Condensed Consolidated Interim

Financial Statements

(Unaudited – prepared by management)

Fission 3.0 Corp.

For the Six Month Period Ended December 31, 2016

Fission 3.0 Corp.

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(Unaudited – prepared by management)

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Notice

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the six month period ended December 31, 2016.

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Fission 3.0 Corp.

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

	Note	**December 31 2016**	June 30 2016
		$	$
Assets			
Current assets			
Cash and cash equivalents		**446,004**	1,266,340
Short-term investments	4	**283,184**	551,127
Amounts receivable	5	**66,326**	18,899
Deposits		**6,795**	78,711
Prepaid expenses		**14,460**	13,183
		816,769	1,928,260
Property and equipment		**35,519**	40,571
Exploration and evaluation assets	6	**7,517,356**	8,462,549
Total Assets		**8,369,644**	10,431,380
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**64,281**	55,762
		64,281	55,762
Deferred income tax liability		**545,193**	1,066,189
Total Liabilities		**609,474**	1,121,951
Shareholders' Equity			
Share capital	7	**20,666,088**	20,666,088
Other capital reserves	7	**1,761,844**	1,761,844
Accumulated other comprehensive income		**39,316**	11,314
Deficit		**(14,707,078)**	(13,129,817)
		7,760,170	9,309,429
Total Liabilities and Shareholders' Equity		**8,369,644**	10,431,380

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on February 28, 2017

"Frank Estergaard"
Director

"William Marsh"
Director

Fission 3.0 Corp.

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

	Note	**Three Months Ended December 31 2016**	Three Months Ended December 31 2015	**Six Months Ended December 31 2016**	Six Months Ended December 31 2015
		$	$	**$**	$
Expenses					
Business development		**520**	1,158	**3,215**	1,158
Consulting and directors fees		**98,166**	89,791	**182,063**	194,045
Depreciation		**2,526**	2,457	**5,052**	4,236
Office and administration		**15,526**	14,312	**31,730**	42,118
Professional fees		**37,544**	29,588	**118,792**	107,139
Public relations and communications		**38,527**	21,324	**56,614**	47,969
Share-based compensation	7(b)	**-**	21,893	**-**	84,815
Trade shows and conferences		**2,495**	4,367	**4,095**	4,717
Wages and benefits		**22,450**	29,139	**54,739**	59,081
		217,754	214,029	**456,300**	545,278
Other items - income/(expense)					
Exploration management fee income		**-**	-	**-**	22,263
Foreign exchange gain/(loss)		**(861)**	(29)	**(8,477)**	1,151
Gain on property option agreements	6(d)	**-**	-	**-**	42,860
Interest and miscellaneous income		**1,667**	6,883	**4,416**	16,133
Loss on short-term investments		**(142,297)**	(40,327)	**(14,775)**	(363,213)
Exploration and evaluation asset write-down	6	**(21,545)**	-	**(1,623,121)**	-
		(163,036)	(33,473)	**(1,641,957)**	(280,806)
Loss before income taxes		**(380,790)**	(247,502)	**(2,098,257)**	(826,084)
Deferred income tax recovery		**61,860**	47,978	**520,996**	98,579
Net loss for the period		**(318,930)**	(199,524)	**(1,577,261)**	(727,505)
Other comprehensive income/(loss)					
Items that may subsequently be classified to income:					
Foreign currency translation adjustment arising from translating foreign operations		**57,478**	(20,690)	**28,002**	24,906
Comprehensive loss for the period		**(261,452)**	(220,214)	**(1,549,259)**	(702,599)
Basic and diluted loss per common share		**(0.00)**	(0.00)	**(0.01)**	(0.00)
Weighted average number of common shares outstanding		**178,055,604**	178,055,604	**178,055,604**	178,055,604

Fission 3.0 Corp.

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

	Note	Share capital		Other capital	Accumulated other comprehensive		**Total shareholders'**
		Shares	Amount	reserves	income/(loss)	Deficit	**equity**
			$	$	$	$	**$**
Balance, July 1, 2015		178,055,604	20,666,088	1,663,440	4,751	(12,012,478)	**10,321,801**
Share-based compensation	7(b)	-	-	98,404	-	-	**98,404**
Net loss		-	-	-	-	(727,505)	**(727,505)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	24,906	-	**24,906**
Balance, December 31, 2015		178,055,604	20,666,088	1,761,844	29,657	(12,739,983)	**9,717,606**
Share-based compensation		-	-	-	-	-	**-**
Net loss		-	-	-	-	(389,834)	**(389,834)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	(18,343)	-	**(18,343)**
Balance, June 30, 2016		178,055,604	20,666,088	1,761,844	11,314	(13,129,817)	**9,309,429**
Net loss		-	-	-	-	(1,577,261)	**(1,577,261)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	28,002	-	**28,002**
Balance, December 31, 2016		**178,055,604**	**20,666,088**	**1,761,844**	**39,316**	**(14,707,078)**	**7,760,170**

Fission 3.0 Corp.

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

	Note	**Three Months Ended December 31 2016**	Three Months Ended December 31 2015	**Six Months Ended December 31 2016**	Six Months Ended December 31 2015
		$	$	**$**	$
Operating activities					
Net loss		**(318,930)**	(199,524)	**(1,577,261)**	(727,505)
Items not involving cash:					
Depreciation		**2,526**	2,457	**5,052**	4,236
Share-based compensation	7(b)	**-**	21,893	**-**	84,815
Gain on property option agreements	6(d)	**-**	-	**-**	(42,860)
Loss on short-term investments		**142,297**	40,327	**14,775**	363,213
Exploration and evaluation asset write-down	6	**21,545**	-	**1,623,121**	-
Deferred income tax recovery		**(61,860)**	(47,978)	**(520,996)**	(98,579)
		(214,422)	(182,825)	**(455,309)**	(416,680)
Changes in non-cash working capital items:					
Decrease/(increase) in amounts receivable		**(1,505)**	53,245	**2,573**	(6,945)
Increase in deposits		**(6,795)**	-	**(6,795)**	(74,559)
Increase in prepaid expenses		**(2,159)**	(12,572)	**(1,277)**	(1,540)
Increase/(decrease) in accounts payable and accrued liabilities		**15,170**	(84,207)	**24,463**	18,793
Cash flow used in operating activities		**(209,711)**	(226,359)	**(436,345)**	(480,931)
Investing activities					
Increase in notes receivable	5	**-**	-	**(50,000)**	-
Property and equipment additions		**-**	-	**-**	(17,935)
Purchase of short-term investments		**-**	(64,500)	**-**	(64,500)
Proceeds from disposition of short-term investments		**230,587**	-	**253,168**	-
Exploration and evaluation asset additions		**(357,581)**	(927,913)	**(587,159)**	(1,596,149)
Exploration and evaluation asset cost recoveries		**-**	-	**-**	350,000
Cash flow used in investing activities		**(126,994)**	(992,413)	**(383,991)**	(1,328,584)
Decrease in cash and cash equivalents during the period		**(336,705)**	(1,218,772)	**(820,336)**	(1,809,515)
Cash and cash equivalents, beginning of period		**782,709**	3,557,990	**1,266,340**	4,148,733
Cash and cash equivalents, end of period		**446,004**	2,339,218	**446,004**	2,339,218

Supplemental disclosure with respect to cash flows (Note 8)

1. Nature of operations and going concern

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

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2016 the Company had a working capital balance of $752,488 and recorded cash outflows from operating activities of $436,345 for the six months ended December 31, 2016. The Company's ability to continue as a going concern is dependent upon its ability to fund its operations through equity financing, joint ventures, option agreements or other means. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These unaudited condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statement of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

(a) Statement of compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, *IAS 34, Interim Financial Reporting* ("IAS 34") and do not contain all of the information required for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2016 prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 28, 2017.

The accounting policies applied in preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended June 30, 2016.

2. Significant accounting policies (continued)

(b) Basis of presentation

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

(c) Basis of consolidation

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

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

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

3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the 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 judgement in the following area:

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

(Expressed in Canadian dollars)

4. Short-term investments

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

	December 31, 2016		June 30, 2016	
	Number of Shares	**Fair Market Value**	Number of Shares	Fair Market Value
		$		$
Power Metals Corp. (1)	**-**	**-**	2,659,603	305,854
Azincourt Uranium Inc.	**-**	**-**	327,458	19,648
Canex Energy Corp. (2)	**2,094,820**	**199,008**	2,094,820	94,267
Great Bear Resources Ltd.	**-**	**-**	16,000	4,480
Plateau Uranium Inc.	**336,704**	**84,176**	336,704	104,378
Stratton Resources Inc.	**-**	**-**	60,000	22,500
	2,431,524	**283,184**	5,494,585	551,127

(1) Formerly Aldrin Resource Corp.

(2) The June 30, 2016 shares of Canex Energy Corp. are shown on a post-consolidation basis.

5. Amounts receivable

	December 31 2016	June 30 2016
	$	$
GST receivable	**12,227**	17,204
Notes receivable	**50,000**	-
Other receivables	**4,099**	1,695
	66,326	18,899

The Company does not have any significant balances that are past due. Amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the carrying value of amounts receivable is considered to be a reasonable approximation of fair value. Notes receivable with a balance of $50,000 bear interest at 5% annually and are repayable on demand.

(Expressed in Canadian dollars)

6. Exploration and evaluation assets

As at December 31, 2016

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	**$**
Acquisition costs									
Balance, beginning of period	-	-	16,468	1,418	53,354	147,390	-	-	**218,630**
Write-down	-	-	-	-	(5,484)	(147,390)	-	-	**(152,874)**
Balance, end of period	-	-	16,468	1,418	47,870	-	-	-	**65,756**
Exploration costs									
Balance, beginning of period	60,779	4,667,461	5,366	123,732	492,325	1,295,111	205,781	1,382,050	**8,232,605**
Incurred during the period									
Geology mapping/sampling	-	-	-	1,430	520	520	-	9,104	**11,574**
Geophysics airborne	-	-	-	975	19,028	-	-	-	**20,003**
Geophysics ground	8,500	-	-	-	-	-	-	-	**8,500**
Drilling	1,035	-	-	-	-	-	-	354,408	**355,443**
Land retention and permitting	2,297	1,136	1,970	83,899	7,072	7,024	1,291	4,280	**108,969**
Reporting	5,667	-	-	-	3,571	-	-	7,740	**16,978**
Environmental	-	-	-	-	-	-	-	12,703	**12,703**
Community relations	-	-	-	-	-	-	-	30,349	**30,349**
General	-	-	-	-	1,354	-	-	84,053	**85,407**
Additions	17,499	1,136	1,970	86,304	31,545	7,544	1,291	502,637	**649,926**
Write-down	-	-	-	(158,409)	(9,183)	(1,302,655)	-	-	**(1,470,247)**
Balance, end of period	78,278	4,668,597	7,336	51,627	514,687	-	207,072	1,884,687	**7,412,284**
Foreign currency translation	-	-	-	-	-	-	-	39,316	**39,316**
Total	**78,278**	**4,668,597**	**23,804**	**53,045**	**562,557**	**-**	**207,072**	**1,924,003**	**7,517,356**

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

As at June 30, 2016

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	**$**
Acquisition costs									
Balance, beginning of year	-	-	6,704	1,365	49,827	134,695	-	-	**192,591**
Additions	-	-	9,764	1,418	3,527	12,695	-	-	**27,404**
Cost recoveries	-	-	-	(1,365)	-	-	-	-	**(1,365)**
Balance, end of year	-	-	16,468	1,418	53,354	147,390	-	-	**218,630**
Exploration costs									
Balance, beginning of year	42,116	4,659,737	965	55,775	305,058	173,370	197,391	743,354	**6,177,766**
Incurred during the year									
Geology mapping/sampling	14,859	-	-	25,733	5,427	258,447	1,300	70,970	**376,736**
Geophysics airborne	-	-	-	42,314	162,263	769,255	-	-	**973,832**
Geophysics ground	15,897	1,011	1,063	35,112	5,076	30,360	-	-	**88,519**
Drilling	230,122	1,073	-	2,375	-	-	-	268,390	**501,960**
Land retention and permitting	2,620	4,450	3,183	10,130	11,089	22,723	6,963	104,042	**165,200**
Reporting	2,753	672	-	876	996	34,040	-	448	**39,785**
Environmental	-	-	-	-	41	-	-	3,972	**4,013**
Community relations	-	244	-	-	-	-	-	36,918	**37,162**
General	24,104	83	-	3,674	1,743	2,126	-	153,696	**185,426**
Share-based compensation	3,916	191	155	3,518	632	4,790	127	260	**13,589**
Additions	294,271	7,724	4,401	123,732	187,267	1,121,741	8,390	638,696	**2,386,222**
Cost recoveries	(275,608)	-	-	(55,775)	-	-	-	-	**(331,383)**
Balance, end of year	60,779	4,667,461	5,366	123,732	492,325	1,295,111	205,781	1,382,050	**8,232,605**
Foreign currency translation	-	-	-	-	-	-		11,314	**11,314**
Total	**60,779**	**4,667,461**	**21,834**	**125,150**	**545,679**	**1,442,501**	**205,781**	**1,393,364**	**8,462,549**

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The Company has investigated titles to all of its exploration and evaluation assets, and to the best of its knowledge, titles to all of its properties are in good standing. The number of metallic and industrial mineral ("MAIM") agreements, claims, and concessions held at each property are as at December 31, 2016.

(a) *Clearwater West Property, Canada*

The Company holds a 100% interest in 3 claims (June 30, 2016 – 3 claims) at the Clearwater West property in Saskatchewan. On January 28, 2014 the Company entered into a property option agreement with Canex Energy Corp. ("Canex") whereby Canex had the option to earn up to a 50% interest in the Clearwater West property. Under the terms of the agreement, Canex had to, upon execution of the agreement, issue to the Company 193,486 common shares (received, on a post-consolidation basis) in the capital stock of Canex representing 9.9% of the issued and outstanding common shares of Canex at the date of closing the agreement.

In addition, Canex had to incur 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 (1)	12 months	Oct 10, 2014
20%	2,000,000	2,700,000	24 months	Oct 10, 2015
50%	2,300,000	5,000,000	36 months	Oct 10, 2016

(1) The $700,000 work obligation was completed.

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 333,333 common shares (received, on a post-consolidation basis) in the capital stock of Canex valued at $0.075 per share.

On April 5, 2016 the Company agreed to further revise the terms of the property option agreement with Canex by changing the staging of expenditures required on the property. The total amount of expenditures to obtain a 50% interest remained the same but the staging was adjusted to reflect capital/equity market conditions. The original option expiry dates and expenditures required were amended as disclosed in the following table:

Interest Earned	Work Obligation	Cumulative Work Obligation	Amended Option Expiry
	$	$	
Nil	700,000	700,000 (1)	Oct 10, 2014
15%	1,000,000	1,700,000	Apr 30, 2016
30%	1,300,000	3,000,000	Apr 30, 2017
50%	2,000,000	5,000,000	Apr 30, 2018

(1) – The $700,000 work obligation was completed.

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

(a) Clearwater West Property, Canada (continued)

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

Due to difficult capital/equity markets for junior mineral exploration companies, Canex was not able to fund the cumulative work obligation required to earn its 15% interest by the option expiry date of April 30, 2016. In accordance with the agreement, the Company provided Canex with an official notice of default allowing Canex 30 days from May 19, 2016 to cure the default.

On June 20, 2016 Canex was deemed to have terminated the property option agreement with the Company as Canex did not cure the default in relation to the cumulative work obligation. Management will pursue alternative options for developing the Clearwater West property.

(b) Patterson Lake North Property, Canada

The Company holds a 90% interest in 10 claims (June 30, 2016 – 10 claims) at the Patterson Lake North property in Saskatchewan. On April 29, 2013 Fission Uranium entered into a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt") that was assigned to the Company as part of the Fission Uranium Arrangement, whereby Azincourt could have earned up to a 50% interest in the Patterson Lake North property.

Azincourt had to make payments and incur expenditures in accordance with the following schedule:

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

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

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

6. Exploration and evaluation assets (continued)

(b) Patterson Lake North Property, Canada (continued)

Azincourt has earned a 10% interest in the property by meeting both the initial consideration and work obligation.

Due to difficult capital/equity markets for junior mineral exploration companies, Azincourt was not able to fund 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.

(c) Wales Lake Property, Canada

The Company holds a 100% interest in 21 claims (June 30, 2016 – 21 claims) at the Wales Lake Property in Canada.

(d) Key Lake Area, Canada

The Company holds a 100% interest in 3 properties that comprise the Key Lake Area in Saskatchewan. The number of claims held at each Key Lake Area property is as follows:

(i) Hobo Lake Property, 26 claims (June 30, 2016 – 31 claims);

(ii) Karpinka Lake Property, 18 claims (June 30, 2016 – 18 claims); and

(iii) Millson Lake Property, 8 claims (June 30, 2016 – 8 claims).

The Company no longer holds any claims at its former Costigan Lake (June 30, 2016 – 4 claims) and River Lake (June 30, 2016 – 4 claims) properties.

On February 2, 2015 the Company entered into a property option and joint venture agreement with Power Metals Corp. ("Power Metals") whereby Power Metals could have earned up to a 50% interest in the Company's Key Lake Area properties. Under the terms of the agreement, Power Metals had to, 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 Power Metals (2,000,318 common shares received).

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

(d) Key Lake Area, Canada (continued)

In addition, Power Metals had to incur a total of $6,900,000 in expenditures on the property in accordance with the following schedule:

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

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

Under the terms of the agreement, Power Metals had to make semi-annual payments of $100,000 to the Company on July 1 and February 1 (commencing July 1, 2015) until the option had been exercised in full. The semi-annual payments could have been made in cash or equivalent Power Metals shares at the option of Power Metals. The Company was the operator and was entitled to a management fee for operator services equal to 10% of expenditures.

The 714,285 common shares valued at $100,000, representing the July 1, 2015 semi-annual payment, less accumulated net exploration costs of $57,140 (as at July 1, 2015), resulted in a gain on property option agreement of $42,860 during the six months ended December 31, 2015.

Due to difficult capital/equity markets for junior mineral exploration companies, Power Metals was not able to fund its semi-annual payment due on February 1, 2016 and additionally, it was not able to fund the cumulative work obligation required by the option expiry date of May 1, 2016. In accordance with the agreement, the Company provided Power Metals with an official notice of default allowing Power Metals 30 days from May 18, 2016 to cure the defaults.

On June 14, 2016 the Company received written notice from Power Metals that it would immediately terminate its rights under the property option agreement. Management will pursue alternative options for developing the Key Lake Area properties.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain claims in the Key Lake Area, the Company recorded a write-down of exploration costs in the amount of $158,409 during the six months ended December 31, 2016.

6. Exploration and evaluation assets (continued)

(e) Beaverlodge/Uranium City Area, Canada

The Company holds a 100% interest in 45 claims (June 30, 2016 - 53 claims) at the Beaverlodge/Uranium City Area in Saskatchewan.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain claims in the Beaverlodge/Uranium City Area, the Company recorded a write-down of acquisition costs in the amount of $5,484 and a write-down of exploration costs in the amount of $9,183 during the six months ended December 31, 2016.

(f) Other Saskatchewan Properties, Canada

The Company holds a 100% interest in 74 claims (June 30, 2016 – 85 claims) in other uranium properties in Saskatchewan in and around the Athabasca Basin.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain properties included in its Other Saskatchewan Properties, the Company recorded a write-down of acquisition costs in the amount of $147,390 and a write-down of exploration costs in the amount of $1,302,655 during the six months ended December 31, 2016.

(g) North Shore Property, Canada

The Company holds a 100% interest in 18 MAIM agreements (June 30, 2016 – 18 MAIM agreements) at the North Shore property in Alberta.

(h) Macusani Property, Peru

The Company holds a 100% interest in 9 concessions (June 30, 2016 – 9 concessions) at the Macusani property in Peru.

7. Share capital and other capital reserves

The Company is authorized to issue an unlimited number of common shares, without par value. All of the Company's issued shares are fully paid.

(a) Stock options

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

(Expressed in Canadian dollars)

7. Share capital and other capital reserves (continued)

(a) Stock options (continued)

Stock options transactions are summarized as follows:

Stock options	Number outstanding	Weighted average exercise price
		$
Balance July 1, 2015	13,729,900	0.155
Expired	(100,000)	0.155
Outstanding, June 30, 2016	13,629,900	0.155
Outstanding, December 31, 2016	**13,629,900**	**0.155**

As at December 31, 2016, incentive stock options were outstanding as follows:

Number outstanding	Exercise price	Number of vested options	Expiry date
	$		
13,629,900	0.155	13,629,900	January 31, 2019
13,629,900		**13,629,900**	

(b) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. There were no stock options granted during the six months ended December 31, 2016 or December 31, 2015. Pursuant to the vesting schedule of options granted, during the six months ended December 31, 2016 share-based compensation of $Nil (December 31, 2015 - $84,815) was recognized in the statements of loss and comprehensive loss and $Nil (December 31, 2015 - $13,589) was recognized in exploration and evaluation assets. The total amount of $Nil (December 31, 2015 - $98,404) was also recorded as other capital reserves in the statements of changes in equity.

8. Supplemental disclosure with respect to cash flows

	December 31 2016	June 30 2016
	$	$
Cash and cash equivalents		
Cash	**65,004**	73,340
Redeemable term deposits	**381,000**	1,193,000
	446,004	1,266,340

(Expressed in Canadian dollars)

8. Supplemental disclosure with respect to cash flows (continued)

There were no cash payments for interest and income taxes during the six months ended December 31, 2016 and December 31, 2015. During the six months ended December 31, 2016 the Company received $2,586 (December 31, 2015 - $5,227) in interest income.

Significant non-cash transactions for the six months ended December 31, 2016 included:

(a) Incurring $16,006 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and

(a) Reclassifying a $78,711 deficiency deposit (relating to the Hobo Lake property which was posted by the Company in the prior year) to exploration and evaluation assets.

Significant non-cash transactions for the six months ended December 31, 2015 included:

(a) Incurring $55,069 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $13,589 of share-based payments in exploration and evaluation assets;

(c) Recognizing $20,131 of exploration and evaluation cost recoveries through amounts receivable;

(d) Receiving 333,333 Canex shares (on a post-consolidation basis) valued at $25,000 as part of the Clearwater West property option agreement; and

(e) Receiving 714,285 Power Metals shares valued at $100,000 as part of the Key Lake property option agreement.

9. Related party transactions

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

	Three months ended		Six months ended	
	December 31		December 31	
	2016	2015	**2016**	2015
	$	$	**$**	$
Compensation costs				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	**117,500**	116,801	**235,000**	249,806
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	**-**	14,614	**-**	58,003
	117,500	131,415	**235,000**	307,809
Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0	**35,794**	70,580	**79,824**	222,178
Total	**153,294**	201,995	**314,824**	529,987

(Expressed in Canadian dollars)

9. Related party transactions (continued)

Included in accounts payable at December 31, 2016 is $2,538 (June 30, 2016 - $7,154) 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, 2016 is $2,499 (June 30, 2016 - $9,409) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

These transactions were in the normal course of operations.

10. Segmented information

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

	December 31, 2016		June 30, 2016	
	Canada	**Peru**	Canada	Peru
	$	**$**	$	$
Property and equipment	**21,642**	**13,877**	26,154	14,417
Exploration & evaluation assets	**5,593,353**	**1,924,003**	7,069,185	1,393,364
	5,614,995	**1,937,880**	7,095,339	1,407,781

11. Financial instruments and risk management

International Financial Reporting Standards 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

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

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

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

(Expressed in Canadian dollars)

11. Financial instruments and risk management (continued)

(a) Credit risk

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

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

(i) Cash and cash equivalents; and

(ii) Amounts receivable.

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At December 31, 2016, the Company has no significant financial assets that are past due or impaired due to credit risk defaults.

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

	December 31 2016	June 30 2016
	$	$
Cash and cash equivalents	**446,004**	1,266,340
Amounts receivable	**66,326**	18,899
	512,330	1,285,239

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and short-term investment balances to meet its anticipated operational needs. For further information related to liquidity, refer to Note 1.

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

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

	Maturity Dates	**December 31 2016**	June 30 2016
		$	$
Accounts payable and accrued liabilities	< 6 months	**64,281**	55,762

11. Financial instruments and risk management (continued)

(c) Price risk

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

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

Fair value hierarchy	**December 31 2016**	June 30 2016
	$	$
Level 1	**283,184**	551,127
	283,184	551,127