



**Management's Discussion & Analysis**

**Fission 3.0 Corp.**

**For the Nine Month Period Ended  
March 31, 2015**

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### **Introduction**

The following Management's Discussion and Analysis, prepared as of May 28, 2015, should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes of Fission 3.0 Corp. (the "Company" or "Fission 3.0") for the nine month period ended March 31, 2015. The reader should also refer to the audited consolidated financial statements for the year ended June 30, 2014 which have been prepared under the continuity of interest basis of accounting as described below, as well as Management's Discussion and Analysis for that year.

The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SICs") as at March 31, 2015.

Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.fission3corp.com](http://www.fission3corp.com), or by requesting further information from the Company's head office located in Kelowna, BC, Canada.

Results after December 6, 2013 have been presented in this MD&A under the continuity of interest basis of accounting. Prior to the spin-out (see Fission Uranium Arrangement), the results have been presented on a carve-out basis. In addition, the information contained in the consolidated statements of comprehensive loss, changes in equity and cash flows for the nine month period ended March 31, 2014 have been derived from certain allocations from Fission Uranium's Corp.'s ("Fission Uranium") financial statements. Management cautions readers of this MD&A, that the allocation of expenses does not necessarily reflect the future financial performance of the Company.

### **Forward looking statements**

Statements in this report that are not historical based facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

### **Description of business**

The Company was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a plan of arrangement to reorganize Fission Uranium. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2.

The Company is a junior resource issuer primarily engaged in the acquisition, exploration, and development of uranium resource properties in Saskatchewan's Athabasca Basin and Peru. The Company's primary objective is to locate, evaluate and acquire uranium properties and to finance their exploration and potential development by way of equity financing, joint ventures, option agreements or other means. Therefore the Company engages in early stage land acquisitions and is a project generator.

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### **Description of business (continued)**

The Company has approximately 330,838 ha of exploration properties with uranium potential in Saskatchewan and Alberta in Canada, and in Peru.

- 55,165 ha (16%) comprise the North Shore Property in Alberta;
- 270,573 ha (82%) are located in Saskatchewan in and around the Athabasca Basin; and
- 5,100 ha (2%) comprise the Macusani Property in Peru.

The Company's award-winning management and technical team have a track record of acquiring highly prospective uranium properties, and successfully exploring and developing them for potential sale. By embracing the "Project Generator" model, the Company, through joint venture agreements and technical expertise as Operator, has attracted financial partners to advance the initial exploration stages of its Patterson Lake North ("PLN"), Clearwater West ("CWW"), and Key Lake Property Package ("Key Lake").

The Company's three most advanced exploration projects are the North Shore Property, the PLN Property, which has a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt"), and the CWW Property, which has a property option and joint venture agreement with Canex Energy Corp. ("Canex", formerly Brades Resource Corp.). The PLN and CWW properties adjoin Fission Uranium's Patterson Lake South Property ("PLS") property, host to the high-grade Triple R uranium discovery, located in the southwest part of Saskatchewan's Athabasca Basin. In January 2015, just over two years since the discovery hole, Fission Uranium announced the results of the independent resource estimate at PLS and the high grade uranium discovery was named the 'Triple R' deposit. The total resource is estimated to contain an indicated mineral resource totaling 79,610,000 lbs. U<sub>3</sub>O<sub>8</sub>, at an average grade of 1.58% U<sub>3</sub>O<sub>8</sub> and an inferred mineral resource totaling 25,884,000 lbs. U<sub>3</sub>O<sub>8</sub> at an average grade of 1.30% U<sub>3</sub>O<sub>8</sub>. The results of the resource estimate make it the largest undeveloped high-grade uranium resource in the Athabasca region and the 3rd largest uranium deposit in the Athabasca region after the producing McArthur River and Cigar Lake deposits. The proximity of this world class uranium deposit to Fission 3.0's adjoining PLN and CWW properties is indicative of the strong exploration potential of these projects.

#### *Fission Uranium Arrangement*

On December 6, 2013, Fission Uranium completed a court approved plan of arrangement (the "Fission Uranium Arrangement") pursuant to which certain assets of Fission Uranium were spun-out to Fission 3.0. Shareholders of Fission Uranium received one common share of Fission 3.0 for every share of Fission Uranium held. All of Fission Uranium's exploration and evaluation assets (other than Fission Uranium's interest in the Patterson Lake South Property ("PLS")), short-term investments, amounts receivable, property and equipment located in Peru, and \$3,000,000 in cash to fund future operations plus a cash payment for assumed liabilities, were transferred to Fission 3.0.

Fission 3.0 began trading as a new public company on December 10, 2013 under the symbol FUU.V (TSX Venture Exchange).

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**Description of business (continued)***Fission Uranium Arrangement (continued)*

The carrying value of the net assets received pursuant to the Fission Uranium Arrangement consist of the following:

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	\$
<b>Assets</b>	
Cash	3,081,523
Short-term investments	766,066
Amounts receivable	102,518
Property and equipment	15,619
Exploration and evaluation assets	6,186,147
<b>Total Assets</b>	<b>10,151,873</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	(45,433)
Deferred tax liability	(1,615,941)
<b>Total Liabilities</b>	<b>(1,661,374)</b>
<b>Carrying Value</b>	<b>8,490,499</b>
Accumulated losses (see below)	11,949,868
Subtotal	20,440,367
Shares issued pursuant to the Fission Uranium Arrangement	(17,454,000)
<b>Adjustment for shares issued in connection with the Fission Uranium Arrangement</b>	<b>2,986,367</b>

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An adjustment of \$2,986,367 was made through accumulated deficit to reconcile: i) the carrying values of the net assets contributed and recorded under the continuity of interest basis of accounting, to the fair value of the common shares issued in connection with the closing of the Fission Uranium Arrangement on December 6, 2013; and ii) the allocated Fission Uranium income and expenses which cumulatively amounted to \$11,949,868 up to the close of the Fission Uranium Arrangement.

The consolidated statements of changes in equity include an amount of \$3,100,923 which represents the assets contributed on December 6, 2013 by Fission Uranium pursuant to the Fission Uranium Arrangement. The amount primarily includes the cash and short-term investments transferred to Fission 3.0 as part of the spin-out. Other assets have been reflected in these financial statements at earlier dates in accordance with the continuity of interest basis of accounting.

**Corporate Goals**

The Company's goal is to discover an economic uranium deposit through exploration. The Company's properties are located primarily in and around Saskatchewan's Athabasca Basin, home of the richest and lowest cost uranium deposits in the world. Its most advanced exploration projects are adjacent to or in close proximity to Fission Uranium's PLS Triple R high-grade uranium deposit.

The Athabasca Basin has remained the primary focus of continued interest to uranium investors for the following reasons:

1. The region is host to the world's highest grade uranium deposits, with mineral resource grades several times the world average. In addition, Saskatchewan is widely recognized as a world-class mining jurisdiction with strong local, provincial and federal support, straight forward permitting, excellent infrastructure and highly skilled labour. In 2014, the Fraser Institute ranked Saskatchewan as the most attractive jurisdiction for mining investment in Canada and 2nd overall in the world.
2. Rio Tinto's successful acquisition of Hathor Exploration in 2012 introduced new competition to the Athabasca Basin in the form of a leading international uranium producer, while confirming Cameco's intent to strengthen its position in the region.
3. Completion of the Fission Energy Arrangement with Denison Mines Corp. ("Denison") in April 2013, resulting in Denison acquiring the Waterbury Lake deposit. Both the Hathor Exploration acquisition by Rio Tinto and subsequent Waterbury Lake acquisition by Denison, confirmed the premium value attributed to deposits in the Athabasca Basin, despite an overall weak uranium price environment.
4. Fission Uranium's PLS shallow high grade uranium discovery announced late in 2012, was made in the underexplored western part of the Athabasca Basin, and resulted in a staking rush in the region and has been followed by other high-grade discoveries in the region.
5. In 2013, Canada signed a free-trade agreement with Europe, which removes a longstanding requirement that buyers are legally bound to take on a Canadian partner in uranium projects. This positive change is expected to continue attracting new foreign investment in the development of uranium projects, most notably in the Athabasca Basin.

Management continues to believe that long-term world-wide uranium demand and the corresponding nuclear power plant build-out will require new uranium supply to meet this expected new demand. As such, management is highly optimistic about the long-term prospects for the uranium market and the Company remains committed to advancing its exploration plans in the Athabasca Basin to emulate the success of its predecessor companies, Fission Uranium and Fission Energy. In addition, the Company will continue to examine joint venture, property acquisition, and other strategic corporate opportunities to enhance shareholder value.

Exploration 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.

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### **Summary of significant accomplishments for the three months ended March 31, 2015 and subsequent:**

On April 9, 2015, the Company announced that it received a compensation payment of \$897,223 from the Province of Alberta resulting from the cancellation of 10 Crown metallic and industrial minerals ("MAIM") agreements and one partial MAIM agreement from the company's North Shore property.

On February 23, 2015, the Company issued 22,000,000 common shares by way of a non-brokered private placement with Fission Uranium for gross proceeds of \$3,080,000. Fission Uranium now owns 12.36% of Fission 3.0's issued and outstanding shares.

On February 5, 2015, the Company entered into a property option and joint venture agreement with Aldrin Resource Corp ("Aldrin"). Aldrin can earn up to a 50% interest in the Company's Key Lake Property Package by incurring up to \$6,900,000 of exploration expenditures by May 1, 2019. The Company's Key Lake Property Package includes the following five properties: Costigan Lake, Hobo Lake, Karpinka Lake, Millson Lake and River Lake.

### **Quarterly exploration update**

The Company's ongoing exploration activities are being conducted primarily at its CWW and PLN properties located adjacent to Fission Uranium's PLS project, host to the high-grade Triple R uranium deposit. Fission Uranium and other companies with property in the area continue to actively conduct exploration in this south western part of the Athabasca Basin.

#### Clearwater West Property Option Agreement

The Company and its joint venture partner, Canex, completed both a DC resistivity and electromagnetic "EM" ground geophysical survey to prioritize drill locations.

#### New Properties and Staking Additional Claims

The Company expanded its presence in and around the Athabasca Basin to 26 projects by staking 14 new properties, with potential for hosting near surface, high-grade uranium mineralization. The Company now has a total of 227 claims/permits/concessions.

The Company's intent is to utilize the specialized techniques that led to the successful discovery of Fission Uranium's shallow, high-grade PLS uranium discovery to advance its properties. These techniques include its innovative approach to radon surveys, underwater spectrometer analysis and the Company's patent-pending radiometric airborne survey; the same technology used to identify the high-grade boulder field at PLS.

#### Macusani, Peru

The Company commenced a 2 month exploration program in mid-May 2015 budgeted at \$200,000 consisting of mapping and sampling.

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### Exploration properties

A list of the Company's 26 uranium exploration properties and their project status is shown below:

Property	Location	Ownership Claims	Hectares	Stage	Carrying value (\$CDN) <sup>(1)</sup>	
North Shore	Athabasca Basin, AB	100%	18	55,165	C	194,380
Beaver River	Athabasca Basin Region, SK	100%	11	19,742	B	239,233
Clearwater West	Athabasca Basin Region, SK	100% <sup>(2)</sup>	3	11,786	C	123,929
<i>Key Lake Property Package</i>						
Costigan Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	4	1,213	A	2,843
Hobo Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	31	10,772	A	3,489
Karpinka Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	18	4,446	A	2,971
Millson Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	6	688	A	2,843
River Lake	Athabasca Basin Region, SK	100% <sup>(3)</sup>	4	1,866	A	2,843
Manitou Falls	Athabasca Basin Region, SK	100%	3	10,530	B	92,856
Patterson Lake North	Athabasca Basin Region, SK	90% <sup>(4)</sup>	10	27,408	C	4,653,897
<i>Other Canadian Properties</i>						
American Lake	Athabasca Basin Region, SK	100%	19	3,958	A	6,890
Black Birch	Athabasca Basin Region, SK	100%	13	40,766	A	37,018
Cree Bay	Athabasca Basin Region, SK	100%	10	18,461	A	20,503
Dixon Island	Athabasca Basin Region, SK	100%	4	2,637	A	6,554
Flowerdew Lake	Athabasca Basin Region, SK	100%	2	2,412	A	4,977
Grey Island	Athabasca Basin Region, SK	100%	4	5,626	A	17,850
Hearty Bay	Athabasca Basin Region, SK	100%	4	1,679	A	5,660
King Lake <sup>(1)</sup>	Athabasca Basin Region, SK	100%	1	1,205	A	-
McDonald Creek	Athabasca Basin Region, SK	100%	5	18,887	A	15,863
Midas	Athabasca Basin Region, SK	100%	7	2,250	A	4,285
Minor Bay <sup>(1)</sup>	Athabasca Basin Region, SK	100%	6	5,981	A	-
Perron Lake	Athabasca Basin Region, SK	100%	6	21,272	A	24,587
Run Lake <sup>(1)</sup>	Athabasca Basin Region, SK	100%	4	4,330	A	-
Springer River	Athabasca Basin Region, SK	100%	10	47,905	A	4,083
Thompson Lake	Athabasca Basin Region, SK	100%	15	4,753	B	63,309
Macusani	Peru, South America	100%	9	5,100	B	496,399
<b>Totals</b>			<b>227</b>	<b>330,838</b>		<b>6,027,262</b>

#### Notes:

<sup>(1)</sup> The carrying value of the properties is shown as at March 31, 2015. King Lake, Minor Bay, and Run Lake were staked subsequent to March 31, 2015.

<sup>(2)</sup> Property option agreement with Canex.

<sup>(3)</sup> Property option and joint venture agreement with Aldrin.

<sup>(4)</sup> Property option and joint venture agreement with Azincourt.

#### Exploration Stage:

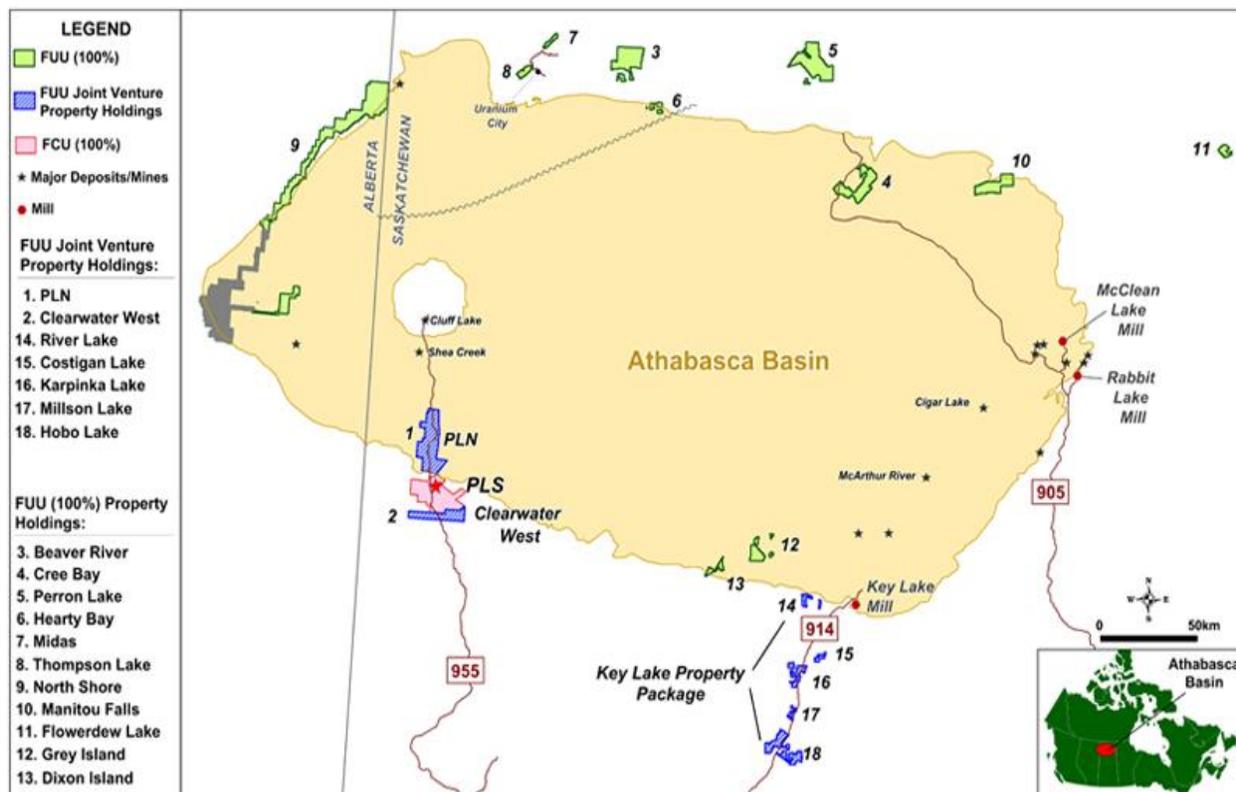
A – Prospecting

B – Geophysical Exploration, Sampling, Line Cutting, IP Surveys

C – Drilling

**Exploration properties (continued)**

Map 1: Canadian Exploration Properties: Athabasca Basin (Saskatchewan & Alberta)



*North Shore Property, Canada*

The North Shore Property is situated along the northwest margin of the Athabasca Basin. In August 2013, a 12,257 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the property, revealing two significant and strongly radioactive uranium source anomalous regions, was completed.

During the quarter ended March 31, 2015, the Company received a compensation payment of \$897,223 from the Province of Alberta resulting from the cancellation of 10 Crown metallic and industrial minerals ("MAIM") agreements and one partial MAIM agreement from the Company's North Shore property.

The property now consists of 18 mineral claims with a total area of 55,165 ha.

*Beaver River Property, Canada*

The Beaver River property consists of eleven mineral claims totaling 19,742 ha located on the north central edge of the Athabasca Basin in Saskatchewan, approximately 44km east of Uranium City, Saskatchewan. The property includes numerous confirmed electro-magnetic ("EM") conductors and a number of uranium showings providing surface outcrop sample assays of up to 3.66% U<sub>3</sub>O<sub>8</sub>.

In September 2013, a 5,288 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed.

**Exploration properties (continued)***Clearwater West Property Option Agreement*

On January 28, 2014 the Company entered into a property option agreement with Canex. Under the terms of the agreement, Canex has the option to earn up to a 50% interest in the Clearwater West property by issuing to the Company 1,741,377 common shares (subsequently received, pre 3:1 consolidation) in the capital stock of Canex representing 9.9% of the issued common shares of Canex at the date of closing of the agreement, and by incurring a total of \$5,000,000 in expenditures on the property in accordance with the following schedule:

<b>Interest Earned</b>	<b>Work Obligation</b>	<b>Cumulative Work Obligation</b>	<b>Term</b>	<b>Option Expiry</b>
	\$	\$		
Nil	700,000	700,000	12 months	October 10, 2014
20%	2,000,000	2,700,000	24 months	October 10, 2015
50%	2,300,000	5,000,000	36 months	October 10, 2016

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

At March 31, 2015, \$898,531 of expenditures have been funded and incurred toward the cumulative work obligation including \$75,088 in management fees.

The Clearwater West property comprises three contiguous claims covering 11,786 ha. The claims fall within the same NE-SW-oriented magnetic low corridor that hosts the PLS high-grade uranium discovery. The uranium mineralization model that is envisioned on the Clearwater West property is analogous to the structurally controlled Athabasca Basin unconformity deposits, which are generally associated with hydrothermally altered, structurally controlled metasedimentary lithology which appear as magnetic lows on geophysical surveys.

In September 2013, a 5,454 line-km high-resolution magnetic and the Company's patent-pending radiometric airborne survey, similar to the survey used by Fission Uranium that played a key role in helping to locate the uranium boulder field 12 km to the north on the neighboring PLS Property, was completed over the entire property at 50m line spacing. The survey revealed several areas of interpreted lithological and structural interest and highlighted anomalous readings recommended for ground follow-up and detailed ground geophysical surveying.

In January 2014, a property-scale airborne VTEM magnetic and electromagnetic geophysical survey was conducted. A total of 641.5 line-km were flown at a line spacing of 200 meters. Preliminary interpretation of the survey data demonstrates that EM conductors are present on the east side of the property that may represent on-strike continuation of the EM conductors seen on the PLS property immediately to the north.

In October 2014, a ground prospecting program was conducted as follow-up to the 2013 airborne radiometrics survey and the 2014 VTEM airborne geophysical survey.

In the winter 2015 exploration program both a DC resistivity and EM ground geophysical survey were conducted at the property to prioritize drill locations. The DC resistivity survey consisted of 21 line-km in 8 geophysical traverses. The EM survey consisted of 19.5 line-kms of small moving loop time domain electromagnetic "TDEM" over 8 separate EM conductors identified from a previous airborne VTEM survey.

**Exploration properties (continued)***Clearwater West Property Option Agreement (continued)*

Further work on the property has been put on hold due to Canex not being able to fund incurred exploration expenditures. Due to difficult capital/equity markets for junior mineral exploration companies, Canex could not raise sufficient financing.

*Key Lake Property Option and Joint Venture Agreement*

During the quarter ended March 31, 2015, the Company optioned five separate non-contiguous properties comprising 63 mineral claims, totaling approximately 18,985 hectares in the Key Lake area, located in the eastern part of the Athabasca Basin Saskatchewan, to Aldrin. Individually the five properties in the Key Lake Package are referred to as: Costigan Lake, Hobo Lake, Karpinka Lake, Millson Lake and River Lake.

Under the terms of the agreement, Aldrin has the option to earn up to a 50% interest in the Key Lake Property Package by paying the Company \$100,000 cash (subsequently received) and issuing to the Company the greater of 1,900,000 or 9.9% of the then issued and outstanding common shares of Aldrin (2,000,318 common shares subsequently received).

In addition Aldrin is to incur a total of \$6,900,000 in expenditures on the property in accordance with the following schedule:

<b>Interest Earned</b>	<b>Work Obligation</b>	<b>Cumulative Work Obligation</b>	<b>Option Expiry</b>
	\$	\$	
Nil	1,000,000	1,000,000	May 1, 2016
20%	1,700,000	2,700,000	May 1, 2017
30%	2,000,000	4,700,000	May 1, 2018
50%	2,200,000	6,900,000	May 1, 2019

Aldrin must also make semi-annual payments of \$100,000 to the Company on July 1, and February 1 (commencing July 1, 2015) until the option has been exercised in full. The semi-annual payments may be made in cash or equivalent Aldrin shares at the option of Aldrin. The Company is the operator and is entitled to a management fee for operator services equal to 10% of expenditures.

The properties are located in the historic Key Lake District, where Cameco operated open pit uranium mining operations producing 209.8 million pounds of uranium over a 19 year period from 1983 to 2002. Cameco's Key Lake Mill is also located nearby, which continues to process uranium ore from the McArthur River Mine.

Locally the Key Lake Package lies within the Key Lake Shear Zone ("KLSZ"), which is characterized as a broad northeast-southwest trending primarily metasedimentary corridor, which is expressed as a magnetic low in geophysics surveys.

Within the KLSZ corridor are numerous basement electromagnetic ("EM") conductors. Such EM conductors in metasedimentary corridors represent the classic setting for structurally controlled Athabasca-style high-grade uranium deposits. The Company believes its Key Lake Property Package has the potential to host near surface high-grade uranium mineralization similar to the near-by historic Key Lake deposits. All of the properties have had significant historic exploration which has identified various features of interest including geophysical and geochemical anomalies, thus upgrading the merits overall.

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### Exploration properties (continued)

#### *Manitou Falls Property, Canada*

The Manitou Falls property consists of three mineral claims totaling 10,530 ha located on the northeastern edge of the Athabasca Basin, Saskatchewan approximately 74km east of Stoney Rapids.

In September 2013, a 1,054 line-km high-resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed.

#### *Patterson Lake North Property Option and Joint Venture Agreement*

On April 29, 2013 Fission Uranium entered into a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt") that was assigned to the Company as part of the Fission Uranium Arrangement. Azincourt has the option to earn up to a 50% interest in the property by making payments and incurring expenditures according to the following schedule:

<b>Interest Earned</b>	<b>Consideration</b>	<b>Work Obligation</b>	<b>Cumulative Consideration</b>	<b>Cumulative Work Obligation</b>	<b>Option Expiry</b>
	\$	\$	\$	\$	
10%	500,000	1,500,000	500,000	1,500,000	June 19, 2014
20%	750,000	3,000,000	1,250,000	4,500,000	June 19, 2015
35%	1,000,000	3,000,000	2,250,000	7,500,000	June 19, 2016
50%	2,500,000	4,500,000	4,750,000	12,000,000	June 19, 2017

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

The Company has received \$100,000 in cash and 2,666,666 common shares of Azincourt (pre 4:1 consolidation) representing the remaining \$400,000 of the total \$500,000 consideration required for the initial 10% interest in PLN. At March 31, 2015, \$3,100,000 of expenditures have been funded and incurred toward the cumulative work obligation including \$279,398 in management fees. Azincourt has earned its initial 10% interest in the project by meeting both the initial consideration and work obligation.

The PLN property comprises 27,408 ha and is located immediately adjacent and to the north of Fission Uranium's PLS high-grade uranium discovery.

On January 21, 2014 the Company commenced a winter exploration program consisting of diamond drilling, radon surveying and ground geophysical surveying. Approximately 1,988m of drilling was completed in seven holes, testing 3 separate basement electromagnetic (EM) conductors: four holes completed to target depth, one hole partially completed before being lost due to technical difficulties and 2 attempts abandoned in overburden. Although no significant radioactivity was encountered, encouraging basement lithology and structural features confirm the high prospectivity of the target areas and further drilling is required to evaluate the target areas. 220 radon-in-water and 10 radon-in-sediment samples were collected by RadonEx Exploration Management over two lake target areas.

**Exploration properties (continued)***Patterson Lake North Property Option and Joint Venture Agreement (continued)*

Ground electromagnetic surveying was conducted by Discovery Geophysics Ltd. outlining a new 8.8 km long conductor system and refining drill targets.

A summer 2014 exploration program included diamond drilling and 110.5 line-km of DC Resistivity ground geophysical surveying. Approximately 2,130m of drilling was successfully completed in six holes, testing two separate basement electromagnetic ("EM") conductors. All drill holes reached their planned target depths. Drill hole PLN14-019 encountered anomalous radioactivity which was confirmed with geochemical analysis and assayed 0.047% U<sub>3</sub>O<sub>8</sub> over 0.5m. Encouraging lithologies, alteration patterns and structures continued to be intersected and further drilling is warranted on both EM conductors tested during the summer program. Ground resistivity surveying totaling 98.2km was conducted by Patterson Geophysics Inc., increasing the prospectivity of two separate conductor systems as identified by EM surveying during the winter 2014 program, and further refining drill targets.

Further work on the property has been put on hold due to Azincourt not being able to fund incurred exploration expenditures. Due to difficult capital/equity markets for junior mineral exploration companies, Azincourt could not raise sufficient financing.

*Other Canadian Properties*

The Company continued to expand its presence in the Athabasca Basin by staking new properties with potential for high grade uranium mineralization. The Company now holds 110 claims comprising approximately 182,122 ha in and around the Athabasca Basin.

The Company is currently compiling historical geological data on its Other Canadian Properties in order to plan and prioritize forthcoming exploration work. Going forward the Company is being selective in which projects it works on with the preservation of capital a prominent consideration. The Company plans to complete the required assessment work on the properties to keep them in good standing.

The most recent developments on the Company's Other Canadian Properties are as follows:

*Thompson Lake Property, Canada*

The Thompson Lake property consists of 15 mineral claims totaling 4,753 ha located approximately 10km outside the northwestern edge of the Athabasca Basin, Saskatchewan, 15km west of Uranium City. In September 2013, a 517 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the entire property was completed.

*Macusani, Peru*

The Macusani property is located within southeastern Peru.

Preliminary results of work carried out on the western concessions of the Macusani project, including trenching, soil and scintillometer grid indicate the mineralized trend of the adjacent Yellow Cake deposit continues north and south onto the Company's claims. Numerous mineralized rock sample values were collected from previously unidentified areas of mineralization. Mapping and prospecting indicate mineralization is extensive and has provided additional high priority targets on several of the Macusani property claims.

**Exploration properties (continued)***Macusani, Peru (continued)*

A 2 month mapping and sampling program commenced in mid-May 2015 and will continue to mid-July. Work will prioritize on the north-west trending mineralization corridor located on the western concessions (SUYUPIA 2004 B and ROCA MUERTO 1 and 2 concessions) as well as a first pass on the SURUPIA 2003 A concession located to the Northwest area of the property. The exploration program is budgeted at \$200,000.

Any scientific and technical information in respect of the exploration activities was reviewed and approved by Ross McElroy, P. Geol. a "Qualified Person" as defined by NI 43-101.

**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 energy 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 increasing twice as fast as overall energy supply and is estimated to rise by more than two-thirds from 2011 to 2035.

- *Increased long-term demand for uranium*

It is projected that 526 nuclear power reactors will be operating worldwide within the next eight years as compared to 437 today. 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 from developing countries as they construct new nuclear power plants. 65 nuclear power plants are currently under construction worldwide, most notably in China, India, Russia, and South Korea. The most significant increase in long-term uranium demand is expected to come from China, which surpassed the United States as the world's largest energy consumer in 2010, and remains committed to a planned nuclear build-out over the next two decades. There are currently 23 nuclear power plants under construction in China, which accounts for 35% 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.

The following is a list of selected countries with nuclear reactors that are either planned, proposed, or under construction as of April, 2015:

**Uranium outlook (continued)**

- *Increased long-term demand for uranium (continued)*

<b>Country</b>	<b>Construction</b>	<b>Planned</b>	<b>Proposed</b>	<b>Total</b>
China	23	45	142	210
India	6	22	35	63
Russia	9	31	18	58
USA	5	5	17	27
France	1	1	1	3
Saudi-Arabia	0	0	16	16
South Korea	4	8	0	12
Canada	0	2	3	5
Others	17	51	99	167
<b>Total</b>	<b>65</b>	<b>165</b>	<b>331</b>	<b>561</b>

Source: World Nuclear Association Website (World Nuclear Power Reactors & Uranium Requirements - [www.world-nuclear.org](http://www.world-nuclear.org) - Updated April 2015)

- *Uranium demand/supply*

A global uranium demand/supply imbalance has existed for several years, creating a potential for significantly higher uranium prices over the long-term. After Japan's Fukushima nuclear accident in March 2011, which resulted in the shutdown of all nuclear power plants in that country, a decline in uranium demand and production was witnessed. In 2014, uranium production declined to 146 million lbs from 153.4 million lbs in 2013. Uranium demand forecasts have been revised downward, pushing out expected supply deficits beyond 2014. In June 2014, Raymond James again adjusted its previously modeled uranium shortfall, and now estimates that a uranium deficit may not emerge until 2020 (Raymond James, Industry Report Changes (Uranium), June 19, 2014), while Dundee Capital Markets believes uranium demand will surpass supply in 2016 (Dundee Capital Markets, Uranium Sector Report, July 15, 2014).

For many years, uranium supply has relied on secondary sources to make up production shortfalls. The largest of these, the US-Russian HEU Agreement ("Megatons for Megawatts Program") concluded in December 2013, it is estimated that approximately 20-24 million lbs of uranium was removed from the market. The removal of this supply has been offset by excess inventory that entered the market from Japan as a result of the post-Fukushima suspension of nuclear power operations, thus gradually reducing the supply overhang.

In the last two years, 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) have heightened concerns about security of uranium supply. This 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.

**Uranium outlook (continued)**

- *Uranium demand/supply (continued)*

Since 2003, the increased uranium demand and higher prices have stimulated new exploration and development of both new and previously explored uranium properties worldwide. This trend resulted in a strong supply response, most notably from Africa and Kazakhstan. Kazakhstan is now 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 without higher uranium prices. Uranium prices declined to a nine year low in 2014 but have since risen by over 30%. However, higher prices will be necessary to encourage new production to meet forecasted long-term supply requirements.

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, where the average deposit grade is considerably lower than the higher grade deposits found in Saskatchewan's Athabasca Basin.

**Fukushima, Japan & its impact on the general outlook for the nuclear power & uranium markets**

In March 2011, an earthquake and tsunami in Japan caused cooling systems at the Fukushima Daiichi nuclear reactor to fail and Japan's fleet of reactors was shut down. 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 and involves multiple safety inspections. At the time of writing, 17 reactors are in various stages of the application process.

In December, 2014, regional authorities in Japan approved the restart of the idled Sendai nuclear plant, subject to passing operational safety check inspections. The news prompted the spot uranium price to jump above US \$40.00/lb, its highest level in 16 months. Approval was later given to the Takahama reactors which are expected to restart in early 2016.

The two Sendai nuclear power reactors are expected to restart operations later this summer. However, the proposed Takahama restart has been further delayed when it was reported that local residents were granted an injunction by a District Court citing safety concerns, despite clearance from the Japanese Nuclear Regulatory Agency (Reuters April 14, 2015). A second application for injunction to prohibit the restart of the two Sendai reactors was dismissed by the local District Court, thereby allowing for the resumption of reactor operations. Raymond James noted that this decision significantly de-risks the reactor restart process, further suggesting that the Takahama injunction is an isolated incident (Note from David Sadowski, Raymond James, April 21, 2015). Near-term, the timing of the nuclear reactor restarts in Japan will continue to impact the uranium market and the drawdown of current excess supply in the marketplace, and most notably in Japan where uranium inventories are estimated to exceed 100 million lbs.

Now in its fourth year, this prolonged nuclear shutdown has forced utility companies to import fossil fuels at a cost of US \$30 billion a year, to maintain a reliable energy supply, leading to higher energy costs for consumers and industry. Japan is now reliant on importing 84% of its energy needs, and has become the world's largest importer of liquefied natural gas. The rising cost of gas imports has also prompted a significant increase in coal imports to replace the cleaner nuclear power provided by the now idled plants.

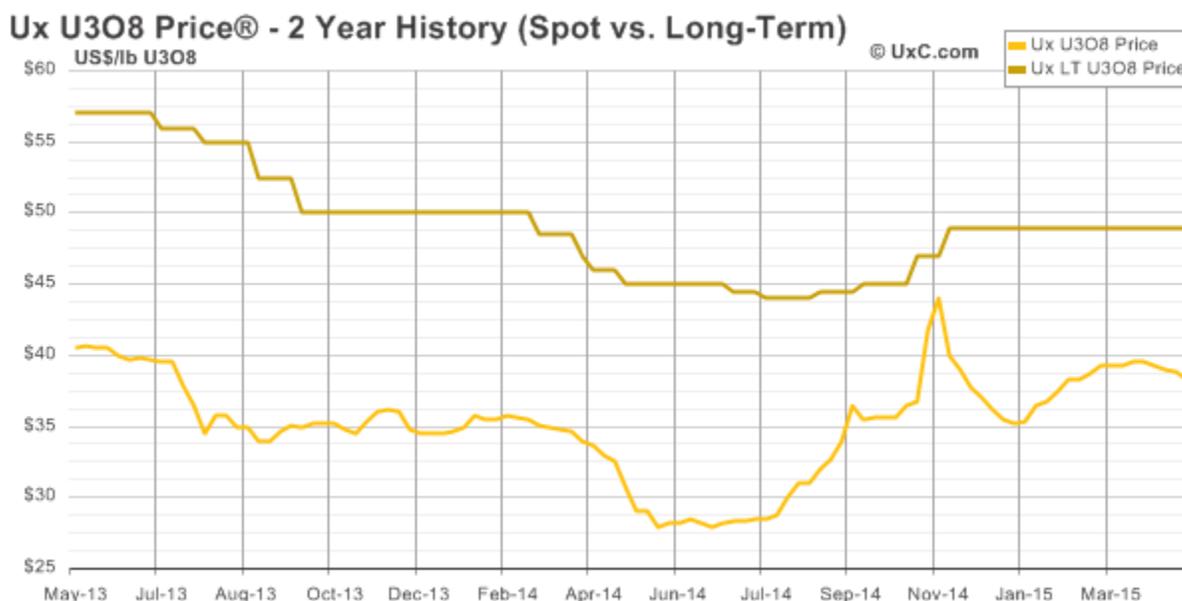
**Fukushima, Japan & its impact on the general outlook for the nuclear power & uranium markets (continued)**

Japan's nuclear future and the long-term impact on the uranium market remains uncertain. In late February, 2014, Japan announced its new draft energy program, which stated that nuclear power is to remain "an important base load electricity source." (Dundee Capital Markets- Uranium Sector Update, February 25, 2014). In April 2014, the Japanese government approved the Energy Plan stating "reactors will be restarted once their safety is confirmed" (Raymond James, Uranium Industry Comment, April 11, 2014).

The events in Japan have caused certain countries worldwide to make strong political statements to end their use of nuclear power. Shortly after the Fukushima event, Germany stated its intention to close all 17 nuclear reactors by 2022, while Switzerland suspended the approval process for 3 new nuclear reactors, later making the ban permanent. Switzerland's 5 existing reactors, which supply 40% of the country's power, will not be replaced at the end of their life span, with the last plant to go off-line in 2034. In November 2011, Mexico announced its plans to cancel the planned construction of 10 nuclear power plants, and in May 2012, Brazil, which had initiated plans to construct between 4 and 8 nuclear power plants to 2030, has cancelled its program.

However, as reported by The Financial Times in February 2014, there are currently more reactors under construction, planned and proposed than prior to the Fukushima event and many countries are strongly in favour of nuclear power. Long-term plans for the construction of the largest number of new nuclear power plants continue to come from: China, India, Russia, and South Korea.

These countries are maintaining their current nuclear reactor development plans with a focus on increased safety. In 2012, China announced that it had completed its nuclear inspections. New nuclear safety regulations were adopted in 2014, and construction has since begun on 5 new nuclear reactors. By 2023, the number of operating nuclear plants worldwide is expected to increase from 437 to 526.

**Performance and summary update***Uranium market*

Source: Ux Consulting Company LLC, [www.uxc.com](http://www.uxc.com): April, 2015

**Performance and summary update (continued)***Uranium market (continued)*

The long-term contract price is published by the Ux Consulting Company at the end of each month, while the spot price is announced weekly. The long-term price, which accounts for almost 80% of the global uranium bought and sold, reached an all-time high of US \$95.00/lb in mid-2007 before declining to a multi-year low of US \$44.00/lb in August 2014. The April 2015 long-term price closed at US \$49.00/lb. The uranium spot price reached an all-time high of US \$138.00/lb in June 2007 before declining to a monthly average nine year low of US \$28.23/lb in June 2014. A moderate pick-up in spot sales volumes since August 2014 has helped the uranium spot price to rebound off its low, and it later surged to as high as US \$41.75/lb after regional authorities in Japan approved the first nuclear power plant restart since the Fukushima event in March 2011. Volatility has continued, and the spot price subsequently declined for seven straight weeks. The spot price as reported weekly by UxC is US \$38.25/lb (April 27, 2015). The longer-term declining trend in uranium prices directly corresponds with the Fukushima event and the reduced demand/inventory sales resulting from the suspension of nuclear reactor operations in Japan. Spot market volumes totaled 42.1 million lbs in 2014, down from 50.4 million lbs in 2013, and virtually unchanged from 41.7 million lbs in 2011, the year of the Fukushima event (Source UxC and Haywood Securities).

It is uncertain how long the Fukushima nuclear event will impact the uranium sector. Most analyst uranium price forecasts were reduced for a second time later in 2014 which also includes factoring the impact of reduced demand from the global economic slowdown, unexpected shutdowns of aging reactors in the United States, continued US Department of Energy (DOE) uranium sales, and temporary shutdowns in South Korea. While the last three years have been challenging for uranium companies, expectations are for positive long-term uranium market conditions in the years ahead, from both market analysts and industry participants. Former RBC Capital analyst Adam Schatztker forecast "There is not enough uranium production, either current or planned, to satisfy reactor needs, initial core requirements and inventories for new reactors. A sustainably higher price should help resolve this gap." David Sadowski, of Raymond James continues to echo similar comments in his industry report dated April 11, 2014, where he noted that an estimated US \$70/lb in the medium term is required "to avoid a significant shortfall at decade's end".

Cameco forecasts that 20% of world supply will need to come from exploration and development of new primary mine production over the next 10 years, but the significant decline in uranium prices since Fukushima, resulted in the recent suspension of its 2018 supply target of 36 million lbs. In addition, several new projects have now 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). In contrast, it is significant that no projects were cancelled in the Athabasca Basin in 2013, and that the McClean Lake mill is undergoing capacity expansion to process uranium ore from Cameco and AREVA's Cigar Lake mine, which, despite delays packaged its first uranium concentrate in October, 2014.

Cancellation of the Megaton for Megawatts Program, mine shutdowns, project delays and cutbacks, continued nuclear power plant construction in China and expectations of Japanese reactor restarts by 2015-2016 are expected to serve as near-term catalysts and exert upward pressure on prices (Raymond James, Salman Partners, Dundee Capital Markets). Raymond James further noted that a return to contracting by utilities to secure uncovered requirements, continued nuclear growth acceleration, and increased levels of merger and acquisition activity are expected to generate positive trends in the uranium sector in 2015 (Raymond James, Uranium Tailwinds Brewing – What to Look For in 2015. January 9, 2015). The average uranium price forecast, based on a composite of analysts tracked by Bloomberg is US \$42.75/lb for 2015 and US \$54.00/lb for 2016.

## Fission 3.0 Corp.

Management's Discussion and Analysis  
For the nine month period ended March 31, 2015



### Selected annual information <sup>(1)</sup>

	June 30 2014	June 30 2013	June 30 2012
	\$	\$	\$
Net loss	(3,731,933)	(2,068,740)	(3,157,218)
Total assets	10,313,822	5,168,550	3,768,680
Total liabilities	2,615,055	1,234,799	951,928
Shareholders' equity	7,698,767	3,933,751	2,816,752
Basic and diluted loss per common share	(0.02)	(0.01)	(0.02)

<sup>(1)</sup> The results up to December 6, 2013 have been prepared on a carve-out basis from certain allocations of Fission Uranium's financial statements.

### Summary of quarterly results <sup>(1)</sup>

Quarter ended	March 31 2015	December 31 2014	September 30 2014	June 30 2014
	\$	\$	\$	\$
Exploration and evaluation assets	6,027,262	6,621,589	6,454,185	6,223,052
Working capital	5,762,788	2,094,164	2,500,919	2,854,520
Net loss	(285,004)	(396,505)	(383,290)	(1,086,607)
Net loss per share basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)

Quarter ended	March 31 2014	December 31 2013	September 30 2013	June 30 2013
	\$	\$	\$	\$
Exploration and evaluation assets	5,958,371	6,285,965	6,105,445	4,505,222
Working capital	3,873,793	3,625,654	(1,188,694)	600,182
Net loss	(478,178)	(608,506)	(1,558,642)	(659,408)
Net loss per share basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)

<sup>(1)</sup> The results up to December 6, 2013 have been prepared on a carve-out basis from certain allocations of Fission Uranium's financial statements.

### 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. The results of operations should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2014 which have been prepared under the continuity of interest basis of accounting.

#### Comparison of the three months ended March 31, 2015 and March 31, 2014

- The Company had a net loss of \$285,004 (\$0.00 per basic share and diluted share) compared to a net loss of \$478,178 (\$0.00 per basic share and diluted share) for the comparative period.
- Professional fees decreased to \$152,616 from \$251,511. The prior period was higher as a result of fees associated with the Fission Uranium Arrangement.
- Share based compensation expense decreased to \$131,962 from \$405,138 due to a lower number of stock options vesting. In addition no new stock options were granted during the current period.

**Results of operations (continued)***Comparison of the three months ended March 31, 2015 and March 31, 2014 (continued)*

- Exploration management fee income decreased to \$Nil compared to \$125,874 in the prior period. The decrease was a result of the Company's joint venture partners not being able to fund exploration expenditures or management fees due to difficult capital/equity markets for junior mineral exploration companies.
- Interest and miscellaneous income increased to \$50,042 from \$8,483. The increase was largely due to interest included in the compensation payment from the Province of Alberta upon the cancellation of some of the North Shore MAIM agreements.
- The Company had a loss on short-term investments of \$218,802 compared to a gain of \$8,491 in the prior period. The loss was due to a reduction in the market prices of short-term investments held by the Company.
- The gain on property option agreement increased to \$438,014 from \$191,424. The current period gain resulted from the cash and shares receivable from Aldrin as part of the Key Lake Property Option and Joint Venture Agreement.

*Comparison of the nine months ended March 31, 2015 and March 31, 2014*

For the nine months ended March 31, 2015 the Company had a net loss of \$1,064,799 (\$0.01 per basic share and diluted share) compared to a net loss of \$2,645,326 (\$0.02 per basic share and diluted share) for the comparative period.

On December 6, 2013 the Company became a reporting issuer so its expenses from incorporation to December 6, 2013 primarily relate to professional and administrative fees associated with incorporation and listing the Company on the TSX Venture Exchange. Subsequent to December 6, 2013 the Company incurred expenses related to its exploration and evaluation assets and other general and administrative costs.

Prior to December 6, 2013, the results have been prepared on a carve-out basis from certain allocations of Fission Uranium's financial statements and may not necessarily reflect the future financial performance of the Company. The results after December 6, 2013 have been presented under the continuity of interest basis of accounting.

**Liquidity and capital resources**

Fission 3.0 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 equity financings and/or joint venturing project development with a partner. 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.

**Liquidity and capital resources (continued)**

The Company has no exploration and evaluation asset agreements that require it to meet certain expenditures. Exploration expenditures on the PLN property, CWW property and Key Lake Property Package will be fully funded by the Company's joint venture participants, Azincourt, Canex and Aldrin, respectively, while the property option agreements are in good standing. Due to difficult capital/equity markets for junior mineral exploration companies, Azincourt and Canex have been unable to secure additional financings and as a result were unable to fund incurred exploration expenditures during and subsequent to the three month period ended March 31, 2015.

*Financings and private placements*

- February 23, 2015 private placement

The Company completed a private placement with Fission Uranium pursuant to which Fission Uranium purchased 22,000,000 common shares (the "Purchased Shares") at a price of \$0.14 per common share, for net proceeds of \$3,049,375. The Purchased Shares will have a hold of four months and one day from closing.

The Purchased Shares represent 12.36% of the Company's issued and outstanding share capital.

*Changes in working capital for the nine month period ended March 31, 2015:*

- On March 31, 2015, the Company had a positive working capital balance of \$5,762,788 compared to \$2,854,520 at June 30, 2014. The increase in working capital is primarily due to the private placement with Fission Uranium as well as the compensation payment received for the cancellation of some MAIM agreements that were part of the North Shore Property.
- The Company's accounts payable and accrued liabilities were \$94,613 at March 31, 2015 compared to \$1,220,138 at June 30, 2014. The decrease in accounts payable and accrued liabilities is primarily due to a reduction in amounts due to joint venture partners and a reduction in trade payables.

*Cash flow for the three months ended March 31, 2015:*

*Cash and cash equivalents for the three months ended March 31, 2015 increased by \$3,228,379 primarily as a result of:*

- The issuance of common shares net of issuance costs to Fission Uranium in the amount of \$3,049,375.
- Compensation received from the Province of Alberta for the cancellation of MAIM agreements in the amount of \$897,223.
- Additional exploration and evaluation cost recoveries of \$143,491.
- Exploration and evaluation asset additions in the amount of \$564,918.
- Operating expenses, net in the amount of \$300,914.

## Fission 3.0 Corp.

Management's Discussion and Analysis  
For the nine month period ended March 31, 2015



### Liquidity and capital resources (continued)

Cash flow for the nine months ended March 31, 2015:

Cash and cash equivalents for the nine months ended March 31, 2015 increased by \$1,530,199 primarily as a result of:

- The issuance of common shares net of issuance costs to Fission Uranium in the amount of \$3,049,375.
- Compensation received from the Province of Alberta for the cancellation of mineral agreements in the amount of \$897,223.
- Additional exploration and evaluation cost recoveries of \$458,022.
- Exploration and evaluation asset additions in the amount of \$2,113,880.
- Operating expenses, net in the amount of \$755,942.

### Related party transactions

The Company identified directors and certain senior management as its key management personnel. The compensation costs for key management personnel are as follows:

	Three months ended		Nine months ended	
	March 31		March 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Compensation Costs</b>				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	<b>111,667</b>	112,612	<b>299,592</b>	127,535
Share-based compensation for vesting of options previously granted to key management personnel	<b>94,494</b>	276,459	<b>397,041</b>	276,459
	<b>206,161</b>	389,071	<b>696,633</b>	403,994

	Three months ended		Nine months ended	
	March 31		March 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Amounts paid or accrued</b>				
Exploration and evaluation expenditures (capitalized) and administrative services paid to Fission Uranium Corp. a company with common directors and management	<b>49,206</b>	59,605	<b>280,752</b>	77,818

Share based compensation represents the fair value calculations of options in accordance with *IFRS 2 Share-based Payments* granted to key management personnel.

Due to the fact that Fission 3.0 was not incorporated until September 23, 2013, and the Fission Uranium Arrangement was not completed until December 6, 2013, there were no officers or directors included in key management personnel prior to that date. The compensation costs reported for key management personnel therefore only reflects compensation costs after December 6, 2013.

**Related party transactions (continued)**

Included in accounts payable at March 31, 2015 is \$10,279 (June 30, 2014 - \$2,631) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable at March 31, 2015 is \$12,688 (June 30, 2014 - \$7,371) for exploration and evaluation expenditures due to Fission Uranium.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**Outstanding share data**

As at May 28, 2015, the Company has 178,055,604 common shares issued and outstanding, 13,729,900 incentive stock options outstanding with an exercise price of \$0.155 per share and no warrants outstanding.

**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. If either of the two criteria are not met, the financial asset is classified at 'fair value through profit or loss'.

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

**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.

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

**Key estimates and judgments (continued)***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 each of the properties, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; 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**

The accounting policies applied in preparation of the March 31, 2015 unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended June 30, 2014 except for the IFRS standards adopted below.

**IFRS standards adopted***IFRS 9, Financial Instruments*

On July 24, 2014 the IASB issued *IFRS 9, Financial Instruments*, which will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. For financial liabilities, the standard retains most of the IAS 39 requirements.

Adoption of IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018 however the Company has early adopted IFRS 9 effective July 1, 2014, as well as the related consequential amendments to other IFRSs. The Company has assessed the financial assets and financial liabilities held by the Company at the date of initial application of IFRS 9. The main effects resulting from this assessment were:

- (i) Short-term investments previously classified as held for trading and measured at fair value through profit and loss continue to be recognized in a consistent manner. The Company has not made any elections to recognize fair value changes on any of its equity instruments through other comprehensive income.
- (ii) All other financial instruments including cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities continue to be recognized at fair value on initial recognition and subsequently measured at amortized cost.

There was no difference between the previous carrying amount (under IAS 39) and the revised carrying amount (under IFRS 9) of the financial assets or financial liabilities as at July 1, 2014 to be recognized in opening deficit.

**IFRS standards adopted (continued)***IFRS 9, Financial Instruments (continued)*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. If either of the two criteria are not met, the financial asset is classified at 'fair value through profit or loss'.

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

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.

**New standards, amendments and interpretations not yet effective**

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2015.

There are no new or revised standards that are not yet effective which are expected to have a significant impact to the Company's financial statements.