



**ANNUAL FINANCIAL STATEMENTS**

*December 31, 2020 and 2019*

*(Audited)*

**Uravan Minerals Inc.**  
**Financial Statements**  
*For the year ended December 31, 2020*

To the Shareholders of Uravan Minerals Inc.:

## Opinion

We have audited the financial statements of Uravan Minerals Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019, and the statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that as at December 31, 2020 the Company had an accumulated deficit and had not yet earned revenue from operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Bonnell.

Calgary, Alberta  
March 22, 2021

*MNP LLP*  
Chartered Professional Accountants

**Uravan Minerals Inc.**  
**Statements of Income (Loss) and Comprehensive Income (Loss)**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

		<b>2020</b>	<b>2019</b>
<b>Expenses</b>	<b>Note</b>		
General and administrative	<b>5</b>	\$ 58,952	\$ 62,459
Share-based compensation	<b>12</b>	<u>21,000</u>	<u>-</u>
<b>Loss from operations</b>		<u>(79,952)</u>	<u>(62,459)</u>
Interest income		77	769
Gain on fair value of investment	<b>9</b>	125,000	-
Impairment of mineral properties	<b>8</b>	-	(1,013,970)
Demobilization expenses	<b>8</b>	-	(25,000)
Gain on disposal of equipment	<b>8</b>	<u>-</u>	<u>50,000</u>
		<u>125,077</u>	<u>(988,201)</u>
<b>Total comprehensive income (loss)</b>		<u>\$ 45,125</u>	<u>\$ (1,050,660)</u>
<b>Net income (loss) per share</b>			
Basic and diluted	<b>7</b>	<u>\$ 0.001</u>	<u>\$ (0.025)</u>

The accompanying notes are an integral part of the financial statements.

**Uravan Minerals Inc.**  
**Statements of Financial Position**  
**As at December 31, 2020 and 2019**

(Amounts expressed in Canadian Dollars unless otherwise noted)

	Note	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets (Schedule 1)	8	\$ -	\$ -
		-	-
<b>Current assets</b>			
Accounts receivable	9	581	684
Marketable securities	9	125,000	-
Cash and cash equivalents	9	31,230	55,194
		156,811	55,878
<b>Total assets</b>		<b>\$ 156,811</b>	<b>\$ 55,878</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10	\$ 19,500	\$ 24,470
<b>Total liabilities</b>		<b>19,500</b>	<b>24,470</b>
<b>Equity</b>			
Share capital	11	18,970,547	18,940,157
Warrants	11	9,388	-
Share-based payments reserve		4,924,468	4,903,468
Deficit		(23,767,092)	(23,812,217)
<b>Total equity</b>		<b>137,311</b>	<b>31,408</b>
<b>Total liabilities and equity</b>		<b>\$ 156,811</b>	<b>\$ 55,878</b>

Going concern - Note 1

Commitments - Note 8

The financial statements were approved by the Board of Directors and signed on their behalf by:

*"Signed"*

Larry Lahusen

*"Signed"*

Torrie Chartier

The accompanying notes are an integral part of the financial statements.

**Uravan Minerals Inc.**  
**Statement of Changes in Equity**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

	Share Capital		Warrants		Share Based	Deficit	Total Equity
	Number of Shares	Amount	Number of Warrants	Amount	Payments Reserve		
Balance at December 31, 2018	42,329,012	\$ 18,940,157	-	\$ -	\$ 4,903,468	\$ (22,761,557)	\$ 1,082,068
Total comprehensive loss	-	-	-	-	-	(1,050,660)	(1,050,660)
<b>Balance at December 31, 2019</b>	<b>42,329,012</b>	<b>\$ 18,940,157</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 4,903,468</b>	<b>\$ (23,812,217)</b>	<b>\$ 31,408</b>
Balance at December 31, 2019	42,329,012	\$ 18,940,157	-	\$ -	\$ 4,903,468	\$ (23,812,217)	\$ 31,408
Private placement (note 11(b))	5,000,000	38,200	5,000,000	11,800	-	-	50,000
Unit issue costs (note 11(b))	-	(7,810)	-	(2,412)	-	-	(10,222)
Share-based compensation (note 12)	-	-	-	-	21,000	-	21,000
Total comprehensive income	-	-	-	-	-	45,125	45,125
<b>Balance at December 31, 2020</b>	<b>47,329,012</b>	<b>\$ 18,970,547</b>	<b>5,000,000</b>	<b>\$ 9,388</b>	<b>\$ 4,924,468</b>	<b>\$ (23,767,092)</b>	<b>\$ 137,311</b>

The accompanying notes are an integral part of the financial statements.

**Uravan Minerals Inc.**  
**Statements of Cash Flow**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

		2020	2019
<b>Operating activities</b>	<b>Note</b>		
Net income (loss)		\$ 45,125	\$ (1,050,660)
Adjustments to net loss for non-cash items			
Gain on fair value of investment	9	(125,000)	-
Share-based compensation	12	21,000	-
Impairment of mineral properties	8	-	1,013,970
Demobilization expenses	8	-	25,000
Gain on disposal of equipment	8	-	(50,000)
		<u>(58,875)</u>	<u>(61,690)</u>
Changes in non-cash working capital balances			
Accounts receivable		103	(487)
Accounts payable and accrued liabilities		<u>(4,970)</u>	<u>(1,530)</u>
Cash used in operating activities		<u>(63,742)</u>	<u>(63,707)</u>
<b>Financing activities</b>			
Issuance of units, net of costs	11	<u>39,778</u>	<u>-</u>
Cash provided by financing activities		<u>39,778</u>	<u>-</u>
<b>Investing activities</b>			
Proceeds from disposal of equipment	8	<u>-</u>	<u>25,000</u>
Cash provided by investing activities		<u>-</u>	<u>25,000</u>
Decrease in cash		(23,964)	(38,707)
Cash and cash equivalents, beginning of year		<u>55,194</u>	<u>93,901</u>
Cash and cash equivalents, end of year		<u>\$ 31,230</u>	<u>\$ 55,194</u>
Cash consists of:			
Cash on deposit		<u>\$ 31,230</u>	<u>\$ 55,194</u>

The accompanying notes are an integral part of the financial statements.



**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

**1. PRESENTATION OF FINANCIAL STATEMENTS**

***Nature of Entity and Future Operations***

Since inception, Uravan Minerals Inc. (the "Company") has been devoted to the acquisition and exploration of mineral properties in Canada. To date, the Company has not earned significant revenues and is considered to be in the development stage. It has not yet been determined whether these properties contain ore reserves that are economically recoverable. Accordingly, costs related to the exploration of minerals have been considered as costs related to the exploration stage. Once the Company completes preliminary testing and commences field activity, it will be considered to be in the commercial operations phase.

The Company was incorporated under the laws of the Province of Alberta on December 1, 1997 and its registered office is 1117-240, 70 Shawville Blvd SE, Calgary, Alberta, Canada.

The Board of Directors approved the Company's financial statements on March 22, 2021.

***Statement of Compliance***

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") in effect for the fiscal year beginning January 1, 2020, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretation Committee ("IFRIC").

***Basis of Presentation***

The financial statements are presented in Canadian dollars which is the Company's functional currency.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in note 4.

The financial statements are prepared on the going concern basis, under the historical cost convention except for certain financial instruments carried at fair value.

***Going Concern***

The operations of the Company are currently being financed from funds which the Company raised from past private and public placements of its shares. The Company has not yet earned operational revenue as it is still in the exploration phase of its business.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

The Company is reliant on the continuing support from its existing and future shareholders. Management believes that the Company will have sufficient cash and other resources to fund its activities and to continue its operations for the foreseeable future and for the Company to continue to meet its liabilities as they fall due, and for at least the next twelve months from the date of approval of these financial statements. The financial statements have, therefore, been prepared on the going concern basis.

As at and for the year ended December 31, 2020, the Company had net income of \$45,125 (2019 – net loss of \$1,050,660), an accumulated deficit of \$23,767,092 (2019 - \$23,812,217) and has not yet earned revenue from operations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company is currently assessing its financing arrangements and may contemplate future capital raises or other strategic transactions.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and financial position classifications that would be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

***New Standards and Interpretations Adopted***

On January 1, 2020, the Company adopted the following new standard as issued by the IASB in accordance with the transitional provisions:

**Business Combinations**

In October 2018, the IASB issued an amendment to IFRS 3, "Business Combinations". The amendment clarifies the minimum requirements for a business, removes the assessment of whether market participants are capable of replacing any missing elements, adds guidance to help entities assess whether an acquired process is substantive, narrows the definitions of a business and outputs and introduces an optional fair value concentration test. The amendments to IFRS 3 are effective for annual reporting periods beginning on or after January 1, 2020 and apply prospectively, with earlier adoption permitted. There was no impact of adopting IFRS 3.

**2. SIGNIFICANT ACCOUNTING POLICIES**

***Jointly Controlled Operations and Jointly Controlled Assets***

A significant portion of the Company's exploration and development activities are conducted jointly with others, and accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

***Exploration and Evaluation Assets***

All licence acquisitions and exploration and evaluation costs that are directly attributable to each identifiable project area are capitalized. These costs are comprised of researching and analyzing exploration data; conducting geological studies; exploratory drilling and sampling; examining and testing extraction and treatment methods; and/or completing prefeasibility and feasibility studies. These costs are accumulated in respect of each identifiable project area and are only carried forward to the extent that they are expected to be recouped through the successful development of the areas. Pre-licence costs are expensed immediately.

When reserves are established, the accumulated costs for the relevant area of interest are tested for impairment and transferred from exploration and evaluation assets to tangible assets as

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

property and equipment and amortized over the estimated life of the commercial reserves on a unit of production basis.

***Impairment of Exploration and Evaluation Expenditures***

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable, an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in metal prices that render the project uneconomic;
- the Company no longer retains the legal right to conduct exploration activities; and
- the Company determines that it no longer plans to continue to evaluate or develop the property.

Accumulated costs in relation to an abandoned area are impaired in full against operations in the year in which the decision to abandon the area is made.

***Foreign Currency***

***Functional and Presentational Currency***

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates, being Canada, ("the functional currency"). The Canadian Dollar is the Company's functional and presentational currency.

Transactions in foreign currencies are translated into Canadian dollars at the rates in effect at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Canadian dollars using the closing exchange rate at the statement of financial position date. Non-monetary items that are measured at historical cost are translated into Canadian dollars at the exchange rate at the date of the original transaction. Non-monetary assets and liabilities that are measured at fair value are translated into Canadian dollars using the exchange rate at the date the fair value is determined. Foreign currency exchange gains and losses are recorded in the statement of loss and comprehensive loss.

***Warrants***

The Company measures the fair value of warrants issued using the Black-Scholes valuation model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk free interest rate. When the warrants are exercised, the proceeds received together with the fair value of the warrants is

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

transferred to share capital. If the warrants expire unexercised, the fair value is transferred to share-based payment reserve.

***Share-Based Payments***

The Company operates an equity-settled share option plan which grants stock options to directors, officers, employees and service providers. The fair value of the employee service received in exchange for the grant of the options is recognized as an expense with a corresponding increase in equity, share-based payments reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Company revises its estimates of the number of options that are expected to become vested. It recognizes the impact of the revision to original estimates, if any, in the statement of loss and comprehensive loss, with a corresponding adjustment to equity.

Fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations. The proceeds received together with the amount previously recorded as share based payment reserve are credited to share capital when the options are exercised.

***Share Capital***

Shares are classified as equity. Incremental costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds, net of any tax effects.

***Current and Deferred Taxes***

Deferred taxes are differences existing at closing date between the tax base value of assets and liabilities and their carrying amount in the statement of financial position. Pursuant to the liability method, these temporary differences impact the accounting as follows:

- Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the reporting date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.
- Deferred tax assets are recognized for all deductible temporary differences, carry-forward tax losses and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists, to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and which, at the transaction date, does not impact neither earnings, nor tax income or loss.
- The carrying amount of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is not probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is notably taken of prior year results, forecast future results, non-

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the Company's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the Company prove significantly different to those expected, the Company will be obliged to increase or decrease the carrying amount of deferred tax assets, with a potentially material impact on the statement of financial position and the statement of loss and comprehensive loss of the Company.

- Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from impairment of goodwill losses not deductible for tax purposes, or initial recognition of an asset or liability in a transaction which is not a business combination, and which, at the transaction date, does not impact neither earnings, nor tax income or loss.
- Current tax and deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.

***Income (Loss) Per Share***

Basic income (loss) per share ("LPS") is calculated by dividing the net income (loss) for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period. Diluted LPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The Company's potentially dilutive instruments are comprised of stock options and warrants granted.

***Revenue Recognition***

Investment income is recognized using the accrual method. Interest income is recognized when it is earned.

***Financial Instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

***Financial Assets***

On initial recognition, financial assets are classified as measured at: amortized cost, fair value through other comprehensive income, or fair value through profit or loss based on the Company's business model for managing its financial assets and their cash flow characteristics. Classifications are not changed subsequent to initial recognition unless the Company changes its business model for managing its financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

*Amortized Cost*

A financial asset is measured at amortized cost if it is not designated as at fair value through profit or loss, is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Assets in this category are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss, as is any gain or loss on derecognition.

*Fair Value Through Other Comprehensive Income (“FVOCI”)*

A debt investment is measured at FVOCI if it is not designated as at fair value through profit or loss, is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investments fair value in OCI. This election is made on an investment-by-investment basis. These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

*Fair Value Through Profit or Loss (“FVTPL”)*

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss on an effective interest rate basis for debt instruments other than those financial assets at FVTPL.

*Derecognition of Financial Assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which it neither transfers or retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Company enters into a transaction whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets would not be derecognized.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

*Financial Liabilities*

On initial recognition, financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss as is any gain or loss on derecognition.

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

**Transaction Costs**

Transaction costs on FVTPL financial instruments are expensed as incurred.

**Cash and Cash Equivalents**

Cash consists of balances with financial institutions and investments in money market instruments, which have a term to maturity of three months or less at the time of purchase and are classified as at amortized cost.

**Flow-through Shares**

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada) (the "Act"). The Act provides that, where share issuance proceeds are used for exploration and development expenditures, the related income tax deductions may be renounced to subscribers. Accordingly, these expenditures provide no income tax deduction to the Company.

Share capital is reduced and a liability is recorded equal to the estimated amount of the premium paid on flow through shares when the shares are issued. When the related expenditures are made a deferred income tax expense is recognized. The flow through share premium liability is offset against the deferred income tax expense.

**3. FAIR VALUES**

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The fair value of an asset or liability is generally estimated as the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date. Fair values of assets and liabilities traded in an active market are determined by reference to last quoted prices, in the principal market for the asset or liability. In the absence of an active market for an asset or liability, fair values are determined based on market quotes for assets or liabilities with similar characteristics and risk profiles, or through other valuation techniques. Fair values determined using valuation techniques require the use of inputs,

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

which are obtained from external, readily observable market data when available. In some circumstances, inputs that are not based on observable data must be used. In these cases, the estimated fair values may be adjusted in order to account for valuation uncertainty, or to reflect the assumptions that market participants would use in pricing the asset or liability.

All fair value measurements are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the reporting date for identical assets or liabilities.
- Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety.

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the transfer occurred. There were no transfers between level 1, level 2, or level 3 during the period.

Further information about the techniques and assumptions used to measure fair values is included in the following notes:

Note 8 – Exploration and Evaluation Assets

Note 9 – Financial Instruments and Risk Management

Note 11 and 12 – Share-Based Compensation

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also require management to exercise its judgement in the process of applying the Company's accounting policies. The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows.

##### ***Exploration and Evaluation Assets***

Management applied judgment with respect to its determination that none of its mineral properties had reached a feasible stage of mining operations to warrant capitalization as developed and producing assets.

The Company determines whether exploration and evaluation assets are impaired when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such



**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

indicators include the point at which a determination is made as to whether commercial reserves exist. Measurement uncertainty relating to exploration and evaluation assets at December 31, 2020 is discussed in notes 1 and 8 and detailed on a project by project basis on Schedule 1 to the financial statements.

***Income Taxes***

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets require management to assess the probability that the Company will be able to utilize the deferred tax assets. Additionally, measurement of taxes payable and deferred taxes requires management to make judgments in the interpretation and application of relevant tax laws, which are subject to interpretation by taxation authorities.

***Fair Value of Options and Warrants***

In computing the fair value of options to employees various judgmental inputs are required by the directors. Those assumptions are detailed in note 12.

***Going Concern***

Management has applied judgement with respect to the Company's ability to continue as a going concern. The factors considered and the determination are set out in note 1 to the financial statements.

**5. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses consist of:

	<b>2020</b>	<b>2019</b>
Professional and consulting fees	\$ 26,335	\$ 26,689
Stock exchange fees	19,450	14,890
Office	10,553	13,301
Shareholder reporting	2,525	6,820
Bank charges	89	91
Insurance	-	668
	<u>\$ 58,952</u>	<u>\$ 62,459</u>

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

**6. DEFERRED TAXES**

The following reconciles the expected income tax expense (recovery) at the combined Canadian Federal and Provincial income tax rates to the amounts recognized in the Statement of Loss and Comprehensive Loss for the years ended December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Loss for the year	\$ 45,125	\$ (1,050,660)
Current period statutory rate	24.0%	26.5%
Expected income tax recovery	\$ 10,830	\$ (278,425)
Gain on fair value of investment	(15,000)	-
Unrecorded deferred tax benefits	4,170	278,425
	<u>\$ -</u>	<u>\$ -</u>

Tax losses and other temporary differences carried forward, have not been recognized as a deferred tax asset, as there is currently insufficient evidence that the asset will be recoverable in the foreseeable future. The losses must be utilized in relation to the same operations. The Company's unrecognized deductible temporary differences are as follows:

	<b>2020</b>	<b>2019</b>
Deferred tax assets (liabilities)		
Non-capital loss carryforwards	\$ 2,293,807	\$ 2,222,577
Capital loss carryforwards - Federal	1,793,693	1,790,693
Capital loss carryforwards - Provincial	3,264,238	3,264,238
Exploration and evaluation assets	9,562,671	9,562,671
Investment	80,000	205,000
Property and equipment	7,489	10,583
Share issue costs	8,176	8,974
	<u>\$ 17,010,074</u>	<u>\$ 17,064,736</u>

The Company's Federal and Provincial capital losses can be carried forward available to offset future capital gains for which no deferred tax asset has been recognized. These losses do not expire. In addition, the Company has non-capital losses of \$2,293,807 (2019 - \$2,222,577) which may be carried forward to apply against future years' taxable income, subject to final determination by taxation authorities and expiring as follows:

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

<u>Year</u>	<u>Loss</u>
2030	1,171,030
2031	-
2032	8,880
2033	227,862
2034	226,256
2035	62,217
2036	204,303
2037	142,036
2038	82,029
2039	97,964
2040	71,230
	<u>\$ 2,293,807</u>

**7. INCOME (LOSS) PER SHARE**

The basic income per share is \$0.001 (2019 – loss of \$0.025) and has been calculated using the income for the financial period of \$45,125 (2019 – loss of \$1,050,660) and the weighted average number of shares issued of 46,454,695 (2019 – 42,329,012). The diluted income per share is equal to the basic loss per share as the conversion of share options decreases the basic income per share, thus being anti-dilutive.

**8. EXPLORATION AND EVALUATION ASSETS**

The Company’s exploration and evaluation (“E&E”) assets consists entirely of capitalized exploration and evaluation expenditures, the details of which can be found in Schedule 1 on a property by property basis. The E&E assets, detailed in Schedule 1, represent costs incurred in relation to the Company’s land claims, which are discussed on a property by property basis below. These amounts have not been transferred to property and equipment because commercial reserves have not yet been established or the determination process has not been completed.

The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain.

a. Halliday/Stewardson Joint Venture

In June 2012, the Company entered into the Halliday/Stewardson Option Agreement with Cameco with respect to its Halliday Lake and Stewardson Lake uranium properties (the “Option Agreement”). Pursuant to the Option Agreement, the Company granted Cameco an exclusive and irrevocable option (the “First Option”) to acquire a 51% interest in the Halliday and Stewardson properties as described above (the “Property”) by incurring cumulative exploration expenditures in relation to the Property amounting to \$7,000,000 by the fourth anniversary of the effective date of the First Option. Conditional upon Cameco fulfilling the First Option, the Company granted Cameco a second option (the “Second Option”) to acquire an additional 19% interest in the Property by incurring an additional \$15,000,000 in exploration expenditures in relation to the Property by the 4th anniversary of the effective date of the Second Option. In October 2013, the Company and Cameco agreed to extend the time period

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

during which Cameco had to fund certain exploration expenditures on the Property to fulfill the criteria of the First and Second Options. Cumulatively prior to the Joint Venture Agreement, the Company had recovered \$5,514,622 from Cameco pursuant to the First Option.

On June 13, 2017 the Company and Cameco entered into joint venture agreement involving the termination of the Option Agreement (described above). The Company has granted Cameco a 25% participating interest as equity compensation for the \$5,514,622 exploration expenditures incurred on the Halliday/Stewardson projects and The Company retains a 75% participating interest and is the operator of the Halliday/Stewardson Joint Venture.

The Joint Venture property consists of 5 mineral claims comprising 43,954 acres in the Athabasca Basin of northern Saskatchewan. The claims have an unlimited term from the date the claims were approved, provided the Corporation incurs approved annual exploration and development expenditures of \$444,875. The Joint Venture currently has excess expenditures of \$2,209,738 remaining to the credit of the claims that may be used towards future annual exploration and development work requirements.

During the year ended December 31, 2019, the Company determined that the costs associated with the Stewardson properties were considered impaired as the current economic environment and commodity price has impacted the Company's ability to raise capital to fund substantive expenditures on the properties. An impairment loss of \$1,013,970 was recognized during the year ended December 31, 2019.

Also, during the year ended December 31, 2019, the Company demobilized its camp at Halliday Lake. The Company exchanged the equipment situated on the camp for the demobilization of the camp. The deemed cost of the demobilization was determined to be \$50,000. As the equipment had previously been written off, a gain on disposal of the equipment was recognized in the amount of \$50,000 and a corresponding \$50,000 demobilization expense was recognized. Further, the Company recovered \$25,000 from Cameco for their share of the demobilization costs pursuant to the Joint Venture agreement.

## **9. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of risks from its use of financial instruments. Management and the board of directors, both separately and together, discuss the principal risks of our businesses. The board of directors sets policies for the implementation of systems to manage, monitor and mitigate identifiable risks. The Company's risk management objective in relation to these instruments is to protect and minimize volatility in cash flow.

The Company is exposed in varying degrees to a variety of financial risks from its use of financial instruments: credit risk, liquidity risk and market risk. The source of risk exposure and how each is managed is outlined below.

### ***Counterparty Credit Risk***

Credit risk is the risk that a customer will fail to meet its obligations which results in a financial loss to the Company. The Company is exposed to credit risk on its cash. At December 31, the maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

	2020	2019
Cash	<u>\$ 31,230</u>	<u>\$ 55,194</u>

The Company mitigates its credit risk by ensuring that balances are held with counterparties with high credit ratings. The Company monitors the credit rating of its counterparties on an annual basis.

*Accounts Receivable*

The Company does not hold any collateral as security. As at December 31, 2020, the Company did not have any past due or impaired accounts receivable.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations at the point at which they are due. Liquidity risk arises from the Company's general funding needs and in the management of the Company's assets, liabilities and mineral property expenditure requirements. The Company manages its liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations as they come due in a cost-effective manner. In managing its liquidity risk, the Company has access to its cash and equivalents.

All of the Company's financial liabilities, being the balance of accounts payable and accrued liabilities, are due within the current year. The Company expects to continue to repay all of its financial liabilities as they become due. The Company does not have any contractual financial liabilities with payments required beyond the current year (Note 1).

***Market Risks***

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risk to which the Company is exposed is interest rate risk. The objective of market risk management is to manage and control risk exposure within acceptable limits to maximize returns.

*Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as it does not hold any debt instruments which are subject to variable interest rates.

***Measurement of Fair Value***

*Accounting Classifications and Fair Values*

The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

*Financial Instruments Measured at Fair Value*

Financial assets designated as FVTPL are recognized initially at fair value, normally being the transaction price plus, other than for FVTPL assets, directly attributable transaction costs.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

Regular way purchases and sales of financial assets are recognized on the settlement date, the date on which the Company receives or delivers the asset.

The Company's investment in marketable securities was fair valued using level three inputs during the year ended December 31, 2020. Based on the Company's evaluation it was determined that the fair value of the investment was \$125,000.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2020</b>	<b>2019</b>
Other accruals	\$ 19,500	\$ 24,470
	<u>\$ 19,500</u>	<u>\$ 24,470</u>

**11. SHARE CAPITAL, WARRANTS AND OPTIONS**

- a. Authorized - Unlimited number of Class A Common shares
- b. On March 6, 2020, the Company closed a non-brokered private placement by issuing 5,000,000 units at a price of \$0.01 per unit for gross proceeds of \$50,000. Each unit consisted of one common share and one share purchase warrant ("Warrant") see note 11(c). The Company incurred \$10,222 of issue costs related to the private placement. Of the total issue costs, \$7,810 were allocated to the common shares issued and \$2,412 were allocated to the warrants based on the relative value of proceeds received.

Of the total proceeds received, \$11,800 was assigned to the Warrants based on the relative fair values of the shares and the Warrants at the date of issue. At the date of issue, the fair value of the shares was \$0.007 per share.

The fair value of the warrants was determined using a black-scholes option pricing model with a risk-free rate of 0.63%, an expected life of two years, a volatility of 125% and a dividend yield of 0%. The fair value of the warrants was determined to be \$0.003 per warrant.

- c. Warrants

The Company has 5,000,000 Warrants outstanding.

The 5,000,000 Warrants granted in March 2020 will expire on March 6, 2022 and will entitle the holder to acquire one common share of the Company at a price of \$0.05 per unit until 24 months from the closing date of the unit offering described in note 11(b).

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

d. Stock option summary

- i. A summary of the status of the Company's outstanding stock options as at December 31, 2020 and 2019 and the changes during the years then ending is as follows:

	2020		2019	
	Number Outstanding and Exercisable	Weighted Average Exercise Price	Number Outstanding and Exercisable	Weighted Average Exercise Price
Beginning of year	270,000	\$ 0.16	895,000	\$ 0.12
Expired	(270,000)	0.16	(625,000)	0.10
Granted/vested	1,050,000	0.05	-	-
End of year	1,050,000	\$ 0.05	270,000	\$ 0.16

- ii. The following table summarizes information about the common share stock options issued and outstanding as at December 31, 2020:

Exercise Price	Number Outstanding and Exercisable	Weighted Average Remaining Contractual Life (Years)
\$ 0.05	1,050,000	3.28
	1,050,000	3.28

## 12. SHARE BASED PAYMENTS

On April 10, 2020, the Company granted 1,050,000 common share options pursuant to its common share option plan. The stock options granted had an exercise price of \$0.05, term of four years to expiry and vested on issuance. The fair value of the options was determined using a Black-Scholes option pricing model with a risk-free rate of 0.52%, an expected life of five years, an expected volatility of 175%, 0% forfeiture rate and a 0% dividend yield. The fair value of the options was \$0.02 per option.

## 13. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able fund its exploration programs and to continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity balances. The Company is currently entirely equity financed.

In the management of capital, the Company includes the components of shareholders' equity as well as the cash and cash equivalents. The Company's definition of capital may differ from other companies' definitions of capital.

**Uravan Minerals Inc.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**  
(Amounts expressed in Canadian Dollars unless otherwise noted)

---

The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, enter into joint venture or earn-in agreements on its wholly-owned properties, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are reviewed by the Company's Board of Directors.

The Company's investment policy for its cash and cash equivalents is to invest its cash in highly liquid, lower risk short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current and subsequent reporting periods.

The Company does not have any borrowings or other financial instruments with covenants attached or other externally imposed restrictions.

#### **14. RELATED PARTIES**

Payments made to officers and directors of the Company during the year ended December 31, 2020 were \$NIL (2019 - \$NIL).

The payments detailed above represent all amounts paid to officers and directors as executive compensation. Officers consist of the Company's Chief Executive Officer and Chief Financial Officer, who are both also directors.

#### **15. SUBSEQUENT EVENTS**

On January 27, 2021, the Company disposed of its marketable securities for gross proceeds of \$125,000.



**Uravan Minerals Inc.****Schedule One – Exploration and Evaluation Assets**

(Amounts expressed in Canadian Dollars unless otherwise noted)

---

	December 31, 2020	Additions / (Impairment)	December 31, 2019	Additions / (Impairment)	December 31, 2018
<b>Halliday/Stewardson Joint Venture</b>					
Property acquisition costs	720,474	-	720,474	-	720,474
Geological and consulting	6,258,895	-	6,258,895	-	6,258,895
Impairment of costs	(1,464,747)	-	(1,464,747)	(1,013,970)	(450,777)
Recovery on earn-in agreement	(5,514,622)	-	(5,514,622)	-	(5,514,622)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,013,970)</u>	<u>1,013,970</u>
Total exploration and evaluation assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,013,970)</u>	<u>\$ 1,013,970</u>