



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

**Fission 3.0 Corp.**

**For the Nine Month Period Ended  
March 31, 2017**

# **Fission 3.0 Corp.**

## **Condensed Consolidated Interim Financial Statements**

**(Unaudited – prepared by management)**

**For the Nine Month Period Ended  
March 31, 2017**

### **Notice**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the nine month period ended March 31, 2017.

### **Table of contents**

Condensed consolidated interim statements of financial position .....	1
Condensed consolidated interim statements of loss and comprehensive loss.....	2
Condensed consolidated interim statements of changes in equity .....	3
Condensed consolidated interim statements of cash flows .....	4
Notes to the condensed consolidated interim financial statements.....	5-18

## Fission 3.0 Corp.

Condensed consolidated interim statements of financial position  
(Expressed in Canadian dollars)  
(Unaudited - prepared by management)

	Note	March 31 2017	June 30 2016
		\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		2,009,415	1,266,340
Short-term investments	4	-	551,127
Amounts receivable	5	66,495	18,899
Deposits		73,379	78,711
Prepaid expenses		18,338	13,183
		<b>2,167,627</b>	1,928,260
Property and equipment		32,993	40,571
Exploration and evaluation assets	6	7,689,894	8,462,549
<b>Total Assets</b>		<b>9,890,514</b>	10,431,380
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		124,663	55,762
		<b>124,663</b>	55,762
Deferred income tax liability		465,398	1,066,189
<b>Total Liabilities</b>		<b>590,061</b>	1,121,951
<b>Shareholders' Equity</b>			
Share capital	7	21,602,936	20,666,088
Unit subscriptions received in advance	7	489,086	-
Other capital reserves	7	1,991,408	1,761,844
Accumulated other comprehensive income		88,319	11,314
Deficit		(14,871,296)	(13,129,817)
		<b>9,300,453</b>	9,309,429
<b>Total Liabilities and Shareholders' Equity</b>		<b>9,890,514</b>	10,431,380

Subsequent events (Note 12)

Approved by the Board of Directors and authorized for issue on May 29, 2017

**"Frank Estergaard"**

Director

**"William Marsh"**

Director

## Fission 3.0 Corp.

Condensed consolidated interim statements of loss and comprehensive loss  
(Expressed in Canadian dollars)  
(Unaudited - prepared by management)

	<b>Three Months Ended March 31</b>	Three Months Ended March 31	<b>Nine Months Ended March 31</b>	Nine Months Ended March 31
Note	<b>2017</b>	2016	<b>2017</b>	2016
	\$	\$	\$	\$
<b>Expenses</b>				
Business development	<b>1,615</b>	-	<b>4,830</b>	1,158
Consulting and directors fees	<b>98,735</b>	86,087	<b>280,798</b>	280,132
Depreciation	<b>2,526</b>	2,457	<b>7,578</b>	6,693
Office and administration	<b>26,380</b>	26,984	<b>58,110</b>	69,102
Professional fees	<b>22,032</b>	24,236	<b>140,824</b>	131,375
Public relations and communications	<b>22,397</b>	37,908	<b>79,011</b>	85,877
Share-based compensation	-	-	-	84,815
Trade shows and conferences	<b>5,904</b>	614	<b>9,999</b>	5,331
Wages and benefits	<b>23,761</b>	29,654	<b>78,500</b>	88,735
	<b>203,350</b>	207,940	<b>659,650</b>	753,218
Other items - income/(expense)				
Exploration management fee income	-	-	-	22,263
Foreign exchange gain/(loss)	<b>181</b>	(4,458)	<b>(8,296)</b>	(3,307)
Gain on property option agreements	-	-	-	42,860
Interest and miscellaneous income	<b>1,302</b>	5,511	<b>5,718</b>	21,644
Loss on short-term investments	<b>(5,702)</b>	(101,180)	<b>(20,477)</b>	(464,393)
Exploration and evaluation asset write-down	<b>(11,833)</b>	-	<b>(1,634,954)</b>	-
	<b>(16,052)</b>	(100,127)	<b>(1,658,009)</b>	(380,933)
Loss before income taxes	<b>(219,402)</b>	(308,067)	<b>(2,317,659)</b>	(1,134,151)
Deferred income tax recovery	<b>55,184</b>	53,686	<b>576,180</b>	152,265
<b>Net loss for the period</b>	<b>(164,218)</b>	(254,381)	<b>(1,741,479)</b>	(981,886)
Other comprehensive loss				
Items that may subsequently be classified to income:				
Foreign currency translation adjustment arising from translating foreign operations	<b>(105,007)</b>	(34,678)	<b>(77,005)</b>	(9,772)
<b>Comprehensive loss for the period</b>	<b>(269,225)</b>	(289,059)	<b>(1,818,484)</b>	(991,658)
<b>Basic and diluted loss per common share</b>	<b>(0.00)</b>	(0.00)	<b>(0.01)</b>	(0.01)
<b>Weighted average number of common shares outstanding</b>	<b>178,249,711</b>	178,055,604	<b>178,119,836</b>	178,055,604

## Fission 3.0 Corp.

Condensed consolidated interim statements of changes in equity  
(Expressed in Canadian dollars)  
(Unaudited - prepared by management)

	Note	Share capital		Unit subscriptions received in advance	Other capital reserves	Accumulated other comprehensive income/(loss)	Deficit	Total shareholders equity
		Shares	Amount					
			\$	\$	\$	\$	\$	\$
<b>Balance, July 1, 2015</b>		178,055,604	20,666,088	-	1,663,440	4,751	(12,012,478)	<b>10,321,801</b>
Share-based compensation	7(c)	-	-	-	98,404	-	-	<b>98,404</b>
Net loss		-	-	-	-	-	(981,886)	<b>(981,886)</b>
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	-	(9,772)	-	<b>(9,772)</b>
<b>Balance, March 31, 2016</b>		178,055,604	20,666,088	-	1,761,844	(5,021)	(12,994,364)	<b>9,428,547</b>
Net loss		-	-	-	-	-	(135,453)	<b>(135,453)</b>
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	-	16,335	-	<b>16,335</b>
<b>Balance, June 30, 2016</b>		178,055,604	20,666,088	-	1,761,844	11,314	(13,129,817)	<b>9,309,429</b>
Units issued for cash	7(a)	17,663,700	1,011,490	-	224,969	-	-	<b>1,236,459</b>
Unit issuance costs	7(a)	-	(94,775)	-	117	-	-	<b>(94,658)</b>
Deferred income tax impact on unit issuance costs		-	20,133	-	4,478	-	-	<b>24,611</b>
Unit subscriptions received in advance	7(a)	-	-	489,086	-	-	-	<b>489,086</b>
Net loss		-	-	-	-	-	(1,741,479)	<b>(1,741,479)</b>
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	-	77,005	-	<b>77,005</b>
<b>Balance, March 31, 2017</b>		<b>195,719,304</b>	<b>21,602,936</b>	<b>489,086</b>	<b>1,991,408</b>	<b>88,319</b>	<b>(14,871,296)</b>	<b>9,300,453</b>

## Fission 3.0 Corp.

Condensed consolidated interim statements of cash flows  
(Expressed in Canadian dollars)  
(Unaudited - prepared by management)

		<b>Three Months Ended March 31 2017</b>	Three Months Ended March 31 2016	<b>Nine Months Ended March 31 2017</b>	Nine Months Ended March 31 2016
	Note	\$	\$	\$	\$
<b>Operating activities</b>					
Net loss		<b>(164,218)</b>	(254,381)	<b>(1,741,479)</b>	(981,886)
Items not involving cash:					
Depreciation		<b>2,526</b>	2,457	<b>7,578</b>	6,693
Share-based compensation	7(c)	-	-	-	84,815
Gain on property option agreements		-	-	-	(42,860)
Loss on short-term investments		<b>5,702</b>	101,180	<b>20,477</b>	464,393
Exploration and evaluation asset write-down	6	<b>11,833</b>	-	<b>1,634,954</b>	-
Deferred income tax recovery		<b>(55,184)</b>	(53,686)	<b>(576,180)</b>	(152,265)
		<b>(199,341)</b>	(204,430)	<b>(654,650)</b>	(621,110)
Changes in non-cash working capital items:					
(Increase)/decrease in amounts receivable		<b>(169)</b>	502	<b>2,404</b>	(6,443)
Increase in deposits		<b>(66,584)</b>	-	<b>(73,379)</b>	(74,559)
(Increase)/decrease in prepaid expenses		<b>(3,878)</b>	3,632	<b>(5,155)</b>	2,092
Increase/(decrease) in accounts payable and accrued liabilities		<b>45,786</b>	(6,566)	<b>70,249</b>	12,227
<b>Cash flow used in operating activities</b>		<b>(224,186)</b>	(206,862)	<b>(660,531)</b>	(687,793)
<b>Investing activities</b>					
Increase in notes receivable	5	-	-	<b>(50,000)</b>	-
Property and equipment additions		-	-	-	(17,935)
Purchase of short-term investments		-	-	-	(64,500)
Proceeds from disposition of short-term investments		<b>277,482</b>	-	<b>530,650</b>	-
Exploration and evaluation asset additions		<b>(120,772)</b>	(187,377)	<b>(707,931)</b>	(1,783,526)
Exploration and evaluation asset cost recoveries		-	25,843	-	375,843
<b>Cash flow provided by/(used in) investing activities</b>		<b>156,710</b>	(161,534)	<b>(227,281)</b>	(1,490,118)
<b>Financing activities</b>					
Proceeds from the issuance of units net of unit issuance costs	7(a)	<b>1,141,801</b>	-	<b>1,141,801</b>	-
Proceeds from unit subscriptions received in advance	7(a)	<b>489,086</b>	-	<b>489,086</b>	-
<b>Cash flow provided by financing activities</b>		<b>1,630,887</b>	-	<b>1,630,887</b>	-
Increase/(decrease) in cash and cash equivalents during the period		<b>1,563,411</b>	(368,396)	<b>743,075</b>	(2,177,911)
Cash and cash equivalents, beginning of period		<b>446,004</b>	2,339,218	<b>1,266,340</b>	4,148,733
<b>Cash and cash equivalents, end of period</b>		<b>2,009,415</b>	1,970,822	<b>2,009,415</b>	1,970,822

Supplemental disclosure with respect to cash flows (Note 8)

## **Fission 3.0 Corp.**

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

---

### **1. Nature of operations**

Fission 3.0 Corp. (the "Company" or "Fission 3.0") was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Uranium Corp. ("Fission Uranium") which was completed on December 6, 2013 (the "Fission Uranium Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and is listed on the TSX Venture Exchange under the symbol FUU, and on the Frankfurt Stock Exchange under the symbol 2F3.

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

### **2. Significant accounting policies**

#### *(a) Statement of compliance*

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, *IAS 34, Interim Financial Reporting* ("IAS 34") and do not contain all of the information required for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2016 prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 29, 2017.

The accounting policies applied in preparation of these 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, 2016.

#### *(b) Basis of presentation*

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

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 2. Significant accounting policies (continued)

(c) *Basis of consolidation*

These unaudited condensed consolidated interim financial statements of the Company include the following subsidiary:

<b>Name of Subsidiary</b>	<b>Place of Incorporation</b>	<b>Ownership Interest</b>	<b>Basis of Presentation</b>
Fission Energy Peru S.A.C	Peru	100%	Consolidated

The Company consolidates subsidiaries when it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

### 3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the unaudited condensed 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.

*Exploration and evaluation assets*

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

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

### 4. Short-term investments

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

	<b>March 31, 2017</b>		<b>June 30, 2016</b>	
	<b>Number of Shares</b>	<b>Fair Market Value</b>	<b>Number of Shares</b>	<b>Fair Market Value</b>
		<b>\$</b>		<b>\$</b>
Power Metals Corp. <sup>(1)</sup>	-	-	2,659,603	305,854
Azincourt Uranium Inc.	-	-	327,458	19,648
Canex Energy Corp. <sup>(2)</sup>	-	-	418,964	94,267
Great Bear Resources Ltd.	-	-	16,000	4,480
Plateau Uranium Inc.	-	-	336,704	104,378
Stratton Resources Inc.	-	-	60,000	22,500
	-	-	3,818,729	551,127

(1) - Formerly Aldrin Resource Corp.

(2) - The June 30, 2016 shares of Canex Energy Corp. are shown on a post-consolidation basis.



## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 5. Amounts receivable

	<b>March 31</b>	June 30
	<b>2017</b>	2016
	\$	\$
GST receivable	<b>13,017</b>	17,204
Notes receivable	<b>50,000</b>	-
Other receivables	<b>3,478</b>	1,695
	<b>66,495</b>	18,899

The Company does not have any significant balances that are past due. Amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the carrying value of amounts receivable is considered to be a reasonable approximation of fair value. Notes receivable with a balance of \$50,000 bear interest at 5% annually and are repayable on demand.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements  
For the nine month period ended March 31, 2017  
(Expressed in Canadian dollars)  
(Unaudited – prepared by management)

### 6. Exploration and evaluation assets

#### As at March 31, 2017

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, beginning of period	-	-	16,468	1,418	53,354	147,390	-	-	<b>218,630</b>
Write-down	-	-	-	-	(5,484)	(147,390)	-	-	<b>(152,874)</b>
Balance, end of period	-	-	16,468	1,418	47,870	-	-	-	<b>65,756</b>
<b>Exploration costs</b>									
Balance, beginning of period	60,779	4,667,461	5,366	123,732	492,325	1,295,111	205,781	1,382,050	<b>8,232,605</b>
Incurred during the period									
Geology mapping/sampling	-	-	-	1,430	520	520	-	12,587	<b>15,057</b>
Geophysics airborne	-	-	-	3,250	19,028	-	-	-	<b>22,278</b>
Geophysics ground	8,500	455	-	-	-	-	-	-	<b>8,955</b>
Drilling	1,035	-	-	-	-	-	-	405,851	<b>406,886</b>
Land retention and permitting	2,917	1,984	2,898	87,734	9,155	8,630	2,240	4,280	<b>119,838</b>
Reporting	12,379	187	392	487	4,320	-	337	9,124	<b>27,226</b>
Environmental	-	-	-	-	-	-	-	22,054	<b>22,054</b>
Community relations	-	-	-	-	-	-	-	37,323	<b>37,323</b>
General	-	-	-	-	1,354	-	-	124,323	<b>125,677</b>
Additions	24,831	2,626	3,290	92,901	34,377	9,150	2,577	615,542	<b>785,294</b>
Write-down	-	-	-	(168,523)	(9,296)	(1,304,261)	-	-	<b>(1,482,080)</b>
Balance, end of period	85,610	4,670,087	8,656	48,110	517,406	-	208,358	1,997,592	<b>7,535,819</b>
<b>Foreign currency translation</b>	-	-	-	-	-	-	-	88,319	<b>88,319</b>
<b>Total</b>	<b>85,610</b>	<b>4,670,087</b>	<b>25,124</b>	<b>49,528</b>	<b>565,276</b>	<b>-</b>	<b>208,358</b>	<b>2,085,911</b>	<b>7,689,894</b>

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements  
For the nine month period ended March 31, 2017  
(Expressed in Canadian dollars)  
(Unaudited – prepared by management)

### 6. Exploration and evaluation assets (continued)

As at June 30, 2016

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, beginning of year	-	-	6,704	1,365	49,827	134,695	-	-	<b>192,591</b>
Additions	-	-	9,764	1,418	3,527	12,695	-	-	<b>27,404</b>
Cost recoveries	-	-	-	(1,365)	-	-	-	-	<b>(1,365)</b>
Balance, end of year	-	-	16,468	1,418	53,354	147,390	-	-	<b>218,630</b>
<b>Exploration costs</b>									
Balance, beginning of year	42,116	4,659,737	965	55,775	305,058	173,370	197,391	743,354	<b>6,177,766</b>
Incurred during the year									
Geology mapping/sampling	14,859	-	-	25,733	5,427	258,447	1,300	70,970	<b>376,736</b>
Geophysics airborne	-	-	-	42,314	162,263	769,255	-	-	<b>973,832</b>
Geophysics ground	15,897	1,011	1,063	35,112	5,076	30,360	-	-	<b>88,519</b>
Drilling	230,122	1,073	-	2,375	-	-	-	268,390	<b>501,960</b>
Land retention and permitting	2,620	4,450	3,183	10,130	11,089	22,723	6,963	104,042	<b>165,200</b>
Reporting	2,753	672	-	876	996	34,040	-	448	<b>39,785</b>
Environmental	-	-	-	-	41	-	-	3,972	<b>4,013</b>
Community relations	-	244	-	-	-	-	-	36,918	<b>37,162</b>
General	24,104	83	-	3,674	1,743	2,126	-	153,696	<b>185,426</b>
Share-based compensation	3,916	191	155	3,518	632	4,790	127	260	<b>13,589</b>
Additions	294,271	7,724	4,401	123,732	187,267	1,121,741	8,390	638,696	<b>2,386,222</b>
Cost recoveries	(275,608)	-	-	(55,775)	-	-	-	-	<b>(331,383)</b>
Balance, end of year	60,779	4,667,461	5,366	123,732	492,325	1,295,111	205,781	1,382,050	<b>8,232,605</b>
<b>Foreign currency translation</b>	-	-	-	-	-	-	-	11,314	<b>11,314</b>
<b>Total</b>	<b>60,779</b>	<b>4,667,461</b>	<b>21,834</b>	<b>125,150</b>	<b>545,679</b>	<b>1,442,501</b>	<b>205,781</b>	<b>1,393,364</b>	<b>8,462,549</b>

## **Fission 3.0 Corp.**

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

---

### **6. Exploration and evaluation assets (continued)**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The Company has investigated titles to all of its exploration and evaluation assets, and to the best of its knowledge, titles to all of its properties are in good standing. The number of metallic and industrial mineral ("MAIM") agreements, claims, and concessions held at each property are as at March 31, 2017.

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

The Company holds a 100% interest in 3 claims (June 30, 2016 – 3 claims) at the Clearwater West property in Saskatchewan. On January 28, 2014 the Company entered into a property option agreement with Canex Energy Corp. ("Canex") whereby Canex had the option to earn up to a 50% interest in the Clearwater West property.

The Company received a total of \$1,274,374 from Canex to fund exploration expenditures.

Due to difficult capital/equity markets for junior mineral exploration companies, Canex was not able to fund the cumulative work obligation required to earn an interest in the property. In accordance with the agreement, the Company provided Canex with an official notice of default allowing Canex 30 days from May 19, 2016 to cure the default.

On June 20, 2016 Canex was deemed to have terminated the property option agreement with the Company as Canex did not cure the default in relation to the cumulative work obligation. Management will pursue alternative options for developing the Clearwater West property.

#### *(b) Patterson Lake North Property, Canada*

The Company holds a 90% interest in 10 claims (June 30, 2016 – 10 claims) at the Patterson Lake North property in Saskatchewan. On April 29, 2013 Fission Uranium entered into a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt") that was assigned to the Company as part of the Fission Uranium Arrangement.

The Company received a total of \$3,100,000 from Azincourt to fund exploration expenditures.

Azincourt has a 10% interest in the property. The Company and Azincourt are currently working towards a joint venture agreement in which Azincourt will maintain its 10% interest in the joint venture.

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.

#### *(c) Wales Lake Property, Canada*

The Company holds a 100% interest in 21 claims (June 30, 2016 – 21 claims) at the Wales Lake Property in Saskatchewan.

## **Fission 3.0 Corp.**

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

---

### **6. Exploration and evaluation assets (continued)**

#### *(d) Key Lake Area, Canada*

The Company holds a 100% interest in 3 properties that comprise the Key Lake Area in Saskatchewan. The number of claims held at each Key Lake Area property is as follows:

- (i) Hobo Lake Property, 17 claims (June 30, 2016 – 31 claims);
- (ii) Karpinka Lake Property, 9 claims (June 30, 2016 – 18 claims); and
- (iii) Millson Lake Property, 6 claims (June 30, 2016 – 8 claims).

The Company no longer holds any claims at its former Costigan Lake (June 30, 2016 – 4 claims) or River Lake (June 30, 2016 – 4 claims) properties.

On February 2, 2015 the Company entered into a property option and joint venture agreement with Power Metals Corp. (“Power Metals”) whereby Power Metals could have earned up to a 50% interest in the Company’s Key Lake Area properties.

Due to difficult capital/equity markets for junior mineral exploration companies, Power Metals was not able to fund the cumulative work obligation required to earn an interest in the Key Lake Area properties. In accordance with the agreement, the Company provided Power Metals with an official notice of default allowing Power Metals 30 days from May 18, 2016 to cure the defaults.

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

Due to current market conditions and in the interest of conserving cash, based on the Company’s lack of planned expenditure on certain claims in the Key Lake Area, the Company recorded a write-down of exploration costs in the amount of \$168,523 during the nine months ended March 31, 2017.

#### *(e) Beaverlodge/Uranium City Area, Canada*

The Company holds a 100% interest in 45 claims (June 30, 2016 - 53 claims) at the Beaverlodge/Uranium City Area in Saskatchewan.

Due to current market conditions and in the interest of conserving cash, based on the Company’s lack of planned expenditure on certain claims in the Beaverlodge/Uranium City Area, the Company recorded a write-down of acquisition costs in the amount of \$5,484 and a write-down of exploration costs in the amount of \$9,296 during the nine months ended March 31, 2017.

## **Fission 3.0 Corp.**

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

---

### **6. Exploration and evaluation assets (continued)**

*(f) Other Saskatchewan Properties, Canada*

The Company holds a 100% interest in 68 claims (June 30, 2016 – 85 claims) in other uranium properties in Saskatchewan in and around the Athabasca Basin.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain properties included in its Other Saskatchewan Properties, the Company recorded a write-down of acquisition costs in the amount of \$147,390 and a write-down of exploration costs in the amount of \$1,304,261 during the nine months ended March 31, 2017.

*(g) North Shore Property, Canada*

The Company holds a 100% interest in 18 MAIM agreements (June 30, 2016 – 18 MAIM agreements) at the North Shore property in Alberta.

*(h) Macusani Property, Peru*

The Company holds a 100% interest in 9 concessions (June 30, 2016 – 9 concessions) at the Macusani property in Peru.

### **7. Share capital and other capital reserves**

The Company is authorized to issue an unlimited number of common shares, without par value. All of the Company's issued shares are fully paid.

*(a) Private Placements*

March 31, 2017

The Company completed the first tranche of a non-brokered private placement (the "Private Placement") of 17,663,700 units at a price of \$0.07 per unit for gross proceeds of \$1,236,459. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant ("Warrant") is exercisable into one common share at a price of \$0.10 per Warrant until March 31, 2019. The gross proceeds from the Private Placement were allocated between the common shares and Warrants based on their relative fair value. The fair value of the common shares was determined based on the closing trading price on March 31, 2017 and the fair value of Warrants was determined using the Black-Scholes pricing model. A total of \$1,011,490 was recorded in share capital in relation to the common shares and \$224,969 was recorded in other capital reserves in relation to the Warrants. The Company paid finders' fees of \$34,706 plus \$59,952 of expenses and issued 495,802 finders' warrants with a fair value of \$21,196 based on the Black-Scholes pricing model which was included in other capital reserves. Each finder's warrant is exercisable into one common share at a price of \$0.07 per warrant until March 31, 2019. The fair value of the Warrants and finders' warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 94.78%; risk-free interest rate of 0.75%; expected life of 2 years; and a dividend rate of 0%. All warrants vested immediately on the date of grant. A total of \$21,079 was reclassified from unit issuance costs to other capital reserves for the proportionate share of Warrants in the units issued.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 7. Share capital and other capital reserves (continued)

(a) *Private Placements (continued)*

The Company received unit subscriptions on or before March 31, 2017 totaling \$489,086 for units that were issued in the second tranche of the Private Placement which was completed on April 21, 2017 (Note 12).

(b) *Stock options and warrants*

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price is determined by the Board of Directors provided the minimum exercise price is set at the Company's closing share price on the day before the grant date. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

Stock option and warrant transactions are summarized as follows:

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		\$		\$
Balance July 1, 2015	13,729,900	0.1550	-	-
Expired	(100,000)	0.1550	-	-
Outstanding, June 30, 2016	13,629,900	0.1550	-	-
Granted	-	-	9,327,652	0.0984
<b>Outstanding, March 31, 2017</b>	<b>13,629,900</b>	<b>0.1550</b>	<b>9,327,652</b>	<b>0.0984</b>

As at March 31, 2017, incentive stock options and warrants were outstanding as follows:

Stock Options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
13,629,900	0.155	13,629,900	January 31, 2019
<b>13,629,900</b>		<b>13,629,900</b>	

Warrants			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
495,802	0.070	495,802	March 31, 2019
8,831,850	0.100	8,831,850	March 31, 2019
<b>9,327,652</b>		<b>9,327,652</b>	

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 7. Share capital and other capital reserves (continued)

#### (c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. There were no stock options granted during the nine months ended March 31, 2017 or March 31, 2016. Pursuant to the vesting schedule of options granted, during the nine months ended March 31, 2017 share-based compensation of \$Nil (March 31, 2016 - \$84,815) was recognized in the statements of loss and comprehensive loss and \$Nil (March 31, 2016 - \$13,589) was recognized in exploration and evaluation assets. The total amount of \$Nil (March 31, 2016 - \$98,404) was also recorded as other capital reserves in the statements of changes in equity.

### 8. Supplemental disclosure with respect to cash flows

	<b>March 31</b>	June 30
	<b>2017</b>	2016
	\$	\$
Cash and cash equivalents		
Cash	<b>1,809,415</b>	73,340
Redeemable term deposits	<b>200,000</b>	1,193,000
	<b>2,009,415</b>	1,266,340

There were no cash payments for interest and income taxes during the nine months ended March 31, 2017 or March 31, 2016. During the nine months ended March 31, 2017 the Company received \$3,935 (March 31, 2016 - \$8,492) in interest income.

Significant non-cash transactions for the nine months ended March 31, 2017 included:

- (a) Incurring \$30,602 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Reclassifying a \$78,711 deficiency deposit (relating to the Hobo Lake property which was posted by the Company in the prior year) to exploration and evaluation assets;
- (c) Reclassifying \$224,969 from share capital to other capital reserves for Warrants that have been included as part of the units issued;
- (d) Reclassifying \$21,079 from unit issuance costs to other capital reserves for the proportionate share related to the Warrants included in the units issued;
- (e) Recording the \$21,196 fair value of finders' warrants in other capital reserves and unit issuance costs;
- (f) Reclassifying \$20,133 from unit issuance costs to deferred income tax liability to record the impact of deferred income taxes on unit issuance costs; and
- (g) Reclassifying \$4,478 from other capital reserves to deferred income tax liability to record the impact of deferred income taxes on unit issuance costs.

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

- (a) Incurring \$16,316 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$13,589 of share-based payments in exploration and evaluation assets;
- (c) Receiving 66,666 Canex shares (on a post-consolidation basis) valued at \$25,000 as part of the Clearwater West property option agreement; and



## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

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

Significant non-cash transactions for the nine months ended March 31, 2016 included (continued):

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

### 9. Related party transactions

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

	Three months ended		Nine months ended	
	March 31		March 31	
	2017	2016	2017	2016
	\$	\$	\$	\$
<i>Compensation costs</i>				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	<b>117,500</b>	113,785	<b>352,500</b>	363,591
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	-	-	-	58,003
	<b>117,500</b>	113,785	<b>352,500</b>	421,594
Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0	<b>37,171</b>	45,816	<b>116,995</b>	267,994
<b>Total</b>	<b>154,671</b>	159,601	<b>469,495</b>	689,588

Included in accounts payable at March 31, 2017 is \$1,269 (June 30, 2016 - \$7,154) 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, 2017 is \$20,476 (June 30, 2016 - \$9,409) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

An officer and director of the Company purchased 575,000 units for \$40,250 as part of the first tranche of the Private Placement.

An officer and director of the Company purchased 1,425,000 units for \$99,750 as part of the second tranche of the Private Placement. The funds were recorded as unit subscriptions received in advance as the units were issued subsequent to March 31, 2017 (Note 12).

Subsequent to March 31, 2017, Fission Uranium purchased 5,170,410 units of the Company at a price of \$0.07 per unit for a total cost of \$361,929 to maintain its 12.36% interest in the Company. The units purchased by Fission Uranium were part of the Company's second tranche of the Private Placement (Note 12).

These transactions were in the normal course of operations.

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 10. Segmented information

The Company primarily operates in one reportable operating segment being the exploration and development of exploration and evaluation assets. Long-lived assets by geographic area are as follows:

	March 31, 2017		June 30, 2016	
	Canada	Peru	Canada	Peru
	\$	\$	\$	\$
Property and equipment	19,386	13,607	26,154	14,417
Exploration & evaluation assets	5,603,983	2,085,911	7,069,185	1,393,364
	5,623,369	2,099,518	7,095,339	1,407,781

### 11. Financial instruments and risk management

*International Financial Reporting Standards 13, Fair Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The fair value of short-term investments consists of items in Level 1 of the fair value hierarchy.

Short-term investments are carried at fair value, with the unrealized gain or loss recorded in the statement of loss and comprehensive loss.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations warrant such hedging activities.

#### (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and other counterparty concentrations as measured by amount and percentage.

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

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

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 11. Financial instruments and risk management (continued)

#### (a) Credit risk (continued)

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At March 31, 2017, the Company has no significant financial assets that are past due or impaired due to credit risk defaults.

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

	<b>March 31</b>	June 30
	<b>2017</b>	2016
	\$	\$
Cash and cash equivalents	<b>2,009,415</b>	1,266,340
Amounts receivable	<b>66,495</b>	18,899
	<b>2,075,910</b>	1,285,239

#### (b) Liquidity risk

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

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

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

	Maturity	<b>March 31</b>	June 30
	Dates	<b>2017</b>	2016
		\$	\$
Accounts payable and accrued liabilities	< 6 months	<b>124,663</b>	55,762

## Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2017

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

### 11. Financial instruments and risk management (continued)

#### (c) Price risk

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

The Company's maximum exposure to price risk on its short-term investments based on the fair value hierarchy is as follows:

	<b>March 31</b>	June 30
Fair value hierarchy	<b>2017</b>	2016
	\$	\$
Level 1	-	551,127
	-	551,127

### 12. Subsequent events

Subsequent to March 31, 2017, the Company completed the second and final tranche of the Private Placement of an additional 24,182,683 units at a price of \$0.07 per unit for gross proceeds of \$1,692,788. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant issued in the second tranche of the Private Placement is exercisable into one common share at a price of \$0.10 per share purchase warrant until April 21, 2019. The Company paid finders' fees of \$54,023 and issued 771,758 finders' warrants. Each finder's warrant is exercisable into one common share at a price of \$0.07 per warrant until April 21, 2019.