NORTHERN URANIUM CORP

CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

Expressed in Canadian dollars

September 30, 2016

Northern Uranium Corp.
September 30, 2016

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NOTICE TO READER

These condensed interim financial statements of Northern Uranium Corp. for the nine months ended September 30, 2016 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the International Financial Reporting Standards .

Northern Uranium Corp.

Condensed Interim Statements of Financial Position
(Unaudited - prepared by management)
(Expressed in Canadian Dollars)

As at	Note	September 30, 2016	December 31, 2015
Assets			
Current assets			
Cash		$ 222,774	$ 270,591
Receivables		63,395	6,596
Deposits and prepaid expenses		76,541	74,041
		362,710	351,228
Non-current assets			
Exploration and evaluation assets	*4*	1,037,500	1,037,500
Total Assets		$ 1,400,210	$ 1,388,728
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	*6*	$ 520,648	$ 473,151
		520,648	473,151
Shareholders' Equity			
Share capital	*7*	11,438,080	11,090,080
Reserves	*7*	685,549	1,137,511
Deficit		(11,244,067)	(11,312,014)
		879,562	915,577
Total Liabilities and Shareholders' Equity		$ 1,400,210	$ 1,388,728
		-	

Nature and continuance of operations (Note 1)
Commitments (Note 8)

Approved by the Board of Directors:

"Jennifer Irons"	*"Vernon Frolick"*
Jennifer Irons	*Vernon Frolick*

See accompanying notes to condensed interim financial statements.

Northern Uranium Corp.

Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - prepared by management)
(Expressed in Canadian Dollars)

		Three Months Ended		Nine Months Ended	
	Note	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Expenses					
Consulting		$ 7,264	$ -	$ 7,547	$ 2,543
Exploration expenditures (recovery)	*5*	(127,312)	1,352,481	(70,355)	3,869,419
Management fees	*7(d)*	5,000	10,000	15,000	27,143
Office and administrative		13,967	25,312	52,080	97,026
Professional fees		3,222	9,365	11,601	24,489
Transfer agent and filings fees		854	16,232	20,881	61,723
Income (loss) before other items		97,005	(1,413,390)	(36,754)	(4,082,343)
Other items					
Interest income		95	547	739	3,857
Foreign exchange gain (loss)		-	-	-	4
		95	547	739	3,861
Income (loss) and comprehensive loss for the period		$ 97,100	$ (1,412,843)	$ (36,015)	$ (4,078,482)
Basic and diluted loss per share		$ 0.00	$ (0.01)	$ (0.00)	$ (0.04)
Weighted average number of shares outstanding		162,361,514	131,279,098	162,361,514	113,270,740

See accompanying notes to condensed interim financial statements.

Northern Uranium Corp.

Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - prepared by management)
(Expressed in Canadian Dollars)

	Note	**Number of Common Shares**	**Share capital**	**Reserves**	**Deficit**	**Total**
Balance as at December 31, 2014		69,409,016	$ 7,306,174	$ 1,055,411	$ (7,259,679)	$ 1,101,906
Share issuance	*7(b)(i)*	75,452,500	3,772,624	-	-	3,772,624
Share issuance costs		-	(214,913)		-	(214,913)
Shares and warrants issued as part of earn-in agreement	*7(b)(ii)*	5,000,000	66,000	34,000	-	100,000
Loss for the period		-	-	-	(4,078,482)	(4,078,482)
Balance as at September 30, 2015		149,861,516	$ 10,929,885	$ 1,089,411	$ (11,338,161)	$ 681,135
Balance as at December 31, 2015		162,361,514	$ 11,090,080	$ 1,137,511	$ (11,312,014)	$ 915,577
Reserves transferred on expired options and warrants		-	348,000	(451,962)	103,962	-
Loss for the period		-	-	-	(36,015)	(36,015)
Balance as at September 30, 2016		162,361,514	$ 11,438,080	$ 685,549	$ (11,244,067)	$ 879,562

See accompanying notes to condensed interim financial statements.

Northern Uranium Corp.

Condensed Interim Statements of Cash Flows
(Unaudited - prepared by management)
(Expressed in Canadian Dollars)

		Nine Months Ended	
	Note	September 30, 2016	September 30, 2015
Operating activities			
Loss for the period		$ (36,015)	$ (4,078,482)
Net changes in non-cash working capital items:			
Increase in receivables		(56,799)	(8,622)
Increase in prepaid expenses		(2,500)	(2,500)
Increase in accounts payable and accrued liabilities		47,497	156,018
Net cash used for operating activities		(47,817)	(3,933,586)
Investing activities			
Net cash used for investing activities		-	-
Financing activities			
Issuance of share capital		-	3,772,624
Issuance cost		-	(214,913)
Net cash provided by financing activities		-	3,557,711
Net increase (decrease) in cash		(47,817)	(375,875)
Cash, beginning of the period		270,591	756,913
Cash, end of the period		$ 222,774	$ 381,038
Cash paid for interest during the period		$ -	$ -
Cash paid for taxes during the period		$ -	$ -

Supplemental disclosure with respect to cash flows *(Note 13)*

See accompanying notes to condensed interim financial statements.

1. Nature and Continuance of Operations

Northern Uranium Corp. (the "Company") was incorporated on July 19, 2005 under the Canada Business Corporations Act and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "UNO".

The Company's head office and location of books and records is 203-1634 Harvey Avenue, Kelowna, British Columbia, Canada, V1Y 6G2.

The recoverability of the amounts comprised in mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. Basis of Presentation

a. *Statement of Compliance*

These unaudited condensed interim financial statements (the "Financial Statements"), including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2015. The accounting policies and methods of application are consistent with those used in the Company's financial statements for the year ended December 31, 2015.

These Financial Statements were approved for issue by the Audit Committee on November 29, 2016.

2. Basis of Presentation (continued)

b. Basis of Presentation

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

c. Use of Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially and adversely from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

(Expressed in Canadian Dollars)

2. Basis of Presentation (continued)

c. Use of Estimates (continued)

iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. Significant Accounting Policies

New Standards Not Yet Adopted

IFRS 9 "Financial Instruments" is a new standard that is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Its commencement date is currently unknown.

4. Exploration and Evaluation Assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

The carrying values of the Company's exploration and evaluation assets are as follows:

	Northern Manitoba
Balance, December 31, 2014	$ 937,500
Additions - share issuance (note 7(b))	66,000
Additions - warrants issuance (note 7(b))	34,000
Balance, September 30, 2015 and 2016	$ 1,037,500

4. Exploration and Evaluation Assets (continued)

Northern Manitoba Project

The Company has entered into an agreement with CanAlaska Uranium Ltd ("CanAlaska") to acquire up to 80% of its Northwest Manitoba Property.

Under the terms of the option agreement, the Company can earn up to an 80% interest in the Property by carrying out a three-stage $11.6 million exploration program. The first stage allows the Company to obtain a 50% interest by making a non-refundable cash deposit of $35,000 (paid) and by issuing 2,250,000 common shares (issued) valued at $0.12 per share, 1,000,000 common share purchase warrants with an exercise price of $0.10 for a term of two years (granted) and 1,250,000 common share purchase warrants with an exercise price of $0.15 for a term of two years (granted), on or before March 21, 2014. An additional $50,000 payment was incurred to extend the terms of the initial agreement. The Company incurred $600,000 in exploration expenditures on or before March 31, 2014 and issued an additional 2,250,000 common shares, valued at $0.11 per share, on or before June 1, 2014. A further $2,600,000 in exploration expenditures was incurred by the Company before December 31, 2014.

Upon the Company having earned the 50% interest, it has the right to a 70% option. In order to exercise the 70% option, the Company was required to incur a further $2.8 million in expenditures on the property within a two year period (incurred) and issue an additional 5,000,000 common shares (issued at a value of $0.02 per share) and 2,500,000 purchase warrants (granted), which shall be exercisable into common shares for a period of two years from the date of issue of the warrants at an exercise price per common share that is equal to the market price of the Company's shares on the date immediately preceding the date of issuance of such warrants ($0.02). The Company may elect, prior to the end of the two year period, to pay CanAlaska a cash fee of $50,000 for each incremental year of such extension.

As at December 31, 2015, the Company had spent the required funds on the Northern Manitoba project and has met the 70% earn-in agreement milestone.

Upon the Company having earned the 70% interest, it has the right to an 80% option. In order to exercise the 80% option, the Company must incur a further $5.6 million in expenditures on the property within a two year period and issue an additional 5,000,000 common shares and 2,500,000 purchase warrants, which shall be exercisable into one common shares for a period of three years from the date of issue of the warrants at an exercise price per common share that is equal to the market price of the Company's shares on the date immediately preceding the date of issuance of such warrants. The Company may elect, prior to the end of the two year period, to pay CanAlaska a cash fee of $50,000 for each incremental year of such extension.

(Expressed in Canadian Dollars)

5. Exploration Expenditures

		Northern Manitoba
Cumulative expenditures, December 31, 2014	$	3,443,315
Additions		
Aircraft field transport		786,460
Camp and field supplies		404,311
Drill supplies and repairs		904,272
Equipment rental		116,548
Licenses, rent and other		67
Labour		1,207,405
Sample laboratory analysis		22,420
Shipping and freight		350,925
Telephone and communication		13,842
Travel and accomodation		238,276
Total additions		4,044,526
Cost recoveries		(175,107)
Net exploration expenditures during the period		3,869,419
Cumulative expenditures, September 30, 2015		7,312,734
Net exploration expenditures during the remainder of 2015		168,750
Cumulative expenditures, December 31, 2015		7,481,484
Additions		
Camp and field supplies		1,327
Drill supplies and repairs		25,697
Equipment rental		9,468
Licenses, rent and other		-
Labour		40,444
Sample laboratory analysis		(76)
Shipping and freight		915
Telephone and communication		3,727
Travel and accomodation		7,672
Total additions		89,174
Cost recoveries		(159,529)
Net exploration expenditures during the period		(70,355)
Cumulative expenditures, September 30, 2016	$	7,411,129

(Expressed in Canadian Dollars)

6. Accounts Payable and Accrued Liabilities

The Company's accounts payable and accrued liabilities are as follows:

	September 30, 2016	December 31, 2015
Trade payables	$ 71,368	$ 1,048
Accrued liabilities	38,571	43,840
Related party payables	410,709	428,263
Total	$ 520,648	$ 473,151

7. Share Capital and Reserves

a) *Authorized share capital*

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at September 30, 2016.

b) *Issued share capital*

i) *Shares issued through private placements*

In January 2015, the Company closed the second tranche of a private placement (which had been announced in December 2014) and issued 10,000,000 flow-through shares at a price of $0.05 per share for gross proceeds of $500,000, and 400,000 non-flow through units at $0.05 per share for gross proceeds of $20,000. Each non-flow through unit is comprised of a share and one half of a two year warrant with an exercise price of $0.10. In connection with the issuance of the flow through shares, the Company paid finder's fees of $40,000 and issued 800,000 finder's warrants with an exercise price of $0.10 and an expiration of one year following the issuance. These broker warrants were valued at $17,000 using the Black Scholes option pricing model with volatility of 159%, 0% dividends, an expected life of 1 year, and a risk free rate of 1.07%. These broker warrants have expired during the period ended September 30, 2016. The Company incurred additional share issuance costs related to this private placement of $12,158.

7. Share Capital and Reserves (continued)

b) Issued share capital (continued)

i) *Shares issued through private placements (continued)*

In March 2015, the Company closed the first tranche of a non-brokered private placement and issued 23,200,000 flow-through shares at a price of $0.05 per share for gross proceeds of $1,160,000, and 11,852,500 non-flow through units at $0.05 per share for gross proceeds of $592,625. Each non-flow through unit is comprised of a share and one half of a two year warrant with an exercise price of $0.10. In connection with the issuance of the shares, the Company paid total finder's fees of $12,000 and issued 240,000 finder's warrants with an exercise price of $0.10 and an expiration of one year following the issuance. These broker warrants were valued at $9,000 using the Black Scholes option pricing model with volatility of 161%, 0% dividends, an expected life of 1 year, and a risk free rate of 1.07%; these finder's warrants have expired during the period ended September 30, 2016.

In April 2015, the Company closed the second tranche of this private placement and issued 16,000,000 flow-through shares at a price of $0.05 per share for gross proceeds of $800,000, and 2,000,000 non-flow through units at $0.05 per share for gross proceeds of $100,000. Each non-flow through unit is comprised of a share and one half of a two year warrant with an exercise price of $0.10. In connection with the issuance of the shares, the Company paid total finder's fees of $72,000 and issued 1,440,000 finder's warrants with an exercise price of $0.10 and an expiration of one year following the issuance. These broker warrants were valued at $49,000 using the Black Scholes option pricing model with volatility of 156%, 0% dividends, an expected life of 1 year, and a risk free rate of 1.07%; these brokers warrants expired during the period ended September 30, 2016. The Company incurred additional share issuance costs related to this private placement of $23,986.

In August 2015, the Company closed a non-brokered private placement and issued 12,000,000 flow-through shares at a price of $0.05 per share for gross proceeds of $600,000. In connection with the issuance of the shares, the Company paid total finder's fees of $48,000 and issued 960,000 finder's warrants with an exercise price of $0.05 and an expiration of one year following the issuance. These broker warrants were valued at $5,000 using the Black Scholes option pricing model with volatility of 124%, 0% dividends, an expected life of 1 year, and a risk free rate of 0.42%; these brokers warrants expired during the period ended September 30, 2016. The Company incurred additional share issuance costs related to this private placement of $6,769.

There was no flow-through premium liability initially associated with the above noted issuances of flow-through shares.

7. Share Capital and Reserves (continued)

b) Issued share capital (continued)

i) *Shares issued through private placements (continued)*

In October 2015, the Company closed a non-brokered private placement and issued 12,499,998 flow-through units at a price of $0.04 per share for gross proceeds of $500,000. Each flow-through unit is comprised of one flow-through share and one half of a non-flow through warrant. Each whole warrant entitles the holder to acquire a common share of the Company at a price of $0.07 per shares for a term of two years. In connection with the issuance of the shares, the Company incurred share issuance costs related to this private placement of $4,806. The Company incurred a flow-through premium of $250,000 associated with this flow-through share issuance. As at December 31, 2015, the Company had no remaining funds relating to this private placement. As the Company has incurred sufficient expenditures relating to this flow-through issuance, the $250,000 flow-through premium was recognized as Other income in the Statement of Loss and Comprehensive Loss for the year ended December 31, 2015.

ii) *Shares issued as part of earn-in agreement*

As part of the earn-in agreement with CanAlaska for the Northern Manitoba project (Note 4), 4,500,000 shares were issued in two tranches, along with 2,250,000 warrants. The first tranche of 2,250,000 shares was issued at $0.12 per share, and included 2,250,000 warrants. Of these warrants, 1,000,000 warrants have an exercise price of $0.10 for a term of two years and 1,250,000 warrants have an exercise price of $0.15 for a term of two years. In May 2014, the Company issued the second tranche of 2,250,000 shares to CanAlaska at $0.11 per share. These warrants expired during the period ended June 30, 2016.
Once the Company had reached the 50% earn-in mark (Note 4), CanAlaska was issued 2,500,000 shares and 1,250,000 warrants in fiscal 2014. The shares were issued at $0.04 per share, and the warrants have an exercise price of $0.05 with a term of two years.

The Company reached the 70% earn-in mark (Note 4) in September 2015; at this point, CanAlaska was issued 5,000,000 shares and 2,500,000 warrants. The shares were issued at $0.02 per share and the warrants have an exercise price of $0.02 with a term of three years.

c) *Stock options and warrants*

The Company, in accordance with its shareholder approved stock option plan, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, unless otherwise determined by the Board of Directors, and are exercisable for up to a period of ten years from the date of grant.

(Expressed in Canadian Dollars)

7. Share Capital and Reserves (continued)

c) *Stock options and warrants (continued)*

Stock options and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2014	4,300,000	0.15	16,858,000	0.14
Granted	-	-	4,660,000	0.06
Outstanding, September 30, 2015	4,300,000	$ 0.15	21,518,000	$ 0.12
Granted	-	-	14,656,249	0.09
Expired	(300,000)	0.15	(60,000)	0.10
Outstanding, December 31, 2015	4,000,000	$ 0.15	36,114,249	$ 0.11
Cancelled / Expired	(750,000)	0.15	(18,988,000)	0.13
Outstanding, September 30, 2016	3,250,000	$ 0.15	17,126,249	$ 0.08
Number currently exercisable	3,250,000	$ 0.15	17,126,249	$ 0.08

The following stock options were outstanding at September 30, 2016:

	Number	Exercise Price	Expiry Date
Options	2,500,000	$ 0.15	May 13, 2024
	750,000	0.15	December 31, 2016
	3,250,000		

(Expressed in Canadian Dollars)

7. Share Capital and Reserves (continued)

c) *Stock options and warrants (continued)*

The following warrants were outstanding at September 30, 2016:

	Number	Price	Expiry Date
Warrants	1,250,000	0.10	December 22, 2016
	200,000	0.10	February 4, 2017
	5,926,250	0.10	March 26, 2017
	1,000,000	0.10	April 7, 2017
	6,249,999	0.07	October 14, 2017
	2,500,000	0.02	September 17, 2018
	17,126,249		

d) *Deferred share unit plan*

The Company has a deferred share unit plan whereby directors can receive compensation in the form of a deferred share unit. Under the plan, directors will earn compensation quarterly ($5,000 initial value per quarter per director) at which time the number of deferred share units will be determined based on the Company's share price at the end of the quarter. Upon leaving the Board, directors, at their discretion, will receive cash or shares for the deferred compensation. Under the deferred share plan, directors are entitled to receive the cash value equal to the fair value of the deferred shares outstanding. Accordingly, the value of the deferred liability is equal to the fair value of the shares. For the nine month period ended September 30, 2016, $15,000 of deferred compensation (nine month period ended September 30, 2015 – $27,143) has been expensed as management fees.

As at September 30, 2016, there is $38,571 of deferred compensation accrued in accounts payable (December 31, 2015 – $23,840). This equates to 771,428 shares (December 31, 2015 – 476,804 shares) if the directors left the Company. One director was paid out his portion of the December 31, 2015 balance in January 2016; this payment was for $269 and represented pay out of the remaining 5,376 DSUs in his plan.

As of September 30, 2016, the remaining director with a DSU plan resigned due to other business interests. Payment of $38,571 was made in October 2016; as such, as at the date of these financial statements, the Company has no further DSU liability.

(Expressed in Canadian Dollars)

8. Commitments

The Company is currently committed to one lease agreement. The Company shares lease premises with related parties and its share of the office premises is $987 per month. The current lease expires July 2018. Total minimum future lease payments for office premises are as follows:

Fiscal year ended December 31, 2016:	$2,962
Fiscal year ended December 31, 2017:	$11,846
Fiscal year ended December 31, 2018:	$5,643

During the 2015 fiscal year, the Company raised $3,560,000 in flow through funds which were required to be incurred on eligible exploration expenditures. As at December 31, 2015, the Company had incurred exploration costs representing the full amount of these obligations.

9. Related Party Disclosures

During the nine month periods ended September 30, 2016 and 2015, the Company had related party transactions with the following companies related by way of common directors or shareholders:

- Element 29 Ventures Ltd. ("Element 29") – a private company owned by the Company's CEO. Element 29 provides geological consulting services to the Company.
- Kel-Ex Development Ltd. ("Kel-Ex") – a private company owned by a significant shareholder. A director of the Company is the CFO of Kel-Ex. Kel-Ex provides administration, payroll and office services to the Company.
- Metalex Ventures Ltd. ("Metalex") – a publicly listed company with common directors and management. Metalex shares office space with the Company and thus have certain shared expenditures which get re-billed on a cost-recovery basis.
- Cantex Mine Development Corp. ("Cantex") – a publicly listed company with common directors and management. Cantex shares office space with the Company and thus have certain shared expenditures which get re-billed on a cost-recovery basis.

(Expressed in Canadian Dollars)

9. Related Party Disclosures (continued)

The Company's related party expenses consist of the following:

	Three months ended September 30,		Nine months ended, September 30,	
	2016	2015	**2016**	2015
Geological consulting fees	**$ 24,890**	$ 104,662	**$ 39,420**	$ 389,821
Shared field expenditures	**20,459**	603,437	**47,241**	1,937,838
Shared office and administrative costs	**27,470**	11,442	**44,621**	46,669
	$ 72,819	$ 719,541	**$ 131,282**	$ 2,374,328

	Three months ended September 30,		Nine months ended, September 30,	
	2016	2015	**2016**	2015
Cantex Mine Development Corp.	**$ 143**	-	**$ 143**	1,802
Element 29 Ventures Ltd.	**22,258**	78,833	**32,305**	343,964
Kel-Ex Development Ltd.	**47,115**	626,528	**67,944**	1,799,503
Metalex Ventures Ltd.	**3,303**	14,180	**30,890**	229,059
	$ 72,819	$ 719,541	**$ 131,282**	$ 2,374,328

Included in accounts payable and accrued liabilities of the Company are the following amounts due to related parties:

	September 30, 2016	December 31, 2015
Cantex Mine Development Corp.	**$ 150**	$ -
Element 29 Ventures Ltd.	**13,315**	2,447
Kel-Ex Development Ltd. *	**396,148**	402,573
Metalex Ventures Ltd.	**1,096**	23,243
	$ 410,709	$ 428,263

* The amount payable to Kel-Ex Developments Ltd. is currently under review by the Board of Directors.

(Expressed in Canadian Dollars)

9. Related Party Disclosures (continued)

The Company's related party recoveries consist of the following:

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended, September 30, 2016	Nine months ended, September 30, 2015
Shared field expenditures	**$ 58,499**	$ -	**$ 58,499**	$ -
Shared office and administrative costs	**-**	3,628	**-**	21,194
	$ 58,499	$ 3,628	**$ 58,499**	$ 21,194

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended, September 30, 2016	Nine months ended, September 30, 2015
Cantex Mine Development Corp.	**$ 57,311**	-	**$ 143**	667
Kel-Ex Development Ltd.	**1,188**	3,628	**67,944**	19,726
Metalex Ventures Ltd.	**-**	-	**-**	801
	$ 58,499	$ 3,628	**$ 68,087**	$ 21,194

Included in receivables of the Company are the following amounts due to related parties:

	September 30, 2016	December 31, 2015
Cantex Mine Development Corp.	**$ 57,311**	$ 667
Kel-Ex Development Ltd.	**1,247**	19,726
Metalex Ventures Ltd.	**-**	4,189
	$ 58,558	$ 24,582

The remuneration of directors and officers is as follows:

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Director fees[(1)]	**$ 5,000**	$ 10,000	**$ 15,000**	$ 27,143
Wages and benefits[(2)]	**15,541**	91,352	**47,772**	368,041
	$ 20,541	$ 101,352	**$ 62,772**	$ 395,184

(1) Director fees are amounts accrued under the Company's deferred share unit plan as described in Note 7(d).
(2) Wages and benefits includes amounts paid or accrued for geological consulting fees, management consulting fees and payroll costs to related parties and former related parties.

10. Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity and commodity price risk.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is in large Canadian financial institutions and it does not have any asset-backed commercial paper. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada, as well as some related party receivables (Note 9).

The Company considers the risk associated with these receivables to be remote.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 11.

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of uranium and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors uranium and fuel prices to determine the appropriate course of action to be taken by the Company.

11. Capital Risk Management

The Company includes equity (comprised of issued common shares, reserves, and deficit) in the definition of capital.

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

11. Capital Risk Management (continued)

The Company expects its current capital resources will be sufficient to complete its currently budgeted exploration programs and operations through its current operating period. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

12. Supplemental Disclosure with Respect to Cash Flows

Significant non-cash transactions for the nine month period ended September 30, 2016 included:

a) Cancelling 750,000 stock options at a value of $103,962, recognized through reserves and deficit; and
b) Expiration of 18,988,000 warrants at a value of $348,000 through reserves and share capital.

Significant non-cash transactions for the nine month period ended September 30, 2015 included granting 3,440,000 broker warrants valued at $80,000 as share issuance costs on private placements and issuing 5,000,000 common shares and 2,500,000 warrants to CanAlaska pursuant to the mineral property option agreement valued at $66,000 and $34,000, respectively.