

**WESTERN URANIUM CORPORATION**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015**

**(Stated in \$USD)**

**(Unaudited – Prepared by Management)**

**WESTERN URANIUM CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**WESTERN URANIUM CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Stated in \$USD)

	As of	
	March 31, 2016 (unaudited)	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash	\$ 70,595	\$ 214,482
Prepaid expenses	65,785	119,656
Marketable securities	3,082	2,880
Other current assets	24,419	15,774
<b>Total current assets</b>	<b>163,881</b>	<b>352,792</b>
Land, buildings and improvements	1,031,000	1,050,810
Restricted cash	1,036,286	1,036,286
Mineral properties	11,645,218	11,645,218
Ablation intellectual property	9,488,051	9,488,051
<b>Total assets</b>	<b>\$ 23,364,436</b>	<b>\$ 23,573,157</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 715,633	\$ 825,101
Mortgage payable	1,051,000	1,051,000
Deferred contingent consideration	500,000	500,000
Subscription payable	-	198,298
Current portion of notes payable	625,182	490,193
<b>Total current liabilities</b>	<b>2,891,815</b>	<b>3,064,592</b>
Reclamation liability	222,069	220,129
Deferred tax liability	4,063,330	4,063,330
Notes payable, net of discount and current portion	454,486	449,984
<b>Total liabilities</b>	<b>7,631,700</b>	<b>7,798,035</b>
<b>Shareholders' Equity</b>		
Common stock, no par value, unlimited authorized shares, 16,331,742 and 16,230,733 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	17,874,576	17,658,042
Accumulated deficit	(2,179,228)	(1,951,564)
Accumulated other comprehensive income	37,388	68,644
<b>Total shareholders' equity</b>	<b>15,732,736</b>	<b>15,775,122</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 23,364,436</b>	<b>\$ 23,573,157</b>

Approved on behalf of the Board

"George Glasier" Director

"Michael Skutezky"

Director

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

**WESTERN URANIUM CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS**

(Stated in \$USD)  
(unaudited)

	For the Three Months Ended March 31,	
	2016	2015
<b>Expenses</b>		
Mining expenditures	\$ 93,350	\$ 41,680
Professional fees	35,107	76,232
General and administrative	36,257	29,686
Consulting fees	42,870	42,722
<b>Loss from operations</b>	(207,584)	(190,320)
Interest expense	20,080	13,320
<b>Net loss</b>	(227,664)	(203,640)
<b>Other comprehensive loss</b>		
Foreign exchange loss	(31,256)	(8,691)
<b>Comprehensive Loss</b>	\$ (258,920)	\$ (212,331)
 <b>Loss per share - basic and diluted</b>	 \$ (0.01)	 \$ (0.02)
 <b>Weighted average shares outstanding, basic and diluted</b>	 16,327,302	 11,795,146

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

**WESTERN URANIUM CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(Stated in \$USD)  
(unaudited)

	Common Shares		Accumulated Deficit	Accumulated Comprehensive Income	Total
	Shares	Amount			
<b>Balance at January 1, 2016</b>	16,230,733	\$ 17,658,042	\$ (1,951,564)	\$ 68,644	\$ 15,775,122
Issuance of 101,009 shares of common stock	101,009	216,534			216,534
Foreign exchange loss	-	-	-	(31,256)	(31,256)
Net loss	-	-	(227,664)	-	(227,664)
<b>Balance at March 31, 2016</b>	<u>16,331,742</u>	<u>\$ 17,874,576</u>	<u>\$ (2,179,228)</u>	<u>\$ 37,388</u>	<u>\$ 15,732,736</u>

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

**WESTERN URANIUM CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Stated in \$USD)  
(unaudited)

	For the Three Months Ended March 31,	
	2016	2015
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (227,664)	\$ (203,640)
<b>Reconciliation of net loss to cash used in operating activities:</b>		
Accretion of reclamation liability	1,940	-
Amortization of debt discount on notes payable	39,491	9,930
Change in foreign exchange on marketable securities	(202)	-
Change in operating assets and liabilities:		
Prepaid expenses and other current assets	45,226	(1,970)
Mining assets	19,810	-
Accounts payable and accrued liabilities	(109,468)	(47,603)
Net cash used in operating activities	<u>(230,867)</u>	<u>(243,283)</u>
<b>Cash Flows From Investing Activities:</b>		
Investment in restricted cash	-	(144)
Advance on Credit Facility to Black Range	-	(128,005)
Net cash used in investing activities	<u>-</u>	<u>(128,149)</u>
<b>Cash Flows From Financing Activities:</b>		
Payment of Nueco Note	-	(253,346)
Proceeds from the sale of common stock in private placements, net of offering costs	18,236	1,353,793
Proceeds from Siebels Note	100,000	-
Net cash provided by financing activities	<u>118,236</u>	<u>1,100,447</u>
Effect of foreign exchange rate on cash	<u>(31,256)</u>	<u>(8,691)</u>
Net (decrease) increase in cash	<u>(143,887)</u>	<u>720,324</u>
Cash - beginning	<u>214,482</u>	<u>172,909</u>
Cash - ending	<u>\$ 70,595</u>	<u>\$ 893,233</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash financing activities:		
Shares issued from subscription payable	<u>\$ 198,298</u>	<u>\$ -</u>

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

**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in \$USD)**  
**Unaudited**

**NOTE 1 - BUSINESS**

*Nature of operations*

Western Uranium Corporation ("Western" or the "Company") was incorporated in December 2006 under the Ontario Business Corporations Act. On November 20, 2014, the Company completed a listing process on the Canadian Securities Exchange ("CSE"). As part of that process, the Company acquired 100% of the members' interests of Pinon Ridge Mining LLC ("PRM"), a Delaware limited liability company. The transaction constituted a reverse takeover ("RTO") of Western by PRM. Subsequent to obtaining appropriate shareholder approvals, the Company reconstituted its Board of Directors and senior management team. Effective September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range").

The Company has registered offices at 10 King Street East, Suite 700, Toronto, Ontario, Canada, M5C 1C3 and its common shares are listed on the CSE under the symbol "WUC." On April 22, 2016, the Company's common stock began trading on the OTC Pink, and subsequently, on May 23, 2016, the Company's common stock was approved for the commencement of trading on the OTCQX Best Market. Its principal business activity is the acquisition and development of uranium resource properties in the states of Utah and Colorado in the United States of America ("USA").

**NOTE 2 – LIQUIDITY AND GOING CONCERN**

The Company has incurred continuing losses from its operations, and as of March 31, 2016 has an accumulated deficit of \$2,179,228. As of March 31, 2016, the Company has a working capital deficit of \$2,727,934.

Since inception, the Company has met its liquidity requirements principally through the issuance of notes and the sale of its common stock.

The Company's ability to continue its operations and to pay its obligations when they become due is contingent upon the Company obtaining additional financing. Management's plans include seeking to procure additional funds through debt and equity financings and to initiate the processing of ore to generate operating cash flows.

There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs and required debt service. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned product development, which could harm its financial condition and operating results, or it may not be able to continue to fund its ongoing operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Pursuant to the Company's capital raising objectives, during April and May 2016 the Company raised CAD \$791,090 (US \$621,870) in a private placement (*see note 12*).

**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in \$USD)**  
**Unaudited**

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation and Principles of Consolidation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal accruals) considered for a fair presentation have been included. Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. These condensed financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015 and related notes thereto included elsewhere in the prospectus of which these financial statements are a part.

The accompanying condensed consolidated financial statements include the accounts of Western and its wholly-owned subsidiaries, Western Uranium Corp., Pinon Ridge Mining LLC, Black Range Minerals Limited, Black Range Copper Inc., Ranger Resources Inc., Black Range Minerals Inc., Black Range Minerals Colorado LLC, Black Range Minerals Wyoming LLC, Haggerty Resources LLC, Ranger Alaska LLC, Black Range Minerals Utah LLC, Black Range Minerals Ablation Holdings Inc. and Black Range Development Utah LLC. All significant inter-company transactions and balances have been eliminated upon consolidation.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Significant areas requiring management's estimates and assumptions include determining the fair value of transactions involving common stock, assessment of the useful life and evaluation for impairment of intangible assets, valuation and impairment assessments on mineral properties, deferred contingent consideration, the reclamation liability, valuation of stock-based compensation, valuation of available-for-sale securities and valuation of long-term debt and asset retirement obligations. Other areas requiring estimates include allocations of expenditures, depletion and amortization of mineral rights and properties and depreciation of property, plant and equipment. Actual results could differ from those estimates.

***Foreign Currency Translation***

The reporting currency of the Company, including its subsidiaries, is the United States dollar. The financial statements of subsidiaries located outside of the U.S. are measured in their functional currency, which is the local currency. The functional currency of the parent is the Canadian dollar. Monetary assets and liabilities of these subsidiaries are translated at the exchange rates at the balance sheet date. Income and expense items are translated using average monthly exchange rates. Non-monetary assets are translated at their historical exchange rates. Translation adjustments are included in accumulated other comprehensive loss in the consolidated balance sheets.



**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Stated in \$USD)  
**Unaudited**

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Fair Values of Financial Instruments*

The fair value of financial instruments in the Company’s consolidated financial statements at March 31, 2016 and December 31, 2015 are as follows:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities at March 31, 2016	\$ 3,082	\$ -	\$ -
Marketable securities at December 31, 2015	\$ 2,880	\$ -	\$ -

*Loss per Share*

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method). The computation of basic loss per share for the three month periods ended March 31, 2016 and 2015 excludes potentially dilutive securities. The computations of net loss per share for each period presented is the same for both basic and fully diluted.

Potentially dilutive securities outlined in the table below have been excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

	For the Three Months Ended March 31,	
	2016	2015
Warrants to purchase common stock	101,009	-
Options to purchase common stock	271,996	-
Total potentially dilutive securities	373,005	-

**NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS**

On March 30, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-09, “Compensation – Stock Compensation (Topic 718)”. This update requires that all excess tax benefits and tax deficiencies arising from share-based payment awards should be recognized as income tax expense or benefit on the income statement. The amendment also states that excess tax benefits should be classified along with other income tax cash flows as an operating activity. In addition, an entity can make an entity-wide accounting policy election to either estimate the number of awards expected to vest or account for forfeitures as they occur. The provisions of this update are effective for annual and interim periods beginning after December 15, 2016. The Company is currently evaluating the impact the adoption of this standard will have on its financial statements.

In April 2016, the FASB issued Accounting Standards Update ASU No. 2016-10 “Revenue from Contracts with Customers (Topic 606)”, “Identifying Performance Obligations and Licensing” (“ASU 2016-10”). ASU 2016-10 clarifies the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. The provisions of this update are effective for annual and interim periods beginning after December 15, 2017, with early application permitted. The Company is currently evaluating the impact the adoption of this standard will have on its financial statements.

**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS, CONTINUED**

In May 2016, the FASB issued Accounting Standards Update ASU No. 2016-12 “Revenue from Contracts with Customers (Topic 606)”, “Narrow-Scope Improvements and Practical Expedients” (“ASU 2016-12”). The core principal of ASU 2016-12 is the recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The provisions of this update are effective for annual and interim periods beginning after December 15, 2017, with early application permitted. The Company is currently evaluating the impact the adoption of this standard will have on its financial statements.

**NOTE 5 - MINERAL ASSETS, ABLATION INTELLECTUAL PROPERTY AND OTHER PROPERTY**

On August 18, 2014, the Company purchased mining assets in an arm's length transaction. The mining assets include both owned and leased land in the states of Utah and Colorado. All of the mining assets represent properties which have previously been mined to different degrees for uranium. As some of the properties have not formally established proven or probable reserves, there may be greater inherent uncertainty as to whether or not any mineralized material can be economically extracted as originally planned and anticipated.

The Company’s mining properties acquired on August 18, 2014, include: San Rafael Uranium Project located in Emery County, Utah; The Sunday Mine Complex located in western San Miguel County, Colorado; The Van 4 Mine located in western Montrose County, Colorado; The Yellow Cat Project located in eastern Grand County, Utah; The Farmer Girl Mine project located in Montrose County, Colorado; The Sage Mine project located in San Juan County, Utah, and San Miguel County, Colorado USA.

On September 16, 2015, Western completed its acquisition of Black Range. In connection with the acquisition of Black Range, Western acquired the net assets of Black Range. These net assets consist principally of interests in a complex of uranium mines located in Colorado (the “Hansen-Taylor Complex”) and a 100% interest in a 25 year license for ablation mining technologies and related patents from Ablation Technologies, LLC. The Hansen-Taylor Complex is principally a sandstone-hosted deposit that was discovered in 1977 which was permitted for mining in 1981. Ablation is a low cost, purely physical method of concentrating mineralization of uranium ore by applying a grain-size separation process to ore slurries.

The Company’s mining and mining related assets consist of the following:

	As of:	
	March 31, 2016	December 31, 2015
Land, building and improvements	\$ 1,031,000	\$ 1,050,810
Mineral properties	11,645,218	11,645,218
Ablation intellectual property	9,488,051	9,488,051

On May 26, 2016, the Company exchanged all of the land, building and improvements in exchange for the forgiveness of the mortgage (*see Note 8*).

**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in \$USD)**  
**Unaudited**

**NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	As of March 31, 2016	As of December 31, 2015
Trade accounts payable	\$ 387,258	\$ 520,530
Accrued liabilities	328,375	304,571
	<u>\$ 715,633</u>	<u>\$ 825,101</u>

**NOTE 7 - NOTES PAYABLE**

On August 18, 2014, in connection with the purchase of the mining properties, the Company entered into a note payable with Energy Fuels Holding Corporation (“EFHC”) (the “EFHC Note”) for \$500,000. The EFHC Note bears interest at a rate of 3.0% per annum and is secured by a first priority interest in certain of the Company’s mining assets. On the date of the purchase, the Company recorded the EFHC Note net of a discount for interest of \$73,971 at a rate of 4% per annum, resulting in a total effective interest rate of 7% per annum. The discount is being amortized using the effective interest method over the life of the loan. All principal on the EFHC Note is due and payable on August 18, 2018 and interest on the EFHC Note is due and payable annually beginning August 18, 2015.

On August 18, 2014, also in connection with the purchase of the mining properties, the Company entered into a Note Assumption Agreement with EFHC and Nuclear Energy Corporation (“Nueco”), whereby the Company assumed all of the obligations of EFHC under its note payable with Nueco (the “Nueco Note”). The Nueco Note bears no stated interest rate and is secured by certain of the Company’s mining assets. On the date of the purchase, the Company recorded the Nueco Note net of a discount for interest of \$23,724 at a rate of 7% per annum. The discount is being amortized using the effective interest method over the life of the loan. The Nueco payment due on December 20, 2014 in the amount of \$250,180 was made on January 5, 2015 without penalty other than additional interest at 6% per annum. As of December 31, 2015, the Nueco Note had a remaining obligation outstanding of \$250,180, the due date of which was extended to January 13, 2016. In connection with the extension, the Company agreed to add interest from the date of October 13, 2015 until the date paid at the annual rate of one percent (1%) per annum. On February 8, 2016, the Company and the lender agreed to further extend the maturity of the Nueco Note to June 2016. In consideration for the extension the Company increased the principal amount by 10% (or \$25,384), increased the interest rate to 6% per annum and paid a \$5,000 fee that did not reduce the interest or principal.

On September 30, 2015 the Company entered into a note payable (“Siebels Note”) with The Siebels Hard Asset Fund, Ltd. (“Siebels”) for \$250,000, which was fully funded on October 14, 2015. The Siebels Note bears interest at a rate of 16.0% per annum and was to mature on December 15, 2015. On December 16, 2015 the Company and the lender agreed to extend the maturity of the Siebels Note until June 16, 2016. In consideration for the extension of the repayment, the accrued interest at the time of extension of \$8,333 was reclassified to principal, bringing the principal of the Siebels Note to \$258,423. Also in consideration for such extension the interest rate was increased to 18% per annum. These amendments were accounted for as a note modification, whereby no gain or loss was recognized.

**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Stated in \$USD)  
**Unaudited**

**NOTE 7 - NOTES PAYABLE, CONTINUED**

On February 22, 2016, the Company entered into a second note payable with Siebels for \$100,000. The note bore interest at a rate of 18.0% per annum and matured on April 22, 2016. On April 28, 2016, the Company repaid this note in full.

Notes payable consisted of:

	As of March 31, 2016				
	Principal	Discount	Balance, Net of Discount	Current	Non-Current
EFHC	\$ 500,000	\$ 45,514	\$ 454,486	\$ -	\$ 454,486
Nueco	279,220	15,084	264,136	264,136	-
Siebels	361,046	-	361,046	361,046	-
Total	<u>\$ 1,140,266</u>	<u>\$ 60,598</u>	<u>\$ 1,079,668</u>	<u>\$ 625,182</u>	<u>\$ 454,486</u>

During the three months ended March 31, 2016 and 2015, the Company's interest expense on notes payable was \$20,080, and \$13,320, respectively, including the amortization of debt discounts.

	As of December 31, 2015				
	Principal	Discount	Balance, Net of Discount	Current	Non-Current
EFHC	\$ 500,000	\$ 50,016	\$ 449,984	\$ -	\$ 449,984
Nueco	250,180	-	250,180	250,180	-
Siebels	240,013	-	240,013	240,013	-
Total	<u>\$ 990,193</u>	<u>\$ 50,016</u>	<u>\$ 940,177</u>	<u>\$ 490,193</u>	<u>\$ 449,984</u>

**NOTE 8 - MORTGAGE**

In connection with the acquisition of Black Range, Western assumed a mortgage secured by land, building and improvements at 1450 North 7 Mile Road, Casper, Wyoming, with interest payable at 8.00% and payable in monthly payments of \$11,085 with the final balance of \$1,044,015 due as a balloon payment on January 16, 2016. The Company did not make the final balloon payment as scheduled. Subsequently, on May 26, 2016, the Company executed agreements with the mortgage holder whereby in an equal exchange the mortgage was exchanged for the land, building and improvements with which it was secured.

**NOTE 9 - RECLAMATION LIABILITY**

The reclamation liabilities of the US mines are subject to legal and regulatory requirements, and estimates of the costs of reclamation are reviewed periodically by the applicable regulatory authorities. The reclamation liability represents the Company's best estimate of the present value of future reclamation costs in connection with the mineral properties. The Company determined the gross reclamation liabilities at March 31, 2016 and December 31, 2015 of the mineral properties to be approximately \$1,036,142. During the three months ended March 31, 2016 and 2015, the accretion of the reclamation liabilities was \$1,940 and \$2,000, respectively. The Company expects to begin incurring the reclamation liability after 2054 and accordingly, has discounted the gross liabilities over a thirty year life using a discount rate of 5.4% to a net discounted value as at March 31, 2016 of \$220,069. The gross reclamation liabilities as of March 31, 2016 are secured by certificates of deposit in the amount of \$1,036,286.

**WESTERN URANIUM CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in \$USD)**  
**Unaudited**

**NOTE 10 - SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS**

*Private placements*

On December 31, 2015, the Company completed a private placement raising gross proceeds of CAD \$300,000 through the subscription for 101,009 common shares at a price of CAD \$2.97 (US\$2.14) per common share, and warrants to purchase aggregate of 101,009 common shares at an exercise price of CAD \$3.50. This offering closed on December 31, 2015. Of the total amount received, CAD \$275,000 (US\$198,298) was received in December of 2015 while the remainder CAD \$25,000 (US \$18,236) was received in the three months ended March 31, 2016. The warrants are exercisable immediately upon issuance and expire five years from the date of issuance. As of December 31, 2015, the Company accounted for the proceeds of \$198,298 as subscriptions payable.

During the three months ended March 31, 2016, the Company issued 101,009 shares of common stock in connection with this private placement.

The securities issued pursuant to the Private Placement are subject to a four month plus one day lock up period.

*Stock Options*

In connection with the acquisition of Black Range, the Board of Directors granted options for the purchase of 271,996 shares of the Company's common stock to certain of the former directors, employees and consultants of Black Range. On the date of grant, these options were fully vested, had a weighted average exercise price of CAD \$6.39 (US\$4.82) and a weighted average remaining contractual life of 3.52 years and had a grant date fair value of \$1.59 per share. As of March 31, 2016, these stock options had a remaining contractual life of 3.27 years and had no intrinsic value. These stock options became exercisable on January 17, 2016.

*Warrant*

As of March 31, 2016, there were warrants outstanding to purchase an aggregate of 101,009 shares of the Company's common stock at an exercise price of CAD \$3.50 (US \$2.70) per share. These warrants have a weighted average remaining life of 4.77 years.

**NOTE 11 - MINING EXPENDITURES**

	For the Three Months Ended	
	March 31,	
	2016	2015
Permits	\$ 49,186	\$ 28,725
Maintenance	37,854	12,955
Contract Labor	2,560	-
Royalties	3,750	-
	\$ 93,350	\$ 41,680

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in \$USD)**  
**Unaudited**

**NOTE 12 - RELATED PARTY TRANSACTIONS (INCLUDING KEY MANAGEMENT COMPENSATION)**

The Company has transacted with related parties pursuant to service arrangements in the ordinary course of business, as follows:

An entity controlled by a member of the Board of Directors earned consulting fees totaling \$9,245 and \$9,670 for the three months ended March 31, 2016 and 2015, respectively. The same director earned director fees totaling \$1,541 and \$1,578 during the three months ended March 31, 2016 and 2015. As of March 31, 2016 and December 31, 2015, the Company has \$4,623 and \$5,074, respectively, in accounts payable and accrued liabilities owing to this director.

Pursuant to a consulting agreement, a US limited liability company owned by a person who is a director and the Company's CFO entered into a contract with the Company effective January 1, 2015 to provide financial and consulting services at an annual consultant fee of \$100,000. The contract had a term of one year. On October 21, 2015, the Company entered into an additional agreement with this same company to provide additional services to the Company, for the term of October through December 2015 for a monthly fee of \$6,500. On January 1, 2016, the Company entered into an agreement with a different US limited liability company owned by the same director to provide financial and other consulting services at \$8,333 per month. During the three months ended March 31, 2016 and 2015, the Company incurred fees of \$25,000 and \$25,000 to these companies. At March 31, 2016 and December 31, 2015, the Company had \$6,500 and \$14,833, respectively, included in accounts payable and accrued liabilities payable to these companies.

In connection with the acquisition of Black Range on September 16, 2015, Western assumed an obligation in the amount of \$500,000 payable to Western's CEO and director contingent upon the commercialization of the ablation technology.

**NOTE 13 - SUBSEQUENT EVENTS**

***Private Placements***

During April 2016, the Company initiated a private placement offering for the sale of units of its securities for a price per unit of \$1.70 (CAD) (US\$1.34). Each unit consists of one share of the Company's common stock and one warrant to purchase a share of common stock at \$2.60 (CAD) per share, with a term of five years. The securities issued pursuant to the Private Placement are subject to a four month plus one day lock up period. During April and May 2016 the Company raised gross proceeds of CAD \$791,090 (US \$621,870) through the issuance of 465,347 units.

***OTCQX Listing***

On May 23, 2016, Western Uranium shares began trading on the OTCQX Best Market under the symbol "WSTRF".