



# NORTHERN URANIUM CORP

## FINANCIAL STATEMENTS

Unaudited - prepared by management

Expressed in Canadian dollars

June 30, 2019

# Northern Uranium Corp.

June 30, 2019

## Table of Contents

Notice to Reader	1
Statements of Financial Position	2
Statements of Loss and Comprehensive Loss	3
Statements of Changes in Shareholders' Equity (Deficiency)	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 13

**NOTICE TO READER**

These condensed interim financial statements of Northern Uranium Corp. for the six months ended June 30, 2019 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.

## Statements of Financial Position

(Unaudited - prepared by management)

(Expressed in Canadian Dollars)

<b>As at</b>	<i>Note</i>	June 30, 2019	December 31, 2018
<b>Assets</b>			
Current assets			
Cash		\$ 4,931	\$ 13,241
Receivables		255	720
Prepaid expenses		833	5,833
		6,019	19,794
<b>Total Assets</b>		<b>\$ 6,019</b>	<b>\$ 19,794</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 665,861	\$ 639,943
		665,861	639,943
<b>Shareholders' Equity (Deficiency)</b>			
Share capital	7	11,522,670	11,533,080
Reserves	7	523,449	523,449
Deficit		(12,705,961)	(12,676,678)
		(659,842)	(620,149)
<b>Total Liabilities and Shareholders' Equity (Deficiency)</b>		<b>\$ 6,019</b>	<b>\$ 19,794</b>

Nature and continuance of operations (Note 1)

Approved by the Board of Directors:

*"Jennifer Irons"*

Jennifer Irons

*"Vernon Frolick"*

Vernon Frolick

*See accompanying notes to the condensed interim financial statements.*

## Northern Uranium Corp.

Statements of Loss and Comprehensive Loss

(Unaudited - prepared by management)

(Expressed in Canadian Dollars)

		Three Month Periods Ended		Six Month Periods Ended	
	Note	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
<b>Expenses</b>					
Exploration expenditures	5	\$ 1,341	\$ 9,162	\$ 1,341	\$ 93,739
Management fees	7(c)	-	-	-	-
Office and administrative		8,496	11,693	15,742	21,162
Professional fees		493	8,154	493	10,565
Transfer agent and filing fees		3,940	6,352	11,707	15,107
		14,270	35,361	29,283	140,573
<b>Loss and comprehensive loss for the year</b>		\$ 14,270	\$ 35,361	\$ 29,283	\$ 140,573
<b>Basic and diluted loss per share</b>		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Weighted average number of shares outstanding</b>		162,361,514	162,361,514	162,361,514	162,361,514

*See accompanying notes to the condensed interim financial statements.*

## Northern Uranium Corp.

Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited - prepared by management)

(Expressed in Canadian Dollars)

	Number of Common Shares	Share capital	Reserves	Deficit	Total
<b>Balance as at December 31, 2017</b>	162,361,514	\$ 11,493,080	\$ 563,449	\$ (11,348,560)	\$ 707,969
Loss for the period	-	-	-	(140,573)	(140,573)
<b>Balance as at June 30, 2018</b>	162,361,514	\$ 11,493,080	\$ 563,449	\$ (11,489,133)	\$ 567,396
<b>Balance as at December 31, 2018</b>	162,361,514	\$ 11,533,080	\$ 523,449	\$ (12,676,678)	\$ (620,149)
Share issuance costs (note 7(c))	-	(10,410)	-	-	(10,410)
Loss for the period	-	-	-	(29,283)	(29,283)
<b>Balance as at June 30, 2019</b>	162,361,514	\$ 11,522,670	\$ 523,449	\$ (12,705,961)	\$ (659,842)

*See accompanying notes to the condensed interim financial statements.*

# Northern Uranium Corp.

## Statements of Cash Flows

(Unaudited - prepared by management)

(Expressed in Canadian Dollars)

	Six Month Periods Ended	
	June 30, 2019	June 30, 2018
<b>Operating activities</b>		
Loss for the year	\$ (29,283)	\$ (140,573)
Net changes in non-cash working capital items:		
Decrease (increase) in receivables	465	(2,570)
Decrease (increase) in prepaid expenses	5,000	5,000
Increase (decrease) in accounts payable and accrued liabilities	25,918	111,526
Net cash used for operating activities	2,100	(26,617)
<b>Investing activities</b>		
Net cash used for investing activities	-	-
<b>Financing activities</b>		
Issuance cost	(10,410)	-
Advance from related party	-	50,000
Net cash provided by financing activities	(10,410)	50,000
<b>Net increase (decrease) in cash</b>	<b>(8,310)</b>	<b>23,383</b>
<b>Cash, beginning of the period</b>	<b>13,241</b>	<b>4,548</b>
<b>Cash, end of the period</b>	<b>\$ 4,931</b>	<b>\$ 27,931</b>
<b>Cash paid for interest during the period</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash paid for taxes during the period</b>	<b>\$ -</b>	<b>\$ -</b>

Supplemental disclosure with respect to cash flows (Note 11)

See accompanying notes to the condensed interim financial statements.

## **Northern Uranium Corp.**

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

---

### **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 Company’s registered office is at Royal Centre, 1055 W. Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

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, 2018. The accounting policies and methods of application are consistent with those used in the Company’s financial statements for the year ended December 31, 2018.

These Financial Statements were approved for issue by the Board of Directors on August 16, 2019.

## **Northern Uranium Corp.**

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

---

### **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 condensed interim 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 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.

## **Northern Uranium Corp.**

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

---

### **3. Significant Accounting Policies**

#### *New Standards Adopted*

IFRS 16 “Leases” is a new standard that is applicable to fiscal years beginning on or after January 1, 2019. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. At present, the Company has no leases, other than an informal month-to-month arrangement with a related party for shared office space. As such, there has been no impact to the financial statements from the adoption of this standard.

### **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. However, while the Company still maintains that there is value in the property, at this point, it does not have the ability to move it forward. As such, the Company’s exploration and evaluation assets has a carry value of \$nil as of June 30, 2019 (December 31, 2018 – \$nil).

#### *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 by carrying out a three-stage \$11.6 million exploration program. As at December 31, 2016, the Company had spent the required funds on the project and had met the 70% earn-in agreement. The Company formalized a joint venture agreement at the 70/30% level in September 2018.

In the course of reaching the 70% earn-in milestone, the Company has made total cash payments of \$85,000 and issued 12,000,000 shares (issued at prices ranging from \$0.02 per share to \$0.12 per share) and 6,000,000 purchase warrants (issued at exercise prices ranging from \$0.05 per share to \$0.15 per share). All of the issued purchase warrants, expired unexercised.

During the year ended December 31, 2018, the Company announced that it does not intend to pursue the development of the North West Manitoba property and instead intends to seek buyers for its interest in the property. No official arrangement has been reached in this regard subsequent to this announcement.

## Northern Uranium Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

### 5. Exploration Expenditures

	Northern Manitoba	
<b>Cumulative expenditures, December 31, 2017</b>	\$	7,435,163
Additions		
Camp and field supplies		5,423
Drill supplies and repairs		179
Equipment rental		17,730
Licenses, rent and other		622
Labour		80,060
Shipping and freight		4,334
Telephone and communication		1,155
Travel and accomodation		13,754
Total exploration expenditures		123,257
Cost recoveries		(29,518)
Net exploration expenditures during the period		93,739
<b>Cumulative expenditures, June 30, 2018</b>		7,528,902
Net exploration expenditures during the remainder of 2018		98,743
<b>Cumulative expenditures, December 31, 2018</b>		7,627,645
Additions		
Labour		1,341
Net exploration expenditures during the period		1,341
<b>Cumulative expenditures, June 30, 2019</b>	\$	7,628,986

### 6. Accounts Payable and Accrued Liabilities

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

	June 30, 2019	December 31, 2018
Trade payables	\$ 3,090	\$ 1,605
Accrued liabilities	10,050	10,050
Related party payables (Note 9)	652,267	628,288
<b>Total</b>	<b>\$ 665,407</b>	<b>\$ 639,943</b>

## **Northern Uranium Corp.**

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

---

### **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 March 31, 2019.

#### *b) 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 ten years from the date of grant.

As at December 31, 2017, June 30, 2018, December 31, 2018 and June 30, 2019, the Company has 2,500,000 outstanding stock options, which have an exercise price of \$0.15 and expire May 13, 2024.

As at December 31, 2017, the Company had 2,500,000 warrants outstanding with an exercise price of \$0.05; these expired unexercised during the year ended December 31, 2018. As such, the Company has no outstanding warrants.

#### *c) Proposed Consolidation and Private placement*

On January 3, 2019, management announced that it was planning to proceed with a change of control for the Company, which would include a 15 for 1 consolidation of its outstanding share capital, followed by a private placement. This agreement has not been finalized to date; the Company did incur legal costs of \$10,410 relating to this process.

## Northern Uranium Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

### 8. Related Party Disclosures

During the three and six month periods ended June 30, 2019 and 2018, 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.
- McMillan LLP (“McMillan”) – a business law firm; a partner of the Vancouver office became a director of the Company during the current year. McMillan provides legal services to the Company.

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

	Three month periods ended		Six month periods ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Geological consulting fees	\$ 1,341	\$ 14,626	\$ 1,341	\$ 49,213
Legal fees	492	6,154	10,902	8,285
Shared office and administrative costs	5,892	9,039	10,629	15,944
Shared field expenditures	-	23,820	-	73,606
	<b>\$ 7,725</b>	<b>\$ 53,639</b>	<b>\$ 22,872</b>	<b>\$ 147,048</b>

	Three month periods ended		Six month periods ended	
	June 30, 2019	2018	June 30, 2019	2018
Kel-Ex Development Ltd.	\$ 7,092	\$ 33,246	\$ 11,829	\$ 67,624
McMillan LLP	492	6,154	10,902	8,285
Element 29 Ventures Ltd.	141	13,977	141	70,111
Cantex Mine Development Corp.	-	-	-	766
Metalex Ventures Ltd.	-	262	-	262
	<b>\$ 7,725</b>	<b>\$ 53,639</b>	<b>\$ 22,872</b>	<b>\$ 147,048</b>

## Northern Uranium Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

### 8. Related Party Disclosures (continued)

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

	<b>June 30, 2019</b>	December 31, 2018
Element 29 Ventures Ltd.	\$ 60,560	\$ 60,412
Kel-Ex Development Ltd.	566,312	553,891
McMillan LLP	25,395	13,985
	<b>\$ 652,267</b>	<b>\$ 628,288</b>

The key management personnel of the Company are the Directors, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The remuneration of directors and officers for the three and six month periods ended June 30, 2019 was:

	<b>Three month periods ended</b>		<b>Six month periods ended</b>	
	<b>June 30, 2019</b>	June 30, 2018	<b>June 30, 2019</b>	June 30, 2018
Wages and benefits (1)	\$ 1,341	\$ 14,626	\$ 1,341	\$ 49,213

(1) 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.

### 9. 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 8).

## **Northern Uranium Corp.**

Notes to the Condensed Interim Financial Statements

June 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

---

### **9. Financial Instruments and Risk Management (continued)**

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 10.

*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.

### **10. Capital Risk Management**

The Company includes equity (comprised of issued common shares, reserves, 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.

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.

### **11. Supplemental Disclosure with Respect to Cash Flows**

There were no significant non-cash transactions for the six month periods ended June 30, 2019 and 2018.