



**Management's Discussion & Analysis**

**Fission 3.0 Corp.**

**For the Six Months Ended  
December 31, 2015**

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## **Fission 3.0 Corp.**

Management's Discussion and Analysis  
For the six month period ended December 31, 2015  
(Expressed in Canadian dollars, unless otherwise noted)

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### **Introduction**

The following Management's Discussion and Analysis ("MD&A"), prepared as of February 28, 2016, 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, 2015. The reader should also refer to the audited consolidated financial statements for the year ended June 30, 2015 as well as Management's Discussion and Analysis for that year.

The Company's condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard *IAS 34, Interim Financial Reporting* ("IAS34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at December 31, 2015.

Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com). Further information including news releases and property maps are available on the Company's website at [www.fission3corp.com](http://www.fission3corp.com), or by requesting further information from the Company's head office located at 700 - 1620 Dickson Ave., Kelowna, BC, Canada, V1Y 9Y2.

### **Forward looking statements**

Statements in this report that are not historical based facts are forward looking statements that could involve known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Should one or more of these unknown risks and uncertainties, or those described under the headings "Cautionary notes regarding forward-looking statements" and "Risks and uncertainties" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

### **Description of business**

The Company 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 is a junior resource issuer engaged in the acquisition, exploration, and development of uranium resource properties in Alberta and Saskatchewan's Athabasca Basin as well as Peru. The Company's primary objective is to locate, evaluate and acquire properties with the potential to host high grade uranium. The preference is to evaluate early stage properties with the potential to host high grade uranium at shallow depths and to finance their exploration and potential development by way of equity financing, joint ventures, option agreements or other means. Therefore the Company engages in early stage land acquisitions and is a project generator.

The Company has approximately 343,116 ha of exploration properties with uranium potential in Saskatchewan and Alberta in Canada, and in Peru.

- 55,165 ha (16%) comprise the North Shore Property in Alberta;
- 282,851 ha (82%) are located in Saskatchewan in and around the Athabasca Basin; and
- 5,100 ha (2%) comprise the Macusani Property in Peru, held by the Company's subsidiary Fission Energy Peru S.A.C.

The Company's award-winning 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 "Project 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 Patterson Lake North property ("PLN"), Clearwater West property ("CWW"), and Key Lake Property Package.

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### **Description of business (continued)**

The Company's three most advanced exploration projects 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 and joint venture agreement with Canex Energy Corp. ("Canex", formerly Brades Resource Corp.). The PLN and CWW properties adjoin Fission Uranium's Patterson Lake South ("PLS") property, host to the high-grade Triple R uranium deposit, located in the southwest part of Saskatchewan's Athabasca Basin.

In January 2015, just over two years since the discovery hole, Fission Uranium announced the results of the independent resource estimate at PLS and the high grade uranium discovery was named the 'Triple R' deposit. In September 2015, Fission Uranium completed a Preliminary Economic Assessment ("PEA") for the Triple R deposit and updated its resource estimate. The updated resource is estimated to contain an indicated mineral resource totaling 81,111,000 lbs. U<sub>3</sub>O<sub>8</sub>, at an average grade of 1.83% U<sub>3</sub>O<sub>8</sub> and an inferred mineral resource totaling 27,157,000 lbs. U<sub>3</sub>O<sub>8</sub> at an average grade of 1.57% U<sub>3</sub>O<sub>8</sub>. The 100% owned Triple R deposit is the largest undeveloped high-grade uranium deposit in the Athabasca region and the third largest uranium deposit in the Athabasca region after the producing McArthur River and Cigar Lake deposits. The results of the PEA, which include an OPEX of US\$14.02/lb, demonstrate the potential for the Triple R deposit to be one of the lowest cost uranium producers in the world. The proximity of this uranium deposit to Fission 3.0's adjoining PLN and CWW properties is indicative of the strong exploration potential of these projects.

Fission 3.0's common shares are listed on the TSX Venture Exchange under the symbol "FUU" and the Frankfurt Stock Exchange under the symbol "2F3".

### **Corporate goals**

The Company's goal is to discover an economic uranium deposit through exploration and to develop it. The Company's properties are located primarily in and around Saskatchewan's Athabasca Basin, home of the richest uranium deposits in the world. Two of the Company's most advanced exploration projects, CWW and PLN, are adjacent to or in close proximity to Fission Uranium's 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. The region is host to the world's highest grade uranium deposits, with mineral resource grades over ten times the world average. In addition, Saskatchewan is widely recognized as a world-class mining jurisdiction with strong local, provincial and federal support, straight forward permitting, excellent infrastructure and highly skilled labour. In 2014, the Fraser Institute ranked Saskatchewan as the most attractive jurisdiction for mining investment in Canada and 2nd overall in the world.
2. Fission Uranium's PLS shallow high grade uranium discovery announced late in 2012, was made in the underexplored western part of the Athabasca Basin, and resulted in a staking rush in the region and has been followed by other high-grade discoveries in the region.
3. In 2013, Canada 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 continue attracting new foreign investment in the development of uranium projects, most notably in the Athabasca Basin.
4. Rio Tinto's successful acquisition of Hathor Exploration in 2012 (despite aggressive competing bids from Cameco) 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.
5. Denison Mines Corp's. ("Denison") successful acquisition of Fission Energy's Waterbury Lake deposit in 2013. Both the Hathor Exploration acquisition by Rio Tinto and subsequent Waterbury Lake acquisition by Denison, confirmed the premium value attributed to deposits in the Athabasca Basin, despite an overall weak uranium price environment.

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### Corporate goals (continued)

6. CGN Mining Company Limited's ("CGN Mining") subscription and offtake agreements with Fission Uranium in January 2016. CGN Mining purchased 19.99% of the issued and outstanding shares of Fission Uranium for \$0.85 per share, representing a premium over its December 18 market price close. China is leading the global nuclear reactor construction boom, with 24 new reactors currently under construction, work to begin on another 14 more in 2016 alone and plans for up to 136 additional reactors by 2030 according to the World Nuclear Association as of January 2016. CGN Mining's large investment in Fission Uranium is a clear signal that China regards the Athabasca Basin as a key route to securing its long-term uranium supply.

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 is highly optimistic about the long-term prospects for the uranium market and the Company remains committed to advancing its exploration plans in the Athabasca Basin to emulate the success of its predecessor companies, Fission Uranium and Fission Energy Corp. In addition, the Company will continue to examine joint venture, property acquisition, and other strategic corporate opportunities to enhance shareholder value.

### Summary of significant exploration and development accomplishments for the six months ended December 31, 2015 and subsequent:

#### Clearwater West Property

On August 4, 2015, hole CWW15-003 intersected anomalous radioactivity from the down-hole gamma probe survey.

On July 27, 2015, the Company and its joint venture partner, Canex, began a seven hole, 1,050m drill program. To date, three of the seven planned holes have been completed.

#### Manitou Falls Property

In July 2015, the Company completed a 9 day ground prospecting program to follow up on known radiometric anomalies.

#### Other Canadian Properties

In September 2015, a 15 day prospecting program was completed on the Perron Lake property to follow up on known radiometric anomalies.

In August and September 2015, airborne magnetic and radiometric surveys were completed on the Black Birch, Cree Bay and Perron Lake properties.

In July 2015, the Company completed a 2 day prospecting program to follow up on a linear radiometric anomaly at the McDonald Creek property.

#### New Properties and Staking Additional Claims

The Company expanded its presence in and around the Athabasca Basin by staking 1 additional property (Kendel Island – 7 mineral claims for a total of 2,399 ha) and also by staking 23 additional new claims on existing properties. The additional claims, all with the potential to host near surface, high-grade uranium mineralization, were staked on the following properties:

- American Lake – added 1 claim / 1,326 ha
- Beaver River – added 1 claim / 5,462 ha
- Black Birch – added 5 claims / 8,293 ha
- Millson Lake – added 2 claims / 50 ha
- Wales Lake – added 14 claims / 11,064 ha

The company now has a total of 27 properties consisting of 264 mineral claims/permits/concessions.

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### Summary of significant exploration and development accomplishments for the six months ended December 31, 2015 and subsequent (continued):

The Company's intent is to utilize the specialized techniques that led to the successful discovery of Fission Uranium's shallow, high-grade uranium discovery at PLS to advance its properties. These techniques include its innovative approach to radon surveys, underwater spectrometer analysis and the Company's patent-pending radiometric airborne survey; the same technology used to identify the high-grade boulder field at PLS.

### Exploration properties

A list of the Company's 27 uranium exploration properties and their project status is shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value (\$CDN) <sup>(1)</sup>
North Shore	Athabasca Basin, AB	100%	18	55,165	C	202,671
Beaver River	Athabasca Basin Region, SK	100%	12	25,204	B	258,516
Clearwater West	Athabasca Basin Region, SK	100% <sup>(2)</sup>	3	11,786	C	49,719
<i>Key Lake Property Package</i>						
Costigan Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	4	1,213	A	15,793
Hobo Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	31	10,772	A	18,437
Karpinka Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	18	4,446	A	15,916
Millson Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	8	738	A	17,416
River Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	4	1,866	A	15,484
Manitou Falls	Athabasca Basin Region, SK	100%	3	10,530	B	175,468
Patterson Lake North	Athabasca Basin Region, SK	90% <sup>(4)</sup>	10	27,408	C	4,664,536
<i>Other Canadian Properties</i>						
American Lake	Athabasca Basin Region, SK	100%	20	5,284	A	15,675
Black Birch	Athabasca Basin Region, SK	100%	18	49,059	B	305,822
Cree Bay	Athabasca Basin Region, SK	100%	10	18,461	B	221,867
Dixon Island	Athabasca Basin Region, SK	100%	4	2,637	A	25,884
Flowerdew Lake	Athabasca Basin Region, SK	100%	2	2,412	A	6,243
Grey Island	Athabasca Basin Region, SK	100%	4	5,626	A	42,014
Hearty Bay	Athabasca Basin Region, SK	100%	4	1,678	A	6,926
Kendel Island	Athabasca Basin Region, SK	100%	7	2,399	A	5,169
King Lake	Athabasca Basin Region, SK	100%	1	1,205	A	2,456
McDonald Creek	Athabasca Basin Region, SK	100%	5	18,887	A	34,589
Midas	Athabasca Basin Region, SK	100%	7	2,250	A	6,409
Minor Bay	Athabasca Basin Region, SK	100%	6	5,981	A	11,364
Perron Lake	Athabasca Basin Region, SK	100%	6	21,272	B	510,879
Run Lake	Athabasca Basin Region, SK	100%	14	26,183	A	24,035
Thompson Lake	Athabasca Basin Region, SK	100%	15	4,754	B	76,243
Wales Lake	Athabasca Basin Region, SK	100%	21	20,800	A	20,611
Macusani	Peru, South America	100%	9	5,100	B	942,025
<b>Totals</b>			<b>264</b>	<b>343,116</b>		<b>7,692,167</b>

#### Notes:

(1) The carrying value of the properties is shown as at December 31, 2015.

(2) Property option agreement with Canex.

(3) Property option and joint venture agreement with Aldrin.

(4) Property option and joint venture agreement with Azincourt.

#### Exploration Stage:

A – Prospecting

B – Geophysical Exploration, Sampling, Line Cutting, IP Surveys

C – Drilling

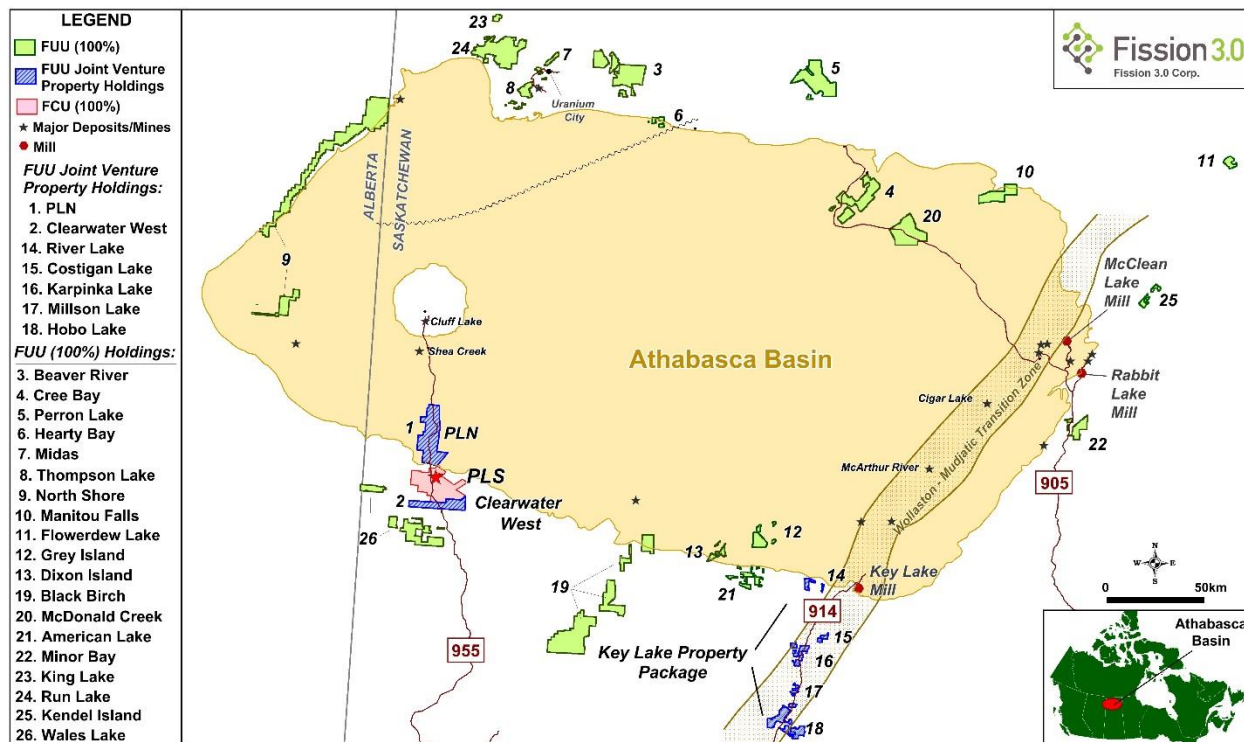
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## Exploration properties (continued)

Map 1: Canadian Exploration Properties: Athabasca Basin (Saskatchewan & Alberta)



### *North Shore Property, Canada*

The North Shore Property is situated along the northwest margin of the Athabasca Basin. 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.

During March 2015, the Company received a compensation payment of \$897,223 (including interest) from the Province of Alberta resulting from the cancellation of 10 Crown metallic and industrial minerals ("MAIM") agreements and one partial MAIM agreement from the Company's North Shore property. 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.

The property now consists of 18 mineral claims with a total area of 55,165 ha.

### *Beaver River Property, Canada*

The Beaver River property consists of 12 mineral claims totaling 25,204 ha located on the north central edge of the Athabasca Basin in Saskatchewan, approximately 44km east of Uranium City, Saskatchewan. 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% U<sub>3</sub>O<sub>8</sub>.

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.

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### Exploration properties (continued)

#### *Clearwater West Property Option Agreement*

On January 28, 2014 the Company entered into a property option agreement with 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 (received) in the capital stock of Canex representing 9.9% of the issued common shares of Canex at the date of closing of 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 \$0.025 per share (received). The original option expiry dates have been amended as disclosed in the following table:

<b>Interest Earned</b>	<b>Work Obligation</b>	<b>Cumulative Work Obligation</b>	<b>Original Term</b>	<b>Original Option Expiry</b>	<b>Amended Option Expiry</b>
	\$	\$			
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.

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 December 31, 2015, \$1,268,661 of expenditures have been incurred toward the cumulative work obligation including \$115,333 in management fees.

The Clearwater West property consists of three contiguous claims covering 11,786 ha. The claims fall within the same NE-SW-oriented magnetic low corridor that hosts the PLS Triple R deposit. The uranium mineralization model that is envisioned on the Clearwater West property is analogous to the structurally controlled Athabasca Basin unconformity deposits, which are generally associated with hydrothermally altered, structurally controlled metasedimentary lithology which appear as magnetic lows on geophysical surveys.

In September 2013, a 5,454 line-km high-resolution magnetic and radiometric airborne survey 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 620 line-kms were flown at a line spacing of 200m. 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.

In the winter 2015 exploration program both a DC resistivity and EM ground geophysical survey were conducted at the property to prioritize drill locations. The DC resistivity survey consisted of 21 line-kms in 8 geophysical traverses. The EM survey consisted of 19.5 line-kms of small moving loop time domain electromagnetic ("TDEM") over 8 separate EM conductors identified from a previous airborne VTEM survey.

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### Exploration properties (continued)

#### *Clearwater West Property Option Agreement (continued)*

A seven hole, 1,050m drill program commenced on July 27, 2015. On August 4, 2015, hole CWW15-003 intersected 4 discrete narrow intervals (2.5m total composite) of anomalous radioactivity with a maximum peak of 410 cps over 0.5m at 194.5m - 195.0m (which corresponds to a peak value of 2,333 cps over 0.1m) from the down-hole gamma probe survey between the depths of 109.5m and 195.0m. To date, three of the seven planned holes have been completed. In addition to the drill results from CWW15-003, highlights include:

- Near-surface alteration confirmed in hole CWW15-002;
- Significant ~9m wide fault zone intersected in CWW15-001; and
- Drill results confirm geological features which makes the area highly prospective for hosting high-grade mineralization.

#### *Key Lake Property Option and Joint Venture Agreement*

On February 2, 2015 the Company optioned five separate non-contiguous properties comprising 63 mineral claims, totaling approximately 18,985 ha in the Key Lake area, located in the eastern part of the Athabasca Basin Saskatchewan, to Aldrin. Individually the five properties in the Key Lake Property Package are referred to as: Costigan Lake, Hobo Lake, Karpinka Lake, Millson Lake and River Lake.

Under the terms of the agreement, Aldrin must, upon execution of the agreement, i) pay the Company \$100,000 cash (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 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>	-	-	July 1, 2015	-
Nil	100,000	1,000,000	1,000,000	February 1, 2016	May 1, 2016
N/A	100,000	-	1,000,000	July 1, 2016	-
20%	100,000	1,700,000	2,700,000	February 1, 2017	May 1, 2017
N/A	100,000	-	2,700,000	July 1, 2017	-
30%	100,000	2,000,000	4,700,000	February 1, 2018	May 1, 2018
N/A	100,000	-	4,700,000	July 1, 2018	-
50%	100,000	2,200,000	6,900,000	February 1, 2019	May 1, 2019

(1) - 714,285 common shares valued at \$100,000 have been received.

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 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.



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**Exploration properties (continued)***Key Lake Property Option and Joint Venture Agreement (continued)*

Locally the Key Lake Property Package lies within the Key Lake Shear Zone ("KLSZ"), which is characterized as a broad northeast-southwest trending primarily metasedimentary corridor, which is expressed as a magnetic low in geophysics surveys.

Within the KLSZ corridor are numerous basement EM conductors. Such EM conductors in metasedimentary corridors represent the classic setting for structurally controlled Athabasca-style high-grade uranium deposits. The Company 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. All of the properties have had significant historic exploration which has identified various features of interest including geophysical and geochemical anomalies, thus upgrading the merits overall.

*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.

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.

In July 2015, a 4 person geology crew conducted a 9 day ground prospecting program designed to follow up on radiometric anomalies resulting from the high resolution airborne magnetic and radiometric survey. Results of the prospecting are being compiled and a report is pending.

*Patterson Lake North Property Option and Joint Venture Agreement*

On April 29, 2013 Fission Uranium entered into a property option and joint venture agreement with 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 according to the following schedule:

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<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>	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

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(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 the Company.

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### **Exploration properties (continued)**

#### *Patterson Lake North Property Option and Joint Venture Agreement (continued)*

The Company has received \$100,000 in cash and 666,666 common shares of Azincourt representing the remaining \$400,000 of the total \$500,000 consideration required for the initial 10% interest in PLN. At December 31, 2015, \$3,100,000 of expenditures have been funded and incurred toward the cumulative work obligation including \$279,398 in management fees. Azincourt has earned its initial 10% interest in the project by meeting both the initial consideration and work obligation.

The PLN property consists of 10 claims covering 27,408 ha and is located immediately adjacent and to the north of Fission Uranium's PLS high grade Triple R uranium deposit.

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.

A summer 2014 exploration program included diamond drilling and 110.5 line-kms of DC Resistivity ground geophysical surveying. Approximately 2,130m of drilling was successfully completed in six holes, testing two separate basement 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% U<sub>3</sub>O<sub>8</sub> 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 winter 2014 program, and further refining drill targets.

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.

#### *Other Canadian Properties*

The Company continued to expand its presence in the Athabasca Basin by staking new properties with potential for high grade uranium mineralization. The Company now holds 144 claims in various other uranium properties in Saskatchewan in and around the Athabasca Basin comprising approximately 188,888 ha.

The Company is currently compiling historical geological data on its Other Canadian Properties in order to plan and prioritize forthcoming exploration work. Going forward the Company is being selective in which projects it works on with the preservation of capital a prominent consideration. The Company plans to complete the required assessment work on the properties to keep them in good standing.

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### **Exploration properties (continued)**

#### *Other Canadian Properties (continued)*

The most recent developments on the Company's Other Canadian Properties are as follows:

#### **Black Birch Property, Canada**

The Black Birch property consists of 18 mineral claims totaling 49,059 ha and is located on the outside edge of the southern Athabasca Basin. The Centennial uranium deposit is 45km to the northeast along the Virgin River Shear Zone trend. In September 2015, a 4,744 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing was completed. A compilation of radiometric anomalies is in progress and a magnetic interpretation report is pending.

#### **Cree Bay Property, Canada**

The Cree Bay property consists of 10 mineral claims totaling 18,461 ha located on the inside edge of the northern Athabasca Basin. The town of Stony Rapids is 20km to the north and the historic Nisto uranium mine is 13km to the northeast. In August 2015, a 4,214 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing was completed. A compilation of radiometric anomalies and a magnetic interpretation report has been completed.

#### **McDonald Creek Property, Canada**

The McDonald Creek property consists of 5 mineral claims totaling 18,887 ha located in the northeast of the Athabasca Basin, 150km southeast of the community of Black Lake. In July 2015, a 4 person geology crew spent 2 days prospecting a linear radiometric anomaly that was interpreted from a Geological Survey Canada airborne geophysical survey. Compilation of the results and a final report is pending.

#### **Perron Lake Property, Canada**

The Perron Lake property consists of 6 mineral claims totaling 21,272 ha and is located 20km north of the Athabasca Basin. The town of Stony Rapids is located 40km to the southeast. In August 2015, a 9,182 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing was completed.

In September 2015, a 4 person geology crew conducted a 15 day ground prospecting program designed to follow up on radiometric anomalies identified from the high resolution airborne magnetic and radiometric survey. The airborne survey revealed a number of subtle radiometric anomalies and a report on the prospecting of these anomalies is being compiled and pending.

#### **Thompson Lake Property, Canada**

The Thompson Lake property consists of 15 mineral claims totaling 4,754 ha located approximately 10km outside the northwestern edge of the Athabasca Basin, Saskatchewan, 15km west of Uranium City. In September 2013, a 517 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed.

#### *Macusani, Peru*

The Macusani property is located within southeastern Peru.

A two month mapping and sampling program commenced in mid-May 2015 and was completed in July. Work was prioritized on the north-west trending mineralization corridor located on the western concessions (SUYUPIA 2004 B, ALASKA 1 and ROCA MUERTO 1, 2 and 3 concessions) as well as a first pass on the SURUPIA 2003 A and Alaska 1 concessions located in the far northwest area of the property.

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### **Exploration properties (continued)**

*Macusani, Peru (continued)*

Numerous high grade rock samples were prospected in an area of the ROCA MUERTO 2 claim, along with highly anomalous mineralization in structures with a strike length of 1.2 km. This target area shows significant potential to host broad zones of mineralization.

Within the ROCA MUERTO 3 claim anomalous mineralization was identified which is theorized as hosted in the same strata as Plateau Uranium's Nuevo Corani Deposit located 1.2km NNE of the claim held by Fission 3.0's subsidiary Fission Energy Peru S.A.C.

Disseminated mineralization similar to Plateau Uranium's Yellow Cake Deposits (1km west) was encountered within ROCA MUERTO 1 and ALASKA 1 claims in NNE trending high grade structures.

In summary, the 2015 program identified numerous previously undiscovered showings including the three new zones of broad mineralization outlined above, all of which may result in high value drillable targets.

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.

### **Uranium 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 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 estimated to rise by more than 76% from 2011 to 2030.

- *Increased long-term demand for uranium*

Currently, there are 439 operable reactors worldwide. 66 new reactors are currently under construction, a further 158 are planned or have been ordered and an additional 330 have been proposed for construction by 2030. 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 particularly from developing countries, which are driving the reactor construction boom. Foremost amongst these are China, India, Russia, and South Korea. There are currently 24 nuclear power plants under construction in China, which accounts for 36% 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. In 2015, Cameco signed its first contract with India to supply 7.1 million lbs of uranium concentrate through to 2020. CGN Mining's subscription and offtake agreements with Fission Uranium are also highly significant as it highlights the fact that China is moving to further secure its long term uranium supply.

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### Uranium outlook (continued)

- *Increased long-term demand for uranium (continued)*

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

Country	Construction	Planned	Proposed	Total
China	24	40	136	200
India	6	24	36	66
Russia	8	25	23	56
USA	5	5	17	27
France	1	0	1	2
Saudi-Arabia	0	0	16	16
South Korea	4	8	0	12
Canada	0	2	3	5
Others	18	54	98	170
<b>Total</b>	<b>66</b>	<b>158</b>	<b>330</b>	<b>554</b>

Source: World Nuclear Association Website (World Nuclear Power Reactors & Uranium Requirements - www.world-nuclear.org - Updated January 2016)

- *Uranium demand/supply*

A global uranium demand/supply imbalance has existed for many years. Primary uranium supply (from mining) has consistently and significantly failed to keep pace with demand. The shortfall has been filled using secondary supply, including the sale of government stockpiles, fuel reprocessing and the HEU agreement (which ended late 2013). According to Uranium Participation Corp ("UPC"), stockpiles are shrinking and reprocessing is expected to reduce from 2014 onwards (UPC, August 19, 2015). With primary supply under further pressure, there is strong potential for significantly higher uranium prices over the long-term.

After Japan shut down its reactor fleet in March 2011 a decline in uranium demand and subsequently in production was witnessed. The first of those reactors was restarted August 2015, a second reactor followed on October 16, 2015, a third received local community support for a restart (the final political requirement for all Japanese restarts) October 26, 2015 and more are expected to follow in the next six months.

In 2014, uranium production declined again, following a series of events including stalled mining license negotiations in Niger, legal action in Kazakhstan, and sanctions against Russia (all three countries are major sources of uranium). This has heightened concerns about security of uranium supply and has led to a general expectation that nuclear energy utilities (the primary users of uranium) will seek their supply in more stable jurisdictions. A deal between Canadian-based uranium producer Cameco and India's power utilities in April 2015 for uranium supply suggests this expectation is correct, as does China based CGN Mining's subscription and offtake agreements with Fission Uranium.

Kazakhstan is currently the world's largest producer of uranium with approximately 41% of total worldwide production. The new production is primarily from lower grade deposits, which is not sustainable over the long-term. Canada, home to the highest grade uranium in the world, is the second largest supplier, responsible for approximately 16%.

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### **Uranium outlook (continued)**

- *Uranium demand/supply (continued)*

Uranium prices declined to a nine year low in 2014 but have since risen by over 30%. 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.

- *Primary supply issues*

As a result of the long period of low uranium prices, several new projects have 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).

Increasing the pressure on medium to long term supply is the lengthy period (approximately ten years on average) required to take a uranium project from discovery to production. With so many projects stalled or abandoned, it is felt by analysts that a growing supply/demand imbalance may be difficult to deal with once secondary supplies can no longer meet rising demand. This increases the attractiveness of assets that have the potential to be taken into production in the shortest time possible and at a lower cost. Typically such projects would have similar characteristics to Fission Uranium's Triple R deposit: high-grade, shallow, in basement rock and in a stable jurisdiction.

- *Japanese nuclear reactor fleet and uranium stockpiles*

Following the Fukushima incident in March 2011, Japan shut down all of its nuclear reactors, pending new safety regulations, legislation and inspections. A new nuclear regulator was set up and, after a considerable delay, Japan's nuclear operators were given permission to apply to restart their reactors. The process is lengthy but, at the time of writing, the first two of 25 reactors that are in various stages of the application process have now been restarted with more expected soon.

While the first wave of reactor restarts in Japan (at least three more expected in first calendar quarter of 2016) is not expected to immediately increase uranium demand, it increases confidence that Japan's utility companies will not sell their uranium fuel stockpiles into the market. The potential for this estimated 90 million lbs of uranium to enter the spot market has been viewed as a significant threat to uranium prices since 2011 and analysts believe it has been a major factor in suppressing the buy cycle and pricing.

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### Uranium outlook (continued)

Uranium market



Source: Ux Consulting Company LLC, www.uxc.com: January, 2016

The long-term contract price is published by the Ux Consulting Company ("UxC") 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 closed at US \$44.00/lb in January 2016. A moderate pick-up in spot sales volumes since August 2014 has helped the uranium spot price to rebound off its low of US \$28.23/lb in June 2014, and it later surged to as high as US \$41.75/lb after regional authorities in Japan approved the first nuclear power plant restart. Volatility has continued, and the spot price subsequently declined for seven straight weeks. The spot price as reported weekly by UxC was US \$34.70/lb at January 1, 2016.

### Selected annual information <sup>(1)</sup>

The financial information presented below for the current and comparative periods was prepared in accordance with IFRS and is expressed in Canadian dollars.

	June 30 2015	June 30 2014	June 30 2013
	\$	\$	\$
Net loss	(1,306,058)	(3,731,933)	(2,068,740)
Total assets	11,659,330	10,313,822	5,168,550
Current liabilities	73,974	1,220,138	47,125
Deferred tax liability	1,263,555	1,394,917	1,187,674
Shareholders' equity	10,321,801	7,698,767	3,933,751
Basic and diluted loss per common share	(0.01)	(0.02)	(0.01)

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

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### Summary of quarterly results

<b>Quarter ended</b>	<b>December 31 2015</b>	<b>September 30 2015</b>	<b>June 30 2015</b>	<b>March 31 2015</b>
	\$	\$	\$	\$
Exploration and evaluation assets	7,692,167	7,485,840	6,375,108	6,027,262
Working capital	3,145,806	3,593,075	5,179,338	5,762,788
Net loss	(199,524)	(527,981)	(241,259)	(285,004)
Net loss per share basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

<b>Quarter ended</b>	<b>December 31 2014</b>	<b>September 30 2014</b>	<b>June 30 2014</b>	<b>March 31 2014</b>
	\$	\$	\$	\$
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)

### 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.

#### *Comparison of the three months ended December 31, 2015 and December 31, 2014*

- The Company had a net loss of \$199,524 ((\$0.00) per basic share and diluted share) compared to a net loss of \$396,505 ((\$0.00) per basic share and diluted share).
- Consulting and directors fees decreased to \$89,791 from \$120,017 primarily as a result of fewer services provided by the Company's consultants.
- Professional fees decreased to \$29,588 from \$98,322 primarily as a result of the prior period containing non-recurring legal fees associated with litigation that was resolved to the satisfaction of all parties and legal fees related to the application for compensation on the cancelled North Shore property's 10 MAIM agreements.
- Share based compensation expense decreased to \$21,893 from \$176,390. The decrease in the current period is due to the diminishing impact of stock options granted in prior periods as they vest.
- Exploration management fee income decreased to \$Nil from \$43,029. Due to difficult capital/equity markets for junior mineral exploration companies the Company's joint venture partners were not able to fully fund exploration expenditures and management fees.

#### *Comparison of the six months ended December 31, 2015 and December 31, 2014*

- The Company had a net loss of \$727,505 ((\$0.00) per basic share and diluted share) compared to a net loss \$779,795 ((\$0.01) per basic share and diluted share).
- Professional fees decreased to \$107,139 from \$229,336 primarily as a result of the prior period containing non-recurring legal fees associated with litigation that was resolved to the satisfaction of all parties and legal fees related to the application for compensation on the cancelled North Shore property's 10 MAIM agreements.
- Share based compensation expense decreased to \$84,815 from \$439,956. The decrease in the current period is due to the diminishing impact of stock options granted in prior periods as they vest.



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### **Results of operations (continued)**

*Comparison of the six months ended December 31, 2015 and December 31, 2014 (continued)*

- Exploration management fee income decreased to \$22,263 from \$95,376. Due to difficult capital/equity markets for junior mineral exploration companies the Company's joint venture partners were not able to fully fund exploration expenditures and management fees.
- The gain on property option agreements of \$42,860 resulted from the \$100,000 consideration for the July 1, 2015 semi-annual payment less net accumulated exploration costs of \$57,140 (as at July 1, 2015) on the Key Lake Property Package.
- Loss on short-term investments increased to \$363,213 from \$2,918 primarily as a result of a decrease in the trading prices of short-term investments held.

### **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.

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 CWW property and Key Lake Property Package will be fully funded by the Company's joint venture participants, Canex and Aldrin, respectively, while the property option agreements are in good standing.

The Company is currently working towards a joint venture agreement with Azincourt, in which Azincourt will maintain its 10% interest in the joint venture and fund future exploration programs in accordance with its interest.

#### *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 net proceeds of \$3,049,375. The Purchased Shares represent 12.36% of the Company's issued and outstanding share capital.

#### *Changes in working capital for the six month period ended December 31, 2015:*

- On December 31, 2015, the Company had a working capital balance of \$3,145,806 compared to \$5,179,338 at June 30, 2015. The decrease in working capital was primarily a result of (i) airborne surveys conducted on the Company's Other Canadian Properties: Black Birch, Cree Bay, and Perron Lake, (ii) ground prospecting programs conducted on the Manitou Falls property and the Company's Other Canadian Properties: Perron Lake, (iii) a decline in the fair market value of the Company's short-term investments, and (iv) operating and administrative expenses.

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### Liquidity and capital resources (continued)

*Cash flow for the three months ended December 31, 2015:*

Cash and cash equivalents for the three months ended December 31, 2015 decreased by \$1,218,772 primarily as a result of:

- Exploration and evaluation asset additions in the amount of \$927,913.
- The purchase of 2,580,000 common shares of Canex at a price of \$0.025 per common share for a total of \$64,500.
- Operating and administrative expenses, net in the amount of \$182,825.

*Cash flow for the six months ended December 31, 2015:*

Cash and cash equivalents for the six months ended December 31, 2015 decreased by \$1,809,515 primarily as a result of:

- Exploration and evaluation asset additions in the amount of \$1,596,149 offset by cost recoveries of \$350,000.
- The purchase of 2,580,000 common shares of Canex at a price of \$0.025 per common share for a total of \$64,500.
- Property and equipment additions of \$17,935.
- Operating and administrative expenses, net in the amount of \$416,680.

### Related party transactions

The Company has identified the CEO, COO, President, CFO, VP Exploration, and the Company's directors as its key management personnel.

	Three months ended		Six months ended	
	December 31		December 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
<i>Compensation costs</i>				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	<b>116,801</b>	97,784	<b>249,806</b>	187,925
Share-based compensation for vesting of options granted to key management personnel	<b>14,614</b>	123,683	<b>58,003</b>	302,548
	<b>131,415</b>	<b>221,467</b>	<b>307,809</b>	490,473
Exploration and evaluation expenditures (capitalized) and administrative services paid to Fission Uranium, a company which has significant influence over Fission 3.0	<b>70,580</b>	112,957	<b>222,178</b>	231,546
<b>Total</b>	<b>201,995</b>	334,424	<b>529,987</b>	722,019

Included in accounts payable at December 31, 2015 is \$7,154 (June 30, 2015 - \$5,008) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

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### **Related party transactions (continued)**

Included in accounts payable at December 31, 2015 is \$32,820 (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.

### **Outstanding share data**

As at February 28, 2016, the Company has 178,055,604 common shares issued and outstanding, and 13,729,900 incentive stock options outstanding with an exercise price of \$0.155 per share.

### **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.

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 unaudited 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 area:

- (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.

### **Significant accounting policies**

The accounting policies applied in preparation of the December 31, 2015 unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2015.

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### **Cautionary notes regarding forward-looking statements**

Certain information contained in this MD&A constitutes "forward-looking statements" and "forward-looking information" within the meaning of Canadian legislation.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved" or "has the potential to".

Forward looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The Company believes that the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. This information speaks only as of the date of this MD&A. In particular, this MD&A may contain forward-looking information pertaining to the following: the likelihood of completing and benefits to be derived from corporate transactions; estimated exploration and development expenditures; expectations of market prices and costs; supply and demand for uranium ("U<sub>3</sub>O<sub>8</sub>"); possible impacts of litigation and regulatory actions on the Company; the ability for the Company to identify suitable joint venture partners; exploration, development and expansion plans and objectives; and receipt of regulatory approvals, permits and licences under governmental regulatory regimes.

There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed below in this MD&A under the heading "Risks and uncertainties".

Accordingly, readers should not place undue reliance on forward-looking statements. These factors are not, and should not be construed as being exhaustive. Statements relating to "mineral resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described can be profitably produced in the future. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A or to conform such information to actual results or to changes in the Company's expectations except as otherwise required by applicable legislation.

### **Risks and uncertainties**

The Company 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. The cost of conducting and continuing mineral exploration and development is significant, and there is no assurance that such activities will result in the discovery of new mineralization or that the discovery of a mineral deposit will be developed and advanced to commercial production. The Company continually seeks to minimize its exposure to these adverse risks and uncertainties, but by the nature of its business and exploration activities, it will always have some degree of risk.