expiry Date Range**	2016
	$		$
Share issue costs	**107,000**	**2037 to 2040**	121,000
Allowable capital losses	**769,000**	**No expiry date**	769,000
Non-capital losses	**4,299,000**	**2029 to 2037**	3,538,000
Property and equipment	**296,000**	**No expiry date**	261,000
Canadian eligible capital	**-**	**No expiry date**	36,000
Exploration and evaluation assets - federal	**13,115,000**	**No expiry date**	12,525,000
Exploration and evaluation assets - Quebec	**20,370,000**	**No expiry date**	20,370,000

11. 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.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing or financing transactions included:

- A flow-through share premium of $41,077 (July 31, 2016: $80,000) was recorded as a reduction in share capital.

- Included in trade and other payables at July 31, 2017, is $6,438 (July 31, 2016: $22,878) of exploration and evaluation costs and $9,638 of share issue costs.

No cash was paid for interest or income taxes during the years ended July 31, 2017 and 2016.