UEX CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2015

(Unaudited – Prepared by Management)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

UEX CORPORATION
Condensed Interim Balance Sheets

(Unaudited – Prepared by Management)

	Notes	March 31 2015	December 31 2014
Assets			
Current assets			
Cash and cash equivalents	3	$ 6,559,794	$ 9,321,596
Amounts receivable	4	200,989	141,170
Prepaid expenses	5	214,685	106,540
		6,975,468	9,569,306
Non-current assets			
Equipment	6	213,151	111,885
Mineral properties	7	158,031,522	155,240,363
Investments	7(v), 8, 14	12,855	22,187
Total assets		$ 165,232,996	$ 164,943,741
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and other liabilities	9	$ 1,543,683	$ 1,322,439
Non-current liabilities			
Deferred tax liability	10	10,683,949	10,063,649
Total liabilities		12,227,632	11,386,088
Shareholders' equity			
Share capital	11(b)	177,542,611	177,542,611
Share-based payments reserve	11(c)	2,854,565	2,787,954
Accumulated other comprehensive income (loss)		(15,137)	(9,082)
Deficit		(27,376,675)	(26,763,830)
		153,005,364	153,557,653
Total liabilities and shareholders' equity		$ 165,232,996	$ 164,943,741

Nature and continuance of operations	1
Commitments	7(iv), 7(v), 12
Subsequent event	11(b)

See accompanying notes to the unaudited condensed interim financial statements.

Approved on behalf of the Board and authorized for issue on May 5, 2015.

"signed" Director
Roger M. Lemaitre

"signed" Director
Emmet A. McGrath

UEX CORPORATION

Condensed Interim Statements of Operations and Comprehensive Loss

(Unaudited – Prepared by Management)

	Notes	Three-month period ended March 31 2015	2014
Revenue			
Interest income	11(d)	$ 31,601	$ 35,102
Expenses			
Bank charges and interest		1,505	1,034
Depreciation		4,573	9,468
Filing fees and stock exchange		48,638	49,486
Legal and audit		45,502	38,323
Maintenance		5,245	86
Office expenses	16	130,495	94,256
Project investigation		1,426	-
Rent		40,579	40,894
Salaries		177,339	125,747
Share-based compensation	11(c)	63,109	161,163
Travel and promotion		133,441	77,871
Unrealized loss (gain) on held-for-trading financial assets	7(v), 8, 14	2,332	(4,481)
		654,184	593,847
Loss before income taxes		(622,583)	(558,745)
Deferred income tax recovery	10	9,738	106,570
Loss for the period		(612,845)	(452,175)
Other comprehensive income (loss)			
Available-for-sale financial assets			
Net change in fair value	7(v), 8, 14	(7,000)	9,000
Deferred income tax recovery (expense) on change in fair value of available-for-sale financial assets	10	945	(1,215)
		(6,055)	7,785
Comprehensive loss for the period		$ (618,900)	$ (444,390)
Basic and diluted loss per share		$ (0.003)	$ (0.002)
Basic and diluted weighted-average number of shares outstanding		235,015,069	227,838,679

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION

Condensed Interim Statements of Changes in Equity

(Unaudited – Prepared by Management)

	Number of common shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2013	*227,838,679*	$ 175,316,661	$ 4,585,900	$ -	$ (19,628,636)	$ 160,273,925
Loss for the period					(452,175)	(452,175)
Other comprehensive income (loss) *Fair value change in AFS financial assets*				9,000		9,000
Deferred income tax expense – fair value change in AFS financial assets				(1,215)		(1,215)
Share-based payment transactions			176,755			176,755
Balance, March 31, 2014	*227,838,679*	175,316,661	4,762,655	7,785	(20,080,811)	160,006,290
Loss for the period					(9,004,806)	(9,004,806)
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*				(19,500)		(19,500)
Deferred income tax recovery – fair value change in AFS financial assets				2,633		2,633
Share-based payment transactions			347,086			347,086
Transfer to deficit on expiry and cancellation of share purchase options			(2,321,787)		2,321,787	-
Balance, December 31, 2014	*235,015,069*	177,542,611	2,787,954	(9,082)	(26,763,830)	153,557,653
Loss for the period					(612,845)	(612,845)
Other comprehensive income (loss) *Fair value change in AFS financial assets*				(7,000)		(7,000)
Deferred income tax recovery - fair value change in AFS financial assets				945		945
Share-based payment transactions			66,611			66,611
Balance, March 31, 2015	*235,015,069*	$ 177,542,611	$ 2,854,565	$ (15,137)	$ (27,376,675)	$ 153,005,364

See accompanying notes to the unaudited condensed interim financial statements.

UEX CORPORATION
Condensed Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

	Notes	Three-month period ended March 31 2015	2014
Cash provided by (used for):			
Operating activities			
Loss for the period		$ (612,845)	$ (452,175)
Adjustments for:			
Depreciation		4,573	9,468
Deferred income tax recovery		(9,738)	(106,570)
Interest income		(31,601)	(35,102)
Part XII.6 tax	11(d)	(940)	-
Share-based compensation		63,109	161,163
Unrealized fair value loss (gain) on held-for-trading financial assets		2,332	(4,481)
Changes in non-cash operating working capital			
Amounts receivable		22,646	(45,650)
Prepaid expenses		(108,145)	(105,953)
Accounts payable and other liabilities		(363,079)	416,690
		(1,033,688)	(162,610)
Investing activities			
Interest received		43,007	124,322
Investment in exploration and evaluation assets		(1,658,991)	(231,739)
Purchase of equipment		(112,130)	(6,223)
		(1,728,114)	(113,640)
Financing activities			
Proceeds from common shares issued, net of share issuance costs		-	-
Decrease in cash and cash equivalents during the period		(2,761,802)	(276,250)
Cash and cash equivalents, beginning of period		9,321,596	9,321,916
Cash and cash equivalents, end of period		$ 6,559,794	$ 9,045,666
Supplementary information			
Non-cash transactions			
Increase in accounts payable and other liabilities relating to mineral property expenditures		$ 1,215,306	$ 349,534
Decrease in other liabilities due to extinguishment of flow-through premium on renouncement (under Look-Back Rule)		(630,983)	-
Increase in amounts receivable relating to mineral property expenditures		(92,931)	(277)
Non-cash share-based compensation included in mineral property expenditures		3,502	15,592
Depreciation included in mineral properties		6,291	31,886
Advance payments			
Other liabilities include prepayments received for Black Lake exploration, net of disbursements (see Notes 7(v) and 9)		58,938	390,121

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

The Company is exploring and developing 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 exploration 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 March 31, 2015 and has concluded that there are no indicators of impairment. However, as at March 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 recent arms-length transactions for the acquisition of uranium resources defined by National Instrument 43-101. As a result of this review the Company has concluded that the Company's net assets are not impaired.

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

2. Basis of preparation and significant accounting policies

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparative figures have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements. These condensed unaudited interim financial statements should be read in conjunction with the Company's annual 2014 audited financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed unaudited interim financial statements were approved by the Board of Directors for issue on May 5, 2015.

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

(b) Estimates

The preparation of unaudited interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these unaudited condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's financial statements as at and for the year ended December 31, 2014.

(c) Significant accounting policies

The accounting policies applied by the Company in these condensed unaudited interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2014.

(d) 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 does not include a mandatory effective date but is available for early adoption. An effective date will be determined when all phases of the update to IFRS 9 are completed. The Company does not expect IFRS 9 to have a material impact on the financial statements. The classification and measurement of the Company's financial assets is not expected to change under IFRS 9 because of the nature of the Company's operations and the types of financial assets that it holds.

3. Cash and cash equivalents

	March 31 2015	December 31 2014
Cash	$ 181,705	$ 351,961
Short-term deposits	6,378,089	8,969,635
	$ 6,559,794	$ 9,321,596

4. Amounts receivable

	March 31 2015	December 31 2014
Interest receivable	$ 63,112	$ 73,578
Other receivables	137,877	67,592
	$ 200,989	$ 141,170

Interest receivable reflects interest earned on short-term deposits. Other receivables include $137,286 of Goods and Services Tax (GST) receivable as at March 31, 2015 (December 31, 2014 - $22,753) and a mineral claim deposit of $Nil related to the Black Lake Project (December 31, 2014 - $43,344).

5. Prepaid expenses

	March 31 2015	December 31 2014
Advances to vendors	$ 16,357	$ 16,357
Prepaid expenses	198,328	90,183
	$ 214,685	$ 106,540

6. 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	-	63,029	48,256	845	112,130
Disposals	-	-	(5,173)	-	(5,173)
Balance at March 31, 2015	$ 99,327	$ 394,713	$ 300,781	$ 33,477	$ 828,298
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 period	1,970	3,712	3,691	1,491	10,864
Disposals	-	-	(5,173)	-	(5,173)
Balance at March 31, 2015	$ 50,081	$ 318,632	$ 220,959	$ 25,475	$ 615,147
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 March 31, 2015	$ 49,246	$ 76,081	$ 79,822	$ 8,002	$ 213,151

7. Mineral properties

Exploration and evaluation assets

	Hidden Bay (i)	Riou Lake (ii)	Western Athabasca (iv)	Black Lake (v)	Beatty River (vi)	Total
Balance at December 31, 2013	$ 76,223,469	$ 10,425,937	$ 61,357,244	$ 15,230,180	$ 869,391	$ 164,106,221
Additions	475,827	-	1,050,323	37,568	-	1,563,718
Fair value consideration (Note 7(v))	-	-	-	(3,639)	-	(3,639)
Impairment charge for the year	-	(10,425,937)	-	-	-	(10,425,937)
Balance at December 31, 2014	76,699,296	-	62,407,567	15,264,109	869,391	155,240,363
Additions	1,962,652	-	823,647	1,182	3,678	2,791,159
Balance at March 31, 2015	$ 78,661,948	$ -	$ 63,231,214	$ 15,265,291	$ 873,069	$ 158,031,522

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

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

100%-owned projects

(i) Hidden Bay Project

The Company's 100%-owned Hidden Bay Project, including the Horseshoe, Raven and West Bear deposits, is located in the eastern Athabasca Basin of northern Saskatchewan, Canada. In the first quarter of 2015, total exploration and evaluation expenditures at Hidden Bay included evaluation expenditures of $Nil (Q1 2014 - $4,281) primarily relating to component technical studies. Total evaluation costs of $7,311,691 are included in the balance as at March 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.

(ii) Riou Lake Project

The Company holds a 100% interest in the Riou Lake Project located in the northern Athabasca Basin. During the year ended December 31, 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.

7. Mineral properties (continued)

Exploration and evaluation assets (continued)

100%-owned projects (continued)

(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.

Joint operations

(iv) Western Athabasca Projects

The Western Athabasca Projects (the “Projects”), located in the western Athabasca Basin, which include the Kianna, Anne, Colette and 58B deposits located at the Shea Creek Project, are nine joint ventures with the Company holding an approximate 49.1% interest and AREVA Resources Canada Inc. (“AREVA”) holding an approximate 50.9% interest as at March 31, 2015 and December 31, 2014. The Company is in the process of negotiating joint-venture agreements with AREVA. As at March 31, 2015, total exploration and evaluation assets to date for Western Athabasca include evaluation expenditures of $7,370,026 (December 31, 2014 - $7,370,026).

The Kianna, Anne, Colette and 58B 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 March 31, 2015, approximately $1.3 million of the $2.1 million winter 2015 budget (UEX’s share of the $4.8 million 2015 Western Athabasca exploration budget) remains as a funding commitment for the Company, with this amount to be expended as the program is completed. UEX decided not to fund its share of $500,000 for the 2015 geophysical program, or approximately $245,375 at the Laurie Project. UEX’s interest in this project is anticipated to drop from the current 49.097% interest to approximately 42.25% once AREVA completes the approved program. This dilution would only apply to UEX’s interest in the Laurie Project.

On April 10, 2013 an agreement was signed with AREVA which grants UEX the option to increase its ownership interest in the Western Athabasca Projects, which includes the Shea Creek Project, by 0.9% to a maximum interest of 49.9% by spending $18.0 million on exploration over the six-year period ending December 31, 2018. UEX is under no obligation to propose a budget in any year of the agreement. The ownership interest for the Projects shall be increased at the end of the year by the proportional amount of the additional exploration expenditures incurred in the year which are in addition to the budget amounts proposed by AREVA. UEX may propose an additional exploration budget of up to $4.0 million in any single year without the prior approval of AREVA, who remains the project operator. UEX has not yet determined whether a supplemental exploration program will be proposed in 2015.

7. 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 90.69% interest and AREVA holding a 9.31% interest as at March 31, 2015 and December 31, 2014.

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

Uracan must fund a total of $10.0 million of project expenditures over 10 years to earn their 60% interest in Black Lake from UEX, with no partial earn-in permitted. Uracan originally committed to spend $2.0 million on project expenditures by December 31, 2014, with a firm commitment to fund $1.5 million even if a decision was made by Uracan not to proceed with the earn-in or the agreement is otherwise terminated. On June 23, 2014, UEX and Uracan amended the earn-in agreement reducing the 2014 expenditure requirement from $2,000,000 to $1,577,560. The $422,440 reduction to the 2014 expenditure requirement has been added to the 2015 requirement, increasing it from $1,000,000 to $1,422,440. During the remainder of the option period, minimum expenditures of $1.0 million per year are to be funded by Uracan. UEX remains the project operator and is entitled to a 10% management fee (netted against salaries, termination and placement fees) under the Black Lake joint venture agreement until such time as Uracan has earned its 60% interest in Black Lake.

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

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

As at March 31, 2015, Uracan has $58,938 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.

7. Mineral properties (continued)

Exploration and evaluation assets (continued)

Joint operations (continued)

(v) 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.

UEX is party to the following joint arrangements:

Ownership interest **Effective March 31, 2015 and December 31, 2014**	**Western Athabasca** [(1)]	**Black Lake** [(2)]	**Beatty River**
UEX Corporation	49.097 %	90.690 %	25.000 %
AREVA Resources Canada Inc.	50.903	9.310	50.702
JCU (Canada) Exploration Company, Limited	-	-	24.298
	100.000 %	100.000 %	100.000 %

(1) Under the terms of the optional six-year, $18 million, 0.9% additional earn-in agreement, UEX's ownership interest has increased to 49.0975% as a result of 2013 ($1,944,020) and 2014 ($5,255) additional exploration expenditures.

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

8. Investments

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

8. Investments (continued)

	March 31 2015	December 31 2014
Common shares held – Uracan [1] (TSX.V: URC) (see Note 14)	$ 12,250	$ 19,250
Warrants held – Uracan (see Note 14)	605	2,937
	$ 12,855	$ 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 fair value of the Uracan shares is based on the market price for these actively traded securities.

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

February 13, 2013 Agreement	March 31 2015	December 31 2014
Number of warrants – Uracan [2]	150,000	150,000
Expected forfeiture rate	0.00%	0.00%
Weighted-average valuation date share price	$ 0.04	$ 0.06
Expected volatility	107.62%	124.13%
Risk-free interest rate	0.51%	1.01%
Expected life	0.87 years	1.12 years
Weighted-average valuation date fair value	$ 0.00	$ 0.01

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

June 23, 2014 Agreement Amendment	March 31 2015	December 31 2014
Number of warrants – Uracan [3]	25,000	25,000
Expected forfeiture rate	0.00%	0.00%
Weighted-average valuation date share price	$ 0.04	$ 0.06
Expected volatility	107.43%	121.77%
Risk-free interest rate	0.50%	1.03%
Expected life	2.23 years	2.48 years
Weighted-average valuation date fair value	$ 0.01	$ 0.03

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

9. Accounts payable and other liabilities

	March 31 2015	December 31 2014
Trade payables	$ 1,046,756	$ 199,851
Other liabilities	437,989	67,570
Uracan – Black Lake program prepayments (see Note 7(v))	58,938	424,034
Flow-through share premium	-	630,984
	$ 1,543,683	$ 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, 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.

10. Income taxes

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

	March 31 2015	December 31 2014
Deferred tax assets		
Losses carried forward	$ 3,675,675	$ 3,512,468
Charitable donations	8,438	8,438
Equipment	182,581	179,648
Share issuance costs	136,132	151,005
Investments	3,607	2,347
	4,006,433	3,853,906
Deferred tax liabilities		
Mineral properties	14,690,382	13,917,555
Net deferred tax liabilities	$ 10,683,949	$ 10,063,649

At March 31, 2015, the Company has non-capital losses available for income tax purposes totaling approximately $13,613,612 (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 period's non-capital losses expiring in 2035.

10. Income taxes (continued)

A reconciliation of income taxes at statutory rates with the reported taxes for the three-month periods ended March 31, 2015 and 2014 is as follows:

	Three-month period ended March 31 2015	2014
Loss before income taxes	$ (622,583)	$ (558,745)
Statutory rates	27%	27%
Income tax recovery at statutory rates	168,097	150,861
Non-deductible expenses and permanent differences	(18,214)	(44,291)
Exploration expenditures renounced net of flow-through premium	(140,145)	-
Future corporate tax rate differences	-	-
Deferred income tax recovery	$ 9,738	$ 106,570
Deferred income tax recovery (expense) – other comprehensive income	$ 945	$ (1,215)

11. Share capital

(a) Authorized

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

(b) Issued and outstanding – common shares

	Number of shares	Value
Balance, December 31, 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 and March 31, 2015	*235,015,069*	$ 177,542,611

11. Share capital (continued)

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

On April 21, 2015, the Company announced, on a best-efforts basis, a private placement of approximately 8,333,333 flow-through common shares at a price of $0.30 per share to raise gross proceeds of approximately $2,500,000, with a 20% over-allotment option. A cash commission equal to 5% of the gross proceeds will be paid to the Agents. As at May 5, 2015, Cameco has not formally informed the Company of its intention to exercise its pre-emptive right to participate in the offering in order to maintain its current ownership interest. Closing of the flow-through private placement is expected to occur in early May of 2015.

(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 March 31, 2015 and December 31, 2014 and changes during the periods 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	1,000,000	0.41
Outstanding, March 31, 2014	17,821,0000	0.93
Granted	1,795,000	0.31
Cancelled	(2,400,000)	1.10
Expired	(1,355,000)	0.92
Outstanding, March 31, 2015 and December 31, 2014	15,861,000	$ 0.84

No options were issued during the three-month period March 31, 2015. 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.

No options were cancelled or expired in the three-month periods ended March 31, 2015 and 2014.

11. Share capital (continued)

(c) Share-based compensation (continued)

As at March 31, 2015, the Company had a total of 15,861,000 share purchase options outstanding related to director, employee and consultant share purchase options, the details of which are as follows:

	Outstanding			Exercisable	
Range of exercise prices	**Number of share purchase options**	**Weighted-average exercise price**	**Weighted-average remaining contractual life (years)**	**Number of share purchase options**	**Weighted-average exercise price**
$ 0.305 - 0.510	4,855,000	$ 0.350	3.928	2,634,999	$ 0.360
0.520 - 1.060	5,476,000	0.810	5.829	5,476,000	0.810
1.070 - 1.450	5,530,000	1.300	4.466	5,530,000	1.300
	15,861,000	$ 0.840	4.772	13,640,999	$ 0.920

The share-based payments reserve values of $2,854,565 as at March 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 quarter ended March 31, 2015 is $66,611 (2014 - $176,755). The amount included in mineral properties for the quarter ended March 31, 2015 is $3,502 (2014 - $15,592) and the remaining $63,109 (2014 - $161,163) was expensed. The unamortized balance of share-based compensation expense for share purchase options that were not vested at March 31, 2015 is $217,552 (December 31, 2014 - $283,693).

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

	March 31 2015	**March 31 2014**
Number of options granted	-	1,000,000
Expected forfeiture rate	-	0.46%
Weighted-average grant date share price	-	$ 0.41
Expected volatility	-	67.90%
Risk-free interest rate	-	1.53%
Expected life	-	4.26 years
Weighted-average grant date fair value	-	$ 0.22

11. Share capital (continued)

(d) Flow-through shares

The Company has financed a portion of its exploration programs through the use of flow-through share issuances. Income tax deductions relating to these expenditures are claimable by the investors and not by the Company. As at March 31, 2015, the Company had spent, on qualified expenditures, $3,010,954 (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 during the three-month period ended March 31, 2015; $940 was incurred (Q1 2014 - $Nil) and has been netted against interest income.

12. Commitments

The Company has an obligation under an operating lease for its office premises which expires November 30, 2015. The future minimum payments are as follows:

	March 31 2015
2015	$ 41,268
2016	-
2017	-
2018	-
2019	-

Other commitments in respect of the Company's mineral properties are disclosed in Notes 7 and 11(d).

13. Management of capital

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

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

14. Management of financial risk

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

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

14. Management of financial risk (continued)

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 – as at March 31, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares – Uracan (TSX-V: URC)	$ 12,250	$ -	$ -	$ 12,250
Warrants – Uracan [1]	-	-	605	605
	$ 12,250	$ -	$ 605	$ 12,855
Investments – as at December 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares – Uracan (TSX-V: URC)	$ 19,250	$ -	$ -	$ 19,250
Warrants – Uracan [1]	-	-	2,937	2,937
	$ 19,250	$ -	$ 2,937	$ 22,187

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

14. 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 (OCI)	Fair Value
Balance, December 31, 2013	*300,000*		$ 27,000
Shares received as partial consideration for the Black Lake Project earn-in (see Note 7(v))	*50,000*		2,750
Gains (losses) for the three months ended March 31, 2014		9,000	
Gains (losses) for the nine months ended December 31, 2014		(19,500)	
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – year ended December 31, 2014		(10,500)	(10,500)
Balance, December 31, 2014	*350,000*		19,250
Changes in fair value – total unrealized gain (loss) on financial assets at FVTPL (shares) – three months ended March 31, 2015		(7,000)	(7,000)
Balance, March 31, 2015	*350,000*		$ 12,250

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 Shares	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 (see Note 7(v))	*25,000*		889
Gains (losses) for the three months ended March 31, 2014		4,481	
Gains (losses) for the nine months ended December 31, 2014		(7,166)	
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) – three months ended March 31, 2015		(2,332)	(2,332)
Balance, March 31, 2015	*175,000*		$ 605

(1) See Note 8 for Black-Scholes assumptions

14. 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.

15. Segmented information

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

16. Office expenses

	Three months ended March 31	
	2015	**2014**
Insurance	$ 12,961	$ 12,818
Office supplies and consulting	113,831	77,318
Telephone	3,703	4,120
	$ 130,495	$ 94,256

17. Related party transactions

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

(a) Related party transactions

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

	Three months ended March 31 2015	2014
Panterra Geoservices Inc. share-based payments [(1) (2)]	$ 2,128	$ 4,834

[(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 11(c).

(b) Key management personnel compensation

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

	Three months ended March 31 2015	2014
Salaries and short-term employee benefits [(3) (4)]	$ 147,613	$ 163,417
Share-based payments [(2)]	55,895	161,921
Other compensation [(5)]	183,000	183,000
	$ 386,508	$ 508,338

[(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 11(c).

[(3)] 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.

[(4)] 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 to Mr. Lemaitre an 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.

[(5)] 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, when the consulting arrangement will terminate. As at March 31, 2015 and 2014, three-quarters of this amount, or $137,250, is included in prepaid expenses (December 31, 2014 - $Nil). During the term of this agreement, Mr. Thody is not entitled to receive director's fees.

Corporate Information

Board of Directors

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

Ed Boney
CFO and Corporate Secretary

Nan Lee
Vice-President, Project Development

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