



Fission
URANIUM CORP.

Management's Discussion & Analysis

Fission Uranium Corp.

**For the Year Ended
June 30, 2016**

Fission Uranium Corp.

Management's Discussion and Analysis
For the year ended June 30, 2016
(Expressed in Canadian dollars, unless otherwise noted)



Introduction

The following Management's Discussion and Analysis ("MD&A"), prepared as of August 18, 2016, should be read in conjunction with the audited financial statements and accompanying notes of Fission Uranium Corp. (the "Company" or "Fission Uranium") for the year ended June 30, 2016.

The Company's 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.

Additional information related to the Company, including the most recent Annual Information Form ("AIF"), is available for viewing on SEDAR at www.sedar.com. Further information including news releases and property maps are available on the Company's website at www.fissionuranium.com, or by requesting further information from the Company's head office located at 700 - 1620 Dickson Ave., Kelowna, British Columbia, Canada, V1Y 9Y2.

Forward looking statements

Statements in this report that are not historical based facts are forward looking statements that could involve known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Should one or more of these unknown risks and uncertainties, or those described under the headings "Risk Factors" in the Company's AIF, which can be found on the Company's SEDAR profile at www.sedar.com, and those set forth in this MD&A under the heading "Cautionary notes regarding forward-looking statements" and "Risks and uncertainties" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

Description of business

Fission Uranium is a junior resource issuer specializing in uranium exploration and development in Saskatchewan's Athabasca Basin in Western Canada. The Company 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. (the "Fission Energy Arrangement"). Fission Uranium's common shares are listed on the Toronto Stock Exchange under the symbol "FCU", the OTCQX marketplace in the U.S. under the symbol "FCUUF" and on the Frankfurt Stock Exchange under the symbol "2FU".

The Company's primary asset is the Patterson Lake South ("PLS") project, which hosts the Triple R deposit – a large, high-grade and near-surface deposit that is part of a 2.63km mineralized trend. This trend has one of the largest mineralized footprints in the Athabasca Basin region and remains open in multiple directions. The property comprises 17 contiguous claims totaling 31,039 hectares and is located in the south west margin of Saskatchewan's Athabasca Basin, home of the richest producing uranium mines in the world.

Corporate goals

Management firmly believes that long-term world-wide uranium demand, driven by an ongoing nuclear reactor construction boom, will require new sources of uranium supply from politically stable jurisdictions. As such, management is optimistic about the long-term prospects for the uranium market and the Company is committed to developing its world-class Triple R deposit at PLS, as well as exploring for additional high-grade deposits on the property.

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Corporate goals (continued)

Continued exploration and development success over the past three years has enabled the Company to fund its operations primarily through share equity financing and increase shareholder value in a difficult uranium sector and challenging capital market environment for mineral exploration companies.

In addition to progressing the Company's exploration and development plans, management will continue to seek strategic opportunities to add further shareholder value and appropriately monetize the PLS property and Triple R deposit for shareholders.

Specific growth plans include:

- Following up on high-priority exploration targets with the goal of making new uranium discoveries;
- Expanding the footprint of known mineralized zones in close proximity to the Triple R deposit and potentially add those zones to an updated mineral resource estimate for the Triple R deposit;
- Improving the already strong economic parameters of the Triple R deposit (as defined by the Preliminary Economic Assessment ("PEA") study) by expanding the overall footprint of the Triple R deposit, discovering and/or defining new mineralization; and
- Continuing to develop the Triple R deposit towards the prefeasibility stage.

Summary of significant exploration and development accomplishments for the year ended June 30, 2016 and subsequent

- On August 18, 2016 the Company released an update from its summer exploration drill program. The release included results for the final 8 holes testing the R840W zone. Drill results have allowed for the interpretation to merge the R600W zone with the R840W zone and now the strike length of the on-land R840W zone is 465m. In addition, the Company summarized the results of the R1620E zone, which included an expansion of its strike length to 225m, including a high-grade core traced over 95m in strike length. The overall strike length of the PLS mineralized trend has increased to 2.63km.
- The winter 2016 drill program resulted in the discovery of a major new shallow, high-grade zone based on land, now known as the R840W zone as well as the interception of anomalous radioactivity in two new regional areas. It also expanded the footprint of the mineralized trend at PLS to 2.58km, making it one of the largest in the Athabasca Basin region. Furthermore, drilling on the Triple R deposit expanded the footprint of the R780E zone, including the high-grade core.
- The winter 2016 drill program also encountered wide, high-grade mineralization at shallow depth on the R1620E zone, whereas previously broad mineralization with moderate grades had been encountered during the summer 2015 program. High-grades were intersected on multiple lines, transforming this zone into a high-priority area requiring significant follow up. Additional drilling at the R1620E zone is taking place during the summer 2016 drill program.
- During the winter 2016 drill program, anomalous radioactivity from down hole gamma probe was detected in two reverse circulation ("RC") holes at line 1215W on strike with the R840W zone. Preliminary results suggest that utilizing the RC drilling approach was successful in helping to expand the R840W zone to line 915W. Consequently, follow-up core drilling is warranted at 1215W.
- During the winter 2016 drill program, hole PLS16-478 (line 2910W) located in the Forrest Lake Conductive Corridor intersected anomalous radioactivity proximal to a significant 30m wide graphitic fault zone. This new area is located 7.28km south-west of the Triple R deposit on land. The drilling results and geological signatures encountered are of substantial interest and require follow up drilling.

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Summary of significant exploration and development accomplishments for the year ended June 30, 2016 and subsequent (continued)

- The seven holes drilled during the winter 2016 drill program on the R600W zone were all mineralized and expanded the strike length to 163m between 705W to 555W.
- On September 18, 2015 the Company announced the completion of its 2015 summer drill program. A total of 21,425m was drilled by a combination of RC collaring through overburden and core drilling of bedrock, resulting in 58 drill holes completed. 18 holes focused on resource growth in the R780E zone, 23 holes focused on zones with potential for additional resource (4 testing the R1620E zone and 19 testing the R600W zone), and 17 holes were exploration targets outside of the main resource area (5 holes testing the Forrest Lake Conductive Corridor and 12 holes testing the Patterson Lake Conductive Corridor).
- On September 15, 2015, the Company SEDAR filed its NI 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment of the Patterson Lake South Property, Northern Saskatchewan, Canada." The PEA was conducted for the Triple R deposit by the highly respected geological and engineering consulting group, RPA Inc. ("RPA") of Toronto. This important study presents figures outlining the potential economics of taking the Triple R deposit into production. The highlights of the PEA can be found under the heading "PLS Preliminary Economic Assessment highlights" on page 4.

Summary of significant corporate accomplishments for the year ended June 30, 2016 and subsequent

Strategic Partner Invests In Fission Uranium

On January 11, 2016 the Company executed a subscription agreement (the "Subscription Agreement") with CGN Mining Company Limited ("CGN Mining"). Pursuant to the Subscription Agreement, on January 26, 2016 CGN Mining purchased 96,736,540 common shares equal to 19.99% of the issued and outstanding common shares of the Company upon completion via a private placement. The Company's common shares were purchased at a price of \$0.85 per share for gross proceeds of \$82,226,059.

The Company also executed an offtake agreement (the "Offtake Agreement") with CGN Mining on January 11, 2016. 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% U₃O₈ production from the PLS property, after commencement of commercial production.

CGN Mining's Subscription Agreement with Fission Uranium is the first time a Chinese company has invested directly in a Canadian uranium company and management considers the timing and scale of the CGN Mining deal to be highly positive for shareholders in both the short and long term.

Industry Awards and Recognition

In December 2015, one of the mining industry's leading trade publications, the "Mining Journal", recognized Fission Uranium's PLS project as "Exploration Project of the Year, 2015". This prestigious award compared the PLS project to all exploration projects in the mining sector, worldwide.

In June 2016, the Mining Journal published a report stating that PLS was the number one undeveloped uranium project in the world.

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PLS Preliminary Economic Assessment highlights

Below are the highlights from the NI 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment of the Patterson Lake South Property, Northern Saskatchewan, Canada" prepared by David A. Ross, M.Sc., P.Geo. of RPA. Additional report details can be found under the heading "PLS NI 43-101 technical report & resource estimate" (Page 11-12).

- Base case pre-tax net present value ("NPV") of \$1.81 billion, post-tax NPV of \$1.02 billion (10% discount rate);
- Mine life of 14 years producing an estimated 100.8 million lbs of yellowcake at a metallurgical recovery of 95% with 77.5 million lbs of U₃O₈ recovered in the first 6 years of production;
- Average annual production of 7.2 million lbs U₃O₈ over the life of mine;
- Base case pre-tax net cash flow over the proposed mine life of \$4.12 billion, post-tax net cash flow of \$2.53 billion;
- Base case pre-tax internal rate of return ("IRR") of 46.7%, post-tax IRR of 34.2%;
- Pay back estimated at 1.4 years (pre-tax), pay back at 1.7 years (post-tax);
- Estimated initial capital costs of \$1.1 billion; and
- Average operating costs ("OPEX") of US\$14.02/lb U₃O₈ over the life of mine.

(Base case using US\$65/lb U₃O₈ and an exchange rate of US\$0.85:C\$1.00).

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that the outputs of the PEA will be realized.

The PEA study considers the PLS project as a stand-alone mine and mill operation, which includes development and extraction of the R00E and R780E zones (Triple R deposit). Due to the early stage of drill definition, the PEA does not include the recently discovered R600W and R840W zones nor the R1620E zone which was recently transformed into a high grade zone.

The study envisions a combination of open-pit and underground mining, with a dyke system (dyke and slurry wall) for water control. High-grade mineralization (above 4% U₃O₈) is captured within the open pit, eliminating the need for expensive, specialized underground mining methods. This hybrid open pit and underground mining results in an OPEX cost of US\$14.02/lb U₃O₈ over the life of the mine, making the Triple R deposit potentially one of the lowest cost uranium producers in the world.

With the results from the summer 2016 drill program, the R600W zone has now merged with the R840W zone. The R840W zone is located 495m along strike to the west of the Triple R deposit. Drilling has also targeted and expanded the R1620E zone which is located 195m along strike to the east of the Triple R deposit. Although not included in the PEA production schedule, definition drilling continues to expand the known mineralization since the discovery of high-grade mineralization within the now merged R840W zone and the R1620E zone.

Summer 2015 drill program highlights

A 58-hole, 21,425m drill program commenced in early July, 2015 and was completed September 9, 2015. The summer program expanded the mineralized inventory of the R00E, R780E and R1620E zones, continued to delineate and expand on the recently discovered high-grade mineralization on the R600W zone, and through regional exploration, drilled anomalous radioactivity on the Forrest Lake and Patterson Lake Conductive Corridors.

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Summer 2015 drill program highlights (continued)

Drilling highlights were as follows:

Main Resource Focused Growth (18 holes / 6,571m)

R780E zone (18 holes / 6,571m)

- In total, 20 holes targeting the R780E zone were drilled, with 18 holes completed, and 2 abandoned due to excessive deviation, and restarted. All 18 holes were mineralized. 10 holes focused on the western area of the zone between 270E and 555E and resulted in increasing the vertical extent and continuity of mineralization. 8 holes were drilled on the eastern extent of the zone between lines 1050E and 1140E, similarly resulting in increasing the vertical extent and continuity of mineralization.

Zones with Potential for Additional Resource (23 holes / 8,748m)

R600W zone (19 holes / 7,494m)

- Land based drilling encountered major high-grade mineralization on trend 495m to the west of the Triple R deposit.

R1620E zone (4 holes / 1,254m)

- In total, 4 holes targeting the R1620E zone were completed. All four holes were weakly to locally moderately mineralized.

Exploration Holes (17 holes / 6,106m)

- In total 18 holes were drilled, with 17 holes completed and 1 hole abandoned and restarted.

Forrest Lake Conductive Corridor (5 holes / 1,567m)

- The Forrest Lake Conductive Corridor is located approximately 7.28km south of the Patterson Lake Conductive Corridor.
- Hole PLS15-433 tested a coincident radon anomaly with the PLV-41E EM conductor. Anomalous radioactivity was observed in association with hydrothermal alteration in a felsic gneiss as opposed to a graphitic gneiss.

Patterson Lake Conductive Corridor (12 holes / 4,539m)

- The most encouraging results came from holes PLS15-419, PLS15-422 and PLS15-425 which tested the PLG-1B EM conductor, located 470m north of the R600W zone. These holes encountered encouraging hydrothermal alteration associated with graphitic pelitic gneiss. PLS15-419 and PLS15-425 both intersected anomalous radioactivity in the down-hole gamma survey (PLS15-419 with a maximum of 7,965 cps at 153.5m and PLS15-425 with a maximum of 4,168 cps at 100.8m) but no anomalous radioactivity was seen in the core, possibly due to loss of recovered core. Importantly, dravite veining was visible in holes PLS15-419 and PLS15-425. Dravite (boron-rich clay) is often considered to be one of the most important path-finder elements and is often associated in hydrothermal altered systems near uranium mineralization. The anomalous alteration features and the radioactivity measured in the down-hole gamma survey, make this area a top priority for further drilling.

In addition to the drilling, other exploration activities included ground gravity geophysics surveys and a radon gas survey that helped prioritize areas for regional exploration drilling. A total of 19 grids were covered, including a 16.63 line-km ground gravity geophysics survey and supportive 6,148 land-based sample stations as part of the radon survey.

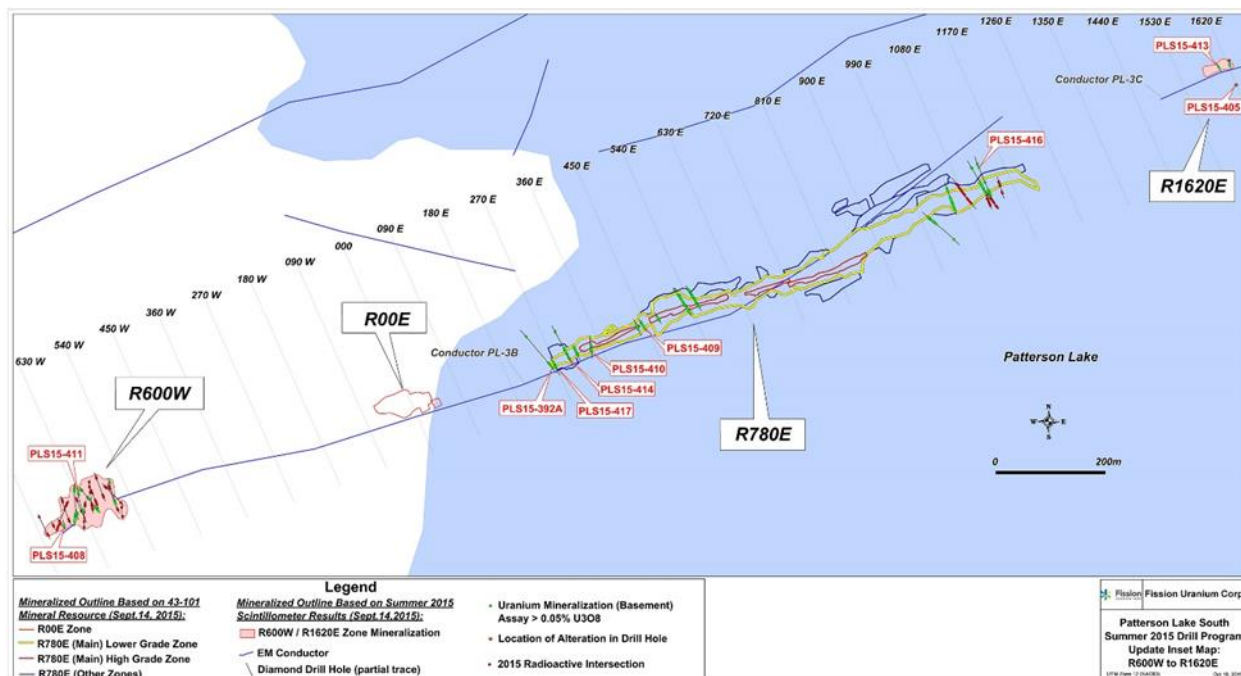
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Summer 2015 drill program highlights (continued)

Map 1 - PLS Summer 2015 Drill Program Update Inset Map: R600W to R1620E (October 18, 2015)



Winter 2016 drill program highlights

During the winter 2016 program 43 drill holes totalling 12,987m were completed which consisted of 38 diamond drill holes (11,679m) and 5 RC holes (1,308m); 25 of these holes intersected uranium mineralization within the resource area and within zones with potential for additional resource. Other activities included a 473 line-km airborne HeliSAM Magnetometric Conductivity ("HeliSAM MMC") survey. Drilling highlights were as follows:

Main Resource Focused Growth (6 holes / 2,232m)

R780E zone (6 core holes / 2,232m)

- 6 high grade core holes were drilled on the R780E zone demonstrating the continuity of wide, high-grade mineralization.

Zones with Potential for Additional Resource (21 holes / 6,610m)

R600W zone (7 core holes / 2,538m)

- A total of 7 holes targeted the R600W zone, increasing the zone's strike length to 163m between lines 705W to 555W. The R600W zone remains open in both directions along strike.
- Assay highlights include hole PLS16-449 (line 660W) which returned 4.0m @ 1.67% U₃O₈ (115.5m to 119.5m).

R1620E zone (7 core holes / 1,813m)

- 7 holes targeted the R1620E zone and as a result the strike length grew from the previously defined strike length of 42m to a strike length of 226m. The R1620E zone extends from lines 1395E to 1620E, remains open to the east, and is rapidly narrowing the gap to the main R780E zone to the west.

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Winter 2016 drill program highlights (continued)

Zones with Potential for Additional Resource (21 holes / 6,610m) (continued)

R1620E zone (7 core holes / 1,813m) (continued)

- Strongest mineralization to date occurred on hole PLS16-464 (line 1485E) which assayed 9.5m @ 7.58% U₃O₈ (106.5m to 116.0m).

R840W zone (7 core holes / 2,259m)

- Drilling consisted of 6 core holes and 1 RC hole.
- A new mineralized zone, R840W from lines 960W to 825W, was discovered west of R600W. It was defined with seven holes including three exploration holes and currently has a strike length of 135m.
- The discovery of the R840W zone significantly increases the potential for enhancing both the resource size and the already strong economics of the Triple R deposit. The R840W zone remains open in both directions along strike.
- Hole PLS 16-445 (line 840W) returned assay results of 29.0m @ 1.14% U₃O₈ (189.0m to 218.0m) including 2.0m @ 11.53% U₃O₈ (211.0m to 213.0m).

Exploration Drilling

Exploration drilling included 11 core holes for 2,837m as well as 5 RC holes (1,308m). Key results from exploration drilling were as follows:

PLG-1B Electromagnetic Conductor

- 2 core holes were completed targeting deeper sections of previous drill holes with anomalous radioactivity.
- Follow up of results from anomalous holes PLS15-419, 422 and 425.
- Holes that tested down-dip and along strike of the anomalous radioactivity identified in hole PLS15-419 and PLS15-425 were unable to replicate and explain these anomalies. Only 2 of 5 planned holes were drilled to reassess and evaluate the drilling to date and additional work should be a priority.

PLG-3B West EM Conductor - 8 core and 5 RC holes

- 4 core holes were drilled east of R600W between the R600W and R00E zone where many strong radon anomalies have been identified. Anomalous radioactivity was detected in hole PLS16-472 located on strike 118m east of R600W. Drill log correlation on line 435W suggests that the mineralized graphitic corridor extends 20m further to the north which makes this a priority area for further follow-up.
- 4 core and 5 RC holes located west of R600W zone were drilled. Anomalous signatures were detected in down hole gamma probe of two RC holes at line 1215W. The RC exploration holes were instrumental in detecting additional mineralization in the R840W zone and could potentially help expand the mineralization trend to 1215W.

Forrest Lake Conductive Corridor – 1 core hole

- This target represents a gravity low coincident with a break in the PLV-41D EM conductor and thus may be a suitable location for focusing uranium mineralized fluids. PLS16-478 intersected a graphitic fault and also detected anomalous radioactivity with a peak of 420cps. The geological signatures and the drilling of anomalous radioactivity means that follow up work is warranted.

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Summer 2016 drill program (continued)

Exploration drilling – 13 holes (continued)

Exploration drilling – 6 core holes and 6 RC holes

- Exploration drilling with diamond and RC drills at PLG-1B East, PLG-3C East, gravity target along PLV-41D, PLG-3B West and boulder field.

On July 18, 2016, the Company press released the results of the first 6 holes from zones with potential for additional resource: 3 holes from the R840W zone and 3 holes from the R1620E zone drilling. The most significant highlights from these 6 holes are:

Zones with Potential for Additional Resource

R1620E zone

- Hole PLS16-485 (line 1515E) returned 35.0m total composite mineralization over a 55.5m section (between 84.0m to 139.5m) including 7.1m of total composite >10,000cps.
- Hole PLS16-489 (line 1455E) returned 14.5m total composite mineralization (between 68.0m to 82.5m), including 1.88m of total composite >10,000 cps.

On August 2, 2016, the Company press released the results of an additional 9 holes from zones with potential for additional resource: 4 holes from the R840W zone, 4 holes from the R1620E zone and one hole within the gap between the R600W and R00E zones. The most significant highlights from these 9 holes are:

Zones with Potential for Additional Resource

R1620E zone

- Hole PLS16-500 (line 1545E) returned 43.0m total composite mineralization over a 60.5m interval (between 86.0m to 146.5m) including 8.48m of total composite >10,000cps.
- Hole PLS16-498 (line 1515E) returned 31.0m total composite mineralization (between 73.0m to 104.0m) including 4.72m of total composite >10,000cps.

R840W zone

- Hole PLS16-495 (line 855W) returned 66.0m total composite mineralization over a 80.0m interval (between 137.0m to 217.0m) including 3.00m of total composite >10,000cps.

On August 18, 2016 the Company press released the results of an additional 8 holes from the R840W zone. The most significant highlights from these 8 holes are:

Land-Based, High-Grade Zones Merged

R840W zone

- Hole PLS16-512 (line 765W), which intersected 56.0m of shallow continuous mineralization (between 107.5m to 163.5m), including 6.45m total composite of >10,000cps has merged the R600W and R840W zones. The new R840W zone now has a strike length of 465m.
- Hole PLS16-504 (line 915W) returned 37.5m total composite mineralization over a 70.0m interval (between 146.0m to 216.0m) including 6.15m of total composite >10,000cps.

Prefeasibility Activities

As part of the summer 2016 program the Company will undertake work towards a prefeasibility study. The prefeasibility activities include:

- Regional hydrogeology monitoring wells to record and interpret long-term water flow analysis in areas contemplated for major infrastructure.
- Ring dike geotechnical soil borehole testing around the expected R00E pit perimeter wall area.

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PLS property

Details of the Company's PLS Project as of June 30, 2016 are shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value (\$CDN)
Patterson Lake South	Athabasca Basin, SK	100%	17	31,039	Drilling	265,041,196

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% U₃O₈ production from the PLS property, after commencement of commercial production.

Scientific and technical information regarding exploration activities was reviewed and approved by Ross McElroy, P. Geol. President and COO, a "Qualified Person" as defined by NI 43-101.

PLS mineralized trend & Triple R deposit summary

Uranium mineralization at PLS occurs within the Patterson Lake Conductive Corridor and has been traced by core drilling along a mineralized trend approximately 2.63km of east-west strike length in four separate mineralized zones. From west to east, these zones are: R840W, R00E, R780E and R1620E. Thus far only the R00E and R780E have been included in the Triple R deposit resource estimate.

The discovery hole of what is now referred to as the Triple R deposit was announced on November 5, 2012 with drill hole PLS12-022, from what is considered part of the R00E zone. Through successful exploration programs completed to date, it has evolved into a large, near surface, basement hosted, structurally controlled high-grade uranium deposit.

The Triple R deposit resource estimate currently consists of only the R00E zone on the western side and the much larger R780E zone further on strike to the east. Within the deposit, the R00E and R780E zones have an overall strike length validated by a resource estimate of 1.05km with the R00E measuring approximately 105m in strike length and the R780E zone measuring approximately 945m in strike length. A 225m gap separates the R00E zone to the west and the R780E zone to the east, though sporadic, narrow, weakly mineralized intervals from drill holes completed within this gap suggest the potential for further significant mineralization in this area. The R780E zone is located beneath Patterson Lake which is approximately six metres deep in the area of the deposit. The entire Triple R deposit is covered by approximately 50m to 60m of overburden.

Mineralization remains open along strike both to the western and eastern extents. Previous logging of drill core interpreted sequences of basement rocks to be meta-sedimentary (meta-pelitic and meta-semi-pelitic gneiss) but recent observations have changed this interpretation to represent varying degrees of altered mafic volcanic rocks. Mineralization is both located within and associated with mafic volcanic intrusives with varying degrees of silicification, metasomatic mineral assemblages and hydrothermal graphite. The graphitic sequences are, associated with the PL-3B basement Electro-Magnetic ("EM") Conductor. Recent very positive drill results returning wide and strongly mineralized intersections from the R840W zone, has allowed interpretation to merge the previously described R600W zone into the R840W zone. The R840W zone, located 495m to the west along strike of the Triple R deposit, currently has a defined strike length of 465m and is still open. Drill results within the R840W zone have significantly upgraded the prospectivity of these areas for further growth of the PLS resource on land to the west of the Triple R deposit. The recently discovered high-grade mineralization in the R1620E zone, located 270m to the east along strike has significantly upgraded the prospectivity for further growth of the PLS resource to the east of the Triple R deposit.

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PLS NI 43-101 technical report & resource estimate

Below are the details of the resource estimate for the PLS property. The resource – subsequently named the Triple R deposit – is a large, high-grade and near-surface deposit that is located within a 2.63km mineralized trend. The NI 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment of the Patterson Lake South Property, Northern Saskatchewan, Canada" prepared by David A. Ross, M.Sc., P.Geo. of RPA, was SEDAR-filed on September 15, 2015.

The NI 43-101 compliant Triple R deposit mineral resource estimate is based on all geochemical assay data available as of July 28, 2015, which includes all drilling on the property up to and including drill hole PLS15-386.

The Triple R deposit resource estimate was prepared using a cut-off grade of 0.2% U₃O₈ for open pit and 0.25% U₃O₈ for underground and is estimated to contain:

- 81,111,000 lbs U₃O₈ indicated mineral resource based on 2,011,000 tonnes at an average grade of 1.83% U₃O₈
- 27,157,000 lbs U₃O₈ inferred mineral resource based on 785,000 tonnes at an average grade of 1.57% U₃O₈

The uranium deposit is contained entirely in basement lithology. Mineralization is open in all directions and at depth.

Gold mineralization is associated with the uranium mineralization in the Triple R deposit and is reported as part of the mineral resource:

- 38,000 ounces Au indicated mineral resource based on 2,011,000 tonnes of mineralization at an average grade of 0.59 g/t Au; and
- 17,000 ounces Au inferred mineral resource based on 785,000 tonnes of mineralization at an average grade of 0.66 g/t Au.

Tonnage and grade by zone and sub-zone as of July 28, 2015

	Tonnage	U ₃ O ₈ grade	Au grade	U ₃ O ₈ pounds	Au ounce
Indicated Open Pit					
R780E High Grade	107,000	17.98	2.75	42,565,000	10,000
R780E Main Zone	952,000	0.82	0.42	17,130,000	13,000
R00E	89,000	1.23	0.13	2,409,000	380
Total	1,149,000	2.45	0.62	62,104,000	23,000
Indicated Underground					
R780E High Grade	5,000	23.27	3.34	2,514,000	1,000
R780E Main Zone	645,000	0.85	0.54	12,082,000	11,000
R00E	16,000	2.07	0.17	712,000	90
R780E Other	197,000	0.85	0.58	3,699,000	4,000
Total	863,000	1.00	0.56	19,007,000	15,000
Indicated Open Pit and Underground					
R780E High Grade	112,000	18.22	2.78	45,079,000	10,000
R780E Main Zone	1,597,000	0.83	0.47	29,211,000	24,000
R00E	105,000	1.35	0.14	3,121,000	470
R780E Other	197,000	0.85	0.58	3,699,000	4,000
Total	2,011,000	1.83	0.59	81,111,000	38,000

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PLS NI 43-101 technical report & resource estimate (continued)

Tonnage and grade by zone and sub-zone as of July 28, 2015 (continued)

	Tonnage	U ₃ O ₈ grade	Au grade	U ₃ O ₈ pounds	Au ounce
Inferred Open Pit					
R780E High Grade	23,000	25.27	2.78	12,845,000	3,000
R780E Main Zone	23,000	1.62	0.47	802,000	1,000
R00E	3,000	2.04	0.14	133,000	-
Halo	21,000	0.54	0.58	248,000	160
R780E Other	5,000	0.31	0.20	31,000	-
Total	74,000	8.61	1.64	14,060,000	4,000
Inferred Underground					
R780E High Grade	2,000	22.77	2.48	1,053,000	170
R780E Main Zone	35,000	0.93	0.87	723,000	1,000
R00E	5,000	4.15	0.84	501,000	150
Low Grade Halo	120,000	0.52	0.35	1,386,000	1,000
R780E Other	547,000	0.78	0.58	9,433,000	10,000
Total	711,000	0.84	0.56	13,097,000	13,000
Inferred Open Pit and Underground					
R780E HG	25,000	25.06	3.73	13,898,000	3,000
R780E MZ	58,000	1.20	0.99	1,526,000	2,000
R00E	8,000	3.41	0.56	634,000	150
Low Grade Halo	141,000	0.52	0.34	1,634,000	2,000
R780E Other	552,000	0.78	0.58	9,465,000	10,000
Total	785,000	1.57	0.66	27,157,000	17,000

Notes:

- CIM definitions were followed for Mineral Resources.
- Mineral Resources are reported within the preliminary pit design at a pit discard cut-off grade of 0.20% U₃O₈ and outside the design at an underground cut-off grade of 0.25% U₃O₈ based on a long-term price of US\$65 per lb U₃O₈ and PEA cost estimates.
- A minimum mining width of 2.0m was used.
- Numbers may not add due to rounding.

The modeling and estimation of uranium and gold mineral resources for the Triple R deposit was prepared by Mr. David Ross, P.Geol., an employee of RPA and independent of Fission Uranium. Mr. Ross is a certified Professional Geologist and a Qualified Person as defined by National Instrument 43-101. The mineral resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014). It should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

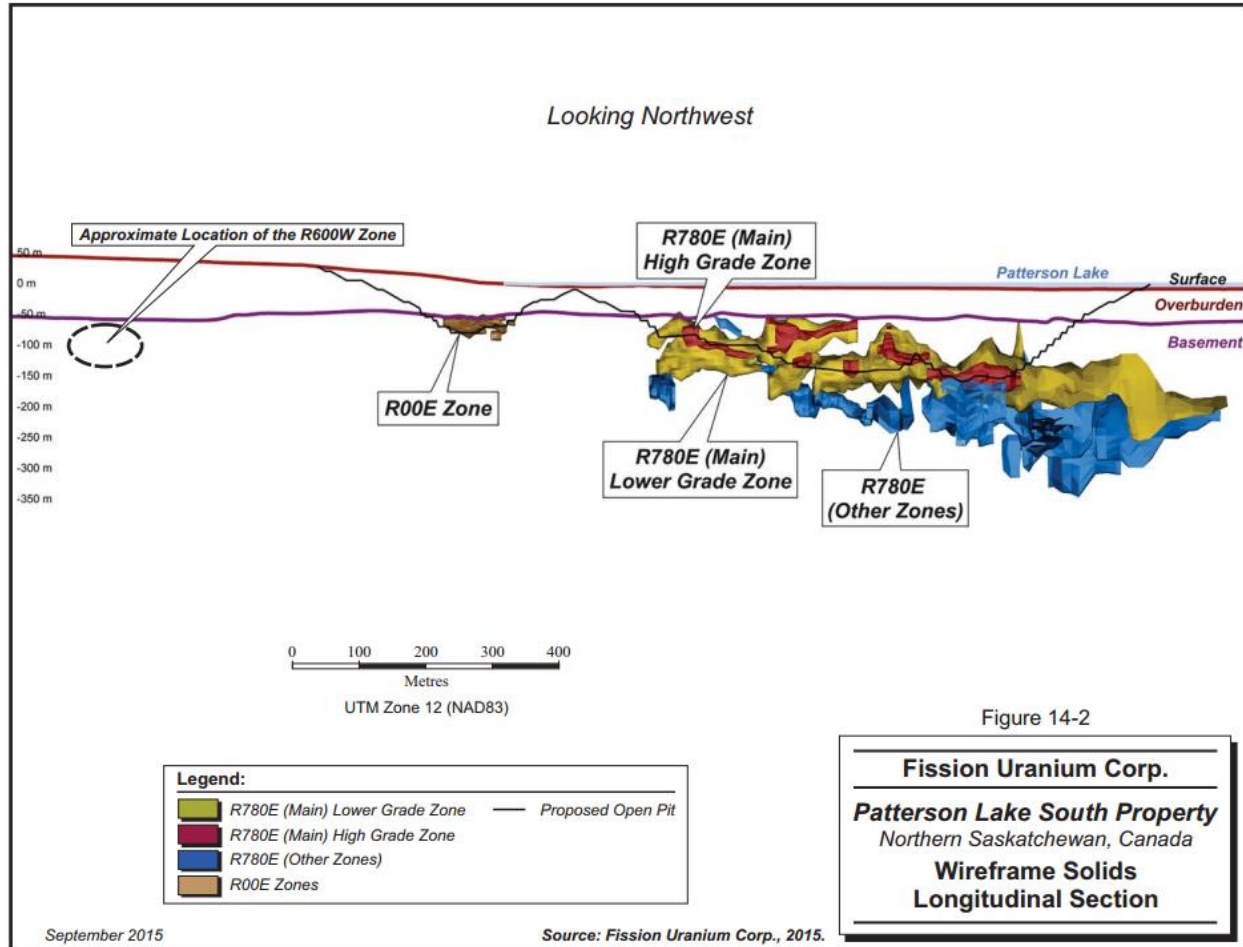
Fission Uranium Corp.

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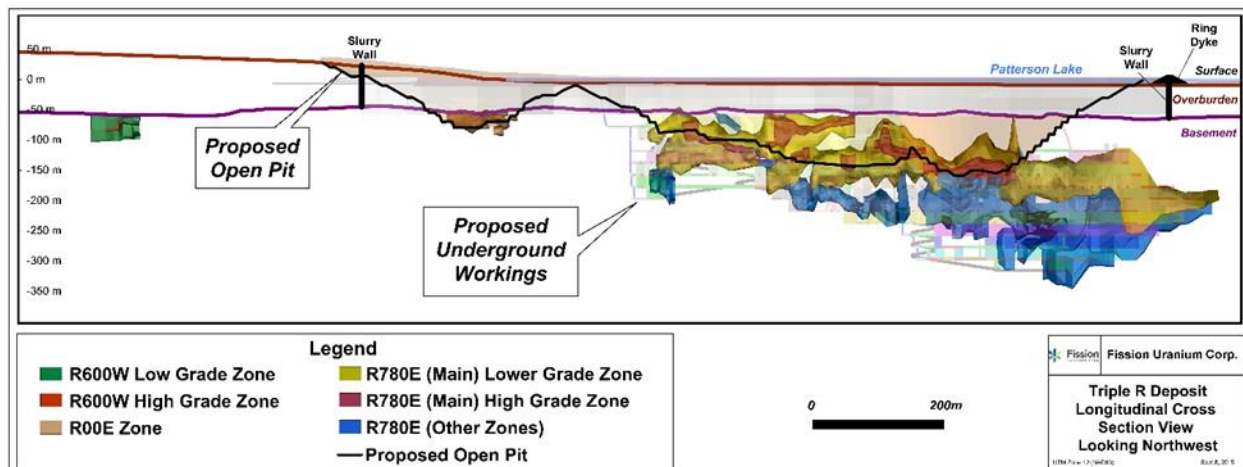


PLS NI 43-101 technical report & resource estimate (continued)

Map 1 – Triple R Deposit Wireframe Solids Longitudinal Section Looking North West (as at September, 2015)



Map 2 – Triple R Deposit Longitudinal Cross Section View Looking Northwest (as at September, 2015)



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Uranium outlook

Management believes that the exploration and development of uranium properties presents an opportunity to increase shareholder value for the following reasons:

- *Increased long-term worldwide demand for nuclear energy*

Worldwide nuclear energy demand and the associated nuclear power plant build-out is projected to increase significantly in the years ahead, and will require new uranium supply to meet this increasing demand. According to the World Nuclear Association, electricity demand is estimated to rise by more than 76% from 2011 to 2030.

- *Increased long-term demand for uranium*

Currently, there are 444 operable reactors worldwide. 64 new reactors are currently under construction, a further 172 are planned or have been ordered and an additional 337 have been proposed for construction by 2030. The Ux Consulting Company expects worldwide uranium demand to increase 22% by 2020. In addition, many analysts continue to forecast a long-term global uranium demand/supply imbalance, which suggests a potential for significantly higher uranium prices.

Increased long-term demand is expected particularly from developing countries, which are driving the reactor construction boom. Foremost amongst these are China, India, Russia, and South Korea. There are currently 21 nuclear power plants under construction in China, which accounts for 33% of all the reactors under construction worldwide. The majority are scheduled for completion between 2016 and 2023. China's current domestic uranium production accounts for less than 25% of their annual uranium fuel requirements resulting in increased imports and stockpiling. In 2010, Cameco Corp. signed the first of two long-term contracts with Chinese owned utilities for the delivery of uranium. Additional long-term demand is anticipated from other Asian countries, most notably India and South Korea, as they expand their planned nuclear build-out. In 2015, Cameco signed its first contract with India to supply 7.1 million lbs of uranium concentrate through to 2020. CGN Mining's Offtake Agreement with Fission Uranium is also highly significant as it highlights the fact that China is moving to further secure its long term uranium supply.

The following is a list of selected countries with nuclear reactors that are either planned, proposed, or under construction as of July, 2016:

Country	Construction	Planned	Proposed	Total
China	21	42	136	199
India	6	24	36	66
Russia	8	25	23	56
USA	4	18	24	46
France	1	-	1	2
Saudi-Arabia	-	-	16	16
South Korea	3	8	-	11
Canada	-	2	3	5
Others	21	53	98	172
Total	64	172	337	573

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

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Uranium outlook (continued)

- *Uranium demand/supply*

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

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

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

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

Uranium prices declined to a nine year low in 2014, later rising by over 30% and then falling to just over US \$25/lb in July, 2016. To support a healthy global uranium mining sector, general consensus among analysts including RBC Capital (Canada), Raymond James Canada, and Resource Capital Research (Australia) is that a uranium price of US \$70-\$80/lb is required to stimulate new exploration and mine development worldwide.

- *Primary supply issues*

As a direct result of low uranium prices, Cameco, one of the world's largest producers of uranium, announced in April 2016 that it is suspending production at its Rabbit Lake uranium mine in Saskatchewan and placing the facility into "care and maintenance". It is also reducing production at McArthur River/Key Lake and at its US uranium operations. It is estimated by Cantor Fitzgerald that this will remove 3% of the uranium available to the spot market in 2016.

This follows a period in which several new projects have been categorized as uneconomic. Worldwide projects cancelled or deferred since 2012 include: Yeelirrie and Kintyre in Australia (Cameco), Trekkopje in Namibia (AREVA), Imouraren in Niger (AREVA) and the Olympic Dam expansion in Australia (BHP). Salman Partners estimates that 105.5 million lbs of uranium has been removed from the world's mine plans for the period 2014 to 2021 (Metals Morning Note, February 13, 2014).

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Uranium outlook (continued)

- *Primary supply issues (continued)*

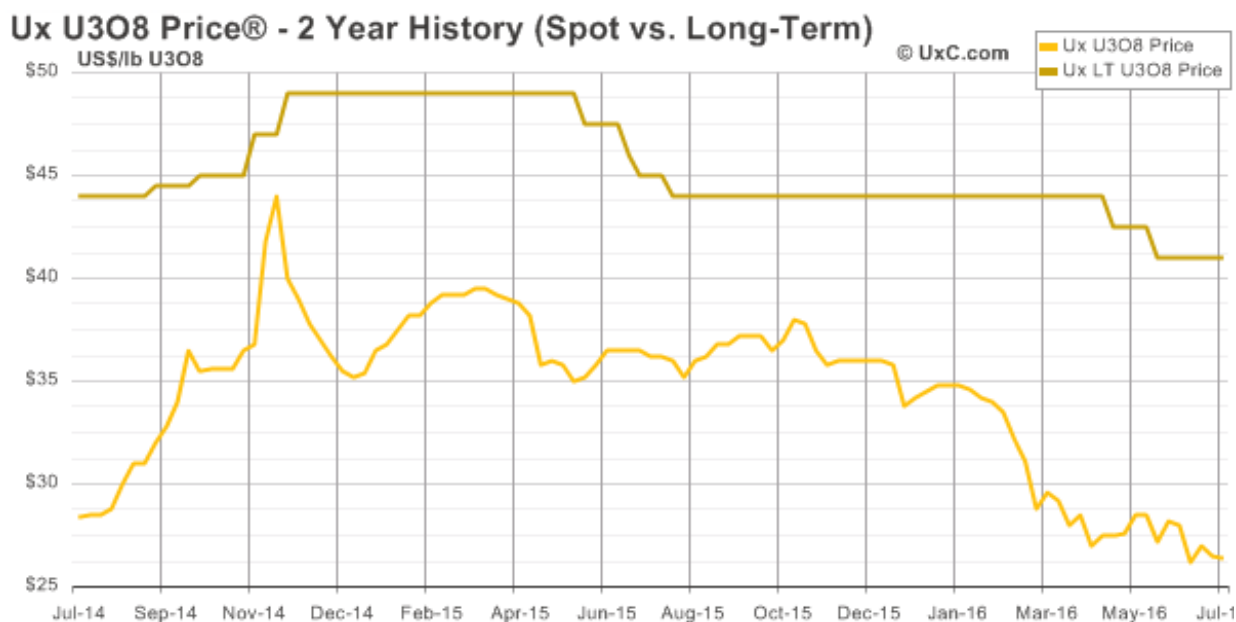
Increasing the pressure on medium to long term supply is the lengthy period (approximately ten years on average) required to take a uranium project from discovery to production. With so many projects stalled or abandoned, it is felt by analysts that a growing supply/demand imbalance may be difficult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

- *Japanese nuclear reactor fleet and uranium stockpiles*

Following the Fukushima incident in March 2011, Japan shut down all of its nuclear reactors, pending new safety regulations, legislation and inspections. A new nuclear regulator was set up and, after a considerable delay, Japan's nuclear operators were given permission to apply to restart their reactors. The process is lengthy but, at the time of writing, the first 4 of 25 reactors that are in various stages of the application process have now been restarted with more expected in 2016.

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

Uranium market



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

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Selected annual information

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

	June 30 2016	June 30 2015	June 30 2014
	\$	\$	\$
Net loss and comprehensive loss	(10,338,002)	(9,874,580)	(4,750,560)
Total assets	341,001,877	272,093,019	240,027,324
Current liabilities	975,550	6,313,569	3,312,827
Non-current liabilities	2,709,102	914,834	-
Shareholders' equity	337,317,215	264,864,616	236,714,497
Basic and diluted loss per common share	(0.02)	(0.03)	(0.02)

Summary of quarterly results

The financial information presented below for the current and comparative periods was derived from financial statements prepared in accordance with IFRS applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting*.

Quarter ended	June 30 2016	March 31 2016	December 31 2015	September 30 2015
	\$	\$	\$	\$
Exploration and evaluation assets	265,041,196	262,504,640	255,346,582	253,580,356
Working capital	71,730,643	75,516,754	2,283,923 ⁽¹⁾	6,170,395 ⁽¹⁾
Net income (loss) and comprehensive income (loss)	(1,733,180)	(2,876,540)	(2,914,566)	(2,813,716)
Net income (loss) per share basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)
Quarter ended	June 30 2015	March 31 2015	December 31 2014	September 30 2014
	\$	\$	\$	\$
Exploration and evaluation assets	243,461,489	238,475,731	226,837,890	223,668,682
Working capital	19,090,178 ⁽¹⁾	7,572,587	17,774,121 ⁽²⁾	21,600,812 ⁽²⁾
Net income (loss) and comprehensive income (loss)	(2,056,006)	273,029	(4,698,667)	(3,392,936)
Net income (loss) per share basic and diluted	(0.01)	0.00	(0.01)	(0.01)

⁽¹⁾ The working capital at December 31, 2015, September 30, 2015 and June 30, 2015 includes a \$4,402,200 flow-through share premium liability which is a non-cash item and was taken into other income when the renunciation documents were filed.

⁽²⁾ The working capital at December 31, 2014 and September 30, 2014 includes a \$4,321,125 flow-through share premium liability which is a non-cash item and was taken into other income when the renunciation documents were filed.

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Results of operations

The expenses incurred by the Company are typical of junior exploration and development companies that do not have established cash flows from mining operations. Changes in these expenditures from quarter to quarter are impacted directly by non-recurring activities or events.

Comparison of the three months ended June 30, 2016 and June 30, 2015.

- The Company had a net loss and comprehensive loss of \$1,733,180 (\$(0.00) per basic share and diluted share) compared to a net loss and comprehensive loss of \$2,056,006 (\$(0.01) per basic share and diluted share).
- Consulting and directors fees decreased to \$380,229 from \$482,058 primarily as a result of the three months ended June 30, 2015 containing consulting costs associated with the Patterson Lake South PEA. The decrease was partially offset from the addition of 3 directors to the Company's Board of Directors.
- Public relations and communications costs increased to \$410,890 from \$225,475 primarily due to increased advertising and promotional activities related to the PLS property.
- Share-based compensation decreased to \$638,984 from \$933,886 due to the diminishing impact of stock options granted in prior periods as they vest.

Comparison of the years ended June 30, 2016 and June 30, 2015.

- The Company had a net loss and comprehensive loss of \$10,338,002 (\$(0.02) per basic share and diluted share) compared to a net loss and comprehensive loss of \$9,874,580 (\$(0.03) per basic share and diluted share).
- Consulting and directors fees increased to \$1,933,602 from \$1,728,012. The increase is primarily due to consulting fees associated with the Patterson Lake South PEA as well as an increase in directors fees and the addition of 1 director on December 15, 2015 and 2 directors on January 26, 2016 to the Company's Board of Directors. This was partially offset by the Company not paying Christmas bonuses to its consultants during the year ended June 30, 2016.
- Professional fees increased to \$1,551,084 from \$471,805. The increase was primarily the result of increased legal fees associated with the arrangement agreement with Denison Mines Corp. (the "2015 Denison Arrangement") and the Company's annual general meeting of shareholders ("AGM"). The Company incurred increased legal fees during the year ended June 30, 2016 due to a "withhold all" campaign launched by dissident shareholders.
- Public relations and communications costs increased to \$2,269,040 from \$1,093,073 primarily as a result of increased shareholder communications costs associated with the 2015 Denison Arrangement and the Company's AGM. The shareholder communications costs were primarily related to AGM mail out materials, proxy solicitation/advisory fees and investor relations services regarding the "withhold all" campaign launched by dissident shareholders.
- Share-based compensation decreased to \$3,066,792 from \$6,127,880. The decrease during the year ended June 30, 2016 is due to the diminishing impact of previously granted stock options as they vest. The decrease was offset by increased share-based compensation expense pursuant to the vesting schedule of 16,350,000 stock options granted on February 5, 2016 to employees, directors and consultants.

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Results of operations (continued)

Comparison of the years ended June 30, 2016 and June 30, 2015 (continued).

- Wages and benefits decreased to \$991,481 from \$1,375,909 primarily as a result of the Company not paying Christmas bonuses to its officers and employees.
- Deferred income tax expense increased to \$3,024,255 from \$1,501,864 primarily as a result of the Company renouncing \$20,010,000 flow-through expenditures compared to \$14,403,750 during the year ended June 30, 2015.

Short form prospectus financings - use of proceeds

April 29, 2015 flow-through private placement

The actual use of proceeds, as at June 30, 2016 in comparison to the proposed use of proceeds included in the Company's short form prospectus (the "Flow-through Prospectus") dated April 16, 2015 is outlined below:

Uses	Proposed Use of Proceeds ⁽¹⁾	Actual Use of Proceeds	Remaining to be Spent/Difference
	\$	\$	\$
Exploration and evaluation assets			
Drilling	19,100,000	18,654,945	445,055
Geophysical studies	570,000	537,875	32,125
Radon and other studies	340,000	817,180	(477,180)
Total	20,010,000	20,010,000	-

⁽¹⁾ The Company estimated the gross proceeds from the private placement to be \$17,400,000, before the over-allotment option at the time of the Flow-through Prospectus. The over-allotment option was exercised in full and the actual gross proceeds received were \$20,010,000.

The differences noted in the tables above did not have a material impact on the Company's ability to achieve its business objectives and milestones as set out in the Flow-through Prospectus.

Liquidity and capital resources

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

The Company's ability to meet its obligations and its ability to fund exploration programs depends on its ability to raise funds. The Company anticipates being able to raise funds, as necessary, primarily through the issuance of common shares. To date the Company has been successful in raising funds through the issuance of common shares, however there are no assurances that the Company will be successful in raising funds in the future. On an ongoing basis, the Company monitors and adjusts, when required, exploration programs as well as ongoing general and administrative costs to ensure that adequate levels of working capital are maintained.

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Liquidity and capital resources (continued)

The Company has no exploration and evaluation asset agreements that require it to meet certain expenditures.

Financing and private placements

- September 23, 2014 flow-through private placement

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 flow-through private placement

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 taken into other income when the renunciation documents were filed.

- January 26, 2016 private placement

The Company completed a private placement with CGN Mining of 96,736,540 common shares at a price of \$0.85 per share, for gross proceeds of \$82,226,059. The Company paid agents' commissions of \$4,111,303 plus \$619,417 of expenses.

Changes in working capital for the year ended June 30, 2016

At June 30, 2016, the Company had a positive working capital balance of \$71,730,643 as compared to \$19,090,178 at June 30, 2015. The increase in working capital is primarily due to the Company completing a private placement with CGN Mining for net proceeds of \$77,495,339. The increase in working capital was offset by summer and winter PLS drill program expenditures, regular administrative expenditures and costs associated with the 2015 Denison Arrangement and the Company's AGM.

Cash flow for the three months ended June 30, 2016:

Cash and cash equivalents for the three months ended June 30, 2016 decreased by \$5,077,703 primarily as a result of:

- Net operating and administrative expenses in the amount of \$1,379,953.
- Exploration and evaluation asset additions of \$3,462,399.

Cash flow for the year ended June 30, 2016:

Cash and cash equivalents for the year ended June 30, 2016 increased by \$47,216,036 primarily as a result of:

- The Company completing a private placement with CGN Mining for net proceeds of \$77,495,339.
- Proceeds from the exercise of stock options in the amount of \$366,890.

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Liquidity and capital resources (continued)

Cash flow for the year ended June 30, 2016 (continued):

- The above increases were offset by:
 - Net operating and administrative expenses in the amount of \$8,375,642.
 - Property and equipment additions in the amount of \$297,968.
 - Exploration and evaluation asset additions in the amount of \$21,717,936.

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.

	Year ended	
	June 30	
	2016	2015
	\$	\$
<i>Compensation Costs</i>		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	2,347,531	2,365,567
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	2,198,670	3,995,752
	4,546,201	6,361,319
	Year ended	
	June 30	
	2016	2015
	\$	\$
Exploration and administrative services billed to Fission 3.0 Corp. a company over which Fission Uranium has significant influence	318,987	412,787

Included in accounts payable at June 30, 2016 is \$31,141 (June 30, 2015 - \$21,797) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at June 30, 2016 is \$9,409 (June 30, 2015 - \$23,001) for exploration and administrative services and expense recoveries due from Fission 3.0 Corp.

Transactions with CGN Mining, which is deemed to be a related party as it accounts for its investment in the Company as an investment in an associate, have been disclosed in "Liquidity and capital resources - Financings and private placements" and "PLS property".

These transactions were in the normal course of operations.

Outstanding share data

As at August 18, 2016, the Company has 483,924,661 common shares issued and outstanding, 39,183,333 incentive stock options outstanding with exercise prices ranging from \$0.2505 to \$1.65 per share.

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Internal controls over financial reporting

The Company's management is responsible for designing and maintaining an adequate system of internal controls over financial reporting as required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. Management designed the internal control system based on the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From this framework an evaluation of the internal control system was completed and management concluded that the system of internal controls over financial reporting was effective as at June 30, 2016.

Any internal control system, no matter how well designed, has inherent limitations. Therefore, internal controls can only provide reasonable assurance with respect to financial statement preparation and presentation.

There have not been any significant changes in the Company's internal control over financial reporting during the year ended June 30, 2016 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Disclosure controls and procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in the securities legislation. The Company's management has concluded that the disclosure controls and procedures were effective as at June 30, 2016.

Any control system, no matter how well designed, has inherent limitations. Therefore, disclosure controls and procedures can only provide reasonable assurance with respect to timely disclosure of material information.

Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company has classified its cash and cash equivalents, amounts receivable and investments at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

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Key estimates and judgments

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

Exploration and evaluation assets

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

- (i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the 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.

Significant accounting policies

A summary of the Company's significant accounting policies is included in note 2 of the audited financial statements for the year ended June 30, 2016.

New standards, amendments and interpretations not yet effective

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

Accounting standards effective July 1, 2019

IFRS 16, Leases

In January 2016, the IASB issued *IFRS 16, Leases*, which will replace *IAS 17, Leases*. The standard provides a single lease accounting model, which requires all leases, including financing and operating leases, to be reported on the statement of financial position, unless the term is less than 12 months or the underlying asset has a low value. The Company has not yet considered the potential impact of the adoption of IFRS 16.

Cautionary notes regarding forward-looking statements

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

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

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**Cautionary notes regarding forward-looking statements (continued)**

Forward looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The Company believes that the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. This information speaks only as of the date of this MD&A. In particular, this MD&A may contain forward-looking information pertaining to the following: the net present value, metal recoveries, capital costs, operating costs, production, rates of return, payback and impact of the now merged R840W zone and R1620E zone on the operations; the likelihood of completing and benefits to be derived from corporate transactions; the estimates of the Company's mineral resources on its PLS property; estimated exploration and development expenditures; expectations of market prices and costs; supply and demand for uranium ("U₃O₈"); possible impacts of litigation and regulatory actions on the Company; exploration, development and expansion plans and objectives; expectations regarding adding to its mineral resources through acquisitions and exploration; and receipt of regulatory approvals, permits and licences under governmental regulatory regimes.

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

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

Cautionary notice to US investors regarding mineral resource estimates

Disclosure of mineral resource estimates and mineral classification terms herein are made in accordance with the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule established by the Canadian Securities Administrators ("CSA") that sets the standards for all public disclosure by issuers regarding scientific information and technical data concerning mineral projects. These standards differ significantly from the mineral reserve disclosure rules of the Securities and Exchange Commission ("SEC"). As a result, the Company's mineral resource estimate is not comparable to similar resource information that would be generally disclosed by US based companies under the rules of the SEC. The terms mineral resource, measured mineral resources, indicated mineral resources and inferred mineral resources, are reporting classification standards in Canada. Furthermore, inferred mineral resources have a greater amount of uncertainty as to whether they can be mined economically, legally, or whether they exist at all. In accordance with Canadian rules, inferred mineral resource estimates cannot form the basis of pre-feasibility or feasibility studies. There are no guarantees and it cannot be assumed that any classification of mineral resources: measured, indicated, inferred, in whole, or in part, will ever be upgraded to a higher classification. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

Fission Uranium Corp.

Management's Discussion and Analysis

For the year ended June 30, 2016

(Expressed in Canadian dollars, unless otherwise noted)

**Risks and uncertainties**

The Company is subject to a number of risks and uncertainties, including: uncertainties related to exploration and development; uncertainties related to the nuclear power industry; the ability to raise sufficient capital to fund exploration and development; changes in economic conditions or financial markets; increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities, labour relations matters, and economic issues that could materially affect uranium exploration and mining. The cost of conducting and continuing mineral exploration and development is significant, and there is no assurance that such activities will result in the discovery of new mineralization or that the discovery of a mineral deposit will be developed and advanced to commercial production. The Company continually seeks to minimize its exposure to these adverse risks and uncertainties, but by the nature of its business and exploration activities, it will always have some degree of risk.