



**Condensed Consolidated Interim
Financial Statements**

(Unaudited – prepared by management)

Fission 3.0 Corp.

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

Fission 3.0 Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited – prepared by management)

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

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, 2016.

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Fission 3.0 Corp.

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

| | Note | March 31 2016 | June 30 2015 |
|---|------|-------------------|-----------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 1,970,822 | 4,148,733 |
| Short-term investments | 4 | 564,582 | 839,475 |
| Amounts receivable | 5 | 30,567 | 149,359 |
| Deposits | | 164,396 | 89,837 |
| Prepaid expenses | | 23,816 | 25,908 |
| | | 2,754,183 | 5,253,312 |
| Property and equipment | | 42,152 | 30,910 |
| Exploration and evaluation assets | 6 | 7,800,401 | 6,375,108 |
| Total Assets | | 10,596,736 | 11,659,330 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 56,899 | 73,974 |
| | | 56,899 | 73,974 |
| Deferred income tax liability | | 1,111,290 | 1,263,555 |
| Total Liabilities | | 1,168,189 | 1,337,529 |
| Shareholders' Equity | | | |
| Share capital | 7 | 20,666,088 | 20,666,088 |
| Other capital reserves | 7 | 1,761,844 | 1,663,440 |
| Accumulated other comprehensive income/(loss) | | (5,021) | 4,751 |
| Deficit | | (12,994,364) | (12,012,478) |
| | | 9,428,547 | 10,321,801 |
| Total Liabilities and Shareholders' Equity | | 10,596,736 | 11,659,330 |

Subsequent event (Note 12)

Approved by the Board of Directors and authorized for issue on May 29, 2016

"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)

| | Three Months March 31 2016 | Three Months March 31 2015 | Nine Months March 31 2016 | Nine Months March 31 2015 |
|---|----------------------------------|----------------------------------|---------------------------------|---------------------------------|
| Note | \$ | \$ | \$ | \$ |
| Expenses | | | | |
| Business development | - | 2,621 | 1,158 | 3,783 |
| Consulting and directors fees | 86,087 | 108,073 | 280,132 | 304,821 |
| Depreciation | 2,457 | 288 | 6,693 | 864 |
| Office and administration | 26,984 | 35,562 | 69,102 | 76,045 |
| Professional fees | 24,236 | 152,616 | 131,375 | 381,952 |
| Public relations and communications | 37,908 | 28,234 | 85,877 | 72,470 |
| Share-based compensation | - | 131,962 | 84,815 | 571,918 |
| Trade shows and conferences | 614 | - | 5,331 | - |
| Wages and benefits | 29,654 | 23,965 | 88,735 | 73,227 |
| | 207,940 | 483,321 | 753,218 | 1,485,080 |
| Other items - income/(expense) | | | | |
| Exploration management fee income | - | - | 22,263 | 95,376 |
| Foreign exchange gain/(loss) | (4,458) | 115 | (3,307) | (2,586) |
| Gain on property option agreements | - | 438,014 | 42,860 | 438,014 |
| Interest and miscellaneous income | 5,511 | 50,042 | 21,644 | 63,566 |
| Loss on short-term investments | (101,180) | (218,802) | (464,393) | (221,720) |
| Exploration and evaluation asset write-down | - | (15,455) | - | (15,455) |
| | (100,127) | 253,914 | (380,933) | 357,195 |
| Loss before income taxes | (308,067) | (229,407) | (1,134,151) | (1,127,885) |
| Deferred income tax recovery/(expense) | 53,686 | (55,597) | 152,265 | 63,086 |
| Net loss for the period | (254,381) | (285,004) | (981,886) | (1,064,799) |
| Other comprehensive income/(loss) | | | | |
| Items that may subsequently be classified to income/(loss): | | | | |
| Foreign currency translation adjustment arising from translating foreign operations | (34,678) | 21,058 | (9,772) | 26,745 |
| Comprehensive loss for the period | (289,059) | (263,946) | (991,658) | (1,038,054) |
| Basic and diluted loss per common share | (0.00) | (0.00) | (0.01) | (0.01) |
| Weighted average number of common shares outstanding | 178,055,604 | 164,407,120 | 178,055,604 | 157,593,524 |

Fission 3.0 Corp.

Condensed consolidated interim statements of changes in equity

(Expressed in Canadian dollars)

(Unaudited - prepared by management)

| | Note | Share capital | | Other capital reserves | Accumulated other comprehensive income/(loss) | Deficit | Total shareholders' equity |
|---|------|--------------------|-------------------|------------------------|---|---------------------|----------------------------|
| | | Shares | Amount | | | | |
| | | | \$ | \$ | \$ | \$ | \$ |
| Balance, July 1, 2014 | | 154,070,604 | 17,509,500 | 898,363 | (2,676) | (10,706,420) | 7,698,767 |
| Exercise of warrants | | 1,985,000 | 99,250 | - | - | - | 99,250 |
| Common shares issued for cash | 7(a) | 22,000,000 | 3,080,000 | - | - | - | 3,080,000 |
| Share issuance costs | | - | (30,625) | - | - | - | (30,625) |
| Deferred income tax impact on share issuance costs | | - | 7,963 | - | - | - | 7,963 |
| Share-based compensation | 7(c) | - | - | 664,129 | - | - | 664,129 |
| Net loss | | - | - | - | - | (1,064,799) | (1,064,799) |
| Foreign currency translation adjustment arising from translating foreign operations | | - | - | - | 26,745 | - | 26,745 |
| Balance, March 31, 2015 | | 178,055,604 | 20,666,088 | 1,562,492 | 24,069 | (11,771,219) | 10,481,430 |
| Share-based compensation | | - | - | 100,948 | - | - | 100,948 |
| Net loss | | - | - | - | - | (241,259) | (241,259) |
| Foreign currency translation adjustment arising from translating foreign operations | | - | - | - | (19,318) | - | (19,318) |
| Balance, June 30, 2015 | | 178,055,604 | 20,666,088 | 1,663,440 | 4,751 | (12,012,478) | 10,321,801 |
| Share-based compensation | 7(c) | - | - | 98,404 | - | - | 98,404 |
| Net loss | | - | - | - | - | (981,886) | (981,886) |
| Foreign currency translation adjustment arising from translating foreign operations | | - | - | - | (9,772) | - | (9,772) |
| Balance, March 31, 2016 | | 178,055,604 | 20,666,088 | 1,761,844 | (5,021) | (12,994,364) | 9,428,547 |

Fission 3.0 Corp.

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

| | Three Months March 31 2016 | Three Months March 31 2015 | Nine Months March 31 2016 | Nine Months March 31 2015 |
|---|---|----------------------------------|--|---------------------------------|
| | \$ | \$ | \$ | \$ |
| Operating activities | | | | |
| Net loss | (254,381) | (285,004) | (981,886) | (1,064,799) |
| Items not involving cash: | | | | |
| Depreciation | 2,457 | 288 | 6,693 | 864 |
| Share-based compensation | - | 131,962 | 84,815 | 571,918 |
| Gain on property option agreements | - | (438,014) | (42,860) | (438,014) |
| Loss on short-term investments | 101,180 | 218,802 | 464,393 | 221,720 |
| Exploration and evaluation asset write-down | - | 15,455 | - | 15,455 |
| Deferred income tax expense/(recovery) | (53,686) | 55,597 | (152,265) | (63,086) |
| | (204,430) | (300,914) | (621,110) | (755,942) |
| Changes in non-cash working capital items: | | | | |
| Decrease/(increase) in amounts receivable | 502 | 103,742 | (6,443) | (22,158) |
| Increase in deposits | - | - | (74,559) | - |
| Decrease/(increase) in prepaid expenses (Decrease)/increase in accounts payable and accrued liabilities | 3,632 | (17,440) | 2,092 | (9,196) |
| | (6,566) | (189,285) | 12,227 | (1,350) |
| Cash flow used in operating activities | (206,862) | (403,897) | (687,793) | (788,646) |
| Investing activities | | | | |
| Property and equipment additions | - | - | (17,935) | - |
| Purchase of short-term investments | - | - | (64,500) | (99,000) |
| Proceeds from disposition of short-term investments | - | 27,855 | - | 27,855 |
| Exploration and evaluation asset additions | (187,377) | (564,918) | (1,783,526) | (2,113,880) |
| Exploration and evaluation asset cost recoveries | 25,843 | 1,040,714 | 375,843 | 1,355,245 |
| Cash flow (used in)/provided by investing activities | (161,534) | 503,651 | (1,490,118) | (829,780) |
| Financing activities | | | | |
| Proceeds from the exercise of warrants | - | 79,250 | - | 99,250 |
| Proceeds from the issuance of common shares net of share issuance costs | - | 3,049,375 | - | 3,049,375 |
| Cash flow provided by financing activities | - | 3,128,625 | - | 3,148,625 |
| (Decrease)/increase in cash and cash equivalents during the period | (368,396) | 3,228,379 | (2,177,911) | 1,530,199 |
| Cash and cash equivalents, beginning of period | 2,339,218 | 1,667,396 | 4,148,733 | 3,365,576 |
| Cash and cash equivalents, end of period | 1,970,822 | 4,895,775 | 1,970,822 | 4,895,775 |

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, 2016

(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 significant revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and is listed on the 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 interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015 prepared in accordance with IFRS. The unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 29, 2016.

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, 2015.

(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, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

2. Significant accounting policies (continued)

(c) *Basis of consolidation*

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

| Name of Subsidiary | Place of Incorporation | Ownership Interest | Basis of Presentation |
|---------------------------|-------------------------------|---------------------------|------------------------------|
| 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:

| | March 31, 2016 | | June 30, 2015 | |
|---------------------------------------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | Number of Shares/ Warrants | Fair Market Value | Number of Shares/ Warrants | Fair Market Value |
| | | \$ | | \$ |
| Aldrin Resource Corp. | 2,714,603 | 271,460 | 2,000,318 | 300,048 |
| Azincourt Uranium Inc. ⁽¹⁾ | 327,458 | 13,098 | 327,458 | 26,196 |
| Canex Energy Corp. | 6,284,459 | 157,112 | 2,704,459 | 256,924 |
| Canex Energy Corp. - Warrants | 2,124,000 | - | 2,124,000 | 112,109 |
| Great Bear Resources Ltd. | 80,000 | 2,800 | 80,000 | 4,000 |
| Plateau Uranium Inc. | 336,704 | 111,112 | 336,704 | 132,998 |
| Stratton Resources Inc. | 60,000 | 9,000 | 60,000 | 7,200 |
| | 11,927,224 | 564,582 | 7,632,939 | 839,475 |

(1) The June 30, 2015 shares of Azincourt 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, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

5. Amounts receivable

| | March 31 | June 30 |
|-------------------------------------|-----------------|---------|
| | 2016 | 2015 |
| | \$ | \$ |
| GST receivable | 10,472 | 19,208 |
| Other receivables | 20,095 | 4,916 |
| Due from joint venture participants | - | 125,235 |
| | 30,567 | 149,359 |

The Company does not have any significant balances that are past due. Amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of amounts receivable approximates their carrying value.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

6. Exploration and evaluation assets

As at March 31, 2016

| | North Shore Property | Beaver River Property | Black Birch Property | Clearwater West Property | Key Lake Property Package | Patterson Lake North Property | Perron Lake Property | Other Canadian Properties | Macusani Property | Total |
|-------------------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------|---------------------------------|-------------------------------------|----------------------------|---------------------------------|----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | | | | | | | | | | |
| Balance, beginning of period | - | 16,130 | 53,870 | - | 1,365 | - | 15,244 | 105,982 | - | 192,591 |
| Additions | - | 3,527 | 5,776 | - | 1,418 | - | - | 16,683 | - | 27,404 |
| Cost recoveries | - | - | - | - | (1,365) | - | - | - | - | (1,365) |
| Balance, end of period | - | 19,657 | 59,646 | - | 1,418 | - | 15,244 | 122,665 | - | 218,630 |
| Exploration costs | | | | | | | | | | |
| Balance, beginning of period | 197,391 | 231,547 | 14,329 | 42,116 | 55,775 | 4,659,737 | 12,513 | 221,004 | 743,354 | 6,177,766 |
| Incurred during the period | | | | | | | | | | |
| Geology mapping/sampling | 1,300 | 1,862 | 9,451 | 13,841 | 23,027 | - | 153,897 | 93,505 | 65,739 | 362,622 |
| Geophysics airborne | - | - | 233,989 | - | 39,254 | - | 320,454 | 205,084 | - | 798,781 |
| Geophysics ground | - | 825 | 3,064 | 14,878 | 32,961 | 931 | 3,065 | 28,805 | - | 84,529 |
| Drilling | - | - | - | 229,103 | 2,375 | 994 | - | - | - | 232,472 |
| Land retention and permitting | 6,506 | 4,575 | 1,806 | 2,495 | 6,888 | 2,491 | 3,779 | 18,825 | 366 | 47,731 |
| Reporting | - | 914 | 2,444 | 2,753 | 875 | 672 | 14,428 | 13,254 | 448 | 35,788 |
| Environmental | - | - | - | - | - | - | - | 41 | - | 41 |
| Community relations | - | - | - | - | - | 244 | - | - | 25,693 | 25,937 |
| General | - | 62 | 734 | 23,917 | 3,361 | 62 | - | 1,226 | 109,557 | 138,919 |
| Share-based compensation | 127 | 421 | 927 | 3,916 | 3,518 | 191 | 1,542 | 2,687 | 260 | 13,589 |
| Additions | 7,933 | 8,659 | 252,415 | 290,903 | 112,259 | 5,585 | 497,165 | 363,427 | 202,063 | 1,740,409 |
| Cost recoveries | - | - | - | (275,608) | (55,775) | - | - | - | - | (331,383) |
| Balance, end of period | 205,324 | 240,206 | 266,744 | 57,411 | 112,259 | 4,665,322 | 509,678 | 584,431 | 945,417 | 7,586,792 |
| Foreign currency translation | - | - | - | - | - | - | - | - | (5,021) | (5,021) |
| Total | 205,324 | 259,863 | 326,390 | 57,411 | 113,677 | 4,665,322 | 524,922 | 707,096 | 940,396 | 7,800,401 |

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

6. Exploration and evaluation assets (continued)

As at June 30, 2015

| | North Shore Property | Beaver River Property | Black Birch Property | Clearwater West Property | Key Lake Property Package | Patterson Lake North Property | Perron Lake Property | Other Canadian Properties | Macusani Property | Total |
|-------------------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------|---------------------------------|-------------------------------------|----------------------------|---------------------------------|----------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | | | | | | | | | | |
| Balance, beginning of year | - | 11,154 | - | - | 3,423 | - | 14,114 | 30,072 | - | 58,763 |
| Additions | - | 4,976 | 53,870 | - | 29,420 | - | 1,130 | 90,910 | - | 180,306 |
| Cost recoveries | - | - | - | - | (31,478) | - | - | - | - | (31,478) |
| Write-down | - | - | - | - | - | - | - | (15,000) | - | (15,000) |
| Balance, end of year | - | 16,130 | 53,870 | - | 1,365 | - | 15,244 | 105,982 | - | 192,591 |
| Exploration costs | | | | | | | | | | |
| Balance, beginning of year | 1,015,235 | 211,037 | - | 21,973 | 3,886 | 4,592,614 | 3,111 | 117,646 | 201,463 | 6,166,965 |
| Incurring during the year | | | | | | | | | | |
| Geology mapping/sampling | 2,747 | 3,340 | 5,622 | 62,101 | 19,418 | 375 | 2,518 | 22,393 | 249,518 | 368,032 |
| Geophysics airborne | 1,851 | 7,681 | 5,285 | 728 | 18,702 | 625 | 2,429 | 26,056 | - | 63,357 |
| Geophysics ground | 636 | 125 | - | 374,330 | 18,831 | 167,443 | 199 | 16,861 | - | 578,425 |
| Drilling | - | - | - | 10,753 | - | 482,907 | - | - | - | 493,660 |
| Land retention and permitting | 10,640 | 2,880 | 1,708 | 5,274 | 8,511 | 52,911 | 2,825 | 20,823 | 76,946 | 182,518 |
| Reporting | 11,970 | 3,756 | - | 5,531 | 3,450 | 13,939 | - | 9,858 | 992 | 49,496 |
| Environmental | 772 | - | - | - | - | - | - | - | 1,433 | 2,205 |
| Community relations | - | - | - | 934 | - | 122 | - | - | 39,914 | 40,970 |
| General | - | - | 283 | 48,815 | 1,619 | 70,671 | - | 526 | 170,071 | 291,985 |
| Share-based compensation | 7,254 | 2,728 | 1,431 | 20,143 | 11,930 | 43,219 | 1,431 | 14,839 | 3,017 | 105,992 |
| Additions | 35,870 | 20,510 | 14,329 | 528,609 | 82,461 | 832,212 | 9,402 | 111,356 | 541,891 | 2,176,640 |
| Cost recoveries | (853,714) | - | - | (508,466) | (30,572) | (765,089) | - | - | - | (2,157,841) |
| Write-down | - | - | - | - | - | - | - | (7,998) | - | (7,998) |
| Balance, end of year | 197,391 | 231,547 | 14,329 | 42,116 | 55,775 | 4,659,737 | 12,513 | 221,004 | 743,354 | 6,177,766 |
| Foreign currency translation | - | - | - | - | - | - | - | - | 4,751 | 4,751 |
| Total | 197,391 | 247,677 | 68,199 | 42,116 | 57,140 | 4,659,737 | 27,757 | 326,986 | 748,105 | 6,375,108 |

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(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.

(a) *North Shore Property, Canada*

The Company holds a 100% interest in 18 metallic and industrial mineral (“MAIM”) agreements (June 30, 2015 – 18 MAIM agreements) at the North Shore property in Alberta.

The Government of Alberta drafted the Lower Athabasca Regional Plan (“LARP”) to conserve land, which resulted in the cancellation of some MAIM agreements held by Fission 3.0. In March 2015, the Company received a compensation payment of \$853,714 plus interest of \$43,509 from the Province of Alberta upon the cancellation of 10 Crown MAIM agreements and one partial MAIM agreement. The Company retains a right of first refusal for a period of 20 years commencing March 20, 2015 for any portion of the cancelled MAIM agreements that in the future re-open for mineral exploration.

(b) *Beaver River Property, Canada*

The Company holds a 100% interest in 12 claims (June 30, 2015 - 11 claims) at the Beaver River property in Saskatchewan.

(c) *Black Birch Property, Canada*

The Company holds a 100% interest in 18 claims (June 30, 2015 – 13 claims) at the Black Birch property in Saskatchewan.

(d) *Clearwater West Property, Canada*

The Company holds a 100% interest in 3 claims (June 30, 2015 – 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”). 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 580,459 common shares (received) in the capital stock of Canex representing 9.9% of the issued and outstanding common shares of Canex at the date of closing the agreement, and by incurring a total of \$5,000,000 in expenditures on the property in accordance with the following schedule:

| Interest Earned | Work Obligation | Cumulative Work Obligation | Term | Option Expiry |
|------------------------|------------------------|-----------------------------------|-------------|----------------------|
| | \$ | \$ | | |
| Nil | 700,000 | 700,000 ⁽¹⁾ | 12 months | Oct 10, 2014 |
| 20% | 2,000,000 | 2,700,000 | 24 months | Oct 10, 2015 |
| 50% | 2,300,000 | 5,000,000 | 36 months | Oct 10, 2016 |

(1) The \$700,000 work obligation has been completed.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

6. Exploration and evaluation assets (continued)

(d) Clearwater West Property, Canada (continued)

On October 15, 2015 the Company agreed to the extension of the property option agreement. As consideration for the Company extending the option deadlines, Canex agreed to issue to the Company 1,000,000 common shares in the capital stock of Canex valued at \$0.025 per share (received).

On April 5, 2016 the Company agreed to further revise the terms of the property option agreement with Canex by changing the staging of expenditures required on the property. The total amount of expenditures to obtain a 50% interest remains the same but the staging has been adjusted to reflect capital/equity market conditions. The original option expiry dates and expenditures required have been amended as disclosed in the following table:

| Interest Earned | Work Obligation | Cumulative Work Obligation | Amended Option Expiry |
|------------------------|------------------------|-----------------------------------|------------------------------|
| | \$ | \$ | |
| Nil | 700,000 | 700,000 ⁽¹⁾ | Oct 10, 2014 |
| 15% | 1,000,000 | 1,700,000 | Apr 30, 2016 |
| 30% | 1,300,000 | 3,000,000 | Apr 30, 2017 |
| 50% | 2,000,000 | 5,000,000 | Apr 30, 2018 |

(1) – The \$700,000 work obligation has been completed.

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, 2016 \$1,274,374 of expenditures have been incurred toward the cumulative work obligation.

Due to difficult capital/equity markets for junior mineral exploration companies, Canex was not able to fund the cumulative work obligation required to earn its 15% interest by the option expiry date of April 30, 2016. 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, otherwise the agreement will be deemed to have terminated. Management is continuing to discuss possible solutions.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

6. Exploration and evaluation assets (continued)

(e) *Key Lake Property Package, Canada*

The Company holds a 100% interest in 5 properties that comprise the Key Lake Property Package in Saskatchewan. The number of claims held at each Key Lake property is as follows:

- (i) Costigan Lake Property, 4 claims (June 30, 2015 – 4 claims);
- (ii) Hobo Lake Property, 31 claims (June 30, 2015 – 31 claims), (29 of which are subject to the property option and joint venture agreement with Aldrin);
- (iii) Karpinka Lake Property, 18 claims (June 30, 2015 – 18 claims);
- (iv) Millson Lake Property, 8 claims (June 30, 2015 – 6 claims), (6 of which are subject to the property option and joint venture agreement with Aldrin); and
- (v) River Lake Property, 4 claims (June 30, 2015 – 4 claims).

On February 2, 2015 the Company entered into a property option and joint venture agreement with Aldrin Resource Corp. (“Aldrin”) whereby Aldrin can earn up to a 50% interest in the Company’s Key Lake Property Package. Under the terms of the agreement, Aldrin must, upon execution of the agreement, i) pay the Company \$100,000 cash (received), and ii) issue 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 received).

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

| Interest Earned | Consideration | Work Obligation | Cumulative Work Obligation | Consideration Due Date | Option Expiry |
|-----------------|------------------------|-----------------|----------------------------|------------------------|---------------|
| | \$ | \$ | \$ | | |
| N/A | 100,000 ⁽¹⁾ | - | - | Jul 1, 2015 | - |
| Nil | 100,000 | 1,000,000 | 1,000,000 | Feb 1, 2016 | May 1, 2016 |
| N/A | 100,000 | - | - | Jul 1, 2016 | - |
| 20% | 100,000 | 1,700,000 | 2,700,000 | Feb 1, 2017 | May 1, 2017 |
| N/A | 100,000 | - | - | Jul 1, 2017 | - |
| 30% | 100,000 | 2,000,000 | 4,700,000 | Feb 1, 2018 | May 1, 2018 |
| N/A | 100,000 | - | - | Jul 1, 2018 | - |
| 50% | 100,000 | 2,200,000 | 6,900,000 | Feb 1, 2019 | May 1, 2019 |

(1) – 714,285 common shares valued at \$100,000 have been received.

Under the terms of the agreement, Aldrin must make semi-annual payments of \$100,000 to the Company on July 1, and February 1 (commencing July 1, 2015) until the option had 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.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

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(Expressed in Canadian dollars)

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6. Exploration and evaluation assets (continued)

(e) Key Lake Property Package, Canada (continued)

The total initial consideration of \$500,064 consisting of \$100,000 cash and 2,000,318 common shares received, less accumulated net exploration costs of \$62,050 (as at the date of TSX approval of the agreement), resulted in a gain on property option agreement of \$438,014 during the quarter ended March 31, 2015.

The 714,285 common shares valued at \$100,000, representing the July 1, 2015 semi-annual payment, less accumulated net exploration costs of \$57,140 (as at July 1, 2015), resulted in a gain on property option agreement of \$42,860 during the quarter ended September 30, 2015.

Due to difficult capital/equity markets for junior mineral exploration companies, Aldrin was not able to fund its semi-annual payment due on February 1, 2016 and additionally, it was not able to fund the cumulative work obligation required by the option expiry date of May 1, 2016. In accordance with the agreement, the Company provided Aldrin with an official notice of default allowing Aldrin 30 days from May 18, 2016 to cure the defaults, otherwise the agreement will be deemed to have terminated. Management is continuing to discuss possible solutions.

(f) Patterson Lake North Property, Canada

The Company holds a 90% interest in 10 claims (June 30, 2015 – 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.

Azincourt had the option to earn up to a 50% interest in the property by making payments and incurring expenditures in accordance with the following schedule:

| Interest Earned | Consideration | Work Obligation | Cumulative Consideration | Cumulative Work Obligation | Option Expiry |
|------------------------|----------------------|------------------------|---------------------------------|-----------------------------------|----------------------|
| | \$ | \$ | \$ | \$ | |
| 10% | 500,000 | 1,500,000 | 500,000 | 1,500,000 ⁽¹⁾ | Jun 19, 2014 |
| 20% | 750,000 | 3,000,000 | 1,250,000 | 4,500,000 | Jun 19, 2015 |
| 35% | 1,000,000 | 3,000,000 | 2,250,000 | 7,500,000 | Jun 19, 2016 |
| 50% | 2,500,000 | 4,500,000 | 4,750,000 | 12,000,000 | Jun 19, 2017 |

(1) – The \$500,000 consideration was received and the \$1,500,000 work obligation has been completed.

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 had 90 days after each option term to either continue earning an additional interest in the property or to form a joint venture agreement with Fission 3.0.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

6. Exploration and evaluation assets (continued)

(f) Patterson Lake North Property, Canada (continued)

The Company has received \$100,000 in cash, and 666,666 common shares of Azincourt (on a post-consolidation basis) representing the remaining \$400,000 of the total \$500,000 consideration required for the initial 10% interest in PLN. At March 31, 2016, \$3,100,000 of expenditures have been funded and incurred toward the cumulative work obligation and Azincourt has earned its initial 10% interest in the property.

Due to difficult capital/equity markets for junior mineral exploration companies, Azincourt was not able to fund the cumulative work obligation required to earn its 20% interest by the option expiry date of June 19, 2015. As a result both parties are currently working towards a joint venture agreement in which Azincourt will maintain its 10% interest in the joint venture.

(g) Perron Lake Property, Canada

The Company holds a 100% interest in 6 claims (June 30, 2015 – 6 claims) at the Perron Lake property in Saskatchewan.

(h) Other Canadian Properties

The Company holds a 100% interest in 123 claims (June 30, 2015 – 111 claims) in other Canadian uranium properties in Saskatchewan in and around the Athabasca Basin.

During the year ended June 30, 2015, the Company allowed certain claims to lapse and recorded a write-down of acquisition costs in the amount of \$15,000 and a write-down of exploration costs in the amount of \$7,998.

(i) Macusani Property, Peru

The Company holds a 100% interest in 9 concessions (June 30, 2015 – 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.

(a) Private Placements

February 23, 2015

The Company completed a private placement with Fission Uranium pursuant to which Fission Uranium purchased 22,000,000 common shares of Fission 3.0 at a price of \$0.14 per share for gross proceeds of \$3,080,000. Fission Uranium holds a 12.36% interest in the Company.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

7. Share capital and other capital reserves (continued)

(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 options and share purchase warrants transactions are summarized as follows:

| | Stock options | | Warrants | |
|------------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number outstanding | Weighted average exercise price | Number outstanding | Weighted average exercise price |
| | | \$ | | \$ |
| Balance July 1, 2014 | 14,000,000 | 0.155 | 1,985,000 | 0.05 |
| Exercised ⁽¹⁾ | - | - | (1,985,000) | 0.05 |
| Expired | (135,050) | 0.155 | - | - |
| Forfeited | (135,050) | 0.155 | - | - |
| Outstanding, June 30, 2015 | 13,729,900 | 0.155 | - | - |
| Exercised | - | - | - | - |
| Expired | - | - | - | - |
| Outstanding, March 31, 2016 | 13,729,900 | 0.155 | - | - |

(1) The weighted average share price of warrants exercised during the year ended June 30, 2015 was \$0.08.

As at March 31, 2016, incentive stock options were outstanding as follows:

| Stock Options | | | |
|--------------------|----------------|--------------------------|------------------|
| Number outstanding | Exercise price | Number of vested options | Expiry date |
| | \$ | | |
| 13,729,900 | 0.155 | 13,729,900 | January 31, 2019 |
| 13,729,900 | | 13,729,900 | |

(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 month period ended March 31, 2016 or March 31, 2015. Pursuant to the vesting schedule of options granted, during the nine months ended March 31, 2016 share-based compensation of \$84,815 (March 31, 2015 - \$571,918) was recognized in the statements of loss and comprehensive loss and \$13,589 (March 31, 2015 - \$92,211) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

8. Supplemental disclosure with respect to cash flows

| | March 31 | June 30 |
|---------------------------|------------------|-----------|
| | 2016 | 2015 |
| | \$ | \$ |
| Cash and cash equivalents | | |
| Cash | 108,822 | 988,733 |
| Redeemable term deposits | 1,862,000 | 3,160,000 |
| | 1,970,822 | 4,148,733 |

There were no cash payments for interest and income taxes during the nine month period ended March 31, 2016 and March 31, 2015. During the nine month period ended March 31, 2016 the Company received \$8,492 (March 31, 2015 - \$54,277) in interest income.

Significant non-cash transactions for the nine month period 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 1,000,000 Canex shares valued at \$25,000 as part of the Clearwater West property option agreement; and
- (d) Receiving 714,285 Aldrin shares valued at \$100,000 as part of the Key Lake property option agreement.

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

- (a) Incurring \$39,468 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$100,000 of exploration and evaluation cost recoveries through amounts receivable;
- (c) Recognizing \$92,211 of share-based payments in exploration and evaluation assets;
- (d) Recognizing 2,000,318 common shares of Aldrin valued at \$400,064 through amounts receivable; and
- (e) Reclassifying \$7,963 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs.

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

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 | |
| | 2016 | 2015 | 2016 | 2015 |
| | \$ | \$ | \$ | \$ |
| <i>Compensation costs</i> | | | | |
| Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel | 113,785 | 111,667 | 363,591 | 299,592 |
| Share-based compensation pursuant to the vesting schedule of options granted to key management personnel | - | 94,494 | 58,003 | 397,041 |
| Total | 113,785 | 206,161 | 421,594 | 696,633 |
| Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0 | 45,816 | 49,206 | 267,994 | 280,752 |
| Total | 159,601 | 255,367 | 689,588 | 977,385 |

Included in accounts payable at March 31, 2016 is \$2,682 (June 30, 2015 - \$5,008) 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, 2016 is \$17,047 (June 30, 2015 - \$23,001) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

Included in amounts receivable at March 31, 2016 is \$2,026 (June 30, 2015 - \$Nil) for the reimbursement of expenses due from Fission Uranium Corp.

These transactions were in the normal course of operations.

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, 2016 | | June 30, 2015 | |
|---------------------------------|------------------|----------------|------------------|----------------|
| | Canada | Peru | Canada | Peru |
| | \$ | \$ | \$ | \$ |
| Property and equipment | 28,409 | 13,743 | 16,564 | 14,346 |
| Exploration & evaluation assets | 6,860,005 | 940,396 | 5,627,003 | 748,105 |
| Total | 6,888,414 | 954,139 | 5,643,567 | 762,451 |

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

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 both Level 1 and Level 2 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.

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At March 31, 2016, the Company has no 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:

| | March 31 | June 30 |
|---------------------------|------------------|-----------|
| | 2016 | 2015 |
| | \$ | \$ |
| Cash and cash equivalents | 1,970,822 | 4,148,733 |
| Amounts receivable | 30,567 | 149,359 |
| | 2,001,389 | 4,298,092 |

Fission 3.0 Corp.

Notes to the condensed consolidated interim financial statements

For the nine month period ended March 31, 2016

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

11. Financial instruments and risk management (continued)

(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 Dates | March 31 2016 | June 30 2015 |
|---|-------------------|------------------|-----------------|
| | | \$ | \$ |
| Accounts payable and accrued liabilities | < 6 months | 56,899 | 73,974 |

(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:

| | March 31 2016 | June 30 2015 |
|----------------------|------------------|-----------------|
| Fair value hierarchy | \$ | \$ |
| Level 1 | 564,582 | 727,366 |
| Level 2 | - | 112,109 |
| | 564,582 | 839,475 |

12. Subsequent event

Subsequent to March 31, 2016, 100,000 stock options expired.