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**STANDARD URANIUM LTD.**

Consolidated Financial Statements

April 30, 2020 and 2019

(Expressed in Canadian Dollars)

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of  
Standard Uranium Ltd.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated financial statements of Standard Uranium Ltd. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying financial statements, which indicates that the Company has not earned any revenues to date and has incurred losses since inception. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other Information**

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and does not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

The engagement partner on the audits resulting in this independent auditors' report is Fernando J. Costa.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
August 26, 2020

**STANDARD URANIUM LTD.**

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	As at April 30, 2020	As at April 30, 2019
	\$	\$
<b>Assets</b>		
Current assets		
Cash	777,069	283,575
Amounts receivable (Note 3)	28,142	23,072
Prepaid expenses (Note 6)	55,000	255,895
<b>Total current assets</b>	<b>860,211</b>	<b>562,542</b>
Non-current assets		
Exploration and evaluation asset (Note 4)	100,000	100,000
<b>Total assets</b>	<b>960,211</b>	<b>662,542</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	411,286	54,603
Shareholders' equity		
Share capital (Note 5)	1,329,699	1,356,100
Subscriptions received (Note 5)	812,476	-
Contributed surplus (Note 5)	94,500	94,500
Deficit	(1,687,750)	(842,661)
<b>Total shareholders' equity</b>	<b>548,925</b>	<b>607,939</b>
<b>Total liabilities and shareholders' equity</b>	<b>960,211</b>	<b>662,542</b>

Nature of and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved on behalf of the Board on August 26, 2020:

/s/ Jon Bey

Jon Bey

/s/ Blair Jordan

Blair Jordan

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

**STANDARD URANIUM LTD.**Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	Year ended April 30, 2020	Year ended April 30, 2019
	\$	\$
Expenses		
Consulting fees (Note 6)	107,881	111,419
Exploration costs	326,937	58,490
Filing fees	16,018	10,000
General and administrative	97,110	57,604
Insurance	10,500	-
Investor relations	37,201	39,803
Professional fees	249,442	73,480
Rent (Note 6)	-	7,000
<b>Loss and comprehensive loss</b>	<b>845,089</b>	<b>357,796</b>
<b>Basic and diluted loss per share</b>	<b>\$(0.02)</b>	<b>\$(0.01)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>	<b>37,971,425</b>	<b>34,557,100</b>

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

**STANDARD URANIUM CORP.**Consolidated Statements of Changes in Shareholders' Equity  
(Expressed in Canadian dollars)

	Share capital		Subscriptions received	Contributed surplus	Deficit	Total
	Number	Amount				
Balance, April 30, 2018	32,200,001	\$ 500,000	\$ -	\$ 94,500	\$ (484,865)	\$ 109,635
Shares issued for cash	5,758,333	856,100	-	-	-	856,100
Net and comprehensive loss	-	-	-	-	(357,796)	(357,796)
Balance, April 30, 2019	37,958,334	1,356,100	-	94,500	(842,661)	607,939
Shares issued for services	50,000	7,500	-	-	-	7,500
Share issuance costs	-	(33,901)	-	-	-	(33,901)
Subscriptions received	-	-	812,476	-	-	812,476
Net and comprehensive loss	-	-	-	-	(845,089)	(845,089)
Balance, April 30, 2020	38,008,334	1,329,699	812,476	94,500	(1,687,750)	548,925

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

**STANDARD URANIUM LTD.**

## Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Year Ended April 30, 2020	Year Ended April 30, 2019
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss	(845,089)	(357,796)
Item not effecting cash:		
Shares issued for consulting fees	7,500	-
Changes in non-cash working capital items:		
Amounts receivable	(5,070)	(4,826)
Prepaid expenses	200,895	(255,895)
Accounts payable and accrued liabilities	356,683	5,997
Net cash used in operating activities	(285,081)	(612,500)
Financing activities		
Repayment of promissory note payable	-	(75,000)
Repayment of loan payable	-	(103,895)
Cash from private placement, net of issuance costs	(33,901)	856,100
Share subscriptions received	812,476	-
Net cash provided by financing activities	778,575	677,205
Increase in cash	493,494	64,685
Cash, beginning	283,575	218,890
Cash, ending	777,069	283,575
Supplemental Disclosures:		
Interest paid	-	-
Income taxes paid	-	-

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

# STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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## 1. Nature and continuance of operations

Standard Uranium Ltd. (the "Company") was incorporated in the province of British Columbia on November 20, 2017. The Company is engaged in the exploration and evaluation of resource properties. The Company's registered office is #918 - 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2020, the Company has not generated any revenue and has incurred losses since inception. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company's operations have not been drastically impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

## 2. Significant accounting policies

### (a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance 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"). The consolidated financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

### (b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

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Name of subsidiary	Place of incorporation	Ownership interest
Standard Uranium Holdings (Saskatchewan) Ltd.	Saskatchewan	100%
Standard Uranium (Saskatchewan) Ltd.	Saskatchewan	100%

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## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

#### (c) Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

- Carrying value of exploration and evaluation assets;
- Fair value measurements for financial instruments; and
- Environmental obligations and contingent liabilities.

#### (d) Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- The recoverability and measurement of deferred tax assets, provisions for restoration; and
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses, and determination of whether an acquisition constitutes a business combination or asset acquisition.

#### (e) Cash

Cash includes cash on hand deposits held at call with banks, and held in trust.

#### (f) Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

#### (f) Restoration, rehabilitation, and environmental obligations (continued)

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

#### (g) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs related to the acquisition of exploration and evaluation assets are capitalized. Exploration and evaluation expenditures and acquisition costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### (h) Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized. If the consideration exceeds amounts previously capitalized, any excess is recorded in the statement of comprehensive loss.

#### (i) Income taxes

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

#### (i) Income taxes (continued)

is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred income tax*

Deferred income tax is provided using the asset and liability sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### (j) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, any premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit or loss with a pro-rata portion of the deferred premium.

#### (k) Financial instruments

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

#### Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

#### (k) Financial instruments (continued)

##### Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;  
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and  
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement.

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.

##### Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.
- **Fair value through OCI ("FVOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

#### (k) Financial instruments (continued)

Cash is measured at FVTPL. The Company has not designated any financial assets as amortized cost and FVOCI.

#### Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

#### Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

#### (l) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

#### (m) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

#### (n) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. 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.

#### (o) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 – Income Taxes. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration.

Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 2. Significant accounting policies (continued)

(p) New accounting standards and amendments adopted during the year

The Company adopted IFRS 16 during the year ended April 30, 2020 which did not have a significant impact on these consolidated financial statements.

(q) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2020, and have not been applied in preparing these consolidated financial statements. Management does not expect the impact of any such new standards and amendments to have any significant impact on its consolidated financial statements.

### 3. Amounts receivable

Amounts receivable consist of GST receivable in the amount of \$28,142 (2019: \$23,072).

### 4. Exploration and evaluation asset

The Company has acquired an option to acquire 90% interest in the Davidson River Property (the "Property") for an aggregate sum of \$1,000,000 and the issuance of 1,000,000 common shares of the Company. The Company has paid \$100,000 and is required to pay an additional \$900,000 over a period of five years from the date the Company is listed on a stock exchange. The Company is also required to issue 1,000,000 common shares on the date the Company is listed on a stock exchange (see Note 10(f)). In addition, the Company has the right to acquire the remaining 10% interest in the Property for the sum of \$10,000,000 if exercised within one year of March 1, 2018, and increased thereafter by inflation, expiring February 28, 2028.

	April 30, 2020	April 30, 2019
	\$	\$
Balance, beginning	100,000	100,000
Acquisition costs	-	-
Balance, ending	100,000	100,000

## **STANDARD URANIUM LTD.**

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### **5. Share capital**

#### *Authorized share capital:*

Unlimited common shares without par value.

#### *Issued and outstanding:*

At April 30, 2020, there were 38,008,334 (2019: 37,958,334) common shares issued and fully paid common shares outstanding.

On November 28, 2018, the Company issued 5,758,333 units at \$0.15 for gross proceeds of \$863,750. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one common share for \$0.25 for a period of four years from the issuance date.

On November 14, 2019, the Company issued 50,000 common shares in exchange for consulting services with a fair value of \$7,500.

#### *Reserves:*

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

#### *Subscriptions Received:*

As of April 30, 2020, the Company has received \$812,476 (2019: \$Nil) in subscriptions in advance of the issuance of common shares pursuant to an ongoing private placement (see Notes 10(b) and 10(c)).

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 5. Share capital (continued)

*Warrants:*

A summary of the warrant activity is as follows:

	Number	Exercise Price
		\$
Balance, April 30, 2018	10,000,000	0.05
Granted	5,764,333	0.25
Balance, April 30, 2019	15,764,333	
Granted	43,219	0.25
Balance, April 30, 2020	15,807,552	

Warrants outstanding are summarized below:

Grate Date	Number	Exercise Price	Expiry Date
		\$	
December 28, 2017	4,800,000	0.05	December 28, 2020
April 9, 2018	5,200,000	0.05	April 6, 2021
November 26, 2018	5,764,333	0.25	November 26, 2022
March 24, 2020	27,420	0.25	March 24, 2024
April 20, 2020	15,799	0.25	April 20, 2024
Total	15,807,552		

The weighted average remaining life of the warrants outstanding as at April 30, 2020 is 1.15 years.

### 6. Related party transactions and balances

The Company's key management comprises of its officers and directors. During the year ended April 30, 2020 the Company paid an officer and director \$57,000 (2019: \$75,000) for consulting services and rent, and \$39,500 (2019: \$20,000) for professional fees.

As of April 30, 2020, there was \$63,525 (2019: \$Nil) owing to companies controlled by certain officers and directors of the Company. The amounts owing are unsecured, non-interest bearing, have no fixed terms of repayment and are due on demand. The Company has also prepaid \$55,000 (2019: \$Nil) to an officer of the Company in connection with expenses to be incurred on behalf of the Company or services to be provided to the Company.

### 7. Financial instruments and risks

#### (a) Fair values

The fair values of accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

#### (b) 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. The Company is not exposed to interest rate risk.

## **STANDARD URANIUM LTD.**

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### **7. Financial instruments and risks (continued)**

#### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. Credit risk is assessed as low.

#### **(b) Foreign exchange rate risk**

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has no assets or liabilities denominated in foreign currencies; therefore, is not exposed to foreign exchange risk.

#### **(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company. Liquidity risk is assessed as high.

#### **(d) Price risk**

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

### **8. Capital management**

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support acquisition and exploration of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. In order to carry out exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new exploration and evaluation assets and seek to acquire interests in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2020 and 2019

(Expressed in Canadian dollars)

### 9. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2020	2019
	\$	\$
Net loss before income taxes	845,089	357,796
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	228,000	97,000
Permanent differences and other	(1,000)	-
Change in deferred tax assets not recognized	(227,000)	(97,000)
Income tax recovery	-	-

Details of deferred tax assets and liabilities are as follows:

	2020	2019
	\$	\$
Loss carry-forwards	428,000	201,000
Deferred tax asset not recognized	(428,000)	(201,000)
Net deferred tax asset	-	-

Management has determined that there is insufficient likelihood of recovery to record a benefit arising from potential tax assets. Accordingly a 100% valuation allowance has been applied. The Company has non-capital losses of approximately \$1,586,000 which begin expiring in 2032 and can be applied against income in the future years.

## STANDARD URANIUM LTD.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2020 and 2019  
(Expressed in Canadian dollars)

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### 10. Subsequent events

Subsequent to April 30, 2020:

- (a) Following the filing of the Company's prospectus dated April 27, 2020, the Company's listing application to the TSX Venture Exchange ("TSX-V") was accepted and the Company began trading under the symbol "STND" on May 4, 2020.
- (b) Pursuant to a prospectus dated April 27, 2020, the Company issued 470,000 units with each unit comprising of one common share and one share purchase warrant exercisable to purchase one additional common share of the Company at a price of \$0.25 for a period of four years upon conversion of \$70,500 of the subscriptions received as at April 30, 2020. In addition, the Company also issued 132,189 common shares upon the conversion of special warrants issued upon receipt of subscriptions totaling \$19,828 as at April 30, 2020.
- (c) The Company issued 4,966,670 units upon conversion of subscriptions received as at April 30, 2020. Each unit is comprised of one common share and one share purchase warrant exercisable to purchase one additional common share of the Company at a price of \$0.25 for a period of four years.
- (d) The Company completed a public offering of securities whereby the Company issued 9,613,500 units and 11,715,000 flow-through units for gross proceeds of \$4,500,000. Each unit is comprised of one common share and one-half of one share purchase warrant and each flow-through unit is comprised of one flow-through common share and one-half of one share purchase warrant. Each whole warrant exercisable to purchase one additional common share of the Company at a price of \$0.30 for a period of three years, subject to acceleration provisions.  
  
In connection with the public offering, the Company paid cash fees of \$197,479 and issued 931,750 broker warrants. Each broker warrant is exercisable into one additional common share of the Company at a price of \$0.20 for a period of three years.
- (e) Concurrent with the public offering described in Note 10(a) above, the Company entered into a capital markets advisory agreement ("Advisory Agreement") for a period of six months, pursuant to which the Company paid \$79,375 and issued 46,875 warrants. Each warrant is exercisable into one common share of the Company at a price of \$0.20 for a period of three years. Subsequent to the expiry of the original six month term, the Advisory Agreement will automatically renew for a month-to-month arrangement at a rate of \$10,000 per month and may be terminated in accordance with the terms of the Advisory Agreement.
- (f) The Company issued 1,000,000 common shares to the optionor for the Davidson River Property upon listing on the TSX-V (see Note 4).
- (g) The Company granted 3,250,000 stock options to certain officers, directors and consultants of the Company to purchase common shares at a price of \$0.20 per common share for a period of five years.
- (h) The Company issued 800,000 common shares to its chief executive officer as bonus compensation for ongoing services provided to the Company and in connection with the Company's successful listing on the TSX-V.