enCore Energy Corp.

TSX.V:EU

enCore Energy Corp.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
enCore Energy Corp.

We have audited the accompanying consolidated financial statements of enCore Energy Corp., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of enCore Energy Corp. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

April 4, 2018

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
As at December 31,

	Notes		2017		2016
ASSETS					
Current					
Cash		$	1,563,570	$	98,069
Receivables and prepaid expenses			45,427		15,974
			1,608,997		114,043
Deferred acquisition costs	14		114,938		-
Mineral properties	5		3,934,825		3,992,326
Total assets		$	5,658,760	$	4,106,369
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	6	$	29,513	$	305,067
Due to related parties	8		150,607		83,428
Total liabilities			180,120		388,495
Shareholders’ Equity					
Share capital	7		23,310,203		21,239,438
Contributed surplus			1,012,750		823,573
Accumulated other comprehensive income			512,279		782,040
Deficit			(19,356,592)		(19,127,177)
Total shareholders’ equity			5,478,640		3,717,874
Total liabilities and shareholders’ equity		$	5,658,760	$	4,106,369

Nature of operations and going concern (Note 1)
Subsequent event (Note 14)

Approved by the Board of Directors:

“William M. Sheriff”	*“William B. Harris”*
Director	Director

The accompanying notes are an integral part of these consolidated financial statements.

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Expenses			
Consulting		$ 67,500	$ -
Interest expense		3,467	6,926
Office and administration	8	89,269	77,064
Professional fees		37,828	37,507
Promotion and shareholder communications		-	320
Staff costs	8	79,392	81,450
Stock option expense	7,8	21,505	44,450
		(298,961)	(247,717)
Interest income		16,208	26
Foreign exchange loss		(3,110)	(7,123)
Gain on extinguishment of accounts payable	6	56,448	-
Realized gain on sale of available for sale securities	4	-	62,495
Loss for the year		(229,415)	(192,319)
Other comprehensive loss			
Exchange differences on translating foreign operations		(269,761)	(113,922)
Reclassification of realized gain on sale of available for sale securities	4	-	(62,495)
Unrealized gain on available for sale securities	4	-	48,131
Other comprehensive loss for the year		(269,761)	(128,286)
Comprehensive loss for the year		$ (499,176)	$ (320,605)
Basic and diluted loss per share		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		106,547,695	71,492,750

The accompanying notes are an integral part of these consolidated financial statements.

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (229,415)	$ (192,319)
Items not affecting cash:		
Stock option expense	21,505	44,450
Gain on extinguishment of accounts payable	(56,448)	
Realized gain on sale of available for sale securities	-	(62,495)
Changes in non-cash working capital items:		-
Receivables and prepaids	(29,453)	3,086
Accounts payable and accrued liabilities	(16,895)	547
Due to related parties	75,240	83,428
Net cash used in operating activities	(235,466)	(123,303)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral properties expenditures	(420,614)	(160,936)
Deferred acquisition costs	(114,938)	-
Proceeds from sale of available for sale securities	-	102,131
Net cash used in investing activities	(535,552)	(58,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for private placement	2,400,000	-
Share issuance costs	(161,563)	-
Net cash provided by financing activities	2,238,437	-
Effect of exchange rate changes on cash	(1,918)	2,671
Change in cash during the year	1,465,501	(179,437)
Cash, beginning of year	98,069	277,506
Cash, end of year	$ 1,563,570	$ 98,069

Supplemental cash flow information – Note 12

The accompanying notes are an integral part of these consolidated financial statements.

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Cumulative translation adjustment	Other comprehensive income	Deficit	Total
Balance as at December 31, 2015	**71,492,750**	**$ 21,239,438**	**$ 779,123**	**$ 895,962**	**$ 14,364**	**$ (18,934,858)**	**$ 3,994,029**
Stock option expense	-	-	44,450	-	-	-	44,450
Unrealized gain on fair value of available for sale securities	-	-	-	-	48,131	-	48,131
Reclassification of gain on available for sale securities	-	-	-	-	(62,495)	-	(62,495)
Loss and comprehensive loss for the year	-	-	-	(113,922)	-	(192,319)	(306,241)
Balance as at December 31, 2016	**71,492,750**	**$ 21,239,438**	**$ 823,573**	**$ 782,040**	**$ -**	**$ (19,127,177)**	**$ 3,717,874**
Shares issued for private placement	40,000,000	2,400,000	-	-	-	-	2,400,000
Share issuance costs	-	(329,235)	167,672	-	-	-	(161,563)
Stock option expense	-	-	21,505	-	-	-	21,505
Loss and comprehensive loss for the year	-	-	-	(269,761)	-	(229,415)	(499,176)
Balance as at December 31, 2017	**111,492,750**	**$ 23,310,203**	**$ 1,012,750**	**$ 512,279**	**$ -**	**$ (19,356,592)**	**$ 5,478,640**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

enCore Energy Corp. was incorporated on October 30, 2009 under the Laws of British Columbia. enCore Energy Corp., together with its subsidiary (collectively referred to as the "Company" or "enCore"), is principally engaged in the acquisition and exploration of resource properties in the United States. The Company's common shares trade on the TSX Venture Exchange under the symbol "EU.V."

The Company's head office is located at #510 – 580 Hornby Street, Vancouver, BC.

The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. For the year ended December 31, 2017, the Company reported a net loss of $229,415 and as at that date had a net working capital of $1,428,877 and an accumulated deficit of $19,356,592. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing.

While the Company currently has no source of revenue, management believes the cash balance will be sufficient to fund general working capital requirements for the next twelve months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective as of December 31, 2017.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements were approved for issuance by the Board of Directors on April 4, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All significant intercompany transactions and balances have been eliminated.

The consolidated financial statements include the financial statements of the Company and its significant subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity	Functional Currency
Tigris Uranium US Corp.	Nevada, USA	100%	Mineral Exploration	USD

Cash

Cash is comprised of cash held at banks and demand deposits. Cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have an original maturity of less than three months.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in a provision due to the passage of time is recognized as finance expense. The Company has no environmental rehabilitation obligations at this time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Mineral properties

Costs related to the acquisition of mineral property interests are capitalized. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of property option agreements. Such payments are made entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of mineral property.

Impairment of financial and non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects a current market assessment of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that do not effect either accounting or taxable loss or those differences relating to investments in subsidiaries to the extent that they are not probable to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statements of the financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it is not recorded.

Foreign exchange

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is Canadian dollars. The functional currency of enCore Energy Corp. is the Canadian dollar and the functional currency of Tigris Uranium US Corp. is the US dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to loss and comprehensive loss.

The statement of financial position of each foreign subsidiary is translated into Canadian dollars using the exchange rate at the statement of financial position date and the statement of loss and comprehensive loss is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive income.

Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held-to- maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss and comprehensive loss.

Share-based payments

The fair value of all stock options granted to directors, officers, and employees is recorded as a charge to operations and a credit to contributed surplus. The fair value of these stock options is measured at the grant date using the Black-Scholes option pricing model. The fair value of stock options which vest immediately is recorded at the grant date. For stock options which vest in the future, the fair value of stock options, as adjusted for the expected level of vesting of the stock options and the number of stock options which ultimately vest, is recognized over the vesting period. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Warrants issued to brokers are measured at their fair value on the vesting date and are recognized as a deduction from equity and credited to contributed surplus. The fair value of stock options and warrants issued to brokers are estimated using the Black-Scholes option pricing model. Any consideration received on the exercise of stock options and/or warrants, together with the related portion of contributed surplus, is credited to share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore its exploration and evaluation assets. These equity financing transactions may involve the issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are valued based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

New accounting standards and interpretation

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Company has determined that adopting IFRS 9 will not have a significant impact on the Company's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers. IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service. The Company has determined that adopting IFRS 15 will not have a significant impact on the Company's consolidated financial statements.

On January 13, 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the statement of financial position, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted IFRS 16 and is currently evaluating the impact, if any, that this standard might have on its consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although management uses historical experience and its best knowledge of the expected amounts, events or actions to form the basis for estimates, actual results may differ from these estimates. Significant accounting estimates and judgments include the following:

Critical accounting estimates:

The assessment of the recoverable amount of mineral properties as a result of impairment indicators - When indicators of impairment are identified, recoverable amount calculations are based either on discounted estimated future cash flows or on comparable recent transactions. The assumptions used are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of loss and comprehensive loss and the resulting carrying values of assets.

Share-based payments - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Critical accounting judgments:

The assessment of indicators of impairment for mineral properties - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the Company's future plans to explore and evaluate a mineral property.

Determination of functional currency - In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company is the Canadian dollar and the functional currency of its subsidiary is the U.S. dollar.

(Expressed in Canadian dollars)

4. AVAILABLE FOR SALE SECURITIES

	Shares
Balance, December 31, 2015	$ 54,000
Disposal by sales	(102,131)
Realized gain on sales	62,495
Change in fair value	(14,364)
Balance, December 31, 2016 and December 31, 2017	$ -

During the year ended December 31, 2016, the Company sold its remaining 75,000 common shares of NexGen Energy Ltd. for aggregate gross proceeds of $102,131 and recognized a gain on sale of marketable securities of $62,495.

5. MINERAL PROPERTIES

	Crownpoint and Hosta Butte	Marquez and Nose Rock, New Mexico	Moonshine Springs, Arizona	Other properties	Total
Balance, December 31, 2015	$ 3,070,795	$ 503,915	$ 197,185	$ 175,276	$ 3,947,171
Exploration costs:					
Maintenance fees	-	75,083	24,829	61,024	160,936
Currency translation adjustment	(87,805)	(16,560)	(6,604)	(4,812)	(115,781)
Balance, December 31, 2016	$ 2,982,990	$ 562,438	$ 215,410	$ 231,488	$ 3,992,326
Exploration costs:					
Maintenance fees	-	163,607	8,549	46,456	218,612
Currency translation adjustment	(203,004)	(42,513)	(14,660)	(15,936)	(276,113)
Balance, December 31, 2017	$ 2,779,986	$ 683,532	$ 209,299	$ 262,008	$ 3,934,825

Energy Fuels Agreement

During the year ended December 31, 2015, the Company entered into a comprehensive asset purchase agreement (“Agreement”) with Energy Fuels Inc. and its subsidiaries ("Energy Fuels") to acquire a Toll Milling processing right and a 100% interest in the Marquez and Nose Rock projects in New Mexico, the Moonshine Springs project in Arizona, and four projects in the White Canyon District of Utah. Terms of the Agreement include the payment of USD$179,960 ($249,748) in cash at closing (paid) to Energy Fuels along with the issuance of 14.25 million of the Company’s common shares (issued at a fair value of $427,500). A final payment of USD$150,000 was due on June 4, 2016, which was extended by an amending agreement dated May 10, 2016. As per the amendment, the outstanding payment accrued interest at a rate of 7% from June 4, 2016 until the date the fee was fully paid. During the year ended December 31, 2017, the Company paid USD$157,940 ($206,734) which includes the full balance of the principal outstanding and accrued interest of USD$7,940 ($10,393).

5. MINERAL PROPERTIES (cont'd)

Toll Milling Agreement

The Toll Milling provision of the Agreement allows the Company to process conventional uranium ore from the acquired projects at Energy Fuels' White Mesa mill in Blanding County, Utah. The agreement is for an initial period of two years with renewal provisions and contains industry-standard provisions. Subsequent to year end, the agreement has expired in January 2018.

Marquez, New Mexico

The Marquez project consists of private mineral leases located in McKinley and Sandoval counties of New Mexico.

Nose Rock, New Mexico

The Nose Rock Project is located in McKinley County, New Mexico, on the northern edge of the Grants Uranium District. The Nose Rock property consists of 42 owned unpatented lode mining claims.

Moonshine Springs, Arizona

The Moonshine Springs project is located in Mohave County, Arizona. The project comprises 23 owned unpatented lode mining claims along with 7 unpatented lode mining claims under lease.

Other Properties

The White Canyon District, Utah property package includes the Geitus, Blue Jay, Marcy Look, and Cedar Mountain projects, which are located 40-65 miles to the northwest of the White Mesa Mill at Blanding County, Utah.

Crownpoint and Hosta Butte Properties

The Company owns a 100% interest in the approximately 113,000 acre McKinley properties and a 60% - 100% interest in the adjacent Crownpoint and Hosta Butte properties, all of which are located in McKinley County, New Mexico. The Company holds a 60% in a portion of a certain section at Crownpoint. The Company owns a 100% interest in the rest of the Crownpoint and Hosta Butte project area, subject to a 3% gross profit royalty on uranium produced.

(Expressed in Canadian dollars)

6. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	December 31, 2017	December 31, 2016
Trade payables	$ 29,513	$ 103,060
Payable for asset purchase agreement (Note 5)	-	202,007
Total	$ 29,513	$ 305,067

During the year ended December 31, 2017, the Company settled certain accounts payable with its suppliers and accordingly recorded a gain on settlement of accounts payable of $56,448.

7. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited common and preferred shares without par value.

During the year ended December 31, 2017, the Company closed a private placement for an aggregate of $2,400,000 comprised of 40,000,000 units at a price of $0.06 per unit. Each unit consists of one common share (the “Shares”) and one-half share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share at a price of $0.10 for a period of three years from the date of issue of the warrants. The warrants may be accelerated under certain terms if the stock price closes for 20 business days at $0.80 or more. In connection with the financing, the Company paid $161,563 of cash share issuance costs and granted 1,516,667 finders’ warrants (“Finder’s Warrant) fair valued at $167,672. Each Finder's Warrant is exercisable for the purchase of one unit (a “Finder Unit”) of the Company for a period of three years at an exercise price of $0.06 per Finder Unit. Each Finder Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole such warrant, a “Finder’s Unit Warrant”), with each Finder’s Unit Warrant being exercisable into one common share of the Company for a period of three years from the original date of issuance of the Finder’s Warrant, at a price of $0.10 per share.

Stock options

The Company has adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the outstanding common shares at the time of the grant. The options can be granted for a maximum of five years and vest as determined by the Board of Directors.

(Expressed in Canadian dollars)

7. SHARE CAPITAL AND RESERVES (cont'd)

Stock options (cont'd)

The Company's stock options outstanding as at December 31, 2017 and December 31, 2016, and the changes for the years then ended, are as follows:

	Outstanding Options	Weighted Average Exercise Price	Weighted Average Life (years)
Balance, December 31, 2015	4,469,167	$ 0.17	3.18
Granted	950,000	0.05	
Forfeited/expired	(1,174,167)	0.52	
Balance, December 31, 2016	4,245,000	0.05	3.19
Granted	505,000	0.10	
Forfeited/expired	(25,000)	0.45	
Balance, December 31, 2017	4,725,000	$ 0.06	2.44
Exercisable, December 31, 2017	4,108,750	$ 0.05	

As at December 31, 2017, incentive stock options were outstanding as follows:

Outstanding Options	Exercise Price	Expiry Date
2,795,000	$ 0.05	December 19, 2019
475,000	$ 0.05	December 31, 2019
950,000	$ 0.05	January 6, 2021
505,000	$ 0.10	May 11, 2022
4,725,000		

During the year ended December 31, 2017, the Company granted 505,000 options with an exercise price of $0.10. The options vest 25% every six months commencing six months after the grant date. During the year ended December 31, 2016, the Company granted 950,000 options with an exercise price of $0.05. The options vest 25% every six months commencing six months after the grant date.

During the year ended December 31, 2017, the Company recognized stock option expense of $21,505 (2016 - $44,450) for the vested portion of the stock options.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2017	2016
Risk-free interest rate	1.03%	0.66%
Expected life of option	5.00 years	5.00 years
Expected dividend yield	0%	0%
Expected stock price volatility	159.74%	147.13%
Fair value per option	$0.07	$0.03

(Expressed in Canadian dollars)

7. SHARE CAPITAL AND RESERVES (cont'd)

Share purchase warrants

The Company's share purchase warrants outstanding as at December 31, 2017 and 2016, and the changes for the periods then ended, are as follows:

	Outstanding Warrants	Weighted Average Exercise Price	Weighted Average Life (years)
Balance, December 31, 2015 and 2016	-	$ -	-
Granted	21,516,669	0.10	
Balance, December 31, 2017	21,516,669	$ 0.10	2.13

As at December 31, 2017, share purchase warrants were outstanding as follows:

Outstanding Warrants	Exercise Price	Expiry Date
20,000,002	$ 0.10	February 15, 2020
1,516,667	0.06	February 15, 2020*
21,516,669		

* These finders' warrants are exercisable into units comprising of a common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share at the price of $0.10 per share until February 15, 2020.

During the year ended December 31, 2017, the Company granted 1,516,667 (2016 – Nil) finders' warrants with an initial fair market value of $167,672 (2016 - $Nil) or $0.11 (2016 - $Nil) per warrant which was recorded as share issue costs. The following weighted average assumptions were used for the Black-Scholes valuation of the finders' warrants:

	2017	2016
Risk-free interest rate	0.97%	-
Expected life of warrant	3.00 years	-
Expected dividend yield	0%	-
Expected stock price volatility	182.01%	-
Fair value per warrant	$0.11	-

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017, the Company incurred $78,206 (2016 - $79,507) in staff costs for the Chief Executive Officer and $30,000 (2016 - $30,000) in general and administrative fees for the Chief Financial Officer. As at December 31, 2017, the Company owed the Chief Executive Officer $150,607 (2016 - $80,803). As at December 31, 2017, the Company owed the Chief Financial Officer $Nil (2016 - $2,625).

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities.

Key management includes Directors and Officers of the Company. The compensation paid or payable to key management for services during the years ended December 31, 2017 and 2016 is as follows:

		2017		2016
Staff costs	$	78,206	$	79,507
Stock option expense		15,290		32,117
Office and administration fees		30,000		30,000
Total key management compensation	$	123,496	$	141,624

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to support the exploration and evaluation of its mineral properties and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, and acquire or dispose of assets.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There were no changes in the Company's approach to capital management during the year ended December 31, 2017. The Company is not subject to any capital requirements imposed by a regulator.

10. FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1- Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Values based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Values based on prices or valuation techniques that are not based on observable market data.

Cash is measured at Level 1 of the fair value hierarchy. The fair value of receivables, accounts payable and accrued liabilities, and amounts due to related parties approximates fair value due to the short term nature of the financial instruments. The Company classified its receivables as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and due to related parties that are denominated in US dollars. At December 31, 2017, a 10% change in the value to the US dollar as compared to the Canadian dollar would affect net loss and shareholders' equity by approximately $9,000.

Credit Risk

Credit risk arises from cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company's cash is primarily held with a major Canadian bank.

Market Risk

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

Interest Rate Risk

Interest rate risk mainly arises from the Company's cash, which receives interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

10. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than 90 days. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing.

11. SEGMENTED INFORMATION

The Company operates in a single segment: the acquisition and exploration of mineral properties in the United States. The Company's mineral properties and equipment are located in the United States.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the year ended December 31, 2017 include the following:

a) Issued 1,516,667 finders' warrants valued at $167,672 related to the private placement.

b) Included in mineral properties is $25,000 which relates to accounts payable and accrued liabilities.

Significant non-cash transactions for the year ended December 31, 2016 include the following:

a) Included in mineral properties is $227,007 which relates to accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

13. INCOME TAXES

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

	2017	2016
Loss for the year	$ (229,415)	$ (192,319)
Expected income tax (recovery)	(60,000)	(50,000)
Tax effect of reorganization	-	(661,000)
Change in statutory foreign tax, foreign exchange rates and other	(52,000)	2,000
Permanent differences	6,000	30,000
Share issuance costs	(42,000)	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(49,000)	(359,000)
Change in unrecognized deductible temporary differences	197,000	1,038,000
Total income tax expense (recovery)	$ -	$ -

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been re-measured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

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

	2017	Expiry Date Range	2016	Expiry Date Range
Temporary Differences				
Property and equipment	$ 98,000	No expiry date	$ 104,000	No expiry date
Share issue costs	129,000	2038 to 2041	-	2034 to 2037
Allowable capital losses	2,579,000	No expiry date	2,541,000	No expiry date
Non-capital losses available for future period	4,671,000	2028 to 2037	4,318,000	2028 to 2036

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. SUBSEQUENT EVENT

Subsequent to December 31, 2017, the Company announced that it has entered into an agreement with Metamin Enterprises Inc. (“Metamin”), a private British Columbia company, to acquire Metamin’s wholly owned subsidiary, Metamin US Inc. (“MEUS”), which includes 13,605 acres of prospective uranium mining properties located in the States of Arizona, Utah and Wyoming, USA, along with drill core, geophysical data, drilling data and equipment related to the properties. The Company plans to complete the transaction by way of purchase of the shares of Metamin’s wholly owned Nevada subsidiary, MEUS, that holds the properties and assets. Pursuant to the agreement, the Company will pay Metamin $55,000 in cash and issue 3,000,000 common shares (issued at a fair value of $150,000) as consideration for the acquisition. During the year ended December 31, 2017, the Company incurred deferred acquisition costs related to this transaction in the amount of $114,938.