



Management's Discussion & Analysis

Fission 3.0 Corp.

**For the Six Month Period Ended
December 31, 2014**

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Introduction

The following Management's Discussion and Analysis, prepared as of February 27, 2015, should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes of Fission 3.0 Corp. (the "Company" or "Fission 3.0") for the six month period ended December 31, 2014. The reader should also refer to the audited consolidated financial statements for the year ended June 30, 2014 which have been prepared under the continuity of interest basis of accounting as described below, as well as Management's Discussion and Analysis for that year.

The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS34") using accounting policies consistent 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") and the former Standing Interpretations Committee ("SICs") as at December 31, 2014.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and the Company's website at www.fission3corp.com, or by requesting further information from the Company's head office located in Kelowna, BC, Canada.

Results after December 6, 2013 have been presented in this MD&A under the continuity of interest basis of accounting with the consolidated statements of financial position amounts based on amounts recorded by Fission Uranium Corp. ("Fission Uranium"). Prior to the spin-out, the results have been prepared on a carve-out basis. In addition, the information contained in the consolidated statements of comprehensive loss, changes in equity and cash flows for the six month period ended December 31, 2013 have been derived from certain allocations from Fission Uranium's financial statements. Management cautions readers of this MD&A, that the allocation of expenses does not necessarily reflect the future financial performance of the Company.

Forward looking statements

Statements in this report that are not historical based facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Description of business

Fission 3.0 was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a plan of arrangement to reorganize Fission Uranium. Fission 3.0 began trading as a new public company on December 10, 2013 under the symbol FUU.V (TSX Venture Exchange). The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2.

Fission 3.0 is a junior resource issuer primarily engaged in the acquisition, exploration, and development of uranium resource properties in Canada. The Company's primary objective is to locate, evaluate and acquire uranium properties and to finance their exploration and potential development by way of equity financing, joint ventures, option agreements or other means.

Fission 3.0's primary goal is to discover an economic uranium deposit through exploration. Exploration is subject to a number of risks and uncertainties, including: uncertainties related to exploration and development; uncertainties related to the nuclear power industry; the ability to raise sufficient capital to fund exploration and development; changes in economic conditions or financial markets; increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities, labour relations matters, and economic issues that could materially affect uranium exploration and mining.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Description of business (continued)

Fission 3.0 has approximately 332,662 ha of exploration properties with uranium potential in Saskatchewan and Alberta in Canada, and in Peru.

- 100,718 ha (30%) comprise the North Shore Property in Alberta;
- 226,844 ha (68%) are located in Saskatchewan in and around the Athabasca Basin; and
- 5,100 ha (2%) comprise the Macusani Property in Peru.

Fission 3.0's management and technical team have a track record of acquiring highly prospective uranium properties, and successfully exploring and developing them for potential sale. By embracing the "Prospector Generator" model, the Company, through joint venture agreements and technical expertise as Operator, has attracted financial partners to advance the initial exploration stages of its Clearwater West ("CWW"), Patterson Lake North ("PLN"), and Key Lake Property Package.

The Company's three most advanced exploration prospects are the North Shore Property, the PLN Property, which has a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt"), and the CWW Property, which has a property option agreement with Brades Resource Corp. ("Brades"). The PLN and CWW properties adjoin Fission Uranium's high grade uranium discovery at its Patterson Lake South Property ("PLS"), located in the southwest part of Saskatchewan's Athabasca Basin. Fission Uranium has been successfully advancing PLS since the first discovery hole was made in November, 2012. In January 2015, Fission Uranium announced the results of the independent resource estimate at PLS and the high grade uranium discovery was named the 'Triple R' deposit. The total resource is estimated to contain an indicated mineral resource totaling 79,610,000 lbs. U₃O₈, based on 2,291,000 tonnes at an average grade of 1.58% U₃O₈ and an inferred mineral resource totaling 25,884,000 lbs. U₃O₈ based on 901,000 tonnes at an average grade of 1.30% U₃O₈, making it the largest undeveloped high-grade uranium resource in the Athabasca region, and 3rd largest uranium deposit in the Athabasca region after the producing McArthur River and Cigar Lake deposits. The proximity of this world class uranium deposit to Fission 3.0's adjoining PLN and CWW properties is indicative of the strong exploration potential of these projects.

Fission Uranium Arrangement

On December 6, 2013, Fission Uranium completed a court approved plan of arrangement (the "Fission Uranium Arrangement") pursuant to which certain assets of Fission Uranium were spun-out to Fission 3.0.

Under the Fission Uranium Arrangement, shareholders of Fission Uranium received all of the common shares of Fission 3.0 which holds all of Fission Uranium's exploration and evaluation assets (other than Fission Uranium's interest in the Patterson Lake South Joint Venture), short-term investments, and property and equipment located in Peru.

Under the terms of the Fission Uranium Arrangement, Fission 3.0 also received \$3,000,000 in cash to fund future operations plus a cash payment for assumed liabilities.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Description of business (continued)

Fission Uranium Arrangement (continued)

The carrying value of the net assets received pursuant to the Fission Uranium Arrangement consist of the following:

	\$
Assets	
Cash	3,081,523
Short-term investments	766,066
Amounts receivable	102,518
Property and equipment	15,619
Exploration and evaluation assets	6,186,147
Total Assets	10,151,873
Liabilities	
Accounts payable and accrued liabilities	(45,433)
Deferred tax liability	(1,615,941)
Total Liabilities	(1,661,374)
Carrying Value	8,490,499
Accumulated losses (see below)	11,949,868
Subtotal	20,440,367
Shares issued pursuant to the Fission Uranium Arrangement	(17,454,000)
Adjustment for shares issued in connection with the Fission Uranium Arrangement	2,986,367

An adjustment of \$2,986,367 was made through accumulated deficit to reconcile: i) the carrying values of the net assets contributed and recorded under the continuity of interest basis of accounting, to the fair value of the common shares issued in connection with the closing of the Fission Uranium Arrangement on December 6, 2013; and ii) the allocated Fission Uranium income and expenses which cumulatively amounted to \$11,949,868 up to the close of the Fission Uranium Arrangement.

The consolidated statements of changes in equity include an amount of \$3,100,923 which represents the assets contributed on December 6, 2013 by Fission Uranium pursuant to the Fission Uranium Arrangement. The amount primarily includes the cash and short-term investments transferred to Fission 3.0 as part of the spin-out. Other assets have been reflected in these financial statements at earlier dates in accordance with the continuity of interest basis of accounting.

Corporate Goals

Fission 3.0's goal is to discover an economic uranium deposit through exploration. The Company's properties are located primarily in Saskatchewan's Athabasca Basin Region, home of the richest and lowest cost uranium deposits in the world. Its most advanced exploration projects are adjacent to, or in close proximity to Fission Uranium's world class PLS Triple R high-grade uranium deposit.

The Athabasca Basin has remained the primary focus of continued interest to uranium investors for the following reasons:

1. Rio Tinto's successful acquisition of Hathor Exploration in 2012 introduced new competition to the Athabasca Basin in the form of a leading international uranium producer, while confirming Cameco's intent to strengthen its position in the region.
2. Completion of the Fission Energy Corp. ("Fission Energy") Arrangement Agreement with Denison Mines Corp. ("Denison") in April 2013, resulting in Denison acquiring the Waterbury Lake deposit, confirmed the premium value of deposits in the Athabasca Basin, despite an overall weak uranium price environment.

Corporate goals (continued)

3. Fission Uranium's PLS shallow high grade Triple R uranium deposit was discovered in the underexplored western part of the Athabasca Basin, and resulted in a staking rush in the region. The deposit's world class maiden resource, announced in January, 2015, is larger than the preliminary estimates made by investment firm analysts, prompting a more earnest focus on the area.

Canada recently signed a free-trade agreement with Europe, which removes a longstanding requirement that buyers are legally bound to take on a Canadian partner in uranium projects. This positive change is expected to attract new foreign investment in the development of uranium projects, most notably in the Athabasca Basin. Management continues to believe that long-term world-wide uranium demand and the corresponding nuclear power plant build-out will require new uranium supply to meet this expected new demand. As such, management remains optimistic about the long-term prospects for the uranium market and Fission 3.0 remains committed to advancing its exploration plans in the Athabasca Basin Region, to emulate the success of its predecessor companies, Fission Uranium and Fission Energy. In addition, Fission 3.0 will continue to examine joint venture, property acquisition, and other strategic corporate opportunities to enhance shareholder value.

Summary of significant accomplishments for the three months ended December 31, 2014 and subsequent:

- October 2014 to February 2015: Fission 3.0 expands presence in Athabasca Basin Region, Saskatchewan to 23 projects by staking 3 new properties, additions to 4 existing properties, and acquiring 3 properties with potential for hosting near surface, high-grade uranium mineralization.
- January 2015: Follow-up geophysical surveys and drilling at CWW are targeting strong anomalies in close proximity to anomalous uranium mineralization drilled approximately 330m from the CWW/PLS property boundary by Fission Uranium earlier this year.
- January 2015: A winter 2015 geophysics and exploration drilling program at PLN designed to follow-up successful drilling carried out last summer on a partially tested a mineralized corridor approximately 700m in length, is underway.
- February 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. The Company's Key Lake Property Package includes the following five properties: Costigan Lake, Hobo Lake, Karpinka Lake, Millson Lake and River Lake.

Quarterly exploration update

Fission 3.0's ongoing exploration activities are being conducted primarily at its CWW and PLN properties located adjacent to, or in close proximity to Fission Uranium's PLS high-grade Triple R uranium deposit. Fission Uranium and other companies with property in the area continue to actively conduct exploration in this western part of the Athabasca Basin.

Clearwater West ("CWW")

In August 2014, Fission Uranium announced that exploration drill hole PLS14-255 on its PLS property intersected anomalous radioactivity 330 meters from Fission 3.0's CWW property boundary. Subsequent drill assays received by Fission Uranium confirmed uranium mineralization in basement rocks at shallow depth. The strongly anomalous uranium values encountered and higher-than-normal associated values of key pathfinder elements (boron, zinc, copper), within structurally complex and hydrothermally altered basement and sandstone lithologies are common characteristics that suggest the presence of a uranium mineralized system.

Quarterly exploration update (continued)*Clearwater West ("CWW") (continued)*

Based on these findings, Fission 3.0 initiated a fall exploration program during the three months ended December 31, 2014 comprised of mapping, prospecting, and a DC resistivity survey to prioritize future drill targets. The program targeted a significant cluster of anomalies immediately down-ice (to the south-west) of the planned ground geophysics DC Resistivity survey. Subsequent to December 31, 2014, the Company began the ground DC resistivity geophysical survey to prioritize drill locations. The Company has proposed a budgeted 10-hole, 1,000 meter drill program, to be completed later this winter.

Patterson Lake North ("PLN")

Subsequent to December 31, 2014, Fission 3.0 and its PLN joint venture partner, Azincourt Uranium Inc., announced a \$1.45 million winter 2015 exploration program comprising of a 3,250m 7 hole drill program and a 35.2 line-km small loop time domain electromagnetic (SMLTEM) ground geophysics survey. This program follows successful drilling carried out last summer, which tested a mineralized corridor approximately 700m in length. Two holes will test the "A1" EM Conductor in the SW area of property, two holes will target the "N" EM conductors in previously untested north area of property, two holes will test the Broach Lake EM conductors in the south-east area of property, and one hole will test the Hodge Lake target, identified earlier in 2014. A 35.2 line-km SMLTEM ground geophysics survey on two prospective EM conductors identified from previously-flown VTEM airborne survey located in the northern part of the property will also be completed.

Key Lake Property Package

Subsequent to December 31, 2014 Fission 3.0 optioned five separate non-contiguous properties comprising 61 mineral claims, totaling approximately 18,393 hectares in the Key Lake area, located in the eastern part of the Athabasca Basin Saskatchewan to Aldrin (see Subsequent events).

These properties are located in the historic Key Lake District, where Cameco operated open pit uranium mining operations producing 209.8 million pounds of uranium over a 19 year period from 1983 to 2002. Cameco's Key Lake Mill is also located nearby, which continues to process uranium ore from the McArthur River Mine. Fission 3.0 believes its Key Lake Property Package has the potential to host near surface high-grade uranium mineralization similar to the near-by historic Key Lake deposits.

New Properties and Staking Additional Claims

During and subsequent to the three months ended December 31, 2014, Fission 3.0 expanded its presence in the Athabasca Basin Region, Saskatchewan to 21 projects by staking 3 new properties, additions to 4 existing properties and acquiring 3 new properties with potential for hosting near surface, high-grade uranium mineralization. The new properties known as Dixon Island, Karpinka Lake, and Millson Lake were acquired by staking. Additional claims were staked, expanding the existing properties of Hobo Lake, Grey Island and Perron Lake. One additional claim was acquired at Thompson Lake. Subsequent to December 31, 2014 the Company acquired the Abraham Bay, Black Birch and Springer River properties. The Company's intent is to utilize the specialized techniques that led to the successful discovery of Fission Uranium's shallow, high-grade PLS uranium discovery to advance its properties. These techniques include its innovative approach to radon surveys, underwater spectrometer analysis and Fission 3.0's patent-pending radiometric airborne survey - the same technology used to identify the high-grade boulder field at PLS.

Outlook

Management believes that the exploration and development of uranium properties presents an opportunity to increase shareholder value for the following reasons:

- *Increased long-term worldwide energy demand for nuclear energy*

Worldwide nuclear energy demand and the associated nuclear power plant build-out is projected to increase significantly in the years ahead, and will require new uranium supply to meet this increasing demand. According to the World Nuclear Association, electricity demand is increasing twice as fast as overall energy supply and is estimated to rise by more than two-thirds from 2011 to 2035.

- *Increased long-term demand for uranium*

It is projected that 526 nuclear power reactors will be operating worldwide by 2023 as compared to 436 today. The Ux Consulting Company expects worldwide uranium demand to increase 22% by 2020. In addition, many analysts continue to forecast a long-term global uranium demand/supply imbalance, which suggests a potential for significantly higher uranium prices.

Increased long-term demand is expected from developing countries as they construct new nuclear power plants. 70 nuclear power plants are currently under construction worldwide, most notably in China, India, Russia, and South Korea. The most significant increase in long-term uranium demand is expected to come from China, which surpassed the United States as the world's largest energy consumer in 2010, and remains committed to a planned nuclear build-out over the next two decades. In 2013, China brought three new nuclear reactors on-line, and construction began on four others. There are currently 27 nuclear power plants under construction in China, which accounts for 38% of all the reactors under construction worldwide. The majority are scheduled for completion between 2016 and 2023. China's current domestic uranium production accounts for less than 25% of their annual uranium fuel requirements, resulting in increased imports and stockpiling. In 2010, Cameco Corp. signed the first of two long-term contracts with Chinese owned utilities for the delivery of uranium. Additional long-term demand is anticipated from other Asian countries, most notably India and South Korea, as they expand their planned nuclear build-out.

The following is a list of selected countries with nuclear reactors that are either planned, proposed, or under construction as of January, 2015:

Country	Construction	Planned	Proposed	Total
China	27	64	123	214
India	6	22	35	63
Russia	9	31	18	58
USA	5	5	17	27
France	1	1	1	3
Saudi-Arabia	0	0	16	16
South Korea	5	8	0	13
Canada	0	2	3	5
Others	17	50	98	165
Total	70	183	311	564

Source: World Nuclear Association Website (World Nuclear Power Reactors & Uranium Requirements - www.world-nuclear.org Updated January, 2015)

Outlook (continued)

- *Uranium demand/supply imbalance*

A global uranium demand/supply imbalance has existed for several years, creating a potential for significantly higher uranium prices over the long-term. While a rapidly rising uranium price between 2004 and 2007 stimulated the development of new supply, most uranium analysts continued to forecast supply deficits every year from 2012 onwards. However, after Japan's Fukushima nuclear accident in March 2011, which resulted in the shutdown of all nuclear power plants in that country, a decline in uranium demand was witnessed by major producing companies like Cameco Corp., Uranium One Inc., and Paladin Energy Ltd. Uranium demand forecasts were subsequently revised downwards, pushing out expected supply deficits beyond 2014.

In September, 2013, Raymond James again adjusted its previously modeled uranium shortfall, and now estimates that a uranium deficit may not emerge until 2020, (Raymond James, Industry Report Changes (Uranium), June 19, 2014), while Dundee Capital Markets believes uranium demand will surpass supply in 2016 (Dundee Capital Markets, Uranium Sector Report, July 15, 2014).

Supply that met uranium production shortfalls from mining prior to the Fukushima event was derived from secondary sources, most notably the decommissioning of old Soviet nuclear weapons. Known as the US-Russian HEU Agreement (officially termed the "Megatons for Megawatts Program") secondary supply from Russia began entering the market in 1993. With the completion of the HEU Agreement in December 2013, it is estimated that approximately 20 - 24 million lbs. of uranium was removed from the market. The removal of this supply has been more than offset by excess inventory that entered the market from Japan as a result of the post-Fukushima suspension of nuclear power operations. Dundee Capital Markets is estimating a supply surplus of approximately 10 million lbs. in 2014, down from approximately 35 million lbs. in 2013 (Dundee Capital Markets, Uranium Sector Report, July 15, 2014). Over the long-term, it is expected that countries with existing or newly developing nuclear power plants will need to source long-life uranium assets from politically stable jurisdictions.

Since 2003, the increased uranium demand and higher prices have stimulated new exploration and development of both new and previously explored uranium properties worldwide. This trend resulted in a strong supply response, most notably from Africa and Kazakhstan. The new production is primarily from lower grade deposits, which is not sustainable over the long-term without higher uranium prices. Uranium prices have declined to a nine year low since the Fukushima event. Higher prices will be necessary to encourage new production to meet long-term supply forecast deficits. To support a healthy global uranium mining sector, general consensus among analysts including RBC Capital (Canada), Raymond James Canada, and Resource Capital Research (Australia) is that a uranium price of US \$70-\$80/lb. is required to stimulate new exploration and mine development worldwide, where the average deposit grade is considerably lower than the higher grade deposits found in Saskatchewan's Athabasca Basin.

The richest and lowest cost uranium deposits in the world are located in Saskatchewan's Athabasca Basin, which is the primary exploration focus of Fission 3.0. The Company controls a substantial number of prospective exploration projects here. The entire Athabasca Basin and areas beyond its boundary have since been staked by many companies. It is here in the Athabasca Basin that the Company believes it is positioned to make a potential economic uranium discovery due to the high exploration potential of its properties and its experienced management and technical team.

Fukushima, Japan & its impact on the general outlook for the nuclear power & uranium markets

In March 2011, an earthquake and tsunami in Japan caused cooling systems at the Fukushima Daiichi nuclear reactor to fail, releasing radioactive materials into the environment. This event continues to impact uranium demand in the short and medium term. It has caused delay, and in some parts of the world, discouraged the nuclear build-out, which in turn has negatively impacted the near-term demand of uranium. In May, 2014, the spot uranium price declined in value to US \$28.23/lb., a nine year low, before rebounding above US \$40.00/lb., and settling at US \$37.50/lb. on February 2, 2015.

At the time of the Fukushima event, Japan was the world's third largest user of nuclear power, which accounted for approximately 30% of the country's electrical output. Long-term plans were in place to increase this share to 50% by 2030. Subsequent to the Fukushima event, all 50 operating nuclear reactors, which consumed approximately 21.3 million lbs. of uranium per year, were shut down for safety inspections. At the time of writing, only two nuclear power reactors have been granted approval to restart operations. This shutdown has forced utility companies to import fossil fuels to maintain a reliable energy supply, leading to higher energy costs for consumers and industry, Japan's first trade deficit in over three decades, and inflation hitting a five year high during the country's fiscal year ending in March, 2014. For fiscal 2015, energy import costs are projected to be approximately double the amount paid in 2010, the year prior to the Fukushima event. Japan is now the world's largest importer of liquid natural gas. The rising cost of gas imports has also prompted a significant increase in coal imports.

Japan's nuclear future and the long-term impact on the uranium market remains uncertain. In late February, 2014, Japan announced its new draft energy program, which stated that nuclear power is to remain "an important base load electricity source." (Dundee Capital Markets- Uranium Sector Update, February 25, 2014). In April 2014, the Japanese government approved the Energy Plan stating "reactors will be restarted once their safety is confirmed" (Raymond James, Uranium Industry Comment, April 11, 2014), and a total of 17 reactors have now applied for restart. In July, 2014, the government adopted new nuclear safety regulations providing a regulatory framework for up to 15 nuclear reactor restarts now planned for July, 2015.

The timing of the nuclear reactor restarts in Japan is expected to impact the drawdown of current excess supply in the marketplace. During the three months ended December 31, 2014, regional authorities in Japan approved the restart of the idled Sendai nuclear plant, subject to passing operational safety check inspections. The Sendai reactors, which are located 1,000 km southwest of Tokyo, would become the first to restart since the Fukushima event. This approval may expedite the process to reinstate more Japanese reactors in the months ahead. The news prompted the spot uranium price to jump above US \$40/lb., its highest level in 16 months. Should the renewed buying interest be sustained, increased contracting and reduced spot supplies may exert continued upward pressure on prices.

The events in Japan have caused certain countries to make strong political statements to end their use of nuclear power. Shortly after the Fukushima event, Germany stated its intention to close all 17 nuclear reactors, while Switzerland suspended the approval process for 3 new nuclear reactors, later making the ban permanent. Switzerland's 5 existing reactors, which supply 40% of the country's power, will not be replaced at the end of their life span, with the last plant to go off-line in 2034. In November 2011, Mexico announced its plans to cancel the planned construction of 10 nuclear power plants, and in May 2012, Brazil, which had initiated plans to construct between 4 and 8 nuclear power plants to 2030, has cancelled its program.

In contrast, there remain many countries that continue to favor nuclear power. In February 2014, the Financial Times reported that there are now more nuclear power plants under construction, planned or proposed than prior to the Fukushima event. Long-term plans for the construction of the largest number of new nuclear power plants continue to come from: China, India, Russia, and South Korea. These countries are maintaining their current nuclear reactor development plans with a focus on increased safety. In 2012, China announced that it had completed its nuclear inspections. New nuclear safety regulations were adopted in 2014, and construction has since begun on 5 new nuclear reactors. By 2023, the number of operating nuclear plants worldwide is expected to increase from 436 to 526.

Performance and summary update*Uranium market*

Source: Ux Consulting Company LLC, www.uxc.com: February 2015

The long-term contract price is published by the Ux Consulting Company at the end of each month, while the spot price is announced weekly. The long-term price, which accounts for almost 80% of the global uranium bought and sold, reached an all-time high of US \$95.00/lb. in mid-2007 before declining to a multi-year low of US \$44.00/lb. in August, 2014. The January 2015 long-term price closed at US \$49.00/lb. During the same period, the uranium spot price reached an all-time high of US \$138.00/lb., before declining to a monthly average nine year low of US \$28.23/lb. in June, 2014. A moderate pick-up in spot sales volumes since August has helped the uranium spot price to rebound off its low, and it later surged to as high as US \$41.75/lb., after regional authorities in Japan approved the first nuclear power plant restart since the Fukushima event in March, 2011. Volatility has continued and the spot price subsequently declined for seven straight weeks. The current spot price as reported weekly by UxC is US \$37.50/lb. (February 2, 2015). The longer-term declining trend in uranium prices directly corresponds with the Fukushima event and the reduced demand/inventory sales resulting from the suspension of nuclear reactor operations in Japan. Spot market volumes totaled 42.1 million lbs. in 2014, down from 50.4 million lbs. in 2013, and virtually unchanged from 41.7 million lbs. in 2011, the year of the Fukushima event. (Source UxC and Haywood Securities)

It is uncertain how long the Fukushima nuclear event will impact the uranium sector. Most analyst uranium price forecasts have been reduced for a second time during 2014, which also includes factoring the impact of reduced demand from the global economic slowdown, unexpected shutdowns of aging reactors in the United States, continued US Department of Energy (DOE) uranium sales and temporary shutdowns in South Korea.

While the last three years have been challenging for uranium companies, expectations are for positive long-term uranium market conditions in the years ahead, from both market analysts and industry participants. Former RBC Capital analyst Adam Schatztker forecast "There is not enough uranium production, either current or planned, to satisfy reactor needs, initial core requirements and inventories for new reactors. A sustainably higher price should help resolve this gap."

Performance and summary update (continued)*Uranium market (continued)*

David Sadowski, of Raymond James continues to echo similar comments in his industry report dated April 11, 2014, where he noted that an estimated US \$70/lb. in the medium term is required "to avoid a significant shortfall at decade's end". Cancellation of the Megaton for Megawatts Program, mine shutdowns, delays and cutbacks, in addition to the continued power plant construction in China and the Japanese government's recent announcement of reactor restarts by 2015, are expected to serve as near-term catalysts and exert upward pressure on prices in 2014-2015 (Raymond James, Salman Partners, Dundee Capital Markets). Despite the current continued weakness in uranium prices, Raymond James notes that the proposed Japanese restarts, in addition to a return to contracting by utilities to secure uncovered requirements, continued nuclear growth acceleration, and increased levels of merger and acquisition activity, are expected to generate positive trends in the uranium sector in 2015. (Raymond James, Uranium Tailwinds Brewing – What to Look For in 2015 – January 9, 2015)

The following table provides uranium spot price forecasts for 2015 and 2016 by the investment firms listed. Prior to the three months ended December 31, 2014, many investment firms cut their near-term uranium price forecasts for a second time this year, but maintained a long-term forecast price of between US \$60/lb. to US \$70/lb. During the three months ended December 31, 2014, the spot uranium price spiked above US \$40.00/lb. The US \$41.75/lb. closing spot price on November 10, 2014, marked the largest weekly price increase since 2010. On November 11, 2014, Salman Partners announced an increase in their average calendar Q4 2014 spot price forecast from US \$35.50/lb. to US \$42.00/lb., in addition to raising forecast prices for 2015 and 2016. Price estimates for 2015 and 2016 were also raised by the other firms listed. In February, 2015, Cantor Fitzgerald lowered its average spot price for 2015 from US \$42.75 to US \$41.13, but notably raised its Long-Term price forecast to \$80 from \$70, which is generally considered the price necessary to stimulate new mine development worldwide to meet the forecast increases in global demand over the next five to ten years.

Investment Firm	2015 E	2016 E	Long-Term
Salman Partners	US \$47.38	US \$55.99	US \$61.24
TD Securities	US \$38.00	US \$42.00	US \$70.00
Raymond James	US \$38.00	US \$45.00	US \$70.00
Dundee Capital Markets	US \$40.00	US \$55.00	US \$65.00
Cantor Fitzgerald	US \$41.13	US \$50.00	US \$80.00
Haywood Securities	US \$39.50	US \$53.00	US \$65.00

Sources: Salman Partners, Metals Morning Note, November 11, 2014; TD Securities, Metals and Minerals 2015/2016 Outlook and Q4/14 Preview, January 22, 2015; Raymond James, Uranium Tailwinds Blowing – What to Look For in 2015, January 9, 2015; Dundee Capital Markets: Fission Uranium Target Revision, January 12, 2015 and Uranium Sector report, July 15, 2014; Cantor Fitzgerald Quarterly Commodity Outlook, February 5, 2015; Haywood Securities Inc., Uranium Weekly, January 16, 2015.

The average uranium spot price forecast, based on a composite of analysts tracked by Bloomberg, is US \$42.75/lb. for 2015 and US \$54.00/lb. for 2016.

Cameco forecasts that 20% of world supply will need to come from exploration and development of new primary mine production over the next 10 years, but the significant decline in uranium prices since Fukushima, resulted in the recent suspension of its 2018 supply target of 36 million pounds. In addition, several new projects have now been categorized as uneconomic. Worldwide projects cancelled or deferred since 2012 include: Yeelirrie and Kintyre in Australia (Cameco), Trekkopje in Namibia (AREVA), Imouraren in Niger (AREVA) and the Olympic Dam expansion in Australia (BHP). Salman Partners estimates that 105.5 million lbs. of uranium has been removed from the world's mine plans for the period 2014 to 2021 (Metals Morning Note, February 13, 2014). In contrast, it is significant that no projects were cancelled in the Athabasca Basin in 2013, and that the McClean Lake mill is undergoing capacity expansion to process uranium ore from Cameco and AREVA's Cigar Lake mine, which despite the delays, packaged its first uranium concentrate in October, 2014.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Exploration projects

A list of the Company's 23 uranium exploration projects is shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value (\$CDN) ⁽¹⁾
North Shore ⁽²⁾	Athabasca Basin, AB	100%	28	100,718	C	1,044,331
Beaver River	Athabasca Basin Region, SK	100%	9	16,398	B	229,264
Clearwater West	Athabasca Basin Region, SK	100% ⁽³⁾	3	11,786	C	34,233
<i>Key Lake Property Package</i>						
Costigan Lake	Athabasca Basin Region, SK	100% ⁽⁴⁾	4	1,213	A	4,962
Hobo Lake	Athabasca Basin Region, SK	100% ⁽⁴⁾	29 ⁽⁵⁾	10,180	A	22,644
Karpinka Lake	Athabasca Basin Region, SK	100% ⁽⁴⁾	18	4,445	A	9,724
Millson Lake	Athabasca Basin Region, SK	100% ⁽⁴⁾	6	688	A	5,667
River Lake	Athabasca Basin Region, SK	100% ⁽⁴⁾	4	1,866	A	6,940
Manitou Falls	Athabasca Basin Region, SK	100%	3	10,530	B	86,131
Patterson Lake North	Athabasca Basin Region, SK	90% ⁽⁶⁾	10	27,408	C	4,628,898
<i>Other Canadian Properties</i>						
Abraham Bay ⁽¹⁾	Athabasca Basin Region, SK	100%	4	13,030	A	-
Black Birch ⁽¹⁾	Athabasca Basin Region, SK	100%	2	10,960	A	-
Cree Bay	Athabasca Basin Region, SK	100%	8	14,420	A	19,610
Dixon Island	Athabasca Basin Region, SK	100%	2	2,190	A	2,864
Flowerdew Lake	Athabasca Basin Region, SK	100%	2	2,412	A	4,834
Grey Island	Athabasca Basin Region, SK	100%	4	5,626	A	13,765
Hearty Bay	Athabasca Basin Region, SK	100%	4	1,678	A	5,660
McDonald Creek	Athabasca Basin Region, SK	100%	5	18,887	A	15,398
Midas	Athabasca Basin Region, SK	100%	4	1,476	A	3,271
Perron Lake	Athabasca Basin Region, SK	100%	6	21,272	A	23,091
Springer River ⁽¹⁾	Athabasca Basin Region, SK	100%	10	47,905	A	-
Thompson Lake	Athabasca Basin Region, SK	100%	4	2,474	B	48,365
Macusani	Peru, South America	100%	9	5,100	B	411,937
Totals			178	332,662		6,621,589

Notes:

- (1) The carrying value of the properties is shown as at December 31, 2014. The Abraham Bay, Black Birch and Springer River properties were acquired subsequent to December 31, 2014.
- (2) The number of claims and total hectares reported for North Shore include the restricted permits.
- (3) Property option agreement with Brades.
- (4) Subsequent to December 31, 2014 the Company entered into a property option and joint venture agreement with Aldrin.
- (5) The Company staked an additional 7 claims in January 2015 at the Hobo Lake Property.
- (6) Property option and joint venture agreement with Azincourt.

Exploration Stage:

- A - Prospecting
- B - Geophysical Exploration, Sampling, Line Cutting, IP Surveys
- C - Drilling

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Exploration projects (continued)

North Shore Property, Canada

Fission 3.0 currently holds a 100% interest in the North Shore property located at the western edge of the Athabasca Basin, northeastern Alberta. The 100,718 ha property was acquired through the Fission Uranium Arrangement. The area has recently been subject to review of new land use designations by the Government of Alberta, and, ten of the twenty-eight Metallic and Industrial Mineral Permits ("MAIM permits") are to be restricted by the conservation lands, and recreation and tourism areas under the Lower Athabasca Regional Plan ("LARP"), and an additional claim is restricted over 18% of its area.

On August 22, 2012 the Alberta government approved the LARP into legislation, and as a result Fission 3.0 will not be permitted to explore on the ten affected MAIM permits, nor the affected area of the single partially-affected claim, and will thereby seek compensation consisting of 100% of expenditures relating to the project and for loss of future opportunities. Management will continue exploration on those MAIM permits that have not been restricted.

In August 2013, a 12,257 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the property, revealing two significant and strongly radioactive uranium source anomalous regions, was completed. In September 2013 ground follow-up, prospecting and sampling was conducted at the property.

Beaver River Property, Canada

The Beaver River property consists of nine mineral claims totaling 16,398 ha located on the north central edge of the Athabasca Basin in Saskatchewan, approximately 44km east of Uranium City, Saskatchewan. The property, consisting of six mineral claims, was acquired through the Fission Uranium Arrangement. The Company staked three additional claims in August 2014. Fission 3.0 holds a 100% interest in the Beaver River property. The property includes numerous confirmed electro-magnetic ("EM") conductors and a number of uranium showings providing surface outcrop sample assays of up to 3.66% U₃O₈.

In September 2013, a 5,288 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed. The Company is currently compiling and evaluating the results of the survey.

Clearwater West Property, Canada ("CWW")

Fission 3.0 holds a 100% interest in the CWW property which was acquired through the Fission Uranium Arrangement. The property comprises three contiguous claims covering 11,786 ha. The property directly adjoins Fission 3.0's PLN property to the north.

On January 28, 2014 the Company entered into a property option agreement with Brades Resource Corp. ("Brades"). Under the terms of the agreement, Brades will have the option to earn up to a 50% interest in the CWW property by issuing to Fission 3.0 1,741,377 common shares in the capital stock of Brades which represents 9.9% of the issued common shares of Brades at the date of closing of the agreement, and by incurring a total of \$5,000,000 in expenditures on the property in accordance with the following schedule:

Interest Earned	Work Obligation	Cumulative Work Obligation	Term	Option Expiry
	\$	\$		
Nil	700,000	700,000	12 months	October 10, 2014
20%	2,000,000	2,700,000	24 months	October 10, 2015
50%	2,300,000	5,000,000	36 months	October 10, 2016

Exploration projects (continued)*Clearwater West Property, Canada ("CWW") (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 Brades 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.

On February 3, 2014 the Company received 1,741,377 common shares of Brades valued at \$261,207 less accumulated net costs to date of \$69,783, resulting in a gain on property option agreement of \$191,424. At December 31, 2014 \$825,971 of expenditures have been incurred toward the cumulative work obligation.

In September 2013, a 5,454 line-km high-resolution magnetic and Fission 3.0's patent-pending radiometric airborne survey, similar to the survey used by Fission Uranium that played a key role in helping to locate the uranium boulder field 12 km to the north on the neighboring PLS Property, was completed over the entire property at 50m line spacing. The survey revealed several areas of interpreted lithological and structural interest and highlighted anomalous readings recommended for ground follow-up and detailed ground geophysical surveying.

In January 2014, a property-scale airborne VTEM magnetic and electromagnetic geophysical survey was conducted. A total of 641.5 line-km were flown at a line spacing of 200 meters. Preliminary interpretation of the survey data demonstrates that EM conductors are present on the east side of the property that may represent on-strike continuation of the EM conductors seen on the PLS property immediately to the north.

In October 2014, a ground prospecting program was conducted as follow-up to the 2013 airborne radiometrics survey and the 2014 VTEM airborne geophysical survey. Results of the program are currently being reviewed by the Company.

Key Lake Property Package, Canada

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

Costigan Lake Property, Canada

The Costigan Lake property consists of four mineral claims totaling 1,213 ha located to the south-east and outside of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking in August 2014. The Company is currently compiling historical geological data on the Costigan Lake property in order to plan and prioritize forthcoming exploration work.

Hobo Lake Property, Canada

The Hobo Lake property consists of twenty-nine mineral claims totaling 10,180 ha located outside the south-eastern edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking a single claim in March 2014. The Company staked five additional claims in September 2014, fifteen additional claims in October 2014, a single claim in November 2014, and 7 additional claims in January 2015. The Company is currently compiling historical geological data on the Hobo Lake property in order to plan and prioritize forthcoming exploration work.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Exploration projects (continued)

Key Lake Property Package, Canada (continued)

Karpinka Lake Property, Canada

The Karpinka Lake property consists of eighteen mineral claims totaling 4,445 ha located outside and south of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking twelve claims in October 2014. The Company staked six additional claims in November 2014. The Company is currently compiling historical geological data on the Karpinka Lake property in order to plan and prioritize forthcoming exploration work.

Millson Lake Property, Canada

The Millson Lake property consists of six mineral claims totaling 688 ha located approximately 55 km south of the Athabasca Basin, Saskatchewan, adjacent to the highway accessing the Key Lake mill. Fission 3.0 holds a 100% interest in the property which was acquired by staking in November 2014. The Company is currently compiling historical geological data on the Millson Lake property in order to plan and prioritize forthcoming exploration work.

River Lake Property, Canada

The River Lake property consists of four mineral claims totaling 1,866 ha located near the south-east edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking in August 2014. The Company is currently compiling historical geological data on the River Lake property in order to plan and prioritize forthcoming exploration work.

Subsequent to December 31, 2014, 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 will have the option to earn up to a 50% interest in the Key Lake Property Package by paying the Company \$100,000 cash and issuing to the Company a total of 1,900,000 shares of Aldrin within ten business days of the TSX Venture Exchange approval of the property option and joint venture agreement, and by incurring a total of \$6,900,000 in expenditures on the property in accordance with the following schedule:

Interest Earned	Work Obligation	Cumulative Work Obligation	Option Expiry
	\$	\$	
Nil	1,000,000	1,000,000	May 1, 2016
20%	1,700,000	2,700,000	May 1, 2017
30%	2,000,000	4,700,000	May 1, 2018
50%	2,200,000	6,900,000	May 1, 2019

Under the terms of the agreement, Aldrin must also 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 will be the operator and will be entitled to a management fee equal to 10% of expenditures for operator services.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Exploration projects (continued)

Manitou Falls Property, Canada

The Manitou Falls property consists of three mineral claims totaling 10,530 ha located on the northeastern edge of the Athabasca Basin, Saskatchewan approximately 74km east of Stoney Rapids. The property was acquired as a single claim by way of the Fission Uranium Arrangement. Two additional contiguous claims were subsequently appended to the property by staking. Fission 3.0 holds a 100% interest in the property

In September 2013, a 1,054 line-km high-resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed. The Company is currently compiling and evaluating the results of the survey.

Patterson Lake North Property, Canada ("PLN")

Fission 3.0 acquired the PLN property through the Fission Uranium Arrangement and currently holds a 90% interest in the property. The property comprises ten claims and 27,408 ha.

On April 29, 2013 Fission Uranium entered into a property option and joint venture agreement with Azincourt. Azincourt has the option to earn up to a 50% interest in the property by making the following payments:

Interest earned	Consideration	Work obligation	Cumulative consideration	Cumulative work obligation	Option expiry
	\$	\$	\$	\$	
10%	500,000	1,500,000	500,000	1,500,000	June 19, 2014
20%	750,000	3,000,000	1,250,000	4,500,000	June 19, 2015
35%	1,000,000	3,000,000	2,250,000	7,500,000	June 19, 2016
50%	2,500,000	4,500,000	4,750,000	12,000,000	June 19, 2017

The property option and joint venture agreement was assigned to Fission 3.0 as part of the Fission Uranium Arrangement.

Fission 3.0 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 has 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. If Azincourt elects not to earn more than the initial 10% interest in PLN the Company will have a right to buy out Azincourt's interest for \$500,000, payable by returning the consideration paid by Azincourt.

At December 31, 2014, \$3,073,380 of expenditures have been incurred toward the cumulative work obligation and Azincourt has earned its initial 10% interest in the property.

Winter 2014 exploration

On January 21, 2014 the Company commenced a winter exploration program consisting of diamond drilling, radon surveying and ground geophysical surveying. Approximately 1,988m of drilling was completed in seven holes, testing 3 separate basement electromagnetic (EM) conductors: four holes completed to target depth, one hole partially completed before being lost due to technical difficulties and 2 attempts abandoned in overburden. Although no significant radioactivity was encountered, encouraging basement lithology and structural features confirm the high prospectivity of the target areas and further drilling is required to evaluate the target areas. 220 radon-in-water and 10 radon-in-sediment samples were collected by RadonEx Exploration Management over two lake target areas. Ground electromagnetic surveying was conducted by Discovery Geophysics Ltd. outlining a new 8.8 km long conductor system and refining drill targets.

Exploration projects (continued)*Patterson Lake North Property, Canada ("PLN") (continued)**Summer 2014 exploration*

A summer 2014 exploration program budgeted at \$3.0 million included diamond drilling and 110.5 line-km of DC Resistivity ground geophysical surveying. Approximately 2,130m of drilling was successfully completed in six holes, testing two separate basement electromagnetic (EM) conductors. All drill holes reached their planned target depths. Drill hole PLN14-019 encountered anomalous radioactivity which was confirmed with geochemical analysis and assayed 0.047% U₃O₈ over 0.5m. Encouraging lithologies, alteration patterns and structures continued to be intersected and further drilling is warranted on both EM conductors tested during the summer program. Ground resistivity surveying totaling 98.2km was conducted by Patterson Geophysics Inc., increasing the prospectivity of two separate conductor systems as identified by EM surveying during the 2014 winter program, and further refining drill targets.

The proposed winter 2015 exploration program is budgeted at \$1.45 million and is comprised of a 3,250m, 7 hole drill program and 35.2/line-km small loop time domain electromagnetic (SMLTEM) ground geophysics.

*Other Canadian Properties**Abraham Bay Property, Canada*

The Abraham Bay property consists of 4 mineral claims totaling 13,030 ha located 10km north of the south central edge of the Athabasca Basin in Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired in January, 2015.

Black Birch Property, Canada

The Black Birch property consists of 2 mineral claims totaling 10,960 ha located 20 km south of the south central edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired in January, 2015.

Cree Bay Property, Canada

The Cree Bay property consists of eight mineral claims totaling 14,420 ha located within the northern edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking two claims in December 2013. The Company staked six additional claims in September 2014. The Company is currently compiling historical geological data on the Cree Bay property in order to plan and prioritize forthcoming exploration work.

Dixon Island Property, Canada

The Dixon Island property consists of two mineral claims totaling 2,190 ha located on the southern margin of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking in November 2014. The Company is currently compiling historical geological data on the Dixon Island property in order to plan and prioritize forthcoming exploration work.

Flowerdew Lake Property, Canada

The Flowerdew Lake property consists of two mineral claims totaling 2,412 ha located to the north-east and outside the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking in July 2014. The Company is currently compiling historical geological data on the Flowerdew Lake property in order to plan and prioritize forthcoming exploration work.

Exploration projects (continued)*Other Canadian Properties (continued)**Grey Island Property, Canada*

The Grey Island property consists of four claims totaling 5,626 ha located within the southern edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking a single claim in December 2013. The Company staked an additional claim in September 2014 and two additional claims in October 2014. The Company is currently compiling historical geological data on the Grey Island property in order to plan and prioritize forthcoming exploration work.

Hearty Bay Property, Canada

The Hearty Bay property consists of four mineral claims totaling 1,678 ha located along the north edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking in August 2014. The Company is currently compiling historical geological data on the Hearty Bay property in order to plan and prioritize forthcoming exploration work.

McDonald Creek Property, Canada

The McDonald Creek property consists of five mineral claims totaling 18,887 ha located within the north eastern edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking three claims in May 2014. The Company staked an additional two claims in August 2014.

Midas Property, Canada

The Midas property consists of four mineral claims totaling 1,476 ha located near the north-west edge of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking in August 2014. The Company is currently compiling historical geological data on the Midas property in order to plan and prioritize forthcoming exploration work.

Perron Lake Property, Canada

The Perron Lake property consists of six mineral claims totaling 21,272 ha located approximately 20km north of the Athabasca Basin, Saskatchewan. Fission 3.0 holds a 100% interest in the property which was acquired by staking three claims in December 2013. The Company staked an additional claim in January 2014, and two additional claims in November 2014. The Company is currently compiling historical geological data on the Perron Lake property in order to plan and prioritize forthcoming exploration work.

Springer River Property, Canada

The Springer River property consists of 10 mineral claims totaling 47,905 ha located 45km north of the south central edge of the Athabasca Basin. Fission 3.0 holds a 100% interest in the property which was acquired in January 2015.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Exploration projects (continued)

Other Canadian Properties (continued)

Thompson Lake Property, Canada

The Thompson Lake property consists of four mineral claims totaling 2,474 ha located approximately 10km outside the northwestern edge of the Athabasca Basin, Saskatchewan, 15km west of Uranium City. The property, consisting of a single mineral claim, was acquired through the Fission Uranium Arrangement. The Company staked an additional two claims in August 2014 and acquired an additional claim in December 2014. Fission 3.0 holds a 100% interest in the property.

In September 2013, a 517 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed. The Company is currently compiling and evaluating the results of the survey.

Macusani Properties, Peru

The Macusani property is located within southeastern Peru. Fission 3.0 holds the rights to nine mineral claim blocks encompassing 5,100 ha acquired through the Fission Uranium Arrangement. An exploration program was conducted on six claims from June 2 to August 22, 2014. Over the course of the program 146 rock and 246 soil samples were collected, 4,685 ground scintillometer measurements (117 line-km) were recorded, seven trenches were excavated and an extensive mapping program was completed.

Preliminary results of the trenching, soil and scintillometer grid indicate the mineralized trend of the adjacent Yellow Cake deposit continues north and south onto the Fission 3.0 claims. Numerous mineralized rock sample values were collected from previously unidentified areas of mineralization. Mapping and prospecting indicate mineralization is extensive and has provided additional high priority targets on several of the Macusani property claims. Project permits for further activities including drilling and trenching are currently in hand. The Company is currently applying for an extension to permitting into 2016.

Exploration is dependent on funding, joint venturing, and other operational capabilities, which are reviewed and evaluated on an ongoing basis. While management believes its properties have the potential for hosting an economic uranium deposit, exploration carries considerable risk and there is no guarantee that an economic mineral deposit will be discovered.

Any scientific and technical information in respect of the exploration activities was reviewed and approved by Ross McElroy, P. Geol. a "qualified person" as defined by NI 43-101.

Selected annual information ⁽¹⁾

	June 30 2014	June 30 2013	June 30 2012
	\$	\$	\$
Net loss	(3,731,933)	(2,068,740)	(3,157,218)
Total assets	10,313,822	5,168,550	3,768,680
Total liabilities	2,615,055	1,234,799	951,928
Shareholders' equity	7,698,767	3,933,751	2,816,752
Basic and diluted loss per common share	(0.02)	(0.01)	(0.02)

⁽¹⁾ The results up to December 6, 2013 have been prepared on a carve-out basis from certain allocations of Fission Uranium's financial statements.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Summary of quarterly results ⁽¹⁾

Quarter ended	December 31 2014	September 30 2014	June 30 2014	March 31 2014
	\$	\$	\$	\$
Exploration and evaluation assets	6,621,589	6,454,185	6,223,052	5,958,371
Working capital	2,094,164	2,500,919	2,854,520	3,873,793
Net loss	(396,505)	(383,290)	(1,086,607)	(478,178)
Net loss per share basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)

Quarter ended	December 31 2013	September 30 2013	June 30 2013	March 31 2013
	\$	\$	\$	\$
Exploration and evaluation assets	6,285,965	6,105,445	4,505,222	4,755,471
Working capital	3,625,654	(1,188,694)	600,182	(6,808)
Net loss	(608,506)	(1,558,642)	(659,408)	(295,256)
Net loss per share basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)

⁽¹⁾ The results up to December 6, 2013 have been prepared on a carve-out basis from certain allocations of Fission Uranium's financial statements.

Results of operations

The expenses incurred by the Company are typical of junior exploration and development companies that do not have established cash flows from mining operations. Changes in these expenditures from quarter to quarter are impacted directly by non-recurring activities or events. The results of operations should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2014 which have been prepared under the continuity of interest basis.

Comparison of the three and six months ended December 31, 2014 and December 31, 2013.

For the three months ended December 31, 2014, the Company had a net loss of \$396,505 (\$0.00 per basic share and diluted share) compared to a net loss of \$608,506 (\$0.00 per basic share and diluted share) for the comparative period. For the six months ended December 31, 2014 the Company had a net loss of \$779,795 (\$0.01 per basic share and diluted share) compared to a net loss of \$2,167,148 (\$0.01 per basic share and diluted share) for the comparative period. On December 6, 2013 the Company became a reporting issuer so its expenses from incorporation to December 6, 2013 primarily relate to professional and administrative fees associated with incorporation and listing the Company on the TSX Venture Exchange. Subsequent to December 6, 2013 the company incurred expenses from the acquisition and exploration of its exploration and evaluation assets and other general and administrative costs.

Prior to December 6, 2013, the results have been prepared on a carve-out basis from certain allocations of Fission Uranium's financial statements and may not necessarily reflect the future financial performance of the Company. The results after December 6, 2013 have been presented under the continuity of interest basis of accounting.

Liquidity and capital resources

Fission 3.0 is an exploration and evaluation company and has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for 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.

Liquidity and capital resources (continued)

The Company's ability to meet its obligations and its ability to fund exploration programs depends on its ability to raise funds. The Company anticipates being able to raise funds, as necessary, primarily through equity financings and/or joint venturing project development with a partner. There are no assurances that the Company will be successful in raising funds in the future. On an ongoing basis, the Company monitors and adjusts, when required, exploration programs as well as ongoing general and administrative costs to ensure that adequate levels of working capital are maintained.

The Company has no exploration and evaluation asset agreements that require it to meet certain expenditures. Exploration expenditures on the PLN property, CWW property and Key Lake Property Package will be fully funded by the Company's joint venture participants, Azincourt, Brades and Aldrin, respectively, while the property option agreements are in good standing.

Financings and private placements

- February 23, 2015 private placement

The Company completed a private placement with Fission Uranium pursuant to which Fission Uranium purchased 22,000,000 common shares (the "Purchased Shares") at a price of \$0.14 per common share, for a total price of \$3,080,000. The Purchased Shares will have a hold of four months and one day from closing.

The Purchased Shares represent approximately 12% of the Company's issued and outstanding share capital.

Changes to working capital for the six month period ended December 31, 2014:

- At December 31, 2014, the Company had a positive working capital balance of \$2,094,164 compared to \$2,854,520 at June 30, 2014. The decrease in working capital is primarily due to general and administration costs as well as exploration expenditures at properties other than PLN and CWW.
- The Company's accounts payable and accrued liabilities were \$482,193 at December 31, 2014 compared to \$1,220,138 at June 30, 2014. The decrease in accounts payable and accrued liabilities is primarily due to a reduction in amounts due to joint venture partners as a result of the summer exploration program expenditures at PLN and CWW, as well as a reduction in trade payables.

Cash flow for the six month period ended December 31, 2014:

Cash and cash equivalents for the six months ended December 31, 2014 decreased by \$1,698,180 primarily as a result of:

- Cash spent on the acquisition and exploration of the Company's exploration projects of \$1,548,962;
- Cash deposits received from joint venture participants in the amount of \$314,531 for the CWW property;
- The purchase of 1,800,000 Brades units at a price of \$0.055 per unit for a total of \$99,000. Each unit is comprised of one common share and one share purchase warrant entitling the Company to acquire an additional common share of Brades at a price of \$0.07 per share with an expiry date of April 14, 2016; and
- Cash used for general and administrative costs in the amount of \$384,749.

Fission 3.0 Corp.

Management's Discussion and Analysis
For the six month period ended December 31, 2014



Related party transactions

The Company identified directors and certain senior management as its key management personnel. The compensation costs for key management personnel are as follows:

	Three months ended		Six months ended	
	December 31		December 31	
	2014	2013	2014	2013
	\$	\$	\$	\$
Compensation Costs				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	74,704	14,923	141,765	14,923
Directors fees	23,080	-	46,160	-
Share-based compensation for vesting of options previously granted to certain senior management	48,511	-	118,881	-
Share-based compensation for vesting of options previously granted to directors	75,172	-	183,667	-
	221,467	14,923	490,473	14,923
	Three months ended		Six months ended	
	December 31		December 31	
	2014	2013	2014	2013
	\$	\$	\$	\$
Amounts paid or accrued				
Exploration and evaluation expenditures (capitalized) and administrative services paid to Fission Uranium Corp. a company with common directors and management	112,957	18,213	231,546	18,213

Share based compensation represent the fair value calculations of options in accordance with IFRS 2 Share-based Payments granted to key management personnel.

Due to the fact that Fission 3.0 was not incorporated until September 23, 2013, and the Fission Uranium Arrangement was not completed until December 6, 2013, there were no officers or directors included in key management personnel prior to that date. The compensation costs reported for key management personnel therefore only reflects compensation costs after December 6, 2013.

Included in accounts payable at December 31, 2014 is \$9,646 (June 30, 2014 - \$2,631) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable at December 31, 2014 is \$31,670 (June 30, 2014 - \$7,371) for exploration and evaluation expenditures due to Fission Uranium Corp.

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.

Outstanding share data

As at February 27, 2015, the Company has 178,055,604 common shares issued and outstanding, 13,899,900 incentive stock options outstanding with an exercise price of \$0.155 per share and no warrants outstanding.

Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. If either of the two criteria are not met, the financial asset is classified at 'fair value through profit or loss'.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

Key estimates and judgments

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 judgment in the following areas:

- (i) 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; and
- (ii) Assessing when the commercial viability and technical feasibility of the project has been determined, at which point the asset is reclassified to property and equipment.

Significant accounting policies

The accounting policies applied in preparation of the December 31, 2014 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, 2014 except for the IFRS standards adopted below.

IFRS standards adopted*IFRS 9, Financial Instruments*

On July 24, 2014 the IASB issued *IFRS 9, Financial Instruments*, which will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. For financial liabilities, the standard retains most of the IAS 39 requirements.

Adoption of IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018 however the Company has early adopted IFRS 9 effective July 1, 2014, as well as the related consequential amendments to other IFRSs. The Company has assessed the financial assets and financial liabilities held by the Company at the date of initial application of IFRS 9. The main effects resulting from this assessment were:

- (i) Short-term investments previously classified as held for trading and measured at fair value through profit and loss continue to be recognized in a consistent manner. The Company has not made any elections to recognize fair value changes on any of its equity instruments through other comprehensive income.
- (ii) All other financial instruments including cash and cash equivalents, amounts receivable, accounts payable and other liabilities continue to be recognized at fair value on initial recognition and subsequently measured at amortized cost.

There was no difference between the previous carrying amount (under IAS 39) and the revised carrying amount (under IFRS 9) of the financial assets or financial liabilities as at July 1, 2014 to be recognized in opening deficit.

Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. If either of the two criteria are not met, the financial asset is classified at 'fair value through profit or loss'.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

New standards, amendments and interpretations not yet effective

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2015.

There are no new or revised standards that are not yet effective which are expected to have a significant impact to the Company's financial statements.

Contingency

July 29, 2013 Civil Claim and November 8, 2013 Counterclaim

On November 8, 2013, the Company received a counterclaim filed in the Supreme Court of British Columbia wherein it is named as a defendant by way of counterclaim to the civil claim filed against Jody Dahrouge, Debbie Dahrouge, 877384 Alberta Ltd. and Dahrouge Geological Consulting Ltd. on July 29, 2013 by Fission Uranium to which the Company has been joined as a plaintiff.

Subsequent to December 31, 2014, the litigation between the parties was resolved to the satisfaction of all parties.

Subsequent events

Subsequent to December 31, 2014:

- (a) The Company entered into a property option and joint venture agreement with Aldrin Resource Corp. whereby Aldrin can earn up to a 50% interest in the Company's Key Lake Property Package. The Company's Key Lake Property Package includes the following five properties: Costigan Lake, Hobo Lake, Karpinka Lake, Millson Lake and River Lake.

Under the terms of the agreement, Aldrin will have the option to earn up to a 50% interest in the Key Lake Property Package by paying the Company \$100,000 cash and issuing to the Company a total of 1,900,000 shares of Aldrin within ten business days of the TSX Venture Exchange approval of the property option and joint venture agreement, and by incurring a total of \$6,900,000 in expenditures on the property in accordance with the following schedule:

Interest Earned	Work Obligation	Cumulative Work Obligation	Option Expiry
	\$	\$	
Nil	1,000,000	1,000,000	May 1, 2016
20%	1,700,000	2,700,000	May 1, 2017
30%	2,000,000	4,700,000	May 1, 2018
50%	2,200,000	6,900,000	May 1, 2019

Under the terms of the agreement, Aldrin must also 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 will be the operator and will be entitled to a management fee equal to 10% of expenditures for operator services.

Subsequent events (continued)

- (b) The Company completed a private placement with Fission Uranium pursuant to which Fission Uranium purchased 22,000,000 common shares (the "Purchased Shares") at a price of \$0.14 per common share, for gross proceeds of \$3,080,000. The Purchased Shares will have a hold of four months and one day from closing.

The Purchased Shares represent approximately 12% of the Company's issued and outstanding share capital.

- (c) 1,585,000 warrants were exercised with a weighted average exercise price of \$0.05 and a weighted average share price of \$0.09;