



**Condensed Consolidated Interim  
Financial Statements**

**(Unaudited – prepared by management)**

**Fission 3.0 Corp.**

**For the Three Month Period Ended  
September 30, 2015**

# **Fission 3.0 Corp.**

## **Condensed Consolidated Interim Financial Statements**

**(Unaudited – prepared by management)**

**For the Three Month Period Ended  
September 30, 2015**

### **Notice**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the three month period ended September 30, 2015.

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## Fission 3.0 Corp.

Condensed consolidated interim statements of financial position  
(Unaudited - prepared by management)  
(Expressed in Canadian dollars)

		<b>September 30</b>	June 30
	Note	<b>2015</b>	2015
		\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		<b>3,557,990</b>	4,148,733
Short-term investments	4	<b>516,589</b>	839,475
Amounts receivable	5	<b>204,445</b>	149,359
Deposits		<b>164,396</b>	89,837
Prepaid expenses		<b>14,876</b>	25,908
		<b>4,458,296</b>	5,253,312
Property and equipment		<b>47,066</b>	30,910
Exploration and evaluation assets	6	<b>7,485,840</b>	6,375,108
<b>Total Assets</b>		<b>11,991,202</b>	11,659,330
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		<b>865,221</b>	73,974
		<b>865,221</b>	73,974
Deferred tax liability		<b>1,212,954</b>	1,263,555
<b>Total Liabilities</b>		<b>2,078,175</b>	1,337,529
<b>Shareholders' Equity</b>			
Share capital	7	<b>20,666,088</b>	20,666,088
Other capital reserves	7	<b>1,737,051</b>	1,663,440
Accumulated other comprehensive income		<b>50,347</b>	4,751
Deficit		<b>(12,540,459)</b>	(12,012,478)
		<b>9,913,027</b>	10,321,801
<b>Total Liabilities and Shareholders' Equity</b>		<b>11,991,202</b>	11,659,330

Approved by the board and authorized for issue on November 23, 2015.

**"Frank Estergaard"**

Director

**"William Marsh"**

Director

## Fission 3.0 Corp.

Condensed consolidated interim statements of loss and comprehensive loss  
(Unaudited - prepared by management)  
(Expressed in Canadian dollars)

	Note	<b>Three Months September 30 2015</b>	Three Months September 30 2014
		\$	\$
<b>Expenses</b>			
Consulting and directors fees		<b>104,254</b>	76,731
Depreciation		<b>1,779</b>	288
Office and administration		<b>27,806</b>	15,441
Professional fees		<b>77,551</b>	131,014
Public relations and communications		<b>26,645</b>	12,919
Share-based compensation	7(c)	<b>62,922</b>	263,566
Trade shows and conferences		<b>350</b>	-
Wages and benefits		<b>29,942</b>	24,085
		<b>331,249</b>	524,044
Other items - income/(expense)			
Exploration management fee income		<b>22,263</b>	52,347
Foreign exchange gain/(loss)		<b>1,180</b>	(1,074)
Gain/(loss) on short-term investments		<b>(322,886)</b>	33,779
Gain on property option agreements	6(d)	<b>42,860</b>	-
Interest and miscellaneous income		<b>9,250</b>	7,774
		<b>(247,333)</b>	92,826
Loss before income taxes		<b>(578,582)</b>	(431,218)
Deferred income tax recovery		<b>50,601</b>	47,928
<b>Net loss for the period</b>		<b>(527,981)</b>	(383,290)
Other comprehensive income			
Items that may subsequently be classified to income:			
Foreign currency translation adjustment arising from translating foreign operations		<b>45,596</b>	3,676
<b>Comprehensive loss for the period</b>		<b>(482,385)</b>	(379,614)
<b>Basic and diluted loss per common share</b>		<b>(0.00)</b>	(0.00)
<b>Weighted average number of common shares outstanding</b>		<b>178,055,604</b>	154,072,109

## Fission 3.0 Corp.

Condensed consolidated interim statements of changes in equity  
(Unaudited - prepared by management)  
(Expressed in Canadian dollars)

	Note	Share capital		Other capital reserves	Accumulated other comprehensive income/(loss)	Deficit	Total shareholders' equity
		Shares	Amount				
			\$	\$	\$	\$	\$
<b>Balance, July 1, 2014</b>		154,070,604	17,509,500	898,363	(2,676)	(10,706,420)	<b>7,698,767</b>
Exercise of warrants		20,000	1,000	-	-	-	<b>1,000</b>
Share-based compensation	7(c)	-	-	303,786	-	-	<b>303,786</b>
Net loss		-	-	-	-	(383,290)	<b>(383,290)</b>
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	3,676	-	<b>3,676</b>
<b>Balance, September 30, 2014</b>		154,090,604	17,510,500	1,202,149	1,000	(11,089,710)	<b>7,623,939</b>
Exercise of warrants		1,965,000	98,250	-	-	-	<b>98,250</b>
Common shares issued for cash		22,000,000	3,080,000	-	-	-	<b>3,080,000</b>
Share issuance costs		-	(30,625)	-	-	-	<b>(30,625)</b>
Deferred income tax impact on share issuance costs		-	7,963	-	-	-	<b>7,963</b>
Share-based compensation		-	-	461,291	-	-	<b>461,291</b>
Net loss		-	-	-	-	(922,768)	<b>(922,768)</b>
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	3,751	-	<b>3,751</b>
<b>Balance, June 30, 2015</b>		178,055,604	20,666,088	1,663,440	4,751	(12,012,478)	<b>10,321,801</b>
Share-based compensation	7(c)	-	-	73,611	-	-	<b>73,611</b>
Net loss		-	-	-	-	(527,981)	<b>(527,981)</b>
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	45,596	-	<b>45,596</b>
<b>Balance, September 30, 2015</b>		<b>178,055,604</b>	<b>20,666,088</b>	<b>1,737,051</b>	<b>50,347</b>	<b>(12,540,459)</b>	<b>9,913,027</b>

## Fission 3.0 Corp.

Condensed consolidated interim statements of cash flows  
(Unaudited - prepared by management)  
(Expressed in Canadian dollars)

	<b>Three Months September 30 2015</b>	Three Months September 30 2014
	\$	\$
<b>Operating activities</b>		
Net loss	<b>(527,981)</b>	(383,290)
Items not involving cash:		
Depreciation	<b>1,779</b>	288
Share-based compensation	<b>62,922</b>	263,566
(Gain)/loss on short-term investments	<b>322,886</b>	(33,779)
Gain on property option agreements	<b>(42,860)</b>	-
Deferred income tax recovery	<b>(50,601)</b>	(47,928)
	<b>(233,855)</b>	(201,143)
Changes in non-cash working capital items:		
(Increase)/decrease in amounts receivable	<b>(60,190)</b>	8,390
Increase in deposits	<b>(74,559)</b>	-
Decrease in prepaid expenses	<b>11,032</b>	24,198
Increase in accounts payable and accrued liabilities	<b>103,000</b>	54,068
Cash flow used in operating activities	<b>(254,572)</b>	(114,487)
<b>Investing activities</b>		
Property and equipment additions	<b>(17,935)</b>	-
Exploration and evaluation asset additions	<b>(668,236)</b>	(1,080,037)
Exploration and evaluation cost recoveries	<b>350,000</b>	104,267
Cash flow used in investing activities	<b>(336,171)</b>	(975,770)
<b>Financing activities</b>		
Proceeds from exercise of warrants	-	1,000
Cash flow provided by financing activities	-	1,000
Decrease in cash and cash equivalents during the period	<b>(590,743)</b>	(1,089,257)
Cash and cash equivalents, beginning of period	<b>4,148,733</b>	3,365,576
<b>Cash and cash equivalents, end of period</b>	<b>3,557,990</b>	2,276,319

Supplemental disclosure with respect to cash flows (Note 8)

## **Fission 3.0 Corp.**

Notes to the condensed consolidated interim financial statements

For the three month period ended September 30, 2015

(Unaudited – prepared by management)

(Expressed in Canadian dollars)

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### **1. Nature of operations**

Fission 3.0 Corp. (the "Company" or "Fission 3.0") was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Uranium Corp. ("Fission Uranium") which was completed on December 6, 2013 (the "Fission Uranium Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and it is listed on the TSX Venture Exchange under the symbol FUU, and on the Frankfurt Stock Exchange under the symbol 2F3.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, 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.

### **2. Significant accounting policies**

#### *(a) Statement of compliance*

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard *IAS 34, Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at September 30, 2015. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 23, 2015.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015 prepared in accordance with IFRS.

The accounting policies applied in preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended June 30, 2015.

#### *(b) Basis of presentation*

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements  
For the three month period ended September 30, 2015  
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### 2. Significant accounting policies (continued)

(c) *Basis of consolidation*

The condensed consolidated interim financial statements of the Company include the following subsidiary:

<b>Name of Subsidiary</b>	<b>Place of Incorporation</b>	<b>Ownership Interest</b>	<b>Basis of Presentation</b>
Fission Energy Peru S.A.C	Peru	100%	Consolidated

The Company consolidates subsidiaries when it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

### 3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Exploration and evaluation assets*

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in the following area:

Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on each of the properties, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable.

### 4. Short-term investments

Short-term investments are recorded at fair value and are comprised of the following:

		<b>Fair Market Value</b>	
	Number of Shares/ Warrants	<b>September 30 2015</b>	June 30 2015
		\$	\$
Aldrin Resource Corp.	2,000,318	<b>300,048</b>	300,048
Azincourt Uranium Inc.	654,916	<b>19,648</b>	26,196
Canex Energy Corp.	2,704,459	<b>67,611</b>	256,924
Canex Energy Corp. - Warrants	2,124,000	<b>12,337</b>	112,109
Great Bear Resources Ltd.	80,000	<b>3,200</b>	4,000
Plateau Uranium Inc.	336,704	<b>107,745</b>	132,998
Stratton Resources Inc.	60,000	<b>6,000</b>	7,200
		<b>516,589</b>	839,475



## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the three month period ended September 30, 2015

(Unaudited – prepared by management)

(Expressed in Canadian dollars)

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#### 4. Short-term investments (continued)

The Company has determined the fair value of its short-term investments, other than Canex Energy Corp. warrants, based on the level 1 quoted market prices at September 30, 2015 and June 30, 2015. The fair value of warrants included in level 2 is obtained through the use of the Black-Scholes pricing model, which uses share price inputs and volatility measurements.

#### 5. Amounts receivable

	<b>September 30</b>	June 30
	<b>2015</b>	2015
	\$	\$
GST receivable	<b>70,867</b>	19,208
Other receivables	<b>13,447</b>	4,916
Due from joint venture participants	<b>120,131</b>	125,235
	<b>204,445</b>	149,359

The Company does not have any significant balances that are past due. Amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of amounts receivable approximates their carrying value.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements  
For the three month period ended September 30, 2015  
(Unaudited – prepared by management)  
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### 6. Exploration and evaluation assets

#### Three Month Period Ended September 30, 2015

	North Shore Property	Beaver River Property	Clearwater West Property	Key Lake Property Package	Manitou Falls Property	Patterson Lake North Property	Other Canadian Properties	Peru Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, beginning of period	-	16,130	-	1,365	9,567	-	165,529	-	<b>192,591</b>
Additions	-	3,527	-	1,718	-	-	22,459	-	<b>27,704</b>
Cost recoveries	-	-	-	(1,365)	-	-	-	-	<b>(1,365)</b>
Balance, end of period	-	19,657	-	1,718	9,567	-	187,988	-	<b>218,930</b>
<b>Exploration costs</b>									
Balance, beginning of period	197,391	231,547	42,116	55,775	90,188	4,659,737	157,658	743,354	<b>6,177,766</b>
Incurring during the period									
Geology mapping/sampling	-	609	5,186	8,644	61,637	-	153,514	42,476	<b>272,066</b>
Geophysics airborne	-	-	-	11,131	4,200	-	685,774	-	<b>701,105</b>
Geophysics ground	-	825	6,224	11,753	3,065	305	25,651	-	<b>47,823</b>
Drilling	-	-	208,626	-	-	305	-	-	<b>208,931</b>
Land retention and permitting	3,006	3,108	1,860	998	1,500	1,543	8,464	203	<b>20,682</b>
Reporting	-	914	191	-	1,934	325	-	-	<b>3,364</b>
Community relations	-	-	-	-	-	-	-	8,773	<b>8,773</b>
General	-	-	22,809	1,214	-	-	606	41,406	<b>66,035</b>
Share-based compensation	110	393	3,176	2,532	556	151	3,573	198	<b>10,689</b>
Additions	3,116	5,849	248,072	36,272	72,892	2,629	877,582	93,056	<b>1,339,468</b>
Cost recoveries	-	-	(244,896)	(55,775)	-	-	-	-	<b>(300,671)</b>
Balance, end of period	200,507	237,396	45,292	36,272	163,080	4,662,366	1,035,240	836,410	<b>7,216,563</b>
<b>Foreign currency translation</b>	-	-	-	-	-	-	-	50,347	<b>50,347</b>
<b>Total</b>	<b>200,507</b>	<b>257,053</b>	<b>45,292</b>	<b>37,990</b>	<b>172,647</b>	<b>4,662,366</b>	<b>1,223,228</b>	<b>886,757</b>	<b>7,485,840</b>

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements  
 For the three month period ended September 30, 2015  
 (Unaudited – prepared by management)  
 (Expressed in Canadian dollars)

### 6. Exploration and evaluation assets (continued)

Year Ended  
 June 30, 2015

	North Shore Property	Beaver River Property	Clearwater West Property	Key Lake Property Package	Manitou Falls Property	Patterson Lake North Property	Other Canadian Properties	Peru Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, beginning of year	-	11,154	-	3,423	9,567	-	34,619	-	<b>58,763</b>
Additions	-	4,976	-	29,420	-	-	145,910	-	<b>180,306</b>
Cost recoveries	-	-	-	(31,478)	-	-	-	-	<b>(31,478)</b>
Write-down	-	-	-	-	-	-	(15,000)	-	<b>(15,000)</b>
Balance, end of year	-	16,130	-	1,365	9,567	-	165,529	-	<b>192,591</b>
<b>Exploration costs</b>									
Balance, beginning of year	1,015,235	211,037	21,973	3,886	72,600	4,592,614	48,157	201,463	<b>6,166,965</b>
Incurring during the year									
Geology mapping/sampling	2,747	3,340	62,101	19,418	3,053	375	27,480	249,518	<b>368,032</b>
Geophysics airborne	1,851	7,681	728	18,702	9,427	625	24,343	-	<b>63,357</b>
Geophysics ground	636	125	374,330	18,831	-	167,443	17,060	-	<b>578,425</b>
Drilling	-	-	10,753	-	-	482,907	-	-	<b>493,660</b>
Land retention and permitting	10,640	2,880	5,274	8,511	2,474	52,911	22,882	76,946	<b>182,518</b>
Reporting	11,970	3,756	5,531	3,450	1,034	13,939	8,824	992	<b>49,496</b>
Environmental	772	-	-	-	-	-	-	1,433	<b>2,205</b>
Community relations	-	-	934	-	-	122	-	39,914	<b>40,970</b>
General	-	-	48,815	1,619	-	70,671	809	170,071	<b>291,985</b>
Share-based compensation	7,254	2,728	20,143	11,930	1,600	43,219	16,101	3,017	<b>105,992</b>
Additions	35,870	20,510	528,609	82,461	17,588	832,212	117,499	541,891	<b>2,176,640</b>
Cost recoveries	(853,714)	-	(508,466)	(30,572)	-	(765,089)	-	-	<b>(2,157,841)</b>
Write-down	-	-	-	-	-	-	(7,998)	-	<b>(7,998)</b>
Balance, end of year	197,391	231,547	42,116	55,775	90,188	4,659,737	157,658	743,354	<b>6,177,766</b>
<b>Foreign currency translation</b>	-	-	-	-	-	-	-	4,751	<b>4,751</b>
<b>Total</b>	<b>197,391</b>	<b>247,677</b>	<b>42,116</b>	<b>57,140</b>	<b>99,755</b>	<b>4,659,737</b>	<b>323,187</b>	<b>748,105</b>	<b>6,375,108</b>

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the three month period ended September 30, 2015

(Unaudited – prepared by management)

(Expressed in Canadian dollars)

### 6. Exploration and evaluation assets (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The Company has investigated titles to all of its exploration and evaluation assets, and to the best of its knowledge, titles to all of its properties are in good standing.

(a) *North Shore Property, Canada*

The Company acquired a 100% interest in a property located in Alberta as part of the Fission Uranium Arrangement.

The Government of Alberta drafted the Lower Athabasca Regional Plan ("LARP") to conserve land, which resulted in the cancellation of some metallic and industrial mineral ("MAIM") agreements held by Fission 3.0. In March 2015, the Company received a compensation payment of \$853,714 plus interest of \$43,509 from the Province of Alberta upon the cancellation of 10 Crown MAIM agreements and one partial MAIM agreement. The Company retains a right of first refusal for a period of 20 years commencing March 20, 2015 for any portion of the cancelled MAIM agreements that in the future re-open for mineral exploration.

(b) *Beaver River Property, Canada*

The Company acquired a 100% interest in various claims in Saskatchewan as part of the Fission Uranium Arrangement. After additional staking the Company now holds 12 claims at the Beaver River property.

(c) *Clearwater West Property, Canada*

The Company acquired a 100% interest in various claims in Saskatchewan as part of the Fission Uranium Arrangement. On January 28, 2014 the Company entered into a property option agreement with Canex Energy Corp. ("Canex"). Under the terms of the agreement, Canex has the option to earn up to a 50% interest in the Clearwater West property by issuing to the Company 580,459 common shares (subsequently received) in the capital stock of Canex representing 9.9% of the issued common shares of Canex at the date of closing the agreement, and by incurring a total of \$5,000,000 in expenditures on the property.

On October 15, 2015 the Company agreed to the extension of the property option agreement. As consideration for the Company extending the option deadlines, Canex agreed to issue to the Company 1,000,000 common shares in the capital stock of Canex valued at \$0.075 per share (subsequently received). The original option expiry dates have been amended as disclosed in the following table:

Interest Earned	Work Obligation	Cumulative Work Obligation		Term	Original Option Expiry	Amended Option Expiry
	\$	\$				
Nil	700,000	700,000	<sup>(1)</sup>	12 months	Oct 10, 2014	Oct 10, 2014
20%	2,000,000	2,700,000		24 months	Oct 10, 2015	Apr 30, 2016
50%	2,300,000	5,000,000		36 months	Oct 10, 2016	Apr 30, 2017

(1) – The \$700,000 work obligation has been completed.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the three month period ended September 30, 2015

(Unaudited – prepared by management)

(Expressed in Canadian dollars)

### 6. Exploration and evaluation assets (continued)

(c) *Clearwater West Property, Canada (continued)*

Under the terms of the agreement, the Company retains a royalty interest in the property of 2% of the net smelter returns on all uranium based products derived from the property after Canex acquires any interest in the property. The Company is the operator and is entitled to a management fee for operator services equal to 10% of expenditures.

At September 30, 2015 \$1,268,661 of expenditures have been incurred toward the cumulative work obligation.

(d) *Key Lake Property Package, Canada*

The Company's Key Lake Property Package consists of the following five properties in Saskatchewan:

- (i) Costigan Lake Property;
- (ii) Hobo Lake Property;
- (iii) Karpinka Lake Property;
- (iv) Millson Lake Property; and
- (v) River Lake Property

On February 2, 2015 the Company entered into a property option and joint venture agreement with Aldrin Resource Corp. ("Aldrin") whereby Aldrin can earn up to a 50% interest in the Company's Key Lake Property Package.

Under the terms of the agreement, Aldrin must, upon execution of the agreement, i) pay the Company \$100,000 cash (subsequently received), and ii) issue to the Company the greater of 1,900,000 or 9.9% of the then issued and outstanding common shares of Aldrin (2,000,318 common shares subsequently received). In addition, Aldrin will have to incur a total of \$6,900,000 in expenditures on the property in accordance with the following schedule:

<b>Interest Earned</b>	<b>Consideration</b>	<b>Work Obligation</b>	<b>Cumulative Work Obligation</b>	<b>Consideration Due Date</b>	<b>Option Expiry</b>
	\$	\$	\$		
N/A	100,000 <sup>(1)</sup>	-	-	Jul 1, 2015	-
Nil	100,000	1,000,000	1,000,000	Feb 1, 2016	May 1, 2016
N/A	100,000	-	-	Jul 1, 2016	-
20%	100,000	1,700,000	2,700,000	Feb 1, 2017	May 1, 2017
N/A	100,000	-	-	Jul 1, 2017	-
30%	100,000	2,000,000	4,700,000	Feb 1, 2018	May 1, 2018
N/A	100,000	-	-	Jul 1, 2018	-
50%	100,000	2,200,000	6,900,000	Feb 1, 2019	May 1, 2019

(1) – 714,285 common shares valued at \$100,000 received subsequent to September 30, 2015.

## Fission 3.0 Corp.

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### 6. Exploration and evaluation assets (continued)

(d) *Key Lake Property Package, Canada (continued)*

Under the terms of the agreement, Aldrin must make semi-annual payments of \$100,000 to the Company on July 1, and February 1 (commencing July 1, 2015) until the option has been exercised in full. The semi-annual payments may be made in cash or equivalent Aldrin shares at the option of Aldrin. The Company is the operator and is entitled to a management fee for operator services equal to 10% of expenditures.

The total initial consideration of \$500,064 for the \$100,000 cash and 2,000,318 common shares received, less accumulated net exploration costs of \$62,050 (as at the date of TSX approval of the agreement), resulted in a gain on property option agreement of \$438,014 during the quarter ended March 31, 2015.

The 714,285 common shares valued at \$100,000, representing the July 1, 2015 semi-annual payment, less accumulated net exploration costs of \$57,140 (as at July 1, 2015), resulted in a gain on property option agreement of \$42,860 during the three month period ended September 30, 2015.

(e) *Manitou Falls Property, Canada*

The Company acquired a 100% interest in a claim in Saskatchewan as part of the Fission Uranium Arrangement. After additional staking the Company now holds 3 claims at the Manitou Falls property.

(f) *Patterson Lake North Property, Canada*

The Company acquired a 100% interest in various claims in Saskatchewan as part of the Fission Uranium Arrangement. On April 29, 2013 Fission Uranium entered into a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt") that was assigned to the Company as part of the Fission Uranium Arrangement. Azincourt has the option to earn up to a 50% interest in the property by making payments and incurring expenditures in accordance with the following schedule:

<b>Interest Earned</b>	<b>Consideration</b>	<b>Work Obligation</b>	<b>Cumulative Consideration</b>	<b>Cumulative Work Obligation</b>	<b>Option Expiry</b>
	\$	\$	\$	\$	
10%	500,000	1,500,000	500,000	1,500,000 <sup>(1)</sup>	Jun 19, 2014
20%	750,000	3,000,000	1,250,000	4,500,000	Jun 19, 2015
35%	1,000,000	3,000,000	2,250,000	7,500,000	Jun 19, 2016
50%	2,500,000	4,500,000	4,750,000	12,000,000	Jun 19, 2017

(1) – The \$500,000 consideration was received and the \$1,500,000 work obligation has been completed.

The Company is the operator and is entitled to a management fee for operator services equal to 10% of expenditures. The Company retains a royalty interest in the property of 2% of the net smelter returns on all uranium based products derived from the property after Azincourt acquires any interest in the property. Azincourt had 90 days after each option term to either continue earning an additional interest in the property or to form a joint venture agreement with Fission 3.0.

## **Fission 3.0 Corp.**

Notes to the condensed consolidated interim financial statements

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### **6. Exploration and evaluation assets (continued)**

*(f) Patterson Lake North Property, Canada (continued)*

The Company has received \$100,000 in cash, and 666,666 common shares of Azincourt (on a pre-consolidation basis) representing the remaining \$400,000 of the total \$500,000 consideration required for the initial 10% interest in PLN. At September 30, 2015, \$3,100,000 of expenditures have been funded and incurred toward the cumulative work obligation and Azincourt has earned its initial 10% interest in the property.

Due to difficult capital/equity markets for junior mineral exploration companies, Azincourt did not complete the cumulative work obligation required to earn its 20% interest by the option expiry date of June 19, 2015. As a result both parties are currently working towards a joint venture agreement in which Azincourt will maintain its 10% interest in the joint venture.

*(g) Other Canadian Properties*

At September 30, 2015 the Company held 154 claims (June 30, 2015 – 127 claims) in various other uranium properties in Saskatchewan in and around the Athabasca Basin.

During the year ended June 30, 2015, the Company allowed certain claims to lapse and recorded a write-down of acquisition costs in the amount of \$15,000 and a write-down of exploration costs in the amount of \$7,998.

*(h) Macusani Properties, Peru*

The Company acquired a 100% interest in certain concessions located in Peru as part of the Fission Uranium Arrangement.

### **7. Share capital and other capital reserves**

The Company is authorized to issue an unlimited number of common shares, without par value.

*(a) Private Placements*

*February 23, 2015*

The Company completed a private placement with Fission Uranium pursuant to which Fission Uranium purchased 22,000,000 common shares of Fission 3.0 at a price of \$0.14 per share for gross proceeds of \$3,080,000. Fission Uranium holds a 12.36% interest in the Company.

*(b) Stock options and warrants*

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

## Fission 3.0 Corp.

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### 7. Share capital and other capital reserves (continued)

(b) *Stock options and warrants (continued)*

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

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		\$		\$
Balance July 1, 2014	14,000,000	0.155	1,985,000	0.05
Exercised	-	-	(1,985,000)	0.05
Expired	(135,050)	0.155	-	-
Forfeited	(135,050)	0.155	-	-
Outstanding, June 30, 2015	13,729,900	0.155	-	-
<b>Outstanding, September 30, 2015</b>	<b>13,729,900</b>	<b>0.155</b>	<b>-</b>	<b>-</b>

No stock options or warrants were exercised during the three months ended September 30, 2015 and no stock options were exercised for the year ended June 30, 2015. The weighted average share price of warrants exercised during the year ended June 30, 2015 was \$0.08.

As at September 30, 2015, incentive stock options were outstanding as follows:

Stock Options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
13,729,900	0.155	10,297,425	January 31, 2019
<b>13,729,900</b>		<b>10,297,425</b>	

(c) *Share-based compensation*

All options are recorded at fair value using the Black-Scholes option pricing model. There were no stock options granted during the three month period ended September 30, 2015 or September 30, 2014. Pursuant to the vesting of options previously granted, during the three months ended September 30, 2015 share-based compensation of \$62,922 (September 30, 2014 - \$263,566) was recognized in the statements of loss and comprehensive loss and \$10,689 (September 30, 2014 - \$40,220) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity.



## Fission 3.0 Corp.

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### 8. Supplemental disclosure with respect to cash flows

	<b>September 30</b>	June 30
	<b>2015</b>	2015
	\$	\$
Cash and cash equivalents		
Cash	<b>397,990</b>	988,733
Redeemable Term Deposits	<b>3,160,000</b>	3,160,000
	<b>3,557,990</b>	4,148,733

There were no cash payments for interest and income taxes during the three month period ended September 30, 2015 and September 30, 2014. During the three month period ended September 30, 2015 the Company received \$719 (September 30, 2014 - \$2,322) in interest income.

Significant non-cash transactions for the three month period ended September 30, 2015 included:

- (a) Incurring \$733,865 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$10,689 of share-based payments in exploration and evaluation assets;
- (c) Recognizing \$20,131 of exploration and evaluation cost recoveries through amounts receivable; and
- (d) Recognizing 714,285 common shares of Aldrin valued at \$100,000 through amounts receivable.

Significant non-cash transactions for the three month period ended September 30, 2014 included:

- (a) Incurring \$275,482 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$28,671 of exploration and evaluation cost recoveries through amounts receivable; and
- (c) Recognizing \$40,220 of share-based payments in exploration and evaluation assets.

### 9. Related party transactions

The Company has identified the CEO, COO, President, CFO, VP Exploration, and the Company's directors as its key management personnel. The compensation costs for key management personnel are as follows:

	<b>Three months ended</b>	
	<b>September 30</b>	
	<b>2015</b>	2014
	\$	\$
<b>Compensation Costs</b>		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	<b>133,005</b>	90,142
Share-based compensation for vesting of options granted to key management personnel	<b>43,389</b>	178,865
	<b>176,394</b>	269,007

## Fission 3.0 Corp.

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### 9. Related party transactions (continued)

	Three months ended	
	September 30	
	2015	2014
	\$	\$
<b>Amounts paid or accrued</b>		
Exploration and evaluation expenditures (capitalized) and administrative services paid to Fission Uranium, a company which has significant influence over Fission 3.0	<b>151,597</b>	118,589

Included in accounts payable at September 30, 2015 is \$2,146 (June 30, 2015 - \$5,008) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable at September 30, 2015 is \$107,021 (June 30, 2015 - \$23,001) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 10. Segmented information

The company primarily operates in one reportable operating segment being the exploration and development of exploration and evaluation assets. Long-lived assets by geographic area are as follows:

	September 30, 2015		June 30, 2015	
	Canada	Peru	Canada	Peru
	\$	\$	\$	\$
Property and equipment	<b>32,921</b>	<b>14,145</b>	16,564	14,346
Exploration & evaluation assets	<b>6,599,083</b>	<b>886,757</b>	5,627,003	748,105
	<b>6,632,004</b>	<b>900,902</b>	5,643,567	762,451

### 11. Financial instruments and risk management

*International Financial Reporting Standards 7, Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The fair value of short-term investments consists of items in both Level 1 and Level 2 of the fair value hierarchy.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

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### 11. Financial instruments and risk management (continued)

Short-term investments are carried at fair value, with the unrealized gain or loss recorded in the statement of loss and comprehensive loss.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations warrant such hedging activities.

#### (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from:

- (i) Cash and cash equivalents; and
- (ii) Amounts receivable.

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At September 30, 2015, the Company has no financial assets that are past due or impaired due to credit risk defaults.

The Company's maximum exposure to credit risk is as follows:

	<b>September 30</b>	June 30
	<b>2015</b>	2015
	\$	\$
Cash and cash equivalents	<b>3,557,990</b>	4,148,733
Amounts receivable	<b>204,445</b>	149,359
	<b>3,762,435</b>	4,298,092

#### (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and short-term investment balances to meet its anticipated operational needs.

The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

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### 11. Financial instruments and risk management (continued)

(b) *Liquidity risk (continued)*

The following table summarizes the remaining contractual maturities of the Company's financial liabilities.

	Maturity Dates	September 30 2015	June 30 2015
		\$	\$
Accounts payable and accrued liabilities	< 6 months	<b>865,221</b>	73,974

(c) *Price risk*

Price risk is the risk that assets or liabilities carried at fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions.

The Company's maximum exposure to price risk on its short-term investments based on the fair value hierarchy is as follows:

	September 30 2015	June 30 2015
Fair value hierarchy	\$	\$
Level 1	<b>504,252</b>	727,366
Level 2	<b>12,337</b>	112,109
	<b>516,589</b>	839,475