
U308 CORP.
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of U308 Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

U308 Corp.

Condensed Consolidated Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at June 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 91,151	\$ 796,710
Amounts receivable and other assets (note 6)	31,918	7,384
Investment (note 5)	2,076,395	2,100,786
Total current assets	2,199,464	2,904,880
Total assets	\$ 2,199,464	\$ 2,904,880
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Amounts payable and other liabilities	\$ 1,622,943	\$ 1,610,012
Loan payable (note 16)	226,421	1,197,166
	1,849,364	2,807,178
Non-current liabilities		
Concession fee payable (note 9)	345,169	345,169
	2,194,533	3,152,347
Shareholders' equity (deficit)		
Share capital (note 4)	100,055,946	99,093,360
Warrants (note 14)	-	280,316
Contributed surplus	5,930,572	5,847,541
Deficit	(105,981,587)	(105,468,684)
Total shareholders' equity (deficit)	4,931	(247,467)
Total liabilities and shareholders' equity (deficit)	\$ 2,199,464	\$ 2,904,880

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Going concern (note 2)
Subsequent events (note 18)

Approved by the Board of Directors:

"Richard Spencer" _____ Director

"Trumbull Fisher" _____ Director

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U308 Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three Months ended June 30,		Six Months ended June 30,	
	2022	2021	2022	2021
Expenses				
Exploration and evaluation expenditures (note 9)	\$ 110,907	\$ 54,192	\$ 243,530	\$ 191,802
General and administrative (note 10)	226,878	98,413	290,241	170,823
	(337,785)	(152,605)	(533,771)	(362,625)
Other items:				
Interest expense (note 16)	(9,452)	(19,600)	(29,052)	(39,200)
Gain on sale of Laguna Salada concession (note 11)	-	1,896,370	-	1,896,370
Net unrealized loss on investment (note 5)	(897,634)	(11,262)	(1,029,391)	(11,262)
Foreign exchange loss	24,163	(2,000)	(39,959)	(9,678)
Other income (note 12)	1,119,270	-	1,119,270	-
Gain on dissolution of subsidiary	-	13,707	-	13,707
Net (loss) income and comprehensive (loss) income for the period	\$ (101,438)	\$ 1,724,610	\$ (512,903)	\$ 1,487,312
Basic and diluted loss per common share (note 8)	\$ 0.00	\$ 0.06	\$ (0.02)	\$ 0.06
Basic and diluted weighted average number of common shares outstanding	35,499,507	29,766,533	34,139,830	26,865,545

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

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Condensed Consolidated Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

Six months ended June 30,	2022	2021
Operating activities		
Net (loss) income for the period	\$ (512,903)	\$ 1,487,312
Adjustment for:		
Net unrealized loss on investment	1,029,391	11,262
Share-based payments	83,031	23,186
Gain on sale of Laguna Salada concession	-	(1,625,000)
Gain on dissolution of subsidiary	-	(13,707)
Other income	(1,119,270)	-
Foreign exchange loss	39,959	9,678
Interest expense	29,052	39,200
Non-cash working capital items:		
Amounts receivable and other assets	(24,534)	(22,681)
Amounts payable and other liabilities	86,965	(108,997)
Concession fee payable	-	-
Net cash used in operating activities	(388,309)	(199,747)
Financing activities		
Proceeds from offering	-	1,000,000
Proceeds from warrants exercised	682,270	-
Proceeds from options exercised	-	7,800
Share issuance cost	-	(95,829)
Loan payable	(999,797)	-
Net cash (used in) provided by financing activities	(317,527)	911,971
Effect of exchange rate changes on cash held in foreign currencies	277	4,029
Net change in cash	(705,559)	716,253
Cash, beginning of period	796,710	6,487
Cash, end of period	\$ 91,151	\$ 722,740

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

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Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

(Unaudited)

	Number of common shares	Share capital	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2020	23,043,436	\$ 97,506,361	\$ 280,000	\$ 5,865,832	\$(106,370,515)	\$ (2,718,322)
Private placement (note 4)	6,666,668	580,000	420,000	-	-	1,000,000
Options exercised (note 7)	65,000	14,820	-	(7,020)	-	7,800
Finders warrants (note 4)	-	-	77,151	-	-	77,151
Share issuance cost (note 4)	-	(100,329)	(72,651)	-	-	(172,980)
Share-based payments (note 7)	-	-	-	23,186	-	23,186
Income for the period	-	-	-	-	1,487,312	1,487,312
Balance, June 30, 2021	29,775,104	\$ 98,000,852	\$ 704,500	\$ 5,881,998	\$(104,883,203)	\$ (295,853)
Balance, December 31, 2021	32,088,156	99,093,360	280,316	5,847,541	(105,468,684)	(247,467)
Warrants expiry (note 14)	-	65,401	(65,401)	-	-	-
Warrants exercised (note 14)	3,411,251	897,185	(214,915)	-	-	682,270
Share-based payments (note 7)	-	-	-	83,031	-	83,031
Loss for the period	-	-	-	-	(512,903)	(512,903)
Balance, June 30, 2022	35,499,407	\$100,055,946	\$ -	\$ 5,930,572	\$(105,981,587)	\$ 4,931

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

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U308 CORP

U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations

U308 Corp. (the "Company") is a Canadian exploration company focused on exploration for uranium and related minerals; on the definition of resources and advancing these deposits toward production. The Company was incorporated by articles of incorporation dated December 6, 2005 ("date of incorporation") under the Business Corporations Act (Ontario). The Company's common shares are listed on the NEX board of the TSX Venture Exchange under the symbol UWE.H, and on the OTC QB International under the symbol UWEFF. The Company maintains a registered and records office at 36 Toronto Street, Suite 1050, Toronto, Ontario, M5C 2C5, Canada.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty, including potential restrictions on exploration and development sites access and supply chain disruptions that could delay the exploration and development plans of the properties of the Company.

2. Basis of presentation and going concern

The Company is in the exploration and evaluation stage and as is common with many exploration companies, it raises financing for its exploration and evaluation activities through the sale of equities. The Company has incurred a net loss for the three and six months ended period June 30, 2022 of \$101,438 and \$512,903 (Net income for the three and six months ended period June 30, 2021 of \$1,724,610 and \$1,487,312) and has an accumulated deficit at June 30, 2022 of \$105,981,587 (December 31, 2021 - \$105,468,684). In addition, the Company had a working capital of \$350,100 at June 30, 2022 (December 31, 2021 - working capital of \$97,702).

The Company has taken an impairment allowance against all exploration properties. Additional financings will be required to reinitiate pre-feasibility studies and further develop the properties and to continue operations. There is a significant risk that some, if not all, of the Company's current property holdings may lapse or title to those properties may become uncertain. While the Company's management and board will continue to search for financing, joint venture partners and new assets, there is no guarantee that they will be successful.

The unaudited condensed consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The certainty of funding future exploration expenditures and availability of sources of additional financing cannot be assured at this time and accordingly, these uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include adjustments to the carrying values of recorded liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern.

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U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

3. Significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IASB. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements. The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 3, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2021, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. Share capital

a) Authorized share capital

At June 30, 2022 and December 31, 2021, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued common shares are fully paid.

b) Common shares issued

On March 22, 2021, the Company completed its non-brokered private placement. The Company issued 6,666,668 units ("Units") at a price of \$0.15 per Unit, for total gross proceeds of \$1,000,000 (the "Private Placement").

Each Unit consists of one (1) common share in the capital stock of the Company ("Common Share") and one (1) common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.20 per Common Share until the date which is twelve (12) months following the closing date of the Offering, whereupon the Warrants will expire.

In connection with the Private Placement, the Company paid cash costs of \$95,829 and 445,525 compensation warrants ("Finder Warrants"). The Finder Warrants will be exercisable into Common Shares of the Company at \$0.20 and will be valid for a period of twelve (12) months from the date of closing of the Private Placement.

A pro-rata value of \$420,000 was estimated for the 6,666,668 Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.15; expected dividend yield of 0%; expected volatility of 232.59% using the historical price history of the Company; risk-free interest rate of 0.27%; and an expected average life of one (1) year.

A value of \$77,151 was estimated for the 445,525 Finders' Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.15; expected dividend yield of 0%; expected volatility of 232.59% using the historical price history of the Company; risk-free interest rate of 0.27%; and an expected average life of one (1) year.

All securities issued and issuable pursuant to the Offering are subject to a four month and one day statutory hold period.

A Green Resource Company

U308 CORP

U3O8 Corp.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

5. Investment

As at June 30, 2022 - (at fair value)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Publicly traded investment	\$ 2,076,395	\$ -	\$ -	\$ 2,076,395

The following table presents the changes in fair value measurements of financial instruments.

Investment at fair value	Opening balance	Purchases	Proceeds on Disposition	Realized loss	Net Unrealized loss	Ending balance
Level 1						
- June 30, 2022	\$ 2,100,786	\$ 1,005,000	\$ -	\$ -	\$(1,029,391)	\$ 2,076,395
- December 31, 2021	\$ -	\$ 1,625,000	\$ -	\$ -	\$ (475,786)	\$ 2,100,786

6. Amounts receivable and other assets

	As at June 30, 2022	As at December 31, 2021
Sales tax receivable - (Canada)	\$ 16,600	\$ 1,162
Deposits with service providers	15,318	-
	\$ 31,918	\$ 1,162

7. Stock options

U3O8 Corp's stock option plan (the "Plan") was approved by the shareholders of the Company on June 30, 2009 and subsequent amendments approved on June 27, 2012, July 29, 2015 and August 7, 2020, for the purpose of attracting, retaining and motivating directors, officers, employees and other service providers by providing them with an opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The number of stock options which may be granted under the plan is limited to not more than 10% of the issued common shares of U3O8 Corp., calculated on a non-diluted basis immediately prior to the stock option grant. The exercise price of options granted under the Plan is set at the "market price" of the common shares, which is calculated as the volume weighted average Canadian dollar trading price of the common shares for the five trading days prior to the date of grant. Options vest at the discretion of the board of directors of U3O8 Corp., and in the case of directors, officers, and employees, is generally contingent upon continued service to the Company during the vesting period. The Plan provides that all options outstanding will vest fully in the event of a take-over bid. As well, where there is a change of control, outstanding options granted to directors, officers and employees will immediately vest in full. All options expire on a date not later than five years after the issuance of such option, subject to extensions granted in connection with black-out periods.

A Green Resource Company

U3O8 CORP

U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

7. Stock options (continued)

The Company records a charge to the statement of loss and comprehensive loss account using the Black-Scholes fair valuation option pricing model. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options. The following table reflects the continuity of stock options for the three months ended June 30, 2022 and 2021:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2020	2,288,000	0.27
Exercised	(65,000)	0.12
Balance, June 30, 2021	2,223,000	0.27

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2021	1,223,000	0.19
Granted (a)	2,250,000	0.18
Balance, June 30, 2022	3,473,000	0.19

(a) On June 30, 2022, the Company granted 2,250,000 stock options to board members, management and consultants of the Company pursuant to the Company's stock option plan. The stock options were issued at an exercise price of \$0.16, vest in tranches of 25%, with 25% vesting on grant and the remaining tranches at six-month intervals and will expire on June 30, 2027. For the purposes of the 2,250,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 147% using the historical price history of the Company; risk free interest rate of 3.10%; and an expected average life of five years. The estimated value of \$326,971 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. For the three and six months ended June 30, 2022, the impact on expenses was \$81,743 and \$81,743 (Three and six months end June 30, 2021 \$9,661 - \$23,186).

During the three and six months ended June 30, 2022, \$81,743 and \$83,031 in share-based payments (three and six months ended June 30, 2021 - \$9,661 and \$23,186) related to stock options granted in prior years and vesting during the three and six months ended June 30, 2022. The portion of the estimated fair value of options granted in the current and prior periods and vesting during the three and six months ended June 30, 2022 and 2021, which have been reflected in the consolidated statements of loss and comprehensive loss under salaries and benefits.

Stock option price volatility was based on historical price volatility of the common shares, which is assumed to be an appropriate and approximate proxy for future volatility of a stock option instrument granted for the underlying common shares.

A Green Resource Company

U308 CORP

U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

7. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2022:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
November 14, 2023	0.28	1.38	570,500	570,500	-
August 21, 2025 (b)	0.12	3.15	652,500	652,500	-
June 30, 2027	0.16	5.00	2,250,000	562,500	1,687,500
		4.06	3,473,000	1,223,000	1,687,500

(b) On August 24, 2020, the Company granted 860,000 stock options to board members, management and consultants of the Company pursuant to the Company's stock option plan. Of the options granted, 652,500 remained outstanding at June 30, 2022. The stock options were issued at an exercise price of \$0.12, vest in tranches of 25%, with 25% vesting immediately and the remaining tranches at six-month intervals and will expire on August 21, 2025. For the purposes of the 860,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% using the historical price history of the Company; risk free interest rate of 0.36%; and an expected average life of five years. The estimated value of \$92,744 will be recorded as a cost to salaries and benefits with a corresponding increase to share-based payments reserve as the options vest. For the three and six months ended June 30, 2022, the impact on expenses was \$nil and \$1,288, respectively (Three and six months ended June 30, 2021 - \$9,661 and \$23,186) (cumulative to June 30, 2022 - \$92,744).

8. Loss per common share

The calculation of basic and diluted loss per common share for the three and six months ended June 30, 2022 was based on the loss after tax attributable to common shareholders of \$101,438 and \$512,903 (three and six months ended June 30, 2021 – income after tax of \$1,724,610 and \$1,487,312) and the weighted average number of common shares outstanding of 35,499,507 and 34,139,830, respectively (three and six months ended June 30, 2021 – 29,766,533 and 26,865,545, respectively). Diluted loss per share was not affected by including the 3,473,000 (six months ended June 30, 2021 - 2,223,000) share purchase options and 5,874,141 (six months ended June 30, 2021 - 9,612,193) warrants as they are anti-dilutive.

9. Exploration and evaluation expenditures

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore, or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

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U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

9. Exploration and evaluation expenditures (continued)

The following is a detailed list of expenditures incurred on the Company's mineral properties:

	Three Months Ended June 30		Six Months Ended June 30,	
	2022	2021	2022	2021
Colombia, South America (a)				
Exploration activities	\$ 110,907	\$ -	\$ 233,987	\$ -
Salaries and benefits	-	54,192	-	81,520
	\$ 110,907	\$ 54,192	\$ 233,987	\$ 81,520
Argentina, South America (b)				
Exploration activities	\$ -	\$ -	\$ 9,543	\$ 91,419
Salaries and benefits	-	-	-	18,863
	\$ -	\$ -	\$ 9,543	\$ 110,282
	\$ 110,907	\$ 54,192	\$ 243,530	\$ 191,802

(a) Total cumulative exploration activities incurred in Colombia, South America to June 30, 2022 amounted to \$24,100,758 (December 31, 2021 - \$23,866,771).

Colombia, South America

The Company, holds a 100% interest in a mineral concession (the "Concession Contract") in Caldas Province of central Colombia. A Concession Contract for the Berlin Property was originally granted by the National Mining Agency in Colombia on October 23, 2007 for a 30-year period. On expiry of the Concession Contract in 2037, the Company has the right to apply for an extension of a further 30 years.

The Company is required to pay annual concession fees to the Colombian State for the right to explore those concessions, that constitute the Company's exploration properties in Colombia. During 2021, the Company decided to re-establish operations in Colombia. As a result, the Company has accrued concession fees and expected penalties for 2021 and prior years. The Company has estimated that concession fees payable of \$712,727 are owed to the Colombian State to maintain the Concession Contract in good standing. In the event the Company's estimate of the amounts due is incorrect, it will adjust the amount of the accrual.

The amounts have been recorded as exploration expense and payments are being accreted to their principal amounts at an effective interest rate of 12%.

During the six months ended June 30, 2022, the Company recorded \$nil (six months ended June 30, 2021 - \$nil) in exploration activities relating to Colombia related to the concession fee payable.

	Amount
Balance, December 2020	\$ -
Accrued expenses	712,727
Balance, December 31, 2021 and June 30, 2022	\$ 712,727
Long term portion	\$ 345,169
Current portion	\$ 367,558

Argentina, South America

(b) Total cumulative exploration activities incurred in Argentina, South America to June 30, 2022 amounted to \$15,499,249 (December 31, 2021 - \$15,489,706).

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Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

9. Exploration and evaluation expenditures (continued)

(b) (continued)

Terms of the Option Agreement (continued)

Pursuant to the Option Agreement (note 11) with Consolidated Uranium Inc. ("CUR"), CUR has secured the option to acquire a 100% interest in the Laguna Salada Project (the "Option") in consideration for the following:

- \$50,000 payment to be utilized for property expenditures (paid in 2021);
- The Company obtaining requisite regulatory approvals within six months of signature of the Option Agreement:
 - Issuance of common shares to the value of \$125,000 in the capital of the CUR (the "Common Shares"), priced at the 5-day volume weighted average price ("vwap") one business day prior to the date that the TSX Venture Exchange (the "TSXV") provides conditional approval of the Option Agreement (the "Effective Date") (completed in 2021 - (Note 4)); and
 - a cash payment of C\$175,000 to U3O8 Corp. by CUR. (paid in 2021)
 - The Option is exercisable at CUR's election on or before the second anniversary of the Effective Date, for additional consideration of C\$1,500,000 in Common Shares or cash, at CUR's election. If the Option remains unexercised on the six-month anniversary of the Effective Date, U3O8 Corp. is entitled to C\$50,000 in cash to be utilized for further property expenditures (exercised in 2021 - (note 4)).

If CUR elects to exercise the Option and during the two year option term the price of uranium reaches the milestones below, U3O8 Corp. will also be entitled to receive the following uranium spot price contingency payments:

Uranium Spot Price (USD)	Vendor Payment (Cash or Shares)
\$50	\$505,000
\$75	\$758,000
\$100	\$1,010,000

The Company also received a two-year option term for contingency payments based on the following uranium spot price:

Within five business days of the spot price of uranium reaching USD\$50 the Company will have the option to receive \$250,000, in cash or shares at CUR's election, in lieu of each of the USD\$75 and USD\$100 spot price contingent payments. The spot price contingent payments will expire 10 years following the date the option is exercised.

The spot price exceeded US\$50 per pound in March 2022. In April 2022, the Company received \$505,000 for reaching the US\$50 per pound threshold and concurrently elected to receive \$250,000 in satisfaction of each of the US\$75 per pound threshold and US\$100 per pound threshold. (note 12)

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U3O8 Corp.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

9. Exploration and evaluation expenditures (continued)

(b) (continued)

Terms of the Option Agreement (continued)

Further the Company has the one-time right, exercisable on either the date that is six months or twelve months following the Effective Date of the Option Agreement, to force CUR to exercise the option and satisfy the remaining portion of the option by issuing such number of CUR shares to the Company that results in the Company, together with the CUR shares already owned by the Company, owning an aggregate number of CUR shares equal to 9.9% of the total number of issued and outstanding CUR Shares after giving effect to such issuance. Notwithstanding, subject to the 5 day vwap of CUR's Shares equalling C\$1.00 or greater, in the event that CUR can issue sufficient CUR Shares to the Company to satisfy the remain portion of the option without the Company holding more than 9.9% of the issued and outstanding CUR Shares, then CUR shall issue such number of CUR Shares to U3O8 to satisfy that portion of the remaining option.

All securities issued in connection with the Option Agreement are subject to a hold period expiring four months and one day from the date of issuance.

10. General and administrative

	Three Months ended June 30,		Six Months ended June 30,	
	2022	2021	2022	2021
Salaries and benefits	\$ 81,743	\$ 9,661	\$ 83,031	\$ 23,186
Administrative and general	(4,378)	6,751	5,821	13,964
Professional fees	88,850	58,115	133,830	104,315
Business development	7,548	3,915	9,258	4,021
Reporting issuer costs	53,115	19,971	58,301	25,337
	\$ 226,878	\$ 98,413	\$ 290,241	\$ 170,823

11. Gain on sale of Laguna Salada concession

On June 11, 2021, the Company announced that CUR has chosen to exercise its option to purchase the Laguna Salada Project in Argentina from the Company. (See note 9).

Consideration for the Laguna Salada Project

A summary of the status and related terms of the Option Agreement are as follows:

- On signing the option agreement on December 14, 2020, CUR paid \$50,000 (received) for the Company to maintain the mineral concessions constituting the Laguna Salada Project in good standing.
- The Option Agreement required that an option fee of \$300,000 be paid on the effective date of the Option Agreement following receipt of conditional approval of the TSX Venture Exchange ("TSX-V"). This option fee has two components: \$175,000 is to be paid in cash (received) and \$125,000 in common shares of CUR, which was settled through the issuance of 56,306 common shares of CUR. (received) Since the 5-Day VWAP to June 9, 2021 is C\$2.22, CUR will issue 56,306 common shares to the value of \$125,000 (received).
- CUR agreed to pay an additional \$50,000 in cash (received) to keep the Laguna Salada concessions in good standing.

A Green Resource Company

U3O8 CORP

U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

11. Gain on sale of Laguna Salada concession (continued)

Consideration for the Laguna Salada Project (continued)

- On electing to exercise the option to purchase, which CUR has elected to do by notice to the Company, CUR will pay \$1,500,000 to the Company through the issuance of 675,675 common shares in CUR. These shares will be held in escrow until the mineral concessions that constitute the Laguna Salada Project have been transferred from the Company to CUR. (Received - shares are held in scrow)
- The Company has further upside exposure to the uranium market in that if, within 10 years of the date of the Option Agreement, the spot price of uranium reaches US\$50 per pound (“/lb”), CUR would make a payment of \$505,000. If the spot price were to reach US\$75/lb, CUR would pay the Company \$758,000 and on reaching US\$100/lb, the Company would receive C\$1,010,000.
- The Company may elect, within 5 days of the US\$50/lb threshold being reached for 30 consecutive days, to receive C\$250,000 en lieu of each of the US\$75/lb and US\$100/lb threshold payments.

Closing of the acquisition remains subject to satisfaction of certain closing conditions customary for a transaction of this nature. All securities issued in connection with the Option Agreement are subject to final approval of the TSX-V. The shares are subject to a statutory 4 month and one day hold period.

CUR exercised the option to purchase the property on June 11, 2021. The contingent uranium price payments were made in April 2022 (see noted 12).

12. Other income

The Company settled a number of liabilities in 2022, or reduced or eliminated the need for an accrual against certain potential expenses, recognizing a gain of \$114,270 during the three and six months ended June 30, 2022 (Three and six months ended June 30, 2021 - \$nil).

In March, 2022, the uranium price exceeded US\$50 per pound and the Company was entitled to receive a \$505,000 contingency payment from CUR. Concurrently, the Company had the option to elect a further \$250,000 payment related to a US\$75 per pound of uranium option and a further \$250,000 payment related to a US\$100 per pound of uranium option. The Company notified CUR that intended to elect to receive the \$250,000 payments for each of the US\$75 and US\$100 per pound of uranium options. On April 14, 2022, the Company received 374,441 CUR shares to satisfy the \$1,005,000 payment, which was included as other income in the condensed consolidated statements of loss and comprehensive loss.

13. Equity accounted investment

As at June 30, 2022, the Company had a 38.9% equity interest in SAS (as defined in note 3(c)(ii)), which is a private company (December 31, 2021 – 38.9%). Since inception, SAS has incurred losses and the Company is not required to fund any losses incurred by SAS beyond its initial equity investment and the investment in SAS has a carrying value of \$nil (December 31, 2021 - \$nil).

A Green Resource Company

U308 CORP

U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

14. Warrants

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2020	2,500,000	0.40
Issued	7,112,193	0.20
Balance, June 30, 2021	9,612,193	0.25
Balance, December 31, 2021	5,874,141	0.20
Exercised	(3,411,251)	0.20
Expired	(2,462,890)	0.20
Balance, June 30, 2022	-	0.00

15. Related party balances and transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
John C. Ross Consulting Inc. (i)	\$ 12,500	\$ 7,500	\$ 20,000	\$ 15,000

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At June 30, 2022, \$81,425 is included in amounts payable and other liabilities (December 31, 2021 - \$65,500).

(b) The Company defines its key management personnel as its Board of Directors, Chief Executive Officer ("CEO"), and CFO. Remuneration of Directors and key management personnel of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Share based payments	\$ 67,715	\$ -	\$ 69,003	\$ 9,278

The Board of Directors do not have employment or service contracts with the Company. There were no director fees accrued or paid during the three and six months ended June 30, 2022 (three and six months ended June 30, 2021 - \$nil). The CEO of the Company was owed \$400,584 as at June 30, 2022 (December 31, 2021 - \$400,584). In addition, a director of the Company was owed \$26,287 as at June 30, 2022 (December 31, 2021 - \$20,400).

(c) See note 16 for details of the loans advanced from a director of the Company during the three months ended June 30, 2022 and 2021. In addition, another company controlled by the same director was owed \$41,000 as at June 30, 2022 (December 31, 2021 - \$41,000). The payable is non-interest bearing and due on demand and is included in accounts payable and other liabilities.

A Green Resource Company

U308 CORP

U308 Corp.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

16. Loan payable

During the years ended December 31, 2021 and 2020, the Company entered into a series of advances from Bambazonke Holdings Ltd. ("Bambazonke"), pursuant to which Bambazonke agreed to lend the Company cash to fund working capital. Amounts outstanding under loan payable incur interest at a rate of 8% per annum and the principal and interest payable thereon will be repaid on a best efforts basis. Bambazonke is a company controlled by a director of the Company. Cumulative advances at June 30, 2022 amounted to \$nil (December 31, 2021 - \$980,000). Interest payable of \$226,421 was included in loan payable as at June 30, 2022 (December 31, 2021 - \$217,166). During the six months ended June 30, 2022, the Company paid out the full capital amount. No interest and capital was repaid during December 31, 2021.

17. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of uranium properties in South America. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

June 30, 2022

	Canada	Colombia	Argentina	Total
Current assets	\$ 2,199,464	\$ -	\$ -	\$ 2,199,464
	\$ 2,199,464	\$ -	\$ -	\$ 2,199,464

December 31, 2021

	Canada	Colombia	Argentina	Total
Current assets	\$ 2,904,880	\$ -	\$ -	\$ 2,904,880
	\$ 2,904,880	\$ -	\$ -	\$ 2,904,880

18. Subsequent events

On July 11, 2021, the Company announced a debt settlement and to conduct on or around July 29, 2022, a non-brokered private placement of 18,181,818 units (the "Offering") to raise gross proceeds of \$2 million, and on July 13, 2022, the Company announced that has increased the size of the previously announced Offering to 22,727,272 units and gross proceeds of \$2.5 million on the following terms:

- Unit price: \$0.11.
- Each Unit consist of one Common Share and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional Common Share of the Company at a price of \$0.15 for a period of three years from the date of issuance, subject to the acceleration clause described below.
- In the event that the closing price of the Common Shares is equal to or greater than \$0.40 for 30 consecutive days on which the TSXV is open for trading, the Company shall have the option to accelerate the expiry of the warrants to 60 calendar days after the 30th day on which the Corporation's shares traded at or above \$0.40.
- Certain eligible finders who direct investors to participate in the private placement shall be paid a cash fee of 7% of the value of the subscriptions from such investors and shall be issued such number of finders' warrants ("Finders' Warrants") up to 7% of the Units sold to such investors. Finders Warrants shall have the same terms as the Warrants.
- All securities issued and issuable pursuant to the Offering will be subject to a hold period of four months and one day from the Closing Date. Closing: the closing of the private placement is expected to be on or about July 29, 2022 and shortly prior to the tier graduation to the TSXV.

A Green Resource Company

U308 CORP

U3O8 Corp.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

18. Subsequent events (continued)

- Use of proceeds: to provide additional working capital to reinitiate operations in Colombia to advance the Berlin Deposit and for general corporate purposes.
- Completion of the Offering is subject to the receipt of all regulatory approvals including the approval of the TSXV.

Debt settlement

The Board approved the repayment of the loan in cash and the Company repaid the principal on May 10, 2022. The Board also approved the payment of salary-related debt to senior management of the Company. In 2015, the CEO agreed to write off \$217,225 in accrued salary. In addition, an amount of \$803,481 was owed to the CEO, CFO and management personnel in Argentina and Colombia, related to salary deferral commencing in 2015. A settlement was reached with these individuals for a 25% discount. The settlement included \$228,671 in cash, the majority of which has already been paid, and \$362,448 in equity in U3O8 Corp., with \$212,362 of deferred salary forgiven to facilitate the Company's application to list its Common Shares on the TSXV. The debt settlement includes the issuance of shares at a price of \$0.15 per Common Share. Hence, a total of 2,416,319 Common Shares are planned to be issued in the debt settlement and will increase the number of issued and outstanding shares by 6.3%. All securities issued and issuable pursuant to the Debt Settlement will be subject to a hold period of four months and one day from the Closing Date. Completion of the Debt Settlement is subject to the receipt of all regulatory approvals including the approval of the TSXV.

A Green Resource Company

U3O8 CORP