



**Condensed Interim Consolidated Financial Statements
(Unaudited – prepared by management)**

Fission 3.0 Corp.

**For the Three Month Period Ended
September 30, 2021**

Fission 3.0 Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited – prepared by management)

**For the Three Month Period Ended
September 30, 2021**

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 nine month period ended September 30, 2021.

Table of contents

Condensed consolidated interim statements of financial position	1
Condensed consolidated interim statements of loss and comprehensive loss.....	2
Condensed consolidated interim statements of changes in equity	3
Condensed consolidated interim statements of cash flows	4
Notes to the condensed consolidated interim financial statements.....	5-24

Fission 3.0 Corp.

Condensed Interim Consolidated statements of financial position
(Expressed in Canadian dollars - Unaudited)

	Note	September 30, 2021	June 30, 2021
ASSETS		\$	\$
Current assets			
Cash	8	9,310,883	1,694,948
GST receivable		81,881	25,550
Deposits		9,134	9,134
Prepaid expenses and deposits		107,880	107,880
		9,509,778	1,837,512
Non-current assets			
Property and equipment	5	-	-
Exploration and evaluation assets	6	11,600,277	11,598,075
		11,600,277	11,598,075
TOTAL ASSETS		21,110,055	13,435,587
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	158,390	73,284
SHAREHOLDERS' EQUITY			
Share capital	7	39,445,087	31,372,941
Subscription receivables	7	(240,000)	(46,275)
Reserves	7	6,630,889	6,333,821
Accumulated deficit		(24,884,311)	(24,298,184)
		20,951,665	13,362,303
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		21,110,055	13,435,587

Nature of operations (Note 1)

Approved by the Board of Directors and authorized for issue on November 26, 2021.

"Devinder Randhawa"

Director

"Steve Cochrane"

Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Fission 3.0 Corp.

Condensed Interim consolidated statements of loss and comprehensive loss
(Expressed in Canadian dollars - Unaudited)

		Three Months ended September 30, 2021	Three Months ended September 30, 2020
	Note	\$	\$
EXPENSES			
Business development		62,131	4,463
Consulting and director fees	9	99,845	64,549
Depreciation	5	-	292
Office and administration		77,175	23,558
Public relations and communications		4,967	78,306
Professional fees		20,261	297
Share-based compensation	7	297,068	17,549
Wages and benefits		24,602	19,479
		(586,049)	(208,493)
Other items:			
Foreign exchange loss		(193)	(2,160)
Interest income		115	28
Loss on investments		-	(34,032)
		(78)	(244,657)
Loss before income taxes		(586,127)	(244,657)
Deferred income tax recovery		-	-
Net loss for the period		(586,127)	(244,657)
Other comprehensive loss			
Items that may subsequently be			
Classified to income:			
Foreign currency translation adjustment			
arising from translating foreign operations			
		-	-
Comprehensive loss for the period		(586,127)	(244,657)
Basic and Diluted Loss Per Share			
		(0.00)	(0.00)
Weighted Average Number of Shares			
Outstanding		184,502,320	151,303,920

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Fission 3.0 Corp.

Condensed interim consolidated statements of shareholder's equity
(Expressed in Canadian dollars - Unaudited)

	Share Capital					
	Number of Shares	Amount	Reserves	Subscriptions receivable	Accumulated Deficit	Total
		\$	\$	\$	\$	\$
Balance, June 30, 2020	141,853,371	29,225,232	5,811,448	-	(23,469,542)	11,567,138
Common shares issued for cash	20,000,000	653,616	346,384	-	-	1,000,000
Net loss	-	(32,728)	(17,344)	-	-	(50,072)
Share-based compensation	-	-	17,549	-	-	17,549
Net loss	-	-	-	-	(244,657)	(244,657)
Balance, September 30, 2020	161,853,371	29,846,120	6,158,037	-	(23,714,199)	12,289,958
Balance, June 30, 2021	182,343,202	31,372,941	6,333,821	(46,275)	(24,298,184)	13,362,303
Private placements	55,572,889	8,000,026	-	-	-	8,000,026
Subscriptions receivable	-	-	-	(193,725)	-	(193,725)
Share issuance costs	-	(530,430)	-	-	-	(530,430)
Share-based compensation	-	-	297,068	-	-	297,068
Warrants exercised	6,510,000	602,550	-	-	-	602,550
Net loss	-	-	-	-	(586,127)	(586,127)
Balance, September 30, 2021	244,426,091	39,445,087	6,630,089	(240,000)	(24,587,244)	20,951,665

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Fission 3.0 Corp.

Condensed interim consolidated statements of cash flow
(Expressed in Canadian dollars - Unaudited)

	Three Months ended September 30, 2021	Three Months ended September 30, 2020
	\$	\$
Operating activities		
Net loss	(586,127)	(244,657)
Non-cash items:		
Depreciation	-	292
Share-based compensation	287,068	17,549
Exploration and evaluation asset impairment	-	34,032
Changes in non-cash working capital items:		
Amounts receivable	(56,331)	(3,205)
Prepaid expenses and deposits	-	(10,915)
Accounts payable and accrued liabilities	85,107	63,621
Cash flow used in operating activities	<u>(260,284)</u>	<u>(143,283)</u>
Investing activities		
Exploration and evaluation assets additions	<u>(2,202)</u>	<u>(87,166)</u>
Cash flow used in investing activities	<u>(2,202)</u>	<u>(87,166)</u>
Financing activities		
Private placement proceeds	7,760,026	1,000,000
Share subscriptions receivable	46,275	
Share issuance costs	(530,430)	(50,072)
Warrants exercised	602,550	-
Cash flow provided by financing activities	<u>7,878,421</u>	<u>949,928</u>
Net change in cash	7,615,935	719,479
Cash, beginning of the period	1,694,948	96,672
Cash, end of the period	9,310,883	816,151

Supplemental disclosure with respect to cash flows (Note 8)

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

These condensed interim consolidated 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. 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. As at September 30, 2021 the Company had cash of \$9,310,883 (June 30, 2021 - \$1,694,948) and a working capital balance of \$9,351,388 (June 30, 2021 - \$1,764,228).

2. Basis of presentation

(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 financial statements for the year ended June 30, 2021 prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 26, 2021.

(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. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

2. Basis of presentation (continued)

(c) Basis of consolidation

The consolidated financial statements of the Company includes the 100% owned Fission Energy Peru S.A.C which has been inactive since 2020. 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. All intercompany balances eliminated on consolidation.

3. Significant accounting policies

(a) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise.

Selected investments in equity instruments at FVTOCI are initially recorded at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

3. Significant accounting policies (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(a) Financial instruments (continued)

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

(b) 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.

(c) 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 subsidiary 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:

(iii) Fission 3.0 Corp. – Canadian Dollar

(iv) 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 date of the transactions. 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.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

3. Significant accounting policies (continued)

(d) 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 date of transactions. The exchange differences arising on the translation are recognized in other comprehensive income/(loss). On disposal of a foreign operation, the component of other comprehensive income/(loss) relating to that particular foreign operation is recognized in profit or loss.

(e) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and impairment charges. Carrying amounts of property and equipment are depreciated to their estimated residual values. Depreciation is calculated on a straight-line basis at the following annual rates based on estimated useful lives:

- Geological equipment 20%
- Computer hardware 30%
- 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.

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the period.

(f) Exploration and evaluation assets

The Company records exploration and evaluation assets which consist 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 costs will be written off to operations in the period of abandonment.

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

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

2. Significant accounting policies (continued)

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

(e) *Exploration and evaluation assets (continued)*

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 of disposal for the exploration and evaluation property interest and their value in use. The fair value less costs of disposal and the value in use are 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 profit or loss in the period in which that determination was made.

(f) *Agents warrants and warrants*

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes Option Pricing Model and charged to share issue costs associated with the offering with an offsetting credit to reserves in shareholders' equity.

(g) *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.

(h) *Share Capital*

Share capital includes cash consideration received for share issuances, net of commissions and share issue costs. Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the Exchange on the date of the agreement.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

3. Significant accounting policies (continued)

(h) *Share Capital (continued)*

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis on relative fair values as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

(i) *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.

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.

(j) *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.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

3. Significant accounting policies (continued)

(j) Income taxes (continued)

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.

(k) 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.

(l) 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.

(m) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term. As at September 30, 2021 and June 30, 2021, the Company did not have any leases.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

4. 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.

Judgements

- the recoverability of mineral properties and exploration and evaluation expenditures incurred on its projects; the Company capitalizes acquisition, exploration and evaluation expenditures on its statement of financial position, and evaluates these amounts at least annually for indicators of impairment; and
- the functional currency and reporting currency of the parent company, Fission 3.0 Corp., is the Canadian Dollar. The functional currency Fission Energy Peru S.A.C. is the Peruvian Sol. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Estimates

- the estimated useful lives and residual value of property, plant and equipment which are included in the statement of financial position and the related amortization included in the statement of loss and comprehensive loss;
- the inputs in accounting for share-based payment transactions in the statement of loss and comprehensive loss (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate; and
- the determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

5. Property and equipment

Cost	Geological Equipment	Computer Hardware	Building	Total
	\$	\$	\$	\$
As at July 1, 2019	18,503	22,293	20,190	60,986
Additions	405	-	-	405
Disposals	-	(926)	(20,190)	(21,116)
As at June 30, 2020	18,908	21,367	-	40,275
Additions	-	-	-	-
As at June 30, 2021	18,908	21,367	-	40,275
Accumulated Depreciation				
As at July 1, 2019	13,794	20,355	9,060	43,209
Depreciation	3,228	731	804	4,763
Disposals	-	(926)	(9,864)	(10,790)
As at June 30, 2020	17,022	20,160	-	37,182
Depreciation	1,886	1,207	-	3,093
As at June 30, 2021	18,908	21,367	-	40,275
Net Book Value				
As at June 30, 2020	1,886	1,207	-	3,093
As at June 30, 2021	-	-	-	-

6. Exploration and evaluation assets

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 September 30, 2021:

(a) *Clearwater West Property, Saskatchewan, Canada*

The Company holds a 100% interest in 3 claims (June 30, 2020 – 3 claims) at the Clearwater West property.

(b) *Montgomery Lake Property, Saskatchewan, Canada*

The Company no longer holds any claims at its former Montgomery Lake property.

As a result of this property's claims lapsing, the Company recorded an impairment of acquisition costs in the amount of \$Nil (June 30, 2020 – \$805) and exploration costs in the amount of \$Nil during the year ended June 30, 2021 (June 30, 2020 – \$2,297).

(c) *Patterson Lake North Property, Saskatchewan, Canada*

The Company holds a 100% interest in 38 claims (June 30, 2020 – 38 claims) at the Patterson Lake North property.

(d) *Wales Lake Property, Saskatchewan, Canada*

The Company holds a 100% interest in 31 claims (June 30, 2020 – 31 claims) at the Wales Lake Property.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

6. Exploration and evaluation assets (continued)

(e) *Key Lake Area, Saskatchewan, Canada*

The Company holds a 100% interest in 4 properties that comprise the Key Lake Area in Saskatchewan. The number of claims held at each property is as follows:

- (i) Bird Lake Property, 1 claim (June 30, 2020 – 1 claim)
- (ii) Hobo Lake Property, 56 claims (June 30, 2020 – 56 claims)
- (iii) Lazy Edward Bay Property, 11 claims (June 30, 2020 – 11 claims)
- (iv) Seahorse Lake Property, 3 claims (June 30, 2020 – 3 claims)

Based on the lack of planned expenditure on certain claims, an impairment indicator was identified for this property. The Company determined that the fair value of the claims on which there is no planned expenditure was \$Nil, and as a result, recorded an impairment of acquisition costs in the amount of \$Nil (June 30, 2020 - \$19,286) and exploration costs in the amount of \$Nil (June 30, 2020 - \$82,619) during the year ended June 30, 2021.

(f) *Beaverlodge/Uranium City Area, Saskatchewan, Canada*

The Company holds a 100% interest in 50 claims (June 30, 2020 - 55 claims) at the Beaverlodge/Uranium City Area.

Based on the lack of planned expenditures on certain claims, an impairment indicator was identified for this property. The Company determined that the fair value of the claims on which there is no planned expenditure is \$Nil, and as a result, recorded an impairment of acquisition costs in the amount of \$Nil (June 30, 2020 - \$2,451) and exploration costs in the amount of \$Nil (June 30, 2020 - \$54,467) during the year ended June 30, 2021.

(g) *Northeast Athabasca Basin Area, Saskatchewan, Canada*

The Company holds a 100% interest in 32 claims (June 30, 2020 – 32 claims) in other uranium properties in and around the Northeast Athabasca Basin area.

(h) *Macusani Property, Peru*

The Company no longer holds any concessions (June 30, 2020 – 9 concessions) at the Macusani property in Peru.

In August 2018, the Company entered into a letter of intent with Rhyolite Lithium Corp. ("Rhyolite") pursuant to which Rhyolite could have earned an interest in the Company's mining concessions located in Peru (the "Earn-In"). As a part of the consideration for the Earn-In, the Company received \$100,000 upon signing the LOI.

In March 2019, as final consideration for the Earn-In, Rhyolite granted the Company 19.9% of its issued and outstanding shares for which the Company had estimated a nominal fair value of \$100. As at June 30, 2020, Rhyolite had not fulfilled any part of their earn-in agreement.

In July 2020, the Company terminated the property option agreement with Rhyolite.

In September 2020, the Company allowed its 9 mineral concessions to lapse.

As a result of the lapsed claims, the Company recorded an impairment of exploration costs on the Peru property in the amount of \$Nil during the year ended June 30, 2021 (June 30, 2020 - \$3,145,861) and an impairment of \$Nil on the carrying value of the Rhyolite investment during the year ended June 30, 2021 (June 30, 2020 - \$100).

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

6. Exploration and evaluation assets (continued)

As at September 30, 2021

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	North East Athabasca Basin Area	Total
	\$	\$	\$	\$	\$	\$	\$
Acquisition costs							
Balance, beginning of period	-	13,472	29,947	45,721	36,147	11,808	137,095
Additions	-	-	-	-	-	-	-
Balance, end of period	-	13,472	29,947	45,721	36,147	11,808	137,095
Exploration costs							
Balance, beginning of period	92,378	5,807,300	1,207,801	917,230	2,484,182	952,089	11,460,980
Incurred during the year							
Geology mapping and sampling	-	147	-	147	1,029	147	1,470
Drilling	-	-	-	-	-	-	-
Land retention and permitting	-	-	43	42	605	42	732
Reporting	-	-	-	-	-	-	-
Additions	-	147	43	189	1,634	189	2,202
Balance, end of period	92,378	5,807,447	1,207,844	917,419	2,485,816	952,278	11,463,182
Total	92,378	5,820,919	1,237,791	963,140	2,521,963	964,086	11,600,277

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

6. Exploration and evaluation assets (continued)

As at June 30, 2021

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	North East Athabasca Basin Area	Total
	\$	\$	\$	\$	\$	\$	\$
Acquisition costs							
Balance, beginning of period	-	13,472	29,947	45,721	33,542	11,808	134,490
Additions	-	-	-	-	2,605	-	2,605
Balance, end of period	-	13,472	29,947	45,721	36,147	11,808	137,095
Exploration costs							
Balance, beginning of period	92,249	5,798,153	1,200,795	907,049	2,446,343	938,378	11,382,967
Incurred during the year							
Geology mapping and sampling	-	5,147	5,755	4,972	29,776	10,604	56,254
Drilling	-	-	-	-	-	-	-
Land retention and permitting	129	2,280	836	4,877	7,956	2,258	18,336
Reporting	-	1,720	415	332	107	849	3,423
Additions	129	9,147	7,006	10,181	37,839	13,711	78,013
Balance, end of period	92,378	5,807,300	1,207,801	917,230	2,484,182	952,089	11,460,980
Total	92,378	5,820,772	1,237,748	962,951	2,520,329	963,897	11,598,075

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

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) *Private Placements*

September 29, 2021

The Company closed a private placement for gross proceeds of \$8,000,026 comprising of:

- 24,690,038 Units ("Unit") at a price \$0.13 per Unit for gross proceeds of \$3,209,705;
- 20,113,619 Flow-Through Units ("FT Unit") at a price \$0.145 per FT Unit for gross proceeds of \$2,916,475; and
- 10,769,232 Flow-Through Units sold to a charitable buyer ("Charity FT Unit") at a price of \$0.174 for gross proceeds of \$1,873,846.

Each Unit issued pursuant to the offering is comprised of one common share of the Company and one half of one common share purchase warrant. Each FT Unit and Charity FT Unit is comprised of one common share of the Company to be issued as a "flow-through share" and one half of one warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 at any time on or before September 29, 2023. The Company paid cash finders fees of \$450,850 plus \$71,000 expenses in connection with this private placement. The Company also issued 3,106,853 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.13 at any time on or before September 29, 2023. Subscriptions receivable of \$240,000 were received on October 5, 2021.

June 24, 2021

The Company completed a non-brokered private placement of 11,954,831 units at a price of \$0.10 per unit for gross proceeds of \$1,195,483. Each unit consists of one common share and one-half common share purchase warrant. Each share purchase warrant is exercisable into one common share at \$0.15 per warrant for a period of 24 months from the date of issuance. The gross proceeds from the private placement were allocated between the common shares and warrants based on their relative fair value. The Company paid finders' fees of \$33,600 in connection with this private placement.

The fair value of the common shares was determined based on the closing trading price on June 24, 2021 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of \$914,868 was recorded in share capital in relation to the common shares and \$280,615 was recorded in other capital reserves in relation to the warrants. The fair value of the warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 108.99%; risk-free interest rate of 0.42%; expected life of 2 years; and a dividend rate of 0%. A total of \$7,886 was reclassified from unit issuance costs to other capital reserves for the proportionate share of warrants in the units issued.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

7. Share capital and other capital reserves (continued)

August 18, 2020

The Company completed a non-brokered private placement of 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common share at \$0.06 per warrant for a period of 24 months from the date of issuance. The gross proceeds from the private placement were allocated between the common shares and warrants based on their relative fair value. The Company paid finder's fees of \$19,450 plus \$30,622 expenses.

The fair value of the common shares was determined based on the closing trading price on August 18, 2020 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of \$611,083 was recorded in share capital in relation to the common shares and \$388,917 was recorded in other capital reserves in relation to the warrants. The fair value of the warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 113.02%; risk-free interest rate of 0.28%; expected life of 2 years; and a dividend rate of 0%. A total of \$19,473 was reclassified from issuance costs to other capital reserves for the proportionate share of financing costs related to the unit warrants issued

Exercise of warrants and options

The Company issued 6,510,000 common shares for the exercise of warrants and options at a price between \$0.06 and \$0.15 per share for gross proceeds of \$602,550.

(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. The common shares reserved for issuance cannot exceed 10% of the issued and outstanding common shares of the Company.

Stock option and warrant transactions are summarized as follows:

	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, June 30, 2020	12,926,667	\$ 0.16	69,295,518	\$ 0.15
Granted	-	-	25,977,416	0.08
Expired	(755,000)	0.15	-	-
Exercised	-	-	(8,535,000)	0.06
Forfeited	(1,365,000)	0.16	-	-
Outstanding, June 30, 2021	10,806,667	0.16	86,737,934	0.14
Granted	7,000,000	0.12	30,893,298	0.13
Expired	-	-	-	-
Exercised	(120,000)	0.12	(6,390,000)	0.08
Forfeited	-	-	-	-
Outstanding, September 30, 2021	17,686,667	0.15	111,241,232	0.14

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

7. Share capital and other capital reserves (continued)

As at September 30, 2021, stock options and warrants were outstanding as follows:

Stock Options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
1,856,667	0.115	1,976,667	August 14, 2023
6,410,000	0.19	6,410,000	October 25, 2023
2,420,000	0.12	2,420,000	March 15, 2024
7,000,000	0.12	2,333,333	September 2, 2026
17,686,667		13,140,000	

The weighted average remaining life of the stock options is 3.23 years.

Warrants			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	\$		
49,775,000	0.15	49,775,000	September 28, 2021
1,170,000	0.15	1,170,000	October 2, 2021
15,130,000	0.15	15,130,000	October 12, 2021
445,518	0.22	445,518	December 20, 2021
500,000	0.25	500,000	December 20, 2021
7,400,000	0.06	7,400,000	August 18, 2022
5,927,416	0.15	5,927,416	June 24, 2023
27,786,445	0.13	27,786,445	September 29, 2023
3,106,363	0.13	3,106,363	September 29, 2023
111,240,742		111,240,742	

The weighted average remaining life of the warrants is 0.71 years.

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the period ended September 30, 2021 the Company granted 7,000,000 stock options (June 30, 2021 – nil). Pursuant to the vesting schedule of options granted, during the year ended September 30, 2021 share-based compensation of \$297,068 (September 30, 2021 – \$17,549) was recognized in the statement of loss and comprehensive loss.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

8. Supplemental disclosure with respect to cash flows

	September 30, 2021	September 30, 2021
	\$	\$
Cash	9,310,883	816,151
	9,310,883	816,151

There were no cash payments for income taxes during the period ended September 30, 2021 and 2020. During the periods ended September 30, 2021 the Company received \$115 (September 30, 2020 - \$28) in interest income.

Significant non-cash transactions for the period ended September 30, 2021 included:

(a) None.

Significant non-cash transactions for the period ended September 30, 2020 included:

- (a) Incurring \$664,742 of exploration and evaluation expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$26,156 of share-based payments in exploration and evaluation; and
- (c) Incurring \$405 of property and equipment additions through accounts payable and accrued liabilities.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

9. Related party transactions

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

	Period Ended	
	September 30, 2021	September 30, 2020
	\$	\$
<i>Compensation costs</i>		
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	40,500	71,375
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	197,338	14,870
	237,838	86,245
Exploration and evaluation expenditure (capitalized) and administrative services paid or accrued to Fission Uranium, a Company with common directors and management	-	3,487
Total	237,838	89,732

Included in accounts payable at September 30, 2021 is \$58,624 (June 30, 2021 - \$39,709) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable and accrued liabilities as at September 30, 2021 was \$2,636 (June 30, 2021 - \$1,633) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

10. Segmented information

The Company primarily operates in one reportable operating segment being the exploration and development of exploration and evaluation assets. As at September 30, 2021, 2021 and June 30, 2021, all of the Company's assets were in Canada.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

11. 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, stock options and warrants.

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 or debt or dispose of assets. The issuance of common shares or issuance of debt requires approval of the Board of Directors.

The Company reviews its capital management approach on an on-going basis and updates it 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.

12. 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 accounts payable and accrued liabilities. For cash and accounts payable and accrued liabilities, the carrying values are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

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.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements
For the three months ended September 30, 2021
(Expressed in Canadian dollars - Unaudited)

12. 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 cash.

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. As at September 30, 2021, 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 \$9,310,883 (June 30, 2021 - \$1,694,948).

(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 (see note 1). 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	September 30, 2021	June 30 2021
		\$	\$
Accounts payable and accrued liabilities	< 6 months	158,390	73,284

13. Subsequent events

On October 12, 2021, the Company granted 7,000,000 options to directors, officers and consultants of the Company exercisable at \$0.16 per share expiring October 12, 2026. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

On October 18, 2021, the Company granted 600,000 options to an investor relations provider of the Company exercisable at \$0.19 per share expiring October 18, 2026. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

Fission 3.0 Corp.

Notes to the condensed interim consolidated financial statements

For the three months ended September 30, 2021

(Expressed in Canadian dollars - Unaudited)

13. Subsequent events (continued)

On October 18, 2021, the Company granted 600,000 options to another investor relations provider of the Company exercisable at \$0.19 per share expiring October 18, 2024. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

In October 2021, 1,734,167 options were cancelled upon employees leaving the Company and expiring of consulting agreements.

Subsequent to September 30, 2021, 4,761,667 warrants and options were exercised for gross proceeds of \$600,650 cash.