



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**U308 CORP.**

**YEAR ENDED DECEMBER 31, 2020**

**Prepared by:**

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## Introduction

This Management's Discussion and Analysis ("MD&A") is dated April 30, 2021, unless otherwise indicated, and should be read in conjunction with the audited consolidated financial statements of U308 Corp. ("U308 Corp.", "the Company") for the year ended December 31, 2020 and the related notes. This MD&A was written to comply with National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian Dollars, unless otherwise noted. The results presented for the year ended December 31, 2020, are not necessarily indicative of the results that may be expected for any future period.

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2020. Information about U308 Corp., its minerals resources and technical reports prepared in accordance with National Instrument 43-101 ("NI 43-101") are available at [www.u3o8corp.com](http://www.u3o8corp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## Overview

U308 Corp. is a Toronto-based exploration company focused on exploration and development of resources of uranium and battery commodities in South America. The Company's principal asset is the Berlin Project ("Berlin") in Colombia. The Company has entered into an option agreement to sell the Laguna Salada Project ("Laguna Salada") in Argentina.

The Company's uranium-phosphate-vanadium-nickel – rare earth element ("REE") Berlin Deposit has a positive preliminary economic assessment ("PEA")<sup>1</sup>. A high capital cost estimate ("capex") made Berlin difficult to advance and the project was written down to \$Nil during the year ended December 31, 2016. Estimates in the PEA are that uranium would contribute 35% of revenue while battery commodities would account for approximately 57% of revenue (vanadium 95, nickel 15%, phosphate 31% and zinc 2%). With the acceleration of electrification and the uptake of electric vehicles, Berlin's mix of commodities are well matched with the pivot towards clean energy. The Company is advancing the Berlin Project through tests on membrane technology as a means of lowering capital and operating cost estimates that if successful, have the potential to positively impact the economics of the deposit. In addition to this focus on the economics of the resource area, exploration results demonstrate the potential to increase the size of the deposit.

In September 2014, the Company reported a positive PEA<sup>2</sup> on Laguna Salada which showed low production cost potential. Since then, technological improvements in recovery methods and the relative values of the potential uranium and vanadium revenue streams have resulted in an ongoing re-assessment of the PEA assumptions. Due to the sustained bear market in uranium, and the associated difficulty of attracting capital to advance uranium projects, Management determined that the Laguna Salada Project was impaired at December 31, 2019 and has written the asset value of the Project down to \$Nil.

On December 14, 2020, the Company announced that it had entered an option agreement to sell its Laguna Salada Project in Argentina. The Company received an immediate \$50,000 cash payment. Other potential payments, on meeting certain milestones within six months of signing the option agreement, would result in the Company receiving \$125,000 in shares of the acquiring company and \$175,000 cash. The option can be exercised within two years of the date of signing for a further payment of \$1,500,000 in either cash or shares of the acquiring company.

<sup>1</sup> PEA – See the January 18, 2013 technical report: "Berlin Project, Colombia – Preliminary Economic Assessment, NI 43-101 Report." The PEA is preliminary in nature. The PEAs include Inferred mineral resources that are considered too speculative geologically for economic consideration that would enable them to be classified as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the results of the Berlin PEA will be realized.

<sup>2</sup> PEA – See the September 18, 2014 technical report: "Preliminary Economic Assessment of the Laguna Salada Uranium Vanadium Deposit, Chubut Province, Argentina." The PEA includes Inferred mineral resources that are considered too speculative geologically for economic consideration that would enable them to be classified as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the results of the Laguna Salada PEA will be realized.

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Period Ended December 31, 2020

The Company has a 38.9% interest in an early-stage investee company, South American Silica Corp. ("SAS"), a private company dedicated to the identification of frac sand deposits in southern South America – the principal target market for which would be the Vaca Muerta shale oil and gas reservoir in Argentina.

To date, the Company has not earned any revenues from its exploration for uranium, battery commodities or frac sand.

In the twelve months ended December 31, 2020, the Company incurred cumulative cash exploration expenditures of \$0.1 million (excluding stock-based compensation and amortization), largely to maintain the Argentine property in good standing and keep the Colombia property on a care and maintenance basis.

At December 31, 2020, the Company had \$6,487 in cash ("total cash") (December 31, 2019 – \$77,098) and a working capital deficit of \$2,718,322 (December 31, 2019 – working capital deficit of \$2,232,758). The Company arranged an unsecured line of credit for \$1 million, to be repaid at an unspecified future date. The line of credit, made available by an insider, incurs interest of 8% per annum. In Q1 2020, the Company drew \$150,000 and accrued interest of \$14,300. In Q2 2020, the Company drew \$50,000 and accrued interest of \$17,800. In Q3 2020, the Company drew \$90,000 and accrued interest of \$18,400. In Q4 2020, the Company accrued interest of \$19,600. In 2019, the Company drew \$320,000 against the line of credit and accrued interest of \$43,733. These loan balances are recorded as a loan payable on the balance sheet.

The Company is also pursuing multiple strategic partnerships and investment options to provide funding through which its projects could be advanced to the next milestones and finally, production. Further financings will be required to develop the Company's deposits, to meet ongoing obligations and discharge liabilities in the normal course of business. Improving sentiment towards battery commodities and uranium is starting to make capital markets more accessible for junior exploration companies. However, there is no guarantee that funds can be raised on terms acceptable to the Company. The Company's exploration activities are discretionary and therefore there is some flexibility in the pace and timing of development of the properties. Expenditures may be adjusted, limited or deferred subject to current capital resources and potential to raise funds. The Company will continue to manage its expenditures that are essential to the viability of its properties.

As of December 31, 2019, the Company was not compliant with all of the Toronto Stock Exchange ("TSX") requirements and on February 26, 2020, the Company was delisted from the TSX and trading opened concurrently on the NEX, a trading platform of the TSX Venture Exchange ("TSX-V"). There is no change in the Company's name, no change in its CUSIP number and no consolidation of capital. The symbol extension (".H") differentiates the NEX listing from Tier 1 or Tier 2 symbols within the TSX-V. The NEX board is designed as a platform for the trading of publicly listed companies while they seek and undertake transactions in furtherance of their reactivation as companies that will carry on an active business.

On December 14, 2020, the Company announced that it had entered an option agreement to sell its Laguna Salada Project in Argentina. The Company received an immediate \$50,000 cash payment in 2021, after regulatory approval was received. Other potential payments, on meeting certain milestones within six months of signing the option agreement, would result in the Company receiving \$125,000 in shares of the acquiring company and \$175,000 cash. The option can be exercised within two years of the date of signing for a further payment of \$1,500,000 in either cash or shares of the acquiring company.

On March 22, 2021, the Company announced it had closed a private placement of \$1,000,000, issuing 6,666,668 common shares and 6,666,668 common share purchase warrants. Each warrant can be exercised for one common share at a price of \$0.20 for a period of 12 months from the close of the placement.

## Going Concern

The Company is in the exploration and evaluation stage and, as is common with many exploration companies, it raises funds for its exploration and evaluation activities through the sale of equities. Historically, the Company has explored for uranium and related battery elements such as vanadium, nickel and phosphate. The price of uranium has been on a downtrend for the last decade but does appear to be putting in a strong base from which the price is beginning to rise. As the battery elements market has matured, so focus has started to switch from the obvious components like lithium and cobalt to nickel and now vanadium and phosphate. This appreciation of the broader spectrum of elements that are crucial to battery production could potentially create ongoing opportunities for the Company to raise funds to advance its projects.

The Company has incurred a loss in the current and prior periods, with a net loss for the year ended December 31, 2020 of \$383,308 (December 31 2019 - \$3,581,365) and has an accumulated deficit of \$106,370,515. In addition, the Company had a working capital deficit balance of \$2,718,322 at December 31, 2020 (December 31, 2019 - \$2,232,758).

The Company has taken an impairment allowance against all exploration properties. Additional financings will be required to reinstate 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 these efforts will be successful.

The 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.

## Change of Board of Directors

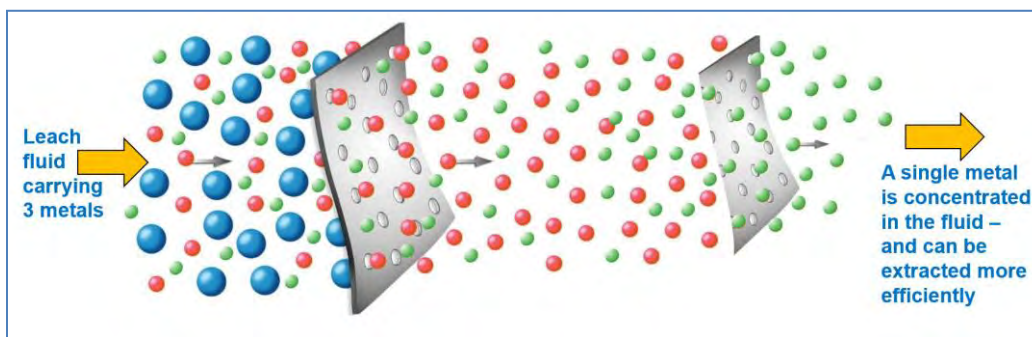
During 2020, the Company appointed two new Board members, Ms. Helen Molesworth and Dr. Scott Morrison. Ms. Molesworth is a gemologist and classicist. She has a BA (Oxon) and has international experience across the coloured gemstone industry. She is a recognized gems and jewellery expert, who has worked at Sotheby's and Christie's, and launched a coloured gemstone Academy out of Hong Kong and China. Dr. Morrison is a Professional Engineer with a B.Sc in Geology and a Ph.D in metallurgy. He currently serves as a director of Zinc Oxide LLC, the largest producer of zinc products in the USA and of AK Altynalmas, a leading gold producer in Kazakhstan.

Messrs. David Constable, David Franklin, Pablo Marcet and David Marsh did not stand for re-election at the AGM in 2020. Messrs. Constable, Marcet and Marsh are on contract to the Company for one year to ensure that their expertise continues to be available to Management and Board.

## Principal Assets

The Company's principal exploration project is located in Colombia, South America. The Berlin Deposit, in which battery commodities (vanadium, nickel and phosphate) constitute the bulk of the mineral value, followed by uranium and rare earth metals, consists of a mineralized layer of limestone and sandstone in a sedimentary sequence. The PEA undertaken on Berlin showed positive economics, but the high capital cost estimate constituted a major impediment to advancing the project in a declining uranium market and a nascent battery commodities market.

On March 29, 2021, the Company commenced work to determine the efficiency of membrane technology to reduce estimated operating and capital costs on the Berlin deposit. The membranes would act like a series of screens that are arranged from those with the largest apertures to the smallest, resulting in the capture of specific target molecules between the upstream screen that has apertures large enough for the target molecules to pass through, and those on the downstream side that are just small enough to prevent the target molecules from passing (Figure 1). Screens that are engineered to have apertures apt for the capture of uranium, vanadium, phosphate, nickel, zinc and rare earth elements present in the mineralized rock at Berlin could segregate the metals into streams from which each commodity could be more efficiently captured, resulting in lower recovery costs.



**Figure 1. Illustration of membrane screening technology to concentrate molecules of interest for recovery from the pregnant liquor solution derived from extracting commodities from mineralized rock.**

A \$7.7 million impairment allowance was taken on the Berlin Project in 2016, in compliance with IFRS rules. The project had been on care and maintenance due to the protracted bear market in uranium and the extreme dilution associated with raising funds through the issue of stock in private placements at the low share price that prevailed at the nadir of the uranium bear market. The Board and Management of U308 Corp. believe that the Berlin deposit is an exceptional deposit, containing uranium for clean nuclear energy and battery commodities for the growing energy storage and electric vehicle market. Significant future expenditure on the project may allow the Company to reverse the impairment charge.

The Company also has a 38.9% interest in an early-stage investee company, South American Silica Corp. ("SAS"), a private company dedicated to the identification of frac sand deposits in southern South America – the principal target market for which would be the giant Vaca Muerta oil and gas shale in Argentina.

### Berlin Deposit

The Berlin deposit is a geologically rare combination of elements, principally uranium, vanadium, nickel and rare earth elements ("REE") in a layer of phosphate-bearing limestone that transitions to sandstone in a layered sedimentary sequence in Caldas Province of central Colombia. The deposit is located 12km from a hydroelectric dam and infrastructure is good, providing access both to the Caribbean and Pacific coasts. Expensive bench-scale metallurgical tests showed that, despite the multi-commodity nature of the deposit, leaching of the mineral-bearing rock with an acidic ferric sulphate solution extracted the commodities into solution efficiently. Most of the high capex on the project related to separating the various commodities from the solution in which they were dissolved to form the pregnant liquor solution ("PLS").

The PEA modelled 35% of revenue coming from uranium, 31% from phosphate, 15% from nickel, 9% from vanadium, 7% from REE (of the 17 REE's only revenue from the higher-grade yttrium and neodymium were considered in the economic analysis although all REEs were recovered to the PLS) and 3% from molybdenum and zinc. The economic model included a mill throughput of 0.5 million tonnes per annum

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over a 16-year mine-life. Revenue was estimated at US\$ 2.8 billion and opex at US\$1.4 billion, generating free cashflow of US\$1.4 billion. However, the capex was high at US\$441 million, resulting in an after-tax NPV at a 7.5% discount rate of US\$198 million and an IRR of 17%.

Recent advances in membrane technology provide a promising means of reducing both capex and opex at Berlin; positive results of test work could be transformational to the project. Membrane technology is based on the concept that every molecule has a specific size. By designing membrane screens that have apertures of various sizes, molecules can potentially be segregated and collected in a fashion which is both economic and significantly more environmentally benign than using chemicals. Although this technology is not yet proven for Berlin, positive results from test work could dramatically improve the project's economics.

The mineralized trend at Berlin is 10.5km long. The resource was estimated on close-spaced drilling in the southern 3.5km of the mineralized trend and a further 3km underwent exploration drilling, yielding results similar to the intercepts on which the resource had been estimated. Furthermore, trenching on the northern 4km of the trend revealed similar mineralization, in terms of grade and thickness, to the resource area. These data suggest that the resource at Berlin could be increased significantly through tighter-spaced drilling as required by the resource estimators.

### Uranium Resources<sup>3</sup>

U3O8 Corp. has uranium resources that were estimated in compliance with NI 43-101 in Colombia and Argentina (Table 1). Mineral resources in the deposits are open along strike and exploration drilling and trenching adjacent to each of the deposits shows significant resource growth potential.

**Table 1. U3O8 Corp. uranium resource summary.**

Deposit	Mineral Resource	Tonnes (million)	Grade U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub> lbs (million)
Laguna Salada (Argentina)	Indicated	47.3	60ppm	6.3
	Inferred	20.8	85ppm	3.8
Berlin Project (Colombia)	Indicated	0.6	0.11%	1.5
	Inferred	8.1	0.11%	19.9

### Battery Commodity Resources

The Company's Berlin deposit contains a basket of battery commodities including vanadium, nickel and phosphate (Table 2).

- The Berlin Deposit contains nickel that is a critical component of two types of lithium ion batteries, lithium-nickel-manganese-cobalt ("NMC") and lithium-nickel-cobalt-aluminium oxide ("NCA") batteries; and
- Phosphate, found in the Berlin Deposit, is principally used in agricultural fertilizer, but is being increasingly used in the battery industry, for example in the lithium-iron-phosphate ("LIP") battery.

<sup>3</sup> Laguna Salada – see May 20, 2011: "Laguna Salada Project, Chubut Province, Argentina, NI 43-101 Technical Report on Laguna Salada: Initial Resource Estimate". Berlin Project – see March 2, 2012: "Berlin Project, Colombia – National Instrument NI 43-101 Report". Kurupung Project – See June 26, 2012: "Technical Review and Mineral Resource Estimates of the Aricheng C and Aricheng West Structures, Kurupung Uranium Project, Mazaruni District, Guyana for U3O8 Corp."

**Table 2. U308 Corp. battery commodity resource summary.**

Deposit	Mineral Resource	Tonnes (million)	Vanadium		Nickel		Phosphate	
			Grade V <sub>2</sub> O <sub>5</sub>	V <sub>2</sub> O <sub>5</sub> (Mlbs)	Grade	Million pounds	Grade P <sub>2</sub> O <sub>5</sub>	P <sub>2</sub> O <sub>5</sub> tonnes
Laguna Salada <sup>4</sup> (Argentina)	Indicated	47.3	550ppm	57.1	-	-	-	--
	Inferred	20.8	590ppm	26.9	-	-	-	--
Berlin Project (Colombia)	Indicated	0.6	0.4%	6.0	0.2%	3.1	8.4%	50,000
	Inferred	8.1	0.5%	91.0	0.2%	42.1	9.4%	800,000

## Trends

### Economic Viability of U308 Corp.'s Deposits

The Company's financial success depends largely on the extent to which it can demonstrate the economic viability of its deposits. The positive PEA on Berlin demonstrates the potential viability of the deposit as a battery-commodity producer with by-product uranium and that on Laguna Salada demonstrates its potential viability as a uranium and vanadium producer.

A note of caution is that the PEA is based on Inferred and Indicated resources in which the continuity of mineralization between relatively widely spaced trenches and bore holes is assumed. Inferred and Indicated resources would be converted to Measured resources based on closer-spaced trenching and/or drilling that gives a higher level of confidence on the continuity of mineralization between drill holes or trenches. Pre-feasibility studies are required to be based on Measured and Indicated resources, and only that portion of resources that can be economically extracted can be classified as a mineral reserve. Hence, the PEAs represent the first step in defining the economic characteristics of the deposits. While the PEAs have estimated favourable economics and demonstrate that the deposits should be relatively low-cost uranium producers, these financial estimates require confirmation in PFS and FS as the projects are advanced in a logical, stepwise manner.

The Company, to date, has not produced any revenues. The sales value of any mineralization discovered by U308 Corp. is, to some extent, dependent upon factors beyond the Company's control, such as the market value of the commodities.

## Uranium

### International Market

In February 2021, Cameco highlighted the "megatrend" of increasing electrification and commitment by companies and countries to net zero carbon emissions. "Non-traditional" nuclear, such as small modular reactors ("SMR"s) and new, advanced reactor designs, as well as nuclear's potential central role in the production of low-carbon heat for the production of hydrogen for hydrogen-powered vehicles, as well as in desalination of sea water, are likely to drive demand for uranium in the medium-term. The Biden administration has expressed support for maintaining the existing domestic nuclear power fleet and the construction of advanced reactors, as well as recommitting to the Paris Agreement. China, the world's largest emitter of greenhouse gases, has committed to peak emissions being in 2030 and declining to net zero by 2060. where the new administration.

<sup>4</sup> Laguna Salada – The Laguna Salada PEA shows that vanadium grades can be increased by 4 times the in-situ grade by scrubbing and screening.

The International Atomic Energy Agency (“IAEA”) reports that at April, 2021, there were 441 operable reactors world-wide with a further 54 under construction (Table 3). “Operable” reactors are those that are connected to the electricity grid.

**Table 3. Summary of worldwide nuclear power plant statistics.**

Period	Operable	Under Construction	Total Operable & Under Construction
April, 2021	441	54	495

Uranium production has been declining due to mine production costs since 2016 and only recently has there been indications that this trend may reverse. Mine production was reduced by 6 million pounds (“Mlbs”) in 2016, 12Mlbs in 2017, 34Mlbs in 2018, 36Mlbs in 2019 and 38Mlbs in 2020. Producers have been buying uranium on the spot market, rather than deplete their mine reserves in a weak uranium market. Cameco reported that it purchased 19Mlbs of uranium in 2019 and approximately 22Mlbs in 2020 to fulfill its higher-priced term contracts, while producing only 5Mlbs of uranium in 2020. Cameco intends to buy approximately 10Mlbs per year in the spot market in 2021 and 2022. Dennison Mines has announced plans to buy approximately 2.5Mlbs on the spot market, as has Uranium Energy Corp. (0.4Mlbs) and Yellowcake PLC approximately 4.7Mlbs. The COVID-19 pandemic resulted in prolonged curtailment of supply by Kazatomprom, the world’s largest producer, by 15% in 2020. Cantor Fitzgerald estimates that COVID-related production cuts have removed 46Mlbs, approximately 35%, from world-wide supply. Cameco has indicated that it will resume operations at Cigar Lake and the McClean Lake mill in May 2021.

The uranium spot price reached a low of US\$18/lb in late 2016 and has since recovered to approximately \$31/lb, while the long-term contract price is at US\$33.75/lb.

### Small Modular Reactors

Regulators are working closely with companies that are developing and testing SMR designs. Most SMRs draw on technology that has been used to power nuclear submarines and ships since the 1950’s. SMRs are expected to have significantly lower up-front unit costs than large-scale nuclear generators because most SMRs can be built at a central facility in an assembly-line environment, before being shipped to site by rail or truck. The core of these reactors is typically the size of a 40-foot shipping container. SMRs have the potential to supply reliable, baseload, low-carbon electricity to remote sites without the added cost and environmental impact of regional high-tension transmission lines required to link the site to a regional electricity grid.

In late July, 2020, the US Senate passed the Nuclear Energy Leadership Act that aims to re-establish waning US leadership in nuclear energy. SMR technology appears to be a primary beneficiary of this bill. NuScale, an Oregon-based company, obtained approval of its 60MWe SMR design from the US Nuclear Regulatory Commission in September, 2020. NuScale subsequently announced a 25% increase in power output to 77MWe from the unit that was originally designed for 60MWe output. The updated NuScale design can accommodate up to 12 SMRs clustered together for a total output of 924MWe. NuScale and Utah Associated Municipal Power Systems signed an agreement in January 2021 to deploy SMRs at the Idaho National Laboratory that could lead to the first SMR orders in 2022 (12 power modules for a system that would generate 720MWe).

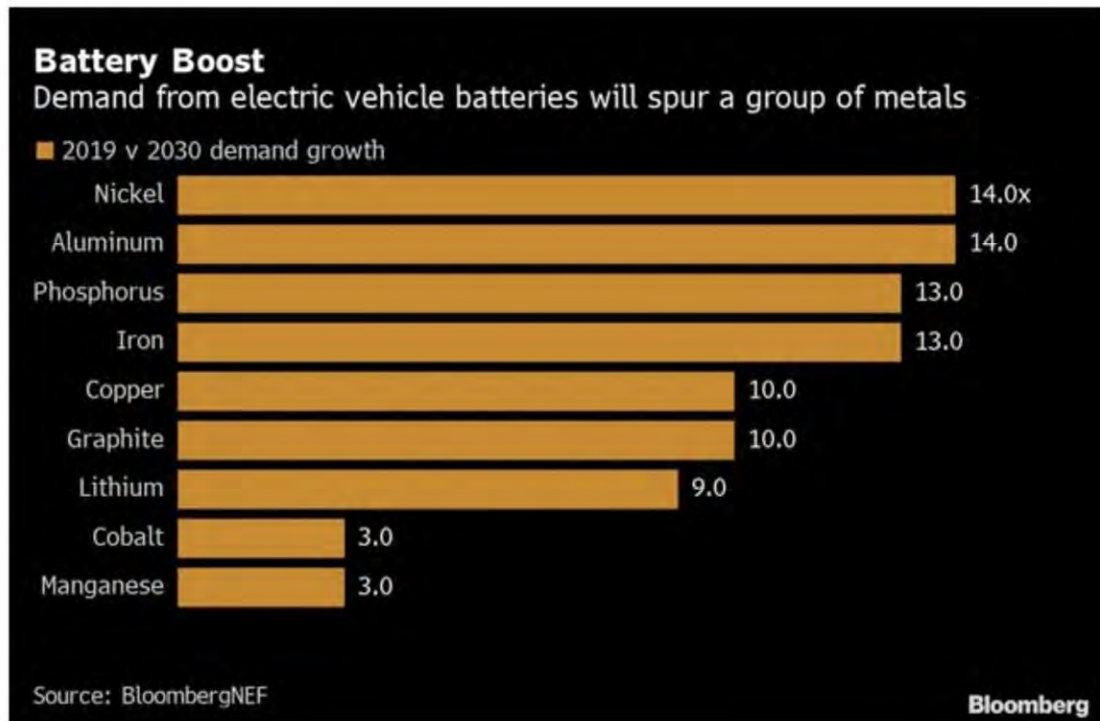
Russia recently commissioned the world’s first ship-borne nuclear reactor, a 60MWe unit designed to provide electricity to remote coastal towns and for disaster relief. The ship-borne SMR was connected to the electricity grid in the remote Pevek region of eastern Russia’s in December, 2019. There is potential for ship-mounted reactors to provide charging stations along electric shipping routes as electrification starts to extend to parts of the maritime fleet. In March 2019, China launched a tender process for the construction



of twin 25MW SMRs to power a 30,000 tonne ship – a move that could mark the first step in a fundamental shift in the way cargo ships are powered.

### Battery Commodities

Energy storage for variable output renewables and electric vehicles is drawing attention to the commodities required for batteries as many countries strive to reduce their carbon footprint. Bloomberg has recently highlighted the importance of other battery commodities apart from those that have been in the limelight for the last couple of years, namely lithium and cobalt (Fig. 2). Demand for nickel and phosphorous is predicted to increase significantly as a result of battery demand.



**Figure 2. Estimated increase in demand for the principal commodities used in battery manufacture (source: Bloomberg).**

### Vanadium

The Company's Berlin and Laguna Salada deposits contain vanadium. Currently, over 90% of the world's vanadium demand is from the steel alloy industry since adding just two pounds of vanadium to a tonne of steel doubles the strength of the steel. China now requires higher building construction standards to mitigate structural damage caused by earthquakes and vanadium steel is now required for rebar.

Demand is rising in the energy storage industry with the battery sector's consumption is estimated to be growing at 6%-8% CGAR. Vanadium demand for batteries is principally from vanadium redox flow batteries ("VRB"), but also from certain types of lithium-ion batteries such as the lithium-ion vanadium phosphate ("LVP") type.

The selection of a VRB for the construction of the world's largest battery is drawing attention to its energy storage capacity at a truly industrial scale. The choice of the VRB for the Dalian site in China was based on the battery's reliability, life of more than 20 years, and the fact that the electrolyte is fully recyclable at

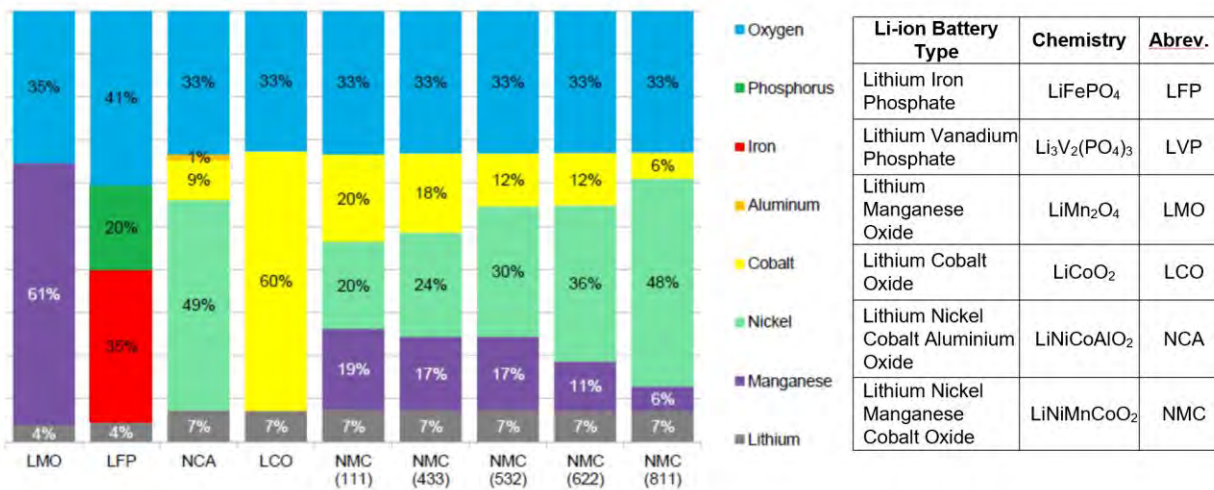
the end of the battery's life. The 200MW / 800MWh battery has sufficient capacity to power 100,000 typical western homes for eight hours is nearing completion.

Vanadium prices bottomed in early 2016, from which there was a dramatic increase to \$28/lb in November 2018, a peak from which it has settled to the current price of about \$7.90/lb.

**Nickel**

Nickel is a component of many lithium-ion batteries (Figure 3), including NMC used in electric vehicles produced by Nissan, GM and BMW. NCA is the battery of choice of Tesla-Panasonic for Tesla cars, trucks and Tesla Power-Packs for home energy storage. Current prices are approximately US\$7.25/lb.

**Metal content by battery chemistry**



**Figure 3. Illustration of commodity content of various lithium-ion batteries.**

**Phosphate**

The importance of phosphorous in battery technology is often overlooked. Phosphate provides thermal stability that enhances the safety characteristics of lithium-ion batteries. It is a component of LVP and lithium iron phosphate (“LFP”) batteries. LFP batteries are manufactured by Chinese manufacturer BYD for its electric bus and truck models and are being used in Tesla’s Chinese manufactured cars. Phosphate also increases the quantity of energy that can be stored per unit volume of VRBs. Phosphate (reported as phosphoric acid) prices have ranged between US\$500 and US\$1,000 per tonne over the last ten years. The current price of phosphoric acid is approximately US\$790 per tonne.

**Financial Risk**

Although U308 Corp. raised funds in 2018 to advance its projects at a slow pace, current trends in the financial and commodity markets have limited the Company’s ability to develop and/or further explore its assets. Operations in 2020, 2019 and 2018 were financed via a loan from one of the Directors. This has ensured that the capital structure of the Company has remained tight. Subsequent to year-end, a non-brokered private placement was done to allow the Company to progress its Berlin Project in light of the strengthening uranium and battery commodities market. Management monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in short-term operating and longer-term strategic decisions. See “Risk Factors” below.

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## Technical Disclosure

Dr. Richard Spencer, President and CEO of the Company, is a "qualified person" as defined by NI 43-101. Dr. Spencer has supervised the preparation of, and verified, all technical information contained in this MD&A related to the Company's projects in South America.

## Selected Annual Financial Information

Selected annual financial information for the Corporation is summarized in Table 4.

**Table 4. Selected annual financial information for U308 Corp.**

For Year Ended December 31,	2020	2019	2018
Net loss	\$383,308	\$3,581,365	\$1,403,857
Net loss per share (basic and fully diluted)*	\$0.02	\$0.16	\$0.07
As at December 31,	2019	2019	2018
Total assets	\$ 7,649	\$ 99,453	\$2,989,877

(\*) U308 Corp. did not have any loss before discontinued operations or extraordinary items for each period presented. Per share results restated to reflect the share consolidation which occurred in September 2017.

## Summary of Quarterly Results

The results for the eight most recent quarters have been prepared in accordance with IFRS as listed in Table 5.

**Table 5. Summary of quarterly results, U308 Corp.**

Three Months Ended (*)	Net Gain (Loss) (\$)	Basic and Diluted Loss Per Share (\$)
2020 December 31	\$ 17,950	\$ 0.00
2020 September 30	(128,816)	(0.01)
2020 June 30	(117,393)	(0.01)
2020 March 31	(155,049)	(0.01)
2019 December 31	(2,746,437)	(0.12)
2019 September 30	(122,030)	(0.01)
2019 June 30	(295,170)	(0.01)
2019 March 31	(417,728)	(0.02)
2018 December 31	(434,559)	(0.02)

(\*) U308 Corp. did not have any income (loss) before discontinued operations or extraordinary items for each period presented. U308 Corp. is an advanced exploration company focused on defining mineral resources, establishing the economic viability of these deposits, and advancing them towards production. At this time, commodity market fluctuations have no direct impact on the Company's results or operations but influence the exploration approach based on the Company's ability to raise capital to advance its projects. The Company's policy is to expense its exploration costs. Having completed PEAs that confirm the low cash-cost of production potential of the Laguna Salada and Berlin deposits, further exploration has been minimized to conserve cash.

## Results of Operations for the Three and Twelve Months ended December 31, 2020 and 2019

In the three months ended December 31, 2020, U308 Corp.'s net gain was \$17,950 or \$0.00 per share (Q4 2019 - \$2.7 million or \$0.12 loss per share). In Q4 2019, the Company concluded that progress on its Argentina Property was impaired and recognized a loss of \$2.8 million. Exploration costs in Colombia and Argentina were low in both periods as a result of continued curtailment of expenditures. General and administrative expenses were similar in the three-month periods, as spending was reduced to care and maintenance levels.

Exploration expense for the twelve-months ended December 31, 2020 were lower than those in the twelve-months ended December 31, 2019, before consideration of the impairment loss on the Argentina property (Table 6) in 2019.

A tax provision related to an exploration property was reversed, creating a \$176,000 gain in the Q4 2020 quarter.

**Table 6. Exploration spending for the twelve months ending December 31, 2020 and 2019.**

Twelve Months Ended December 31, 2020	Laguna Salada Project Argentina	Berlin Project Colombia	Total
Administrative expense	\$ 7,188	\$ 5,348	\$ 12,536
Salaries and benefits	74,487	-	74,487
<b>Total location costs</b>	<b>81,675</b>	<b>5,348</b>	<b>87,023</b>
<b>Total field costs</b>	<b>-</b>	<b>-</b>	<b>-</b>
Stock-based compensation	-	-	-
Amortization	-	-	-
<b>Total</b>	<b>\$ 81,675</b>	<b>\$ 5,348</b>	<b>\$ 87,023</b>

Twelve Months Ended December 31, 2019	Laguna Salada Project Argentina	Berlin Project Colombia	Total
Administrative expense	\$ 18,869	\$ -	\$ 18,869
Salaries and benefits	3,743	32,718	36,461
<b>Total location costs</b>	<b>22,612</b>	<b>32,718</b>	<b>55,330</b>
<b>Total field costs</b>	<b>39,487</b>	<b>64,715</b>	<b>104,202</b>
Loss on equipment	37,407	-	37,407
<b>Exploration expense</b>	<b>99,506</b>	<b>97,433</b>	<b>196,939</b>
Impairment	2,807,660	-	2,807,660
<b>Total</b>	<b>\$ 2,907,166</b>	<b>\$ 97,433</b>	<b>\$ 3,004,599</b>

Argentine exploration expenses in the twelve months to December 31, 2020 were \$81,675, (twelve months to December 31, 2019 - \$99,506 included non-cash amortization of \$37,407 for asset impairment). Expenditure focused on maintaining the Laguna Salada property in good standing. In Q4 2019 the

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Company recognized the Property as impaired and reported a write down of \$2,807,660 against the Property.

In December 2020, the Company entered into an option agreement (Agreement) to sell its interest in the Argentina Property. Under the terms of the Agreement the Company received an immediate \$50,000 cash payment. Within six months of the Agreement, and subject to regulatory approvals (Effective Date), the Company will receive \$125,000 in share capital of the purchasing company, and a cash payment of \$175,000. If after six months of the Effective Date, the option is not exercised, the Company will receive a further \$50,000 payment. The option is exercisable for two years on payment of \$1,500,000. Additional payments could result if spot uranium prices exceed US\$50 per pound or above. The Company also has the right to force the exercise of the option at either six months or twelve months from the Effective Date.

Colombia exploration expenses in the twelve months to December 31, 2020 were \$5,348 (twelve months to December 2019 - \$97,433). The Berlin Project was on hold during 2020. Most of the spending in Colombia in 2020 related to previous amounts payable.

General and administrative ("G&A") expenses decreased to \$353,717 for the twelve months ended December 31, 2020 (twelve months ended December 31, 2019 – \$488,317). Salaries were reduced in 2020 as the CEO has ceased to expense for salary. Stock option expense increased with a grant in 2020. Reporting costs, legal and audit fees represented most of the remaining expense in 2020. The November 2018 stock option grant increased the stock-based compensation component of salaries in 2019 to \$149,506. Professional fees in 2019 reflected issues with the Company's listing.

Interest expense related to the loan and increased as the loan balance increased.

A foreign exchange loss of \$48,468 in the twelve months to December 31, 2020 (twelve months to December 31, 2019 – loss of \$44,716) was due mostly to the Argentine peso and US dollar relative to the Canadian Dollar.

## Liquidity and Capital Resources

U308 Corp. is an exploration company that does not have operating revenues and therefore, it must utilize its current cash reserves, income from investments, funds obtained from the exercise of stock options and warrants and other financing transactions, to support planned exploration programs, to fund any further development activities and to meet ongoing obligations.

At December 31, 2020 total cash was \$6,487 (December 31, 2019 – \$77,098) and the working capital deficit was \$2,718,322 (December 31, 2019 – \$2,232,758 working capital deficit). The December 31, 2020 working capital deficit included accounts payable and accrued liabilities of \$1,607,205 (December 31, 2019 – \$1,573,545) and a loan with accrued interest payable of \$1,118,766 (December 31, 2019 – \$758,666). The principal current liabilities at December 31, 2020 included:

- Approximately \$286,000 for professional services provided; and
- Approximately \$831,000 for unpaid salaries to senior management.

The Company drew \$150,000 against the loan in the period ended March 31, 2020, a further \$50,000 in the period ended June 30, 2020, and a further \$90,000 in the period ended September 30, 2020. The loan bears interest at an 8% annual rate, payable in cash and/or shares. Interest expense of \$70,100 was accrued for the year to December 31, 2020. The total loan balance owed includes \$980,000 of borrowed cash and \$138,766 of accrued interest.

The funds allowed the Company to fulfill key commitments on projects and to meet ongoing obligations in the normal course of business.

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On March 22, 2021, the Company closed a \$1,000,000 private placement. The proceeds of the loan are intended to be spent as shown in Table 7.

**Table 7. Use of proceeds from the \$1,000,000 placement.**

Placement costs	\$ 100,000
Critical payables	219,000
Berlin Project (Colombia)	156,000
Argentina critical payables	25,000
General working capital	500,000
	\$1,000,000

As of the date of this MD&A, U308 Corp. has issued and outstanding and fully diluted shares as indicated in Table 8. The full exercise of all warrants and options could raise approximately \$3.3 million. However, these securities are not expected to be exercised until common share prices increase.

**Table 8. Corporate equity structure.**

	Apr. 30, 2021	Dec. 31, 2020	Dec. 31, 2019
Common Shares	29,775,104	23,043,436	23,043,436
Warrants	9,612,193	2,500,000	4,789,423
Stock Options	2,163,000	2,228,000	1,700,500
Fully diluted	41,550,297	27,771,436	29,333,359

U308 Corp.'s credit and interest rate risk is limited to interest-bearing assets of cash deposits. Accounts payable and accrued liabilities are short-term and non-interest bearing. The Company's liquidity risk with financial instruments is minimal as excess cash is held in major Canadian chartered banks. In addition, amounts receivable are composed mainly of federal Harmonized Sales Tax (Canada) recoveries, deposits with service providers and balances owing from related parties.

While the Company has been able to raise funds as needed, further financings will be required in 2021 to develop the Company's properties, to meet ongoing obligations and discharge its liabilities in the normal course of business. Long-term financial success requires that the Company develops operational cash flow, which is dependent upon economically recoverable reserves as well as funding to bring such reserves into production. Materially all the Company's exploration activities are discretionary. Therefore, there is considerable flexibility in terms of the pace and timing of exploration and how expenditures have been, or may be, adjusted, limited or deferred subject to current capital resources and potential to raise further funds. The Company will continue ongoing cost containment initiatives and manage its expenditures essential to the viability of its material properties. However, U308 Corp. will require additional funds from equity sources to meet current liabilities, maintain momentum on its lead projects and to complete the development of its projects, if warranted. The Company is currently pursuing multiple near-term and longer-term financing options including potential strategic investors, joint venture partnerships and merger opportunities. There is no assurance that funds can be raised upon terms acceptable to the Company, or at all. Accordingly, the Company's financial statements have been prepared on a going concern basis. Material adjustments could be required if the Company cannot obtain adequate financing. See "Risks Factors" below.

## Related Party 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

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Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The related party transactions into which U308 Corp. has entered are shown in Table 9.

**Table 9. Summary of U308 Corp.'s related parties.**

Twelve months ended December 31,	2020	2019
John C. Ross Consulting <sup>(i)</sup>	\$30,000	\$30,000

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At December 31, 2020, \$79,625 is included in amounts payable and other liabilities (December 31, 2019 - \$46,700).

The Company defines its key management personnel as its Board of Directors, Chief Executive Officer ("CEO"), and CFO. Remuneration of U308 Corp.'s Directors and key management personnel for the year ended December 31, 2020 and 2019 is shown in Table 10.

**Table 10. Summary of remuneration of Directors and key management personnel of the Company.**

Twelve months ended December 31,	2020	2019
Salaries and benefits <sup>(i)</sup>	\$ -	\$ 68,500
Stock-based compensation	70,176	98,346
<b>Total</b>	<b>\$ 70,167</b>	<b>\$166,846</b>

The Board of Directors does not have employment or service contracts with the Company. There were no director fees accrued or paid during the years ended December 31, 2020 or 2019. The CEO of the Company was owed \$429,361 at December 31, 2020 (December 31, 2019 - \$422,111). Salaries and benefits of \$Nil in the year ended December 31, 2020 (December 31, 2019 - \$68,500) excludes \$30,000 (2019 - \$30,000) expensed to the CFO. In addition, a Director of the Company was owed \$20,400 as at December 31, 2020 (December 31, 2019 - \$20,400).

During the period ended December 31, 2020, a company with a common director charged the Company \$Nil for general and administrative services (December 31, 2019 - \$Nil) at market rates. Previously, these general and administrative services were incurred in the normal course of business. At December 31, 2020, the Company owed \$41,000 to this company (December 31, 2019 - \$41,000).

The above noted transactions are in the normal course of business and are measured at the exchange amount as agreed to by the parties and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

During the year ended December 31, 2020, the Company drew down \$290,000 on a credit facility provided by Bambazonke Holdings Ltd. ("Bambazonke"), pursuant to which Bambazonke agreed to lend the Company cash to fund working capital. Amounts outstanding under the loan payable will 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 owned by a Director of the Company. Aggregate advances at December 31, 2020 amounted to \$980,000 (December 31, 2019 - \$690,000). Cumulative interest expense of \$138,766

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for all periods to December 31, 2020 and \$68,666 for all periods to December 31, 2019 was included on the loan payable.

## Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

## Proposed Transactions

On December 14, 2020, the Company reported that it had entered into an option agreement through which International Consolidated Uranium Inc. (TSXV:CUR, "CUR") could acquire the Laguna Salada deposit. Pursuant to the Option Agreement, CUR has secured the option to acquire a 100% interest in the Laguna Salada Project (the "**Option**") in consideration for the following:

- C\$50,000 payment to be utilized for property expenditures;
- On U308 Corp. obtaining requisite regulatory approvals within six months of signature of the Option Agreement:
  - Issuance of common shares to the value of C\$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**"); and
  - a cash payment of C\$175,000 to U308 Corp. by CUR.

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, U308 Corp. is entitled to C\$50,000 in cash to be utilized for further property expenditures.

If CUR elects to exercise the Option, U308 Corp. will also be entitled to receive the uranium spot price contingency payments shown in Table 11.

**Table 11. Additional payments to be received by U308 Corp. on the uranium spot price reaching defined threshold prices.**

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

Within five business days of the spot price of uranium reaching USD\$50 U308 Corp. 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.

Further U308 Corp. 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 purchase price by issuing such number of CUR shares to U308 Corp. that results in U308 Corp., together with the CUR shares already owned by U308 Corp, 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 U308 Corp. to satisfy the remaining portion of the Purchase Price without U308 Corp. holding more than 9.9% of the issued and



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outstanding CUR Shares, then CUR shall issue such number of CUR Shares to U308 to satisfy that portion of the remaining Purchase Price.

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.

## **Critical Accounting Estimates & Changes in Accounting Policies**

Significant assumptions about the future and other sources of estimation uncertainty that Management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- The Company reviews its South American property interests for impairment based on results to date and when events and changes in circumstances indicate that the carrying value of the assets may not be recoverable. IFRS 6 - Exploration for and evaluation of mineral resources and IAS 36 – Impairment of assets requires the Company to make certain judgments in respect of such events and changes in circumstances, and in assessing their impact on the valuations of the affected assets;
- The estimated useful lives of equipment. Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence; and
- Share-based payments expense. The Company measures its share-based payments expense 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 requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures.

## **Critical Accounting Judgements**

- Management's assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to advance the mineral properties;
- Management applied judgment in determining the functional currency of the Company as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the period;
- Management's determination of no material restoration, rehabilitation and environmental exposure, based on the facts and circumstances that existed during the period; and
- The measurement of income taxes payable and deferred income tax assets and liabilities requires Management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

## **New Standards Adopted**

### *IFRS 3, Business combinations (IFRS 3")*

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or

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after January 1, 2020. The adoption of the amendments had no significant impact on the Company's consolidated financial statements.

*IAS 1, Presentation of financial statements ("IAS 1") and IAS 8, Accounting policies, changes in accounting estimates and errors ("IAS 8")*

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of materiality and how it should be applied. The amendments also align the definition of materiality across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

## **Management of Capital**

U308 Corp. manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. However, the capital markets remain challenging for junior uranium exploration companies and there is no guarantee that funds can be raised on terms acceptable to the Company. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2020, totalled \$(2,718,322) (December 31, 2019 – \$(2,408,758)).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other means of raising funds.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2020 and 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Section 710 of the TSX Company Manual which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern. As of December 31, 2020, and December 31, 2019, the Company was not compliant with these TSX requirements. The Company was delisted from the TSX on February 26, 2020 and was concurrently listed on the NEX platform of the TSX-V.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's size, is appropriate.

## **Internal Controls Over Financial Reporting and Disclosure Controls and Procedures**

There were no significant changes in the Company's internal controls over financial reporting and disclosure controls and procedures subsequent to December 31, 2020, being the date the CEO and CFO evaluated such internal controls, nor were there any significant deficiencies in the Company's internal controls identified requiring corrective actions.

The Company's Management, with the participation of its CEO and CFO, has evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures. Based on that evaluation, the Company's CEO and CFO have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures and internal controls over financial reporting were effective to provide reasonable assurance that the information required to be disclosed by

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the Company in reports that it files is recorded, processed, summarized and reported, within the appropriate time periods.

The Company's Management, including the CEO and the CFO, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost-effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

## Financial Instruments

U308 Corp.'s activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and uranium and battery commodity price risk).

Risk management is carried out by Management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. U308 Corp.'s credit risk is primarily attributable to cash and amounts receivable. Most of the the Company's cash is held with major Canadian chartered banks and financial institutions in South America, from which Management believes the risk of loss to be minimal.

Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada Management believes that the credit risk with respect to financial instruments included in accounts receivable is minimal.

### Liquidity Risk

Liquidity risk is the risk that U308 Corp. will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. Cash flow is primarily from the Company's financing activities.

As at December 31, 2020, U308 Corp. had total cash of \$6,487 (December 31, 2019 - \$77,098) to settle current liabilities of \$2,725,971 (December 31, 2019 - \$2,332,211). Current liabilities included approximately \$831,000 related to senior Management salaries and approximately \$286,000 of service provider fees. Its current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except the loan payable. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company will need to secure additional financing to meet its ongoing obligations. However, there is no assurance that it will be able to do so. See "Liquidity and Capital Resources" above.

### Market Risk

#### Interest Rate Risk

U308 Corp. has cash balances and its debt bears interest at a fixed rate. Its current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

#### Foreign Currency Risk

U308 Corp.'s functional and reporting currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. As of December 31, 2020, the Company funds certain operations, exploration and

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administrative expenses in Colombia and Argentina on a cash call basis using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Company maintains US Dollar bank accounts in Canada and Barbados, Colombian Peso accounts in Colombia and Argentina Peso accounts in Argentina. U3O8 Corp. is subject to gains and losses from fluctuations in the US Dollar, the Colombian Peso and the Argentine Peso against the Canadian Dollar.

**Price Risk**

The Company is exposed to price risk with respect to equity prices. 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.

**Commodity Price Risk**

U3O8 Corp. is exposed to price risk with respect to uranium and battery commodity prices. Commodity price risk is defined as the potential adverse impact on earnings due to the price and volatility of uranium, phosphate, vanadium, nickel and REE. The Company closely monitors the prices of these commodities to determine the appropriate course of action to be taken in terms of exploration expenditures and to ensure that its focus is on projects that have potential cost production profiles consistent with the longer-term price projections related to forecast demand and supply. Further discussion on commodity prices may be found under "Trends" above.

**Sensitivity Analysis**

The sensitivity analysis shown below may differ materially from actual results. Based on Management's knowledge and experience of the financial markets, we believe the following movements are "reasonably possible" over a 12-month period:

1. Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not materially affect the reported loss and comprehensive loss;
2. The Company holds balances, mostly accounts payable, in foreign currencies which creates foreign exchange risk. Sensitivity to a plus or minus 10% change in foreign exchange rates against the Canadian Dollar would affect the reported annual loss and comprehensive loss by approximately \$54,000; and
3. Uranium and battery commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of uranium, vanadium, nickel, phosphate and REE. The price of these commodities has fluctuated significantly in recent years and there is no assurance that, even as commercial quantities of uranium, vanadium, nickel, phosphate and REE may be produced in the future, a profitable market will exist for them. As of December 31, 2020, the Company was not a uranium or battery commodity producer. As a result, uranium and related mineral price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**Subsequent Events**

On March 22, 2021, the Company closed a \$1,000,000 financing by issuing 6,666,668 Units at \$0.15 per unit. Costs of the placement were \$100,000. Each unit comprised one common share and one common share purchase warrant. Each warrant can be exercised at a price of \$0.20 for a period of 12 months from the date of the close of the placement.

On March 29, 2021, the Company commenced work to determine the efficiency of membrane technology to reduce operating and capital costs at Berlin. The membranes would act like a series of differently sized screens, allowing different sized molecules to pass through. In theory, properly sized screens would segregate the metals into streams which could reduce recovery costs.

## Risk Factors

An investment in the securities of U308 Corp. is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below, which have affected, and which in the future are reasonably expected to affect, the Company, its financial position or the trading price of its common shares.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact that COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19.	The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.	A significant outbreak of contagious diseases in Argentina or Colombia would exacerbate the already significant negative economic impact that the virus has had on the economies and financial markets of these countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. A widespread COVID outbreak would likely restrict access to the field and may hamper advancement of the projects.
Potential of U308 Corp.'s properties to contain economic deposits, to become near-term and/or low-cost producers and to add to its existing resource	Availability of financing for the Company's projects. Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.	Changes in the capital markets impacting availability of future financings. Uncertainties involved in interpreting geological data and confirming title to acquired properties.

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<b>Forward-Looking Statements</b>	<b>Assumptions</b>	<b>Risk Factors</b>
base (see Highlights, Overview, Outlook, Priority Exploration Projects, Results of Operations and Summary of Quarterly Results)	<p>Technical reports prepared in accordance with NI 43-101 including assumptions in the PEAs on the Berlin and Laguna Salada deposit are reasonably correct and comprehensive.</p> <p>Operating, exploration and development costs will be consistent with the Company's expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp. including development of the Argentine deposit in compliance with Chubut Provincial mining law.</p> <p>Social engagement and local acceptance of the Company's projects.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Possibility that future exploration results, metallurgical test work, economic studies and development activities will not be consistent with the Company's expectations.</p> <p>Variations from the technical reports including assumptions in the Berlin and Laguna Salada PEAs.</p> <p>Inability to replicate laboratory and other smaller scale test results on a larger scale.</p> <p>Inability to attract and retain skilled staff.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p> <p>Price volatility of uranium and related commodities impacting the economics of the Company's projects.</p> <p>Changes in Argentina's proposed usage and availability of nuclear power.</p>
Potential to increase uranium grades by 7 and 11 times in the two different sectors of the Laguna Salada Deposit by screening (see Overview, and Priority Exploration Projects)	Results from previous small-scale metallurgical test work can be replicated on a larger scale.	Inability to replicate laboratory and other smaller scale test results on a larger scale.
Status of the Kurupung Project, Guyana	Exploration concessions are no longer in good standing due to U308 Corp. not having paid concession fees.	Concessions are likely to be rescinded at the discretion of Guyana government authorities.
Status of the Berlin Project, Colombia	Exploration concessions are no longer in good standing due to U308 Corp. not having paid concession fees.	Concessions would be rescinded after a 30-day cure period, at the discretion of Colombian government authorities.
	Standing of U308 Corp.'s title to the Berlin Project, Colombia.	The Colombian mining authorities have assessed U308 Corp.'s exploration property titles and have concluded that the authorities had under-charged title fees, and that the Company owes approximately UD\$600,000 to bring the concessions into a status of good standing.
	"Wealth" tax levied in Colombia.	Colombian tax authorities have levied a "wealth" tax on the Company which, including interest, sums to approximately US\$1 million. The tax was levied because the exploration expenditure on the Project was capitalized by U308 Corp.'s Colombian subsidiary, as opposed to being expensed.
Uranium and a suite of other commodities of economic interest at Berlin can be extracted using a ferric iron leach method (see Priority Exploration Projects)	<p>Results from previous small-scale metallurgical test work conducted in multiple labs can be replicated on a larger scale.</p> <p>Test results from samples from 35% of the drill hole intercepts throughout the initial resource area are representative of the whole.</p>	<p>Inability to replicate laboratory and other smaller scale test results on a larger scale.</p> <p>Test results from samples from 35% of the drill hole intercepts throughout the initial resource area prove not to be adequately representative of the whole.</p>

**U308 CORP.****Management's Discussion & Analysis**

Period Ended December 31, 2020

<b>Forward-Looking Statements</b>	<b>Assumptions</b>	<b>Risk Factors</b>
By-product revenues at Berlin could pay for extraction of the uranium and make Berlin a potential low - cash cost uranium producer (see Outlook and Priority Exploration Projects)	<p>Assumptions in the Berlin PEA are correct and comprehensive.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp.</p> <p>Economic, political and industry market conditions will be favourable, including without limitation, the prices for applicable by-products.</p>	<p>Price volatility of uranium and other commodities associated with the Company's deposits impacting the economics of our projects.</p> <p>Variations from the assumptions in the Berlin PEA.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Increases in costs, environmental compliance and changes in environmental, other local legislation and regulation and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p>
Potential for higher returns than as set out in the Berlin and Laguna Salada PEAs (see Outlook and Priority Exploration Projects)	<p>Incorporating results from further metallurgical test work will contribute to reducing operating costs and increasing revenue.</p> <p>Economies of scale will be realized as anticipated.</p> <p>Increases in resource estimates. Changes in metal prices.</p>	<p>Possibility of incorporating metallurgical test results will not have the effect of reducing operating costs and increasing revenue.</p> <p>Inability to achieve economies of scale and increase resource estimates.</p>
Potential to expand mineral resources defined in compliance with NI 43-101 on U308 Corp.'s existing projects and achieve its growth targets (see Overview, Outlook and Priority Exploration Projects)	<p>Availability of financing.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>NI 43-101 technical reports are correct and comprehensive.</p> <p>Operating, exploration and development costs will be consistent with the Company's expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp.</p> <p>Social engagement and local acceptance of the Company's projects.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Variations from the technical reports.</p> <p>Inability to attract and retain skilled staff.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p> <p>Price volatility of uranium and other associated commodities impacting the economics of our projects.</p>
Inability to meet minimum operating commitments could impair exploration rights (see Results of Operations and Liquidity and Capital Resources)	<p>Operating and exploration activities and associated costs will be consistent with current expectations.</p> <p>The Company will continue to operate, realize its assets and meet its liabilities in the normal course of business.</p> <p>Capital markets and financing opportunities are favourable to U308 Corp.</p> <p>Sale of any investments, if warranted, on acceptable terms.</p>	<p>Volatility in the capital markets impacting availability and timing of financings on acceptable terms and value and liquidity of investments may affect the Company's ability to obtain funding to continue as a going concern.</p> <p>Increases in costs, environmental compliance and changes in environmental, other local legislation and regulation.</p> <p>Adjustments to currently proposed operating and exploration activities and costs.</p> <p>Price volatility of uranium and other commodities impacting sentiment for investment in the resource markets.</p>

**U308 CORP.**

## Management's Discussion &amp; Analysis

Period Ended December 31, 2020

<b>Forward-Looking Statements</b>	<b>Assumptions</b>	<b>Risk Factors</b>
<p>Plans, costs, timing and capital for future exploration and development of U308 Corp.'s properties including the potential impact of complying with existing and proposed laws and regulations (see Highlights, Overview, Outlook and Priority Exploration Projects)</p>	<p>Availability of financing.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on acceptable terms including developing the Argentine deposit in compliance with Chubut Provincial mining law.</p> <p>That the mining plan for the Corporation's Laguna Salada Project is compliant with Provincial law 5001 that bans open pit mining and the use of cyanide in the recovery of metals.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Inability to attract and retain skilled staff.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Delays in obtaining applicable permits or unavailability of permits.</p> <p>The Chubut Provincial Government deems the mining method proposed for the Laguna Salada Project to be in contravention of Law 5001, and does not grant the requisite permits.</p> <p>Price volatility of uranium and other commodities impacting our projects' economics.</p>
<p>Management's outlook regarding future trends (see Overview, Outlook, and Priority Exploration Projects)</p>	<p>Availability of financing.</p> <p>Actual results of exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Prices for uranium and other commodities will be as modeled in the PEAs.</p> <p>Government regulation in Chubut Province will support development of our Argentine deposit.</p> <p>Fundamentals of the uranium market continue to be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Price volatility of uranium and other commodities impacting the economics of our projects, appetite for investing in uranium equities and growth in the nuclear industry.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Increases in costs, environmental compliance and changes in economic, political and industry market climate.</p>

Inherent in forward-looking statements are risks, uncertainties and other factors beyond U308 Corp.'s ability to predict or control. Please also make reference to those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the above chart is not exhaustive of the factors that may affect the forward-looking statements, and that the underlying assumptions may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U308 Corp.'s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.