Consolidated Financial Statements

Fission 3.0 Corp.

For the Year Ended
June 30, 2016

August 29, 2016

Independent Auditor's Report

To the Shareholders of Fission 3.0 Corp.

We have audited the accompanying consolidated financial statements of Fission 3.0 Corp., which comprise the consolidated statements of financial position as at June 30, 2016 and June 30, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended June 30, 2016 and June 30, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fission 3.0 Corp. as at June 30, 2016 and June 30, 2015 and its financial performance and cash flows for the years ended June 30, 2016 and June 30, 2015 in accordance with International Financial Reporting Standards.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Fission 3.0 Corp.

Consolidated Financial Statements

For the Year Ended
June 30, 2016

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Fission 3.0 Corp.

Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	**June 30 2016**	June 30 2015
		$	$
Assets			
Current assets			
Cash and cash equivalents		**1,266,340**	4,148,733
Short-term investments	4	**551,127**	839,475
Amounts receivable	5	**18,899**	149,359
Deposits		**78,711**	89,837
Prepaid expenses		**13,183**	25,908
		1,928,260	5,253,312
Property and equipment	6	**40,571**	30,910
Exploration and evaluation assets	7	**8,462,549**	6,375,108
Total Assets		**10,431,380**	11,659,330
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**55,762**	73,974
		55,762	73,974
Deferred income tax liability	11	**1,066,189**	1,263,555
Total Liabilities		**1,121,951**	1,337,529
Shareholders' Equity			
Share capital	8	**20,666,088**	20,666,088
Other capital reserves	8	**1,761,844**	1,663,440
Accumulated other comprehensive income		**11,314**	4,751
Deficit		**(13,129,817)**	(12,012,478)
		9,309,429	10,321,801
Total Liabilities and Shareholders' Equity		**10,431,380**	11,659,330

Approved by the Board of Directors and authorized for issue on August 29, 2016

"Frank Estergaard"
Director

"William Marsh"
Director

Fission 3.0 Corp.

Consolidated statements of loss and comprehensive loss
(Expressed in Canadian dollars)

	Note	**Year Ended June 30 2016**	Year Ended June 30 2015
		$	$
Expenses			
Business development		**1,485**	7,351
Consulting and directors fees		**356,687**	423,715
Depreciation		**9,201**	1,702
Office and administration		**81,424**	93,067
Professional fees		**150,600**	405,466
Public relations and communications		**114,411**	109,495
Share-based compensation	8(c)	**84,815**	659,085
Trade shows and conferences		**5,331**	25,643
Wages and benefits		**122,528**	103,374
		926,482	1,828,898
Other items - income/(expense)			
Exploration management fee income		**22,263**	113,358
Foreign exchange loss		**(8,170)**	(3,558)
Gain on property option agreements	7(e)	**42,860**	438,014
Interest and miscellaneous income		**25,874**	75,674
Loss on short-term investments		**(471,050)**	(201,049)
Exploration and evaluation asset write-down	7(h)	**-**	(22,998)
		(388,223)	399,441
Loss before income taxes		**(1,314,705)**	(1,429,457)
Deferred income tax recovery	11	**197,366**	123,399
Net loss for the year		**(1,117,339)**	(1,306,058)
Other comprehensive income			
Items that may subsequently be classified to income:			
Foreign currency translation adjustment arising from translating foreign operations		**6,563**	7,427
Comprehensive loss for the year		**(1,110,776)**	(1,298,631)
Basic and diluted loss per common share		**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**178,055,604**	162,704,681

Fission 3.0 Corp.

Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Note	Share capital		Other capital	Accumulated other comprehensive		**Total shareholders'**
		Shares	Amount	reserves	income/(loss)	Deficit	**equity**
			$	$	$	$	**$**
Balance, July 1, 2014		154,070,604	17,509,500	898,363	(2,676)	(10,706,420)	**7,698,767**
Exercise of warrants		1,985,000	99,250	-	-	-	**99,250**
Common shares issued for cash	8(a)	22,000,000	3,080,000	-	-	-	**3,080,000**
Share issuance costs	8(a)	-	(30,625)	-	-	-	**(30,625)**
Deferred income tax impact on share issuance costs		-	7,963	-	-	-	**7,963**
Share-based compensation	8(c)	-	-	765,077	-	-	**765,077**
Net loss		-	-	-	-	(1,306,058)	**(1,306,058)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	7,427	-	**7,427**
Balance, June 30, 2015		178,055,604	20,666,088	1,663,440	4,751	(12,012,478)	**10,321,801**
Share-based compensation	8(c)	-	-	98,404	-	-	**98,404**
Net loss		-	-	-	-	(1,117,339)	**(1,117,339)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	6,563	-	**6,563**
Balance, June 30, 2016		**178,055,604**	**20,666,088**	**1,761,844**	**11,314**	**(13,129,817)**	**9,309,429**

Fission 3.0 Corp.

Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year Ended June 30 2016	Year Ended June 30 2015
	$	$
Operating activities		
Net loss	**(1,117,339)**	(1,306,058)
Items not involving cash:		
Depreciation	**9,201**	1,702
Share-based compensation	**84,815**	659,085
Gain on property option agreements	**(42,860)**	(438,014)
Loss on short-term investments	**471,050**	201,049
Exploration and evaluation asset write-down	**-**	22,998
Deferred income tax recovery	**(197,366)**	(123,399)
	(792,499)	(982,637)
Changes in non-cash working capital items:		
Decrease in amounts receivable	**5,225**	31,524
Decrease (increase) in deposits	**11,126**	(89,837)
Decrease in prepaid expenses	**12,725**	6,112
Decrease in accounts payable and accrued liabilities	**(4,544)**	(28,139)
Cash flow used in operating activities	**(767,967)**	(1,062,977)
Investing activities		
Property and equipment additions	**(18,862)**	(16,500)
Purchase of short-term investments	**(64,500)**	(175,200)
Proceeds from disposition of short-term investments	**6,798**	27,855
Exploration and evaluation asset additions	**(2,413,705)**	(2,593,891)
Exploration and evaluation asset cost recoveries	**375,843**	1,455,245
Cash flow used in investing activities	**(2,114,426)**	(1,302,491)
Financing activities		
Proceeds from the exercise of warrants	**-**	99,250
Proceeds from the issuance of common shares net of share issuance costs	**-**	3,049,375
Cash flow provided by financing activities	**-**	3,148,625
(Decrease)/increase in cash and cash equivalents during the year	**(2,882,393)**	783,157
Cash and cash equivalents, beginning of year	**4,148,733**	3,365,576
Cash and cash equivalents, end of year	**1,266,340**	4,148,733

Supplemental disclosure with respect to cash flows (Note 9)

(Expressed in Canadian dollars)

1. Nature of operations

Fission 3.0 Corp. (the "Company" or "Fission 3.0") was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Uranium Corp. ("Fission Uranium") which was completed on December 6, 2013 (the "Fission Uranium Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated 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.

2. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at June 30, 2016. The consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2016.

(b) Basis of presentation

These consolidated 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 consolidated 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.

(d) 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.

2. Significant accounting policies (continued)

(d) Financial assets (continued)

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 ("FVTPL").

(e) Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks and redeemable term deposits that are readily convertible to cash. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset backed deposits/investments.

(f) Short-term investments

Marketable securities are recorded at fair value on the date of acquisition and are classified as FVTPL. The carrying value of the securities are adjusted at each subsequent reporting period to the fair value (based upon the market price and the Bank of Canada quoted exchange rate if applicable) with the resulting unrealized gains or losses included in profit or loss for the period. Transaction costs relating to the purchase of marketable securities are expensed directly to profit or loss.

(g) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars. The financial statements for the Company's subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in *IAS 21, The Effects of Changes in Foreign Exchange Rates*.

The functional currency of the Company, and the Company's subsidiary are as follows:

(i) Fission 3.0 Corp. – Canadian Dollar

(ii) Fission Energy Peru S.A.C. – Peruvian New Sol

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are recognized in profit or loss.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2. Significant accounting policies (continued)

(g) Foreign currency translation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and income and expenses are translated at exchange rates prevailing at the dates of transactions. The exchange differences arising on the translation are recognized in other comprehensive loss. On disposal of a foreign operation, the component of other comprehensive loss relating to that particular foreign operation is recognized in profit or loss.

(h) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is calculated on a straight line basis at the following annual rates based on estimated useful lives:

- Geological equipment 20%
- Vehicles 30%
- Office equipment 20%
- Computer hardware 30%
- Computer software 50%
- Building 4%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

When an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment.

(i) Exploration and evaluation assets

The Company records exploration and evaluation assets which consists of the costs of acquiring licenses for the right to explore and costs associated with exploration and evaluation activity, at cost. All direct and indirect costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property.

The exploration and evaluation assets are capitalized until the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Exploration and evaluation assets are then assessed for impairment and reclassified to mining property and development assets within property and equipment. If an exploration and evaluation property interest is abandoned, both the acquisition costs and the exploration and evaluation cost will be written off to operations in the period of abandonment.

2. Significant accounting policies (continued)

(i) Exploration and evaluation assets (continued)

On an ongoing basis, exploration and evaluation assets are reviewed on a property-by-property basis to consider if there are any indicators of impairment, including the following:

(i) Whether the exploration on the property has significantly changed, such that previously identified resource targets are no longer being pursued;

(ii) Whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; and

(iii) Whether remaining claim tenure terms are sufficient to conduct necessary studies or exploration work.

If any indication of impairment exists, an estimate of the exploration and evaluation asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the exploration and evaluation property interest and their value in use. The fair value less costs to sell and the value in use is determined for an individual exploration and evaluation property interest, unless the exploration and evaluation property interest does not generate cash inflows that are largely independent of other exploration and evaluation property interests. If this is the case, the exploration and evaluation property interests are grouped together into cash generating units ("CGUs") for impairment purposes.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized in the period in which that determination was made in profit or loss.

(j) 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.

2. Significant accounting policies (continued)

(k) *Flow-through shares*

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flow-through share tax expense until paid.

(l) *Share-based payments*

The Company has a stock option plan whereby it is authorized to grant stock options to directors, officers, employees and consultants. Directors, officers, employees and consultants are classified as employees who render personal services to the entity and either i) are regarded as employees for legal or tax purposes, ii) work for an entity under its direction in the same way as directors, officers, employees and consultants who are regarded as employees for legal or tax purposes, or iii) the services rendered are similar to those rendered by employees.

The fair value of equity settled stock options issued to employees is measured on the grant date, using the Black-Scholes option pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options to profit or loss unless it meets the criteria for capitalisation to the exploration and evaluation assets with a corresponding credit to other capital reserves in equity. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

The share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. This fair value shall be measured at the date the entity obtains the goods or the counterparty renders service. If the fair value of goods or services received cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes option pricing model until the counterparty performance is complete.

2. Significant accounting policies (continued)

(l) Share-based payments (continued)

When the stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from other capital reserves to share capital. The estimated forfeitures are based on historical experience and reviewed on a quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures.

(m) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of each reporting period, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Loss per share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the gain or loss attributable to common shareholders when the effect is anti-dilutive.

(o) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant control over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(p) New Standards, Amendments and Interpretations Not Yet Effective

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2016.

No new or revised standards or amendments are expected to have a significant impact to the Company's financial statements.

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 consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Exploration and evaluation assets

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

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

4. Short-term investments

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

	June 30, 2016		June 30, 2015	
	Number of Shares/ Warrants	**Fair Market Value**	Number of Shares/ Warrants	Fair Market Value
		$		$
Aldrin Resource Corp.	**2,659,603**	**305,854**	2,000,318	300,048
Azincourt Uranium Inc. (1)	**327,458**	**19,648**	327,458	26,196
Canex Energy Corp.	**6,284,459**	**94,267**	2,704,459	256,924
Canex Energy Corp. - Warrants (2)	**-**	**-**	2,124,000	112,109
Great Bear Resources Ltd. (3)	**16,000**	**4,480**	16,000	4,000
Plateau Uranium Inc.	**336,704**	**104,378**	336,704	132,998
Stratton Resources Inc.	**60,000**	**22,500**	60,000	7,200
	9,684,224	**551,127**	7,568,939	839,475

(1) The June 30, 2015 shares of Azincourt Uranium Inc. are shown on a post-consolidation basis.

(2) The Canex Energy Corp. warrants have expired.

(3) The June 30, 2015 shares of Great Bear Resources Ltd. are shown on a post-consolidation basis.

(Expressed in Canadian dollars)

5. Amounts receivable

	June 30 2016	June 30 2015
	$	$
GST receivable	**17,204**	19,208
Other receivables	**1,695**	4,916
Due from joint venture participants	**-**	125,235
	18,899	149,359

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

(Expressed in Canadian dollars)

6. Property and equipment

Property and equipment consists of the following:

Cost	Geological Equipment	Office Equipment	Computer Hardware	Building	Total
	$	$	$	$	$
As at July 1, 2014	4,447	15,683	7,730	20,190	48,050
Additions	16,500	-	-	-	16,500
As at June 30, 2015	20,947	15,683	7,730	20,190	64,550
Additions	-	-	18,862	-	18,862
Disposals	(4,447)	(15,683)	(6,577)	-	(26,707)
As at June 30, 2016	**16,500**	**-**	**20,015**	**20,190**	**56,705**
Accumulated Depreciation					
As at July 1, 2014	4,447	15,683	6,768	5,040	31,938
Depreciation	550	-	348	804	1,702
As at June 30, 2015	4,997	15,683	7,116	5,844	33,640
Depreciation	3,300	-	5,097	804	9,201
Disposals	(4,447)	(15,683)	(6,577)	-	(26,707)
As at June 30, 2016	**3,850**	**-**	**5,636**	**6,648**	**16,134**
Net Book Value					
As at June 30, 2015	15,950	-	614	14,346	30,910
As at June 30, 2016	**12,650**	**-**	**14,379**	**13,542**	**40,571**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

As at June 30, 2016

	North Shore Property	Beaver River Property	Black Birch Property	Clearwater West Property	Key Lake Property Package	Patterson Lake North Property	Perron Lake Property	Other Canadian Properties	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	$	**$**
Acquisition costs										
Balance, beginning of year	-	16,130	53,870	-	1,365	-	15,244	105,982	-	**192,591**
Additions		3,527	5,776	-	1,418	-	-	16,683	-	**27,404**
Cost recoveries	-	-	-	-	(1,365)	-	-	-	-	**(1,365)**
Balance, end of year	-	19,657	59,646	-	1,418	-	15,244	122,665	-	**218,630**
Exploration costs										
Balance, beginning of year	197,391	231,547	14,329	42,116	55,775	4,659,737	12,513	221,004	743,354	**6,177,766**
Incurred during the year										
Geology mapping/sampling	1,300	2,901	11,098	14,859	25,733	-	153,897	95,978	70,970	**376,736**
Geophysics airborne	-	162,138	234,729	-	42,314	-	320,454	214,197	-	**973,832**
Geophysics ground	-	825	3,064	15,897	35,112	1,011	3,065	29,545	-	**88,519**
Drilling	-	-	-	230,122	2,375	1,073	-	-	268,390	**501,960**
Land retention and permitting	6,963	5,538	3,131	2,620	10,130	4,450	4,547	23,779	104,042	**165,200**
Reporting	-	996	6,027	2,753	876	672	14,553	13,460	448	**39,785**
Environmental	-	-	-	-	-	-	-	41	3,972	**4,013**
Community relations	-	-	-	-	-	244	-	-	36,918	**37,162**
General	-	1,660	817	24,104	3,674	83	-	1,392	153,696	**185,426**
Share-based compensation	127	421	927	3,916	3,518	191	1,542	2,687	260	**13,589**
Additions	8,390	174,479	259,793	294,271	123,732	7,724	498,058	381,079	638,696	**2,386,222**
Cost recoveries	-	-	-	(275,608)	(55,775)	-	-	-	-	**(331,383)**
Balance, end of year	205,781	406,026	274,122	60,779	123,732	4,667,461	510,571	602,083	1,382,050	**8,232,605**
Foreign currency translation	-	-	-	-	-	-	-	-	11,314	**11,314**
Total	**205,781**	**425,683**	**333,768**	**60,779**	**125,150**	**4,667,461**	**525,815**	**724,748**	**1,393,364**	**8,462,549**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets (continued)

As at June 30, 2015

	North Shore Property	Beaver River Property	Black Birch Property	Clearwater West Property	Key Lake Property Package	Patterson Lake North Property	Perron Lake Property	Other Canadian Properties	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	$	**$**
Acquisition costs										
Balance, beginning of year	-	11,154	-	-	3,423	-	14,114	30,072	-	**58,763**
Additions	-	4,976	53,870	-	29,420	-	1,130	90,910	-	**180,306**
Cost recoveries	-	-	-	-	(31,478)	-	-	-	-	**(31,478)**
Write-down	-	-	-	-	-	-	-	(15,000)	-	**(15,000)**
Balance, end of year	-	16,130	53,870	-	1,365	-	15,244	105,982	-	**192,591**
Exploration costs										
Balance, beginning of year	1,015,235	211,037	-	21,973	3,886	4,592,614	3,111	117,646	201,463	**6,166,965**
Incurred during the year										
Geology mapping/sampling	2,747	3,340	5,622	62,101	19,418	375	2,518	22,393	249,518	**368,032**
Geophysics airborne	1,851	7,681	5,285	728	18,702	625	2,429	26,056	-	**63,357**
Geophysics ground	636	125	-	374,330	18,831	167,443	199	16,861	-	**578,425**
Drilling	-	-	-	10,753	-	482,907	-	-	-	**493,660**
Land retention and permitting	10,640	2,880	1,708	5,274	8,511	52,911	2,825	20,823	76,946	**182,518**
Reporting	11,970	3,756	-	5,531	3,450	13,939	-	9,858	992	**49,496**
Environmental	772	-	-	-	-	-	-	-	1,433	**2,205**
Community relations	-	-	-	934	-	122	-	-	39,914	**40,970**
General	-	-	283	48,815	1,619	70,671	-	526	170,071	**291,985**
Share-based compensation	7,254	2,728	1,431	20,143	11,930	43,219	1,431	14,839	3,017	**105,992**
Additions	35,870	20,510	14,329	528,609	82,461	832,212	9,402	111,356	541,891	**2,176,640**
Cost recoveries	(853,714)	-	-	(508,466)	(30,572)	(765,089)	-	-	-	**(2,157,841)**
Write-down	-	-	-	-	-	-	-	(7,998)	-	**(7,998)**
Balance, end of year	197,391	231,547	14,329	42,116	55,775	4,659,737	12,513	221,004	743,354	**6,177,766**
Foreign currency translation	-	-	-	-	-	-	-	-	4,751	**4,751**
Total	**197,391**	**247,677**	**68,199**	**42,116**	**57,140**	**4,659,737**	**27,757**	**326,986**	**748,105**	**6,375,108**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets (continued)

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

(a) North Shore Property, Canada

The Company holds a 100% interest in 18 metallic and industrial mineral ("MAIM") agreements (June 30, 2015 – 18 MAIM agreements) at the North Shore property in Alberta.

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

(b) Beaver River Property, Canada

The Company holds a 100% interest in 12 claims (June 30, 2015 - 11 claims) at the Beaver River property in Saskatchewan.

(c) Black Birch Property, Canada

The Company holds a 100% interest in 18 claims (June 30, 2015 – 13 claims) at the Black Birch property in Saskatchewan.

(d) Clearwater West Property, Canada

The Company holds a 100% interest in 3 claims (June 30, 2015 – 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 580,459 common shares (received) 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.

(Expressed in Canadian dollars)

7. Exploration and evaluation assets (continued)

(d) Clearwater West Property, Canada (continued)

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).

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 had been adjusted to reflect capital/equity market conditions. The original option expiry dates and expenditures required had been 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.

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 would have 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.

(Expressed in Canadian dollars)

7. Exploration and evaluation assets (continued)

(e) Key Lake Property Package, Canada

The Company holds a 100% interest in 5 properties that comprise the Key Lake Property Package in Saskatchewan. The number of claims held at each Key Lake property is as follows:

(i) Costigan Lake Property, 4 claims (June 30, 2015 – 4 claims);

(ii) Hobo Lake Property, 31 claims (June 30, 2015 – 31 claims);

(iii) Karpinka Lake Property, 18 claims (June 30, 2015 – 18 claims);

(iv) Millson Lake Property, 8 claims (June 30, 2015 – 6 claims); and

(v) River Lake Property, 4 claims (June 30, 2015 – 4 claims).

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

In addition, Aldrin 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, Aldrin 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 Aldrin shares at the option of Aldrin. The Company was the operator and was entitled to a management fee for operator services equal to 10% of expenditures.

The total initial consideration of $500,064 consisting of $100,000 cash and 2,000,318 common shares received, less accumulated net exploration costs of $62,050 (as at the date of TSX approval of the agreement), resulted in a gain on property option agreement of $438,014 during the year ended June 30, 2015.

(Expressed in Canadian dollars)

7. Exploration and evaluation assets (continued)

(e) Key Lake Property Package, Canada (continued)

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 year ended June 30, 2016.

Due to difficult capital/equity markets for junior mineral exploration companies, Aldrin 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 Aldrin with an official notice of default allowing Aldrin 30 days from May 18, 2016 to cure the defaults.

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

(f) Patterson Lake North Property, Canada

The Company holds a 90% interest in 10 claims (June 30, 2015 – 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.

7. Exploration and evaluation assets (continued)

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

The Company has received $100,000 in cash, and 666,666 common shares of Azincourt (on a post-consolidation basis) representing the remaining $400,000 of the total $500,000 consideration required for the initial 10% interest in PLN. At June 30, 2016, $3,100,000 of expenditures have been funded and incurred toward the cumulative work obligation and Azincourt has earned its initial 10% interest in the property.

Due to difficult capital/equity markets for junior mineral exploration companies, Azincourt 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.

(g) Perron Lake Property, Canada

The Company holds a 100% interest in 6 claims (June 30, 2015 – 6 claims) at the Perron Lake property in Saskatchewan.

(h) Other Canadian Properties

The Company holds a 100% interest in 123 claims (June 30, 2015 – 111 claims) in other Canadian uranium properties in Saskatchewan in and around the Athabasca Basin.

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

(i) Macusani Property, Peru

The Company holds a 100% interest in 9 concessions (June 30, 2015 – 9 concessions) at the Macusani property in Peru.

8. 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) Private Placements

February 23, 2015

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

(Expressed in Canadian dollars)

8. Share capital and other capital reserves (continued)

(b) Stock options and warrants

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price 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.

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

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		$		$
Balance July 1, 2014	14,000,000	0.155	1,985,000	0.05
Exercised (1)	-	-	(1,985,000)	0.05
Expired	(135,050)	0.155	-	-
Forfeited	(135,050)	0.155	-	-
Outstanding, June 30, 2015	13,729,900	0.155	-	-
Expired	(100,000)	0.155	-	-
Outstanding, June 30, 2016	**13,629,900**	**0.155**	**-**	**-**

(1) The weighted average share price of warrants exercised during the year ended June 30, 2015 was $0.08.

As at June 30, 2016, incentive stock options were outstanding as follows:

Stock Options			
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**	

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. There were no stock options granted during the year ended June 30, 2016 or June 30, 2015. Pursuant to the vesting schedule of options granted, during the year ended June 30, 2016 share-based compensation of $84,815 (June 30, 2015 - $659,085) was recognized in the statements of loss and comprehensive loss and $13,589 (June 30, 2015 - $105,992) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity.

(Expressed in Canadian dollars)

9. Supplemental disclosure with respect to cash flows

	June 30 2016	June 30 2015
	$	$
Cash and cash equivalents		
Cash	**73,340**	988,733
Redeemable term deposits	**1,193,000**	3,160,000
	1,266,340	4,148,733

There were no cash payments for interest and income taxes during the year ended June 30, 2016 and June 30, 2015. During the year ended June 30, 2016 the Company received $29,096 (June 30, 2015 - $72,571) in interest income.

Significant non-cash transactions for the year ended June 30, 2016 included:

(a) Incurring $31,950 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) Receiving 1,000,000 Canex shares valued at $25,000 as part of the Clearwater West property option agreement; and

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

Significant non-cash transactions for the year ended June 30, 2015 included:

(a) Incurring $45,618 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $125,235 of exploration and evaluation cost recoveries through amounts receivable;

(c) Recognizing $105,992 of share-based payments in exploration and evaluation assets;

(d) Reclassifying $7,963 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs; and

(e) Recognizing 2,000,318 common shares of Aldrin valued at $400,064 through amounts receivable.

(Expressed in Canadian dollars)

10. Related party transactions

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

	Year ended June 30 2016	2015
	$	$
Compensation costs		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	**478,806**	431,312
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	**58,003**	456,545
	536,809	887,857
Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0	318,987	412,787
Total	**855,796**	1,300,644

Included in accounts payable at June 30, 2016 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.

Included in accounts payable at June 30, 2016 is $9,409 (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.

11. Income taxes

A reconciliation of current income taxes at statutory rates (June 30, 2016 – 26%, June 30, 2015 – 26%) with the reported taxes is as follows:

	June 30 2016	June 30 2015
	$	$
Loss before income taxes	**(1,314,704)**	(1,429,457)
Expected income tax recovery	**(341,823)**	(371,659)
Tax impact of rate change	**(35)**	(32)
Permanent differences	**83,540**	197,933
Net change in benefits of tax attributes previously not recognized	**60,952**	74,833
Change in estimate	**-**	(24,474)
Deferred income tax recovery	**(197,366)**	(123,399)

(Expressed in Canadian dollars)

11. Income taxes (continued)

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	June 30 2016	June 30 2015
	$	$
Deferred income tax assets (liabilities)		
Equipment	**(556)**	(447)
Exploration and evaluation assets	**(1,378,371)**	(1,371,601)
Non-capital losses	**307,960**	102,123
Share issuance costs	**4,778**	6,370
Net deferred income tax liability	**(1,066,189)**	(1,263,555)

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The Company has available approximately $1,184,465 of recognized non-capital losses which if unutilized expire between 2034 and 2036. Pursuant to the Fission Uranium Arrangement, the tax benefits of any losses related to Fission Uranium Corp. have not been recognized as these were not transferred to the Company.

At June 30, 2016 the Company did not recognize approximately $821,388 (June 30, 2015 - $814,736) of deductible temporary differences in exploration and evaluation assets and property and equipment located in Peru. At June 30, 2016, the Company did not recognize temporary differences in capital losses and unrealized capital losses in short-term investments of $852,316 (June 30, 2015 - $381,266) because it does not anticipate future capital gains to utilize these assets. At June 30, 2016, the Company did not recognize $420 (June 30, 2015 - $420) of unused investment tax credits which will expire in 2034.

12. 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:

	June 30, 2016		June 30, 2015	
	Canada	**Peru**	Canada	Peru
	$	**$**	$	$
Property and equipment	**26,154**	**14,417**	16,564	14,346
Exploration & evaluation assets	**7,069,185**	**1,393,364**	5,627,003	748,105
	7,095,339	**1,407,781**	5,643,567	762,451

13. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares and stock options.

13. Capital management (continued)

Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash, cash equivalents, and short-term investments. The issuance of common shares requires approval of the Board of Directors.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets and updates them as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets and the use of joint ventures to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

14. 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.

(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.

(Expressed in Canadian dollars)

14. Financial instruments and risk management (continued)

(b) Credit risk (continued)

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At June 30, 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:

	June 30 2016	June 30 2015
	$	$
Cash and cash equivalents	**1,266,340**	4,148,733
Amounts receivable	**18,899**	149,359
	1,285,239	4,298,092

(b) Liquidity risk

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

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

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

	Maturity Dates	**June 30 2016**	June 30 2015
		$	$
Accounts payable and accrued liabilities	< 6 months	**55,762**	73,974

(c) Price risk

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

(Expressed in Canadian dollars)

14. Financial instruments and risk management (continued)

(c) Price risk (continued)

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	**June 30 2016**	June 30 2015
	$	$
Level 1	**551,127**	727,366
Level 2	**-**	112,109
	551,127	839,475