



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

**For the Nine Month Period Ended
March 31, 2016**

Fission Uranium Corp.

Condensed Interim Financial Statements

For the Nine Month Period Ended March 31, 2016

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Fission Uranium Corp.

Condensed interim statements of financial position
(Expressed in Canadian dollars)
(Unaudited)

	Note	March 31 2016	June 30 2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		77,067,295	24,773,556
Short-term investments		4,250	2,250
Amounts receivable	4	464,673	393,339
Prepaid expenses		156,330	234,602
		77,692,548	25,403,747
Investment in Fission 3.0 Corp.	5	2,913,521	3,040,535
Property and equipment		411,493	187,248
Exploration and evaluation assets	6	262,504,640	243,461,489
Total Assets		343,522,202	272,093,019
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,175,794	1,911,369
Flow-through share premium liability	7(a)	-	4,402,200
		2,175,794	6,313,569
Deferred income tax liability		3,071,916	914,834
Total Liabilities		5,247,710	7,228,403
Shareholders' Equity			
Share capital	7	412,466,585	333,328,259
Other capital reserves	7	21,687,063	18,810,691
Deficit		(95,879,156)	(87,274,334)
		338,274,492	264,864,616
Total Liabilities and Shareholders' Equity		343,522,202	272,093,019

Subsequent events (Note 11)

Approved by the Board of Directors and authorized for issue on May 12, 2016.

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

Condensed interim statements of income/(loss) and comprehensive income/(loss)
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three Months March 31 2016	Three Months March 31 2015	Nine Months March 31 2016	Nine Months March 31 2015
		\$	\$	\$	\$
Expenses					
Business development		223,570	222,254	663,903	700,219
Consulting and directors fees		427,925	348,957	1,553,373	1,245,954
Depreciation		25,708	21,776	68,316	66,312
Office and administration		191,675	168,544	633,428	736,217
Professional fees		64,921	173,830	1,459,290	387,415
Public relations and communications		305,027	281,380	1,858,150	867,598
Share-based compensation	7(c)	1,417,637	694,721	2,427,808	5,193,994
Trade shows and conferences		115,863	98,240	223,802	150,979
Wages and benefits		238,023	231,004	763,365	1,165,523
		3,010,349	2,240,706	9,651,435	10,514,211
Other items - income/(expense)					
Flow-through premium recovery	7(a)	4,402,200	4,321,125	4,402,200	4,321,125
Foreign exchange gain/(loss)		(7,146)	538	(6,334)	414
Gain/(loss) on investments		750	(2,000)	2,000	(8,000)
Interest and miscellaneous income		68,887	62,829	165,956	250,855
Loss on disposal of property and equipment		-	-	(3,126)	-
Share of loss from equity investment in Fission 3.0 Corp.	5	(28,979)	-	(127,014)	-
		4,435,712	4,382,492	4,433,682	4,564,394
Income/(loss) before income taxes		1,425,363	2,141,786	(5,217,753)	(5,949,817)
Deferred income tax expense		(4,301,903)	(1,868,757)	(3,387,069)	(1,868,757)
Net income/(loss) and comprehensive income/(loss) for the period		(2,876,540)	273,029	(8,604,822)	(7,818,574)
Basic and diluted income/(loss) per common share		(0.01)	0.00	(0.02)	(0.02)
Weighted average number of common shares outstanding		456,285,650	368,234,970	409,587,230	362,146,583

Fission Uranium Corp.

Condensed interim statements of changes in equity
(Expressed in Canadian dollars)
(Unaudited)

	Note	Share capital		Other capital	Deficit	Total
		Shares	Amount	reserves		shareholders'
			\$	\$	\$	equity
						\$
Balance, July 1, 2014		352,309,460	297,123,549	16,990,702	(77,399,754)	236,714,497
Flow-through common shares issued for cash	7(a)	9,602,500	14,403,750	-	-	14,403,750
Flow-through share premium	7(a)	-	(4,321,125)	-	-	(4,321,125)
Share issuance costs	7(a)	-	(917,874)	-	-	(917,874)
Deferred income tax impact on share issuance costs		-	238,647	-	-	238,647
Exercise of stock options/warrants		6,798,324	6,363,890	(3,057,368)	-	3,306,522
Share-based compensation	7(c)	-	-	6,084,565	-	6,084,565
Net loss and comprehensive loss		-	-	-	(7,818,574)	(7,818,574)
Balance, March 31, 2015		368,710,284	312,890,837	20,017,899	(85,218,328)	247,690,408
Flow-through common shares issued for cash	7(a)	13,340,000	20,010,000	-	-	20,010,000
Flow-through share premium	7(a)	-	(4,402,200)	-	-	(4,402,200)
Share issuance costs	7(a)	-	(1,339,934)	-	-	(1,339,934)
Deferred income tax impact on share issuance costs		-	348,383	-	-	348,383
Exercise of stock options/warrants		4,187,837	5,821,173	(2,432,905)	-	3,388,268
Share-based compensation		-	-	1,225,697	-	1,225,697
Net loss and comprehensive loss		-	-	-	(2,056,006)	(2,056,006)
Balance, June 30, 2015		386,238,121	333,328,259	18,810,691	(87,274,334)	264,864,616
Common shares issued for cash	7(a)	96,736,540	82,226,059	-	-	82,226,059
Share issuance costs	7(a)	-	(4,730,720)	-	-	(4,730,720)
Deferred income tax impact on share issuance costs		-	1,229,987	-	-	1,229,987
Exercise of stock options		950,000	413,000	(46,110)	-	366,890
Share-based compensation	7(c)	-	-	2,922,482	-	2,922,482
Net loss and comprehensive loss		-	-	-	(8,604,822)	(8,604,822)
Balance, March 31, 2016		483,924,661	412,466,585	21,687,063	(95,879,156)	338,274,492

Fission Uranium Corp.

Condensed interim statements of cash flows
(Expressed in Canadian dollars)
(Unaudited)

	Three Months March 31 2016	Three Months March 31 2015	Nine Months March 31 2016	Nine Months March 31 2015
	\$	\$	\$	\$
Operating activities				
Net income/(loss) and comprehensive income/(loss)	(2,876,540)	273,029	(8,604,822)	(7,818,574)
Items not involving cash:				
Depreciation	25,708	21,776	68,316	66,312
Share-based compensation	1,417,637	694,721	2,427,808	5,193,994
Flow-through premium recovery	(4,402,200)	(4,321,125)	(4,402,200)	(4,321,125)
(Gain)/loss on investments	(750)	2,000	(2,000)	8,000
Loss on disposal of property and equipment	-	-	3,126	-
Share of loss from equity investment in Fission 3.0 Corp.	28,979	-	127,014	-
Deferred income tax expense	4,301,903	1,868,757	3,387,069	1,868,757
	(1,505,263)	(1,460,842)	(6,995,689)	(5,002,636)
Changes in non-cash working capital items:				
Increase in amounts receivable	(233,286)	(198,868)	(71,334)	(81,991)
Decrease/(increase) in prepaid expenses	337,387	(12,885)	78,272	44,030
Decrease in accounts payable and accrued liabilities	(553,468)	(188,032)	(28,515)	(252,028)
Cash flow used in operating activities	(1,954,630)	(1,860,627)	(7,017,266)	(5,292,625)
Investing activities				
Restricted cash	3,000,000	-	-	-
Property and equipment additions	(294,027)	(10,972)	(295,687)	(15,830)
Exploration and evaluation asset additions	(5,423,058)	(9,368,198)	(18,255,537)	(27,658,783)
Purchase of investment in Fission 3.0 Corp.	-	(3,080,000)	-	(3,080,000)
Cash flow used in investing activities	(2,717,085)	(12,459,170)	(18,551,224)	(30,754,613)
Financing activities				
Proceeds from the issuance of common shares net of share issuance costs	77,495,339	-	77,495,339	13,485,876
Proceeds from exercise of stock options/warrants	-	1,403,852	366,890	3,306,522
Cash flow provided by financing activities	77,495,339	1,403,852	77,862,229	16,792,398
Increase/(decrease) in cash and cash equivalents during the period	72,823,624	(12,915,945)	52,293,739	(19,254,840)
Cash and cash equivalents, beginning of period	4,243,671	22,569,489	24,773,556	28,908,384
Cash and cash equivalents, end of period	77,067,295	9,653,544	77,067,295	9,653,544

Supplemental disclosure with respect to cash flows (Note 8)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

1. Nature of operations

Fission Uranium Corp. (the "Company" or "Fission Uranium") was incorporated on February 13, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Energy Corp. ("Fission Energy") which was completed on April 26, 2013 (the "Fission Energy Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated significant 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 Toronto Stock Exchange under the symbol FCU, on the U.S. OTCQX under the symbol FCUUF, and on the Frankfurt Stock Exchange under the symbol 2FU.

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 condensed 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 interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015 prepared in accordance with IFRS. The unaudited condensed interim financial statements were authorized for issue by the Board of Directors on May 12, 2016.

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

(b) *Basis of presentation*

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

3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the unaudited condensed interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
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3. Key estimates and judgements (continued)

Exploration and evaluation assets

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

- (i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the Patterson Lake South ("PLS") property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and
- (ii) Assessing when the commercial viability and technical feasibility of the project has been determined, at which point the asset is reclassified to property and equipment.

4. Amounts receivable

	March 31 2016	June 30 2015
	\$	\$
GST receivable	412,112	266,638
Other receivables	52,561	126,701
	464,673	393,339

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.

5. Investment in Fission 3.0

On February 23, 2015 the Company completed a private placement with Fission 3.0 Corp. ("Fission 3.0") pursuant to which the Company purchased 22,000,000 common shares of Fission 3.0 at a price of \$0.14 per share for a total cost of \$3,080,000.

The Company has a 12.36% interest in Fission 3.0, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties in Canada and Peru. The Company, through a combination of this shareholding and its common directors and management, has significant influence over Fission 3.0 and accounts for the investment using the equity method.

Due to the fact that Fission 3.0's financial statements for the nine month period ended March 31, 2016 are not yet publicly available, the Company recognized its proportionate share of Fission 3.0's loss for the nine month period ended December 31, 2015 in the Company's nine month period ended March 31, 2016.

Details of the investment in Fission 3.0 are as follows:

	\$
Balance July 1, 2014	-
Purchase of 22,000,000 common shares @ \$0.14 ⁽¹⁾	3,080,000
Share of Fission 3.0's loss for the period ended March 31, 2015 ⁽²⁾	(38,911)
Reversal of gains from intercompany services	(554)
Balance June 30, 2015	3,040,535
Share of Fission 3.0's loss for the nine months ended December 31, 2015	(119,047)
Reversal of gains from intercompany services	(7,967)
Balance March 31, 2016	2,913,521

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Unaudited)

5. Investment in Fission 3.0 (continued)

(1) The trading price of Fission 3.0 on March 31, 2016 was \$0.10 (June 30, 2015 - \$0.11). The quoted market value of the investment in Fission 3.0 on March 31, 2016 was \$2,200,000 (June 30, 2015 - \$2,420,000).

(2) Since the investment in Fission 3.0 was purchased on February 23, 2015, the share of Fission 3.0's loss is only calculated from the date of acquisition to March 31, 2015.

Fission 3.0's summary financial information is as follows:

	Three Months Ended		Nine Months Ended	
	December 31		December 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
Comprehensive loss for the period	220,214	394,494	963,176	1,863,391

	December 31	June 30
	2015	2015
	\$	\$
Current assets	3,248,024	5,253,312
Property and equipment	44,609	30,910
Exploration and evaluation assets	7,692,167	6,375,108
Total Assets	10,984,800	11,659,330
Current liabilities	102,218	73,974
Deferred income tax liability	1,164,976	1,263,555
Total Liabilities	1,267,194	1,337,529

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

6. Exploration and evaluation assets

	Nine Months Ended March 31 2016	Year Ended June 30 2015
Patterson Lake South Property		
	\$	\$
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration costs		
Balance, beginning	66,959,631	33,518,601
Incurring during		
Geology mapping/sampling	110,920	703,920
Geophysics airborne	176,717	25,929
Geophysics ground	156,105	1,383,057
Drilling	17,921,255	29,686,455
Land retention and permitting	47,190	47,014
Reporting	34,709	55,397
Environmental	37,911	109,297
Safety	27,834	226,348
Community relations	20,699	731
General	15,137	20,500
Share-based compensation	494,674	1,182,382
Additions	19,043,151	33,441,030
Balance, end	86,002,782	66,959,631
Total	262,504,640	243,461,489

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 title to all of its exploration and evaluation assets, and to the best of its knowledge, title to its property is in good standing.

On January 11, 2016 the Company executed an offtake agreement with CGN Mining. Under the terms of the offtake agreement, CGN Mining will purchase 20% of annual U₃O₈ production and will have an option to purchase up to an additional 15% of U₃O₈ production from the PLS property, after commencement of commercial production.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(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.

(a) *Private placements*

September 23, 2014

The Company completed a private placement of 9,602,500 flow-through common shares at a price of \$1.50 per share, for gross proceeds of \$14,403,750. The Company paid agents' commissions of \$714,109 plus \$203,765 of expenses. A flow-through share premium liability of \$4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

April 29, 2015

The Company completed a private placement of 13,340,000 flow-through common shares at a price of \$1.50 per share, for gross proceeds of \$20,010,000. The Company paid agents' commissions of \$990,435 plus \$349,499 of expenses. A flow-through share premium liability of \$4,402,200 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

January 26, 2016

The Company completed a private placement with CGN Mining Company Limited ("CGN Mining") of 96,736,540 common shares at a price of \$0.85 per share, for gross proceeds of \$82,226,059 equal to 19.99% of the issued and outstanding shares of the Company upon closing. The Company paid agents' commissions of \$4,111,303 plus \$619,417 of expenses.

On January 11, 2016 the Company had executed a subscription agreement with CGN Mining. Subsequent to the execution of the subscription agreement the Company's \$3,000,000 escrowed funds, recorded as restricted cash in the quarter ending December 31, 2015, were returned. Upon completion of the private placement, CGN Mining's \$3,000,000 escrowed funds were released to the Company and used as partial satisfaction against the proceeds of the private placement.

(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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

7. Share capital and other capital reserves (continued)

(b) *Stock options and warrants (continued)*

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	31,662,833	1.0155	8,452,199	0.8120
Granted	8,000,000	1.0000	-	-
Exercised ⁽¹⁾	(3,914,500)	0.5089	(7,071,661)	0.6650
Expired	(1,042,500)	1.3997	-	-
Forfeited	(1,127,500)	1.3906	-	-
Outstanding, June 30, 2015	33,578,333	1.0464	1,380,538	1.5651
Granted	16,350,000	0.8500	-	-
Exercised ⁽¹⁾	(950,000)	0.3862	-	-
Expired	(1,000,000)	1.1000	(482,099)	1.5000
Outstanding, March 31, 2016	47,978,333	0.9914	898,439	1.6000

(1) The weighted average share price of stock options exercised during the nine month period ended March 31, 2016 was \$0.6435 (June 30, 2015 - \$0.9950). There were no warrants exercised during the nine month period ended March 31, 2016. The weighted average share price of warrants exercised during the year ended June 30, 2015 was \$1.1874.

As at March 31, 2016, incentive stock options and share purchase warrants were outstanding as follows:

Stock options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
836,667	0.2505	836,667	December 31, 2017
536,666	0.3862	536,666	January 12, 2017
8,215,000	0.6820	8,215,000	June 1, 2016
16,350,000	0.8500	5,450,001	February 5, 2021
8,000,000	1.0000	5,333,333	December 15, 2019
7,270,000	1.2000	7,270,000	January 21, 2019
400,000	1.2920	400,000	August 15, 2016
300,000	1.3100	300,000	February 25, 2019
6,070,000	1.6500	6,070,000	April 4, 2019
47,978,333		34,411,667	

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

7. Share capital and other capital reserves (continued)

(b) *Stock options and warrants (continued)*

Warrants			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	\$		
898,439	1.6000	898,439	April 1, 2016
898,439		898,439	

(c) *Share-based compensation*

All options are recorded at fair value using the Black-Scholes option pricing model. During the nine month period ended March 31, 2016, the Company granted 16,350,000 options (March 31, 2015 - 8,000,000). Pursuant to the vesting schedule of options granted, during the nine month period ended March 31, 2016 share-based compensation of \$2,427,808 (March 31, 2015 - \$5,193,994) was recognized in the statements of income/(loss) and comprehensive income/(loss) and \$494,674 (March 31, 2015 - \$890,571) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity.

The following assumptions were used for the valuation of share-based compensation for options granted:

	March 31 2016	March 31 2015
Risk Free Interest Rate	0.38%	1.04%
Expected Life - Years	2.92	2.92
Estimated Forfeiture Rate	6.10%	3.45%
Annualised Volatility	55.80%	59.03%
Dividend Rate	N/A	N/A
Weighted average fair value per option	\$0.24	\$0.26

8. Supplemental disclosure with respect to cash flows

	March 31 2016	June 30 2015
	\$	\$
Cash and cash equivalents		
Cash	73,407,295	613,556
Redeemable Term Deposits	3,660,000	24,160,000
	77,067,295	24,773,556

There were no cash payments for interest and income taxes during the nine month period ended March 31, 2016, and March 31, 2015. During the nine month period ended March 31, 2016 the Company received \$224,228 (March 31, 2015 - \$264,035) in interest income.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

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

Significant non-cash transactions for the nine month period ended March 31, 2016 included:

- (a) Incurring \$1,849,846 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$494,674 of share-based payments in exploration and evaluation assets;
- (c) Reclassifying \$46,110 from other capital reserves to share capital on the exercise of stock options; and
- (d) Reclassifying \$1,229,987 from share issuance costs to deferred income tax liability to record the impact of deferred income taxes on share issuance costs.

Significant non-cash transactions for the nine month period ended March 31, 2015 included:

- (a) Incurring \$2,646,090 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$890,571 of share-based payments in exploration and evaluation assets;
- (c) Reclassifying \$3,057,368 from other capital reserves to share capital on the exercise of stock options and warrants;
- (d) Reclassifying \$4,321,125 from share capital to flow-through share premium liability for the flow-through premium liability recognized, which was taken into other income when the renunciation documents were filed; and
- (e) Reclassifying \$238,647 from share issuance costs to deferred income tax liability to record the impact of deferred income taxes on share issuance costs.

9. Related party transactions

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

	Three months ended		Nine months ended	
	March 31 2016	2015	March 31 2016	2015
	\$	\$	\$	\$
<i>Compensation Costs</i>				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	579,799	425,419	1,741,505	1,847,474
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	1,060,841	791,258	1,714,968	3,340,140
	1,640,640	1,216,677	3,456,473	5,187,614

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
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9. Related party transactions (continued)

	Three months ended		Nine months ended	
	March 31		March 31	
	2016	2015	2016	2015
	\$	\$	\$	\$
Exploration and administrative services billed to Fission 3.0 a company over which Fission Uranium has significant influence	45,817	49,206	267,994	280,752

Included in accounts payable at March 31, 2016 is \$12,456 (June 30, 2015 - \$21,797) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel and \$2,026 (June 30, 2015 - Nil) for the reimbursement of expenses due to Fission 3.0.

Included in amounts receivable at March 31, 2016 is \$17,047 (June 30, 2015 - \$23,001) for exploration and administrative services and expense recoveries due from Fission 3.0.

These transactions were in the normal course of operations.

10. 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 is determined by their quoted market price.

Short-term investments are carried at fair value, with the unrealized gain or loss recorded in the statements 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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

10. Financial instruments and risk management (continued)

(a) Credit risk (continued)

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

- (i) Cash and cash equivalents; and
- (ii) Amounts receivable.

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

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

	March 31	June 30
	2016	2015
	\$	\$
Cash and cash equivalents	77,067,295	24,773,556
Amounts receivable	464,673	393,339
	77,531,968	25,166,895

(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	March 31	June 30
	Dates	2016	2015
		\$	\$
Accounts payable and accrued liabilities	< 6 months	2,175,794	1,911,369

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended March 31, 2016
(Expressed in Canadian dollars)
(Unaudited)

11. Subsequent events

Subsequent to March 31, 2016:

- (a) 231,667 stock options expired and 23,333 were forfeited; and
- (b) 898,439 warrants expired.