Condensed Consolidated Interim

Financial Statements

(Unaudited – prepared by management)

Fission 3.0 Corp.

For the Nine Month Period Ended March 31, 2019

Fission 3.0 Corp.

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(Unaudited – prepared by management)

For the Nine Month Period Ended March 31, 2019

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, 2019.

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 5-17

Fission 3.0 Corp.

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

	Note	**March 31 2019**	June 30 2018
		$	$
Assets			
Current assets			
Cash and cash equivalents		**5,000,685**	117,976
Amounts receivable	4	**207,697**	7,398
Deposits		**204,737**	61,621
Prepaid expenses		**71,512**	102,799
		5,484,631	289,794
Non-current assets			
Investments		**100**	-
Property and equipment		**17,084**	20,793
Exploration and evaluation assets	5	**11,508,771**	8,855,394
		11,525,955	8,876,187
Total Assets		**17,010,586**	9,165,981
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**646,388**	329,823
		646,388	329,823
Non-current liabilities			
Deferred income tax liability		**69,838**	-
		69,838	-
Total Liabilities		**716,226**	329,823
Shareholders' Equity			
Share capital	6	**29,225,232**	22,867,600
Other capital reserves	6	**5,312,848**	2,321,970
Accumulated other comprehensive income		**58,640**	50,076
Deficit		**(18,302,360)**	(16,403,488)
		16,294,360	8,836,158
Total Liabilities and Shareholders' Equity		**17,010,586**	9,165,981

Approved by the Board of Directors and authorized for issue on May 28, 2019

"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)

	Note	**Three Months Ended March 31 2019**	Three Months Ended March 31 2018	**Nine Months Ended March 31 2019**	Nine Months Ended March 31 2018
		$	$	**$**	$
Expenses					
Business development		**2,717**	262	**8,072**	1,297
Consulting and directors fees		**160,764**	96,411	**406,099**	303,634
Depreciation		**1,289**	2,439	**5,987**	7,317
Office and administration		**39,806**	24,230	**84,705**	53,049
Professional fees		**79,708**	22,616	**297,850**	121,524
Public relations and communications		**163,672**	27,150	**304,862**	97,732
Share-based compensation	6(c)	**249,123**	-	**762,353**	-
Trade shows and conferences		**5,787**	9,268	**5,787**	11,778
Wages and benefits		**52,712**	24,664	**132,181**	70,910
		755,578	207,040	**2,007,896**	667,241
Other items - income/(expense)					
Foreign exchange loss		**(4,108)**	(344)	**(8,747)**	(4,757)
Flow-through premium recovery	6(a)	**381,873**	-	**381,873**	-
Interest and miscellaneous income		**37,449**	1,554	**77,344**	9,329
Exploration and evaluation asset impairment	5	**-**	(47,400)	**(39,441)**	(87,671)
		415,214	(46,190)	**411,029**	(83,099)
Loss before income taxes		**(340,364)**	(253,230)	**(1,596,867)**	(750,340)
Deferred income tax (expense) recovery		**(302,005)**	65,640	**(302,005)**	180,304
Net loss for the period		**(642,369)**	(187,590)	**(1,898,872)**	(570,036)
Other comprehensive income (loss)					
Items that may subsequently be classified to income:					
Foreign currency translation adjustment arising from translating foreign operations		**(11,520)**	75,484	**8,564**	3,264
Comprehensive loss for the period		**(653,889)**	(112,106)	**(1,890,308)**	(566,772)
Basic and diluted loss per common share		**(0.01)**	(0.00)	**(0.02)**	(0.01)
Weighted average number of common shares outstanding		**141,853,371**	54,975,488	**110,348,862**	54,975,488

Fission 3.0 Corp.

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

	Note	Share capital Shares	Share capital Amount	Other capital reserves	Accumulated other comprehensive income/(loss)	Deficit	**Total shareholders' equity**
			$	$	$	$	**$**
Balance, July 1, 2017		54,975,488	22,867,600	2,321,970	32,800	(15,219,647)	**10,002,723**
Net loss		-	-	-	-	(570,036)	**(570,036)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	3,264	-	**3,264**
Balance, March 31, 2018		**54,975,488**	**22,867,600**	**2,321,970**	**36,064**	**(15,789,683)**	**9,435,951**
Net loss		-	-	-	-	(613,805)	**(613,805)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	14,012	-	**14,012**
Balance, June 30, 2018		**54,975,488**	**22,867,600**	**2,321,970**	**50,076**	**(16,403,488)**	**8,836,158**
Common share units and flow-through common shares issued for cash	6(a)	86,864,550	7,168,277	2,331,924	-	-	**9,500,201**
Share issuance costs	6(a)	-	(662,539)	(163,704)	-	-	**(826,243)**
Deferred income tax impact on share issuance costs		-	232,167	-	-	-	**232,167**
Flow-through share premium liability	6(a)	-	(381,873)	-	-	-	**(381,873)**
Stock options exercised	6(b)	13,333	1,600	-	-	-	**1,600**
Share-Based Compensation	6(c)	-	-	822,658	-	-	**822,658**
Net loss		-	-	-	-	(1,898,872)	**(1,898,872)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	8,564	-	**8,564**
Balance, March 31, 2019		**141,853,371**	**29,225,232**	**5,312,848**	**58,640**	**(18,302,360)**	**16,294,360**

Fission 3.0 Corp.

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

	Note	**Three Months Ended March 31 2019**	Three Months Ended March 31 2018	**Nine Months Ended March 31 2019**	Nine Months Ended March 31 2018
		$	$	**$**	$
Operating activities					
Net loss		**(642,369)**	(187,590)	**(1,898,872)**	(570,036)
Items not involving cash:					
Depreciation		**1,289**	2,439	**5,987**	7,317
Share-based compensation	6(c)	**249,123**	-	**762,353**	-
Exploration and evaluation asset impairment	5	**-**	47,400	**39,441**	87,671
Flow-through premium liability recovery	6(a)	**(381,873)**	-	**(381,873)**	-
Deferred income tax expense (recovery)		**302,005**	(65,640)	**302,005**	(180,304)
		(471,825)	(203,391)	**(1,170,959)**	(655,352)
Changes in non-cash working capital items:					
(Increase)/ decrease in amounts receivable		**(72,140)**	5,316	**(200,299)**	15,984
(Increase)/decrease in deposits		**(73,860)**	22,996	**(143,116)**	(156,928)
Decrease in prepaid expenses		**47,401**	3,333	**31,287**	178,415
Increase/(decrease) in accounts payable and accrued liabilities		**29,851**	33,148	**(30,429)**	34,114
Cash flow used in operating activities		**(540,573)**	(138,598)	**(1,513,516)**	(583,767)
Investing activities					
Property and equipment additions		**-**	-	**(2,278)**	-
Exploration and evaluation asset additions		**(1,771,376)**	(147,249)	**(2,377,055)**	(1,174,975)
Proceeds received on Macusani LOI	5(i)	**-**	-	**100,000**	-
Cash flow used in investing activities		**(1,771,376)**	(147,249)	**(2,279,333)**	(1,174,975)
Financing activities					
Proceeds from promissory notes	8	**-**	-	**150,000**	-
Repayment of promissory notes	8	**-**	-	**(150,000)**	-
Proceeds on the exercise of stock options	6(b)	**-**	-	**1,600**	-
Proceeds from the issuance of common share units and flow-through common shares	6(a)	**-**	-	**9,500,201**	-
Share issuance costs	6(a)	**(33,182)**	-	**(826,243)**	-
Cash flow (used by) provided by financing activities		**(33,182)**	-	**8,675,558**	-
Increase/(decrease) in cash and cash equivalents during the period		**(2,345,131)**	(285,847)	**4,882,709**	(1,758,742)
Cash and cash equivalents, beginning of period		**7,345,816**	463,539	**117,976**	1,936,434
Cash and cash equivalents, end of period		**5,000,685**	177,692	**5,000,685**	177,692

Supplemental disclosure with respect to cash flows (Note 7)

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, on the U.S. OTCQX under the symbol "FISOF", 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.

On April 30, 2018 the Company consolidated its common shares on a basis of one post-consolidated common share for every four pre-consolidated common shares. All references in the financial statements have been adjusted to reflect this share consolidation.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

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* 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 consolidated financial statements for the year ended June 30, 2018 prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 28, 2019.

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, 2018.

(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.

2. Significant accounting policies (continued)

(c) Basis of consolidation

These 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.

(d) New standards, amendments and interpretations not yet effective

Accounting standards effective for the fiscal year beginning on July 1, 2019

IFRS 16, Leases

In January 2016, the IASB issued *IFRS 16, Leases*, which will replace *IAS 17, Leases*. The standard provides a single lease accounting model, which requires all leases, including financing and operating leases, to be reported on the statement of financial position, unless the term is less than 12 months, or the underlying asset has a low value. The Company is currently assessing and quantifying the effect of this standard on its financial statements. It is expected that under IFRS 16, the present value of most lease commitments will be shown as a liability on the balance sheet together with an asset representing the right of use. This will include those classified as operating leases under the existing standard.

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 consolidated 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.

(Expressed in Canadian dollars)

4. Amounts receivable

	March 31 2019	June 30 2018
	$	$
GST receivable	**151,532**	7,315
Other receivables	**56,165**	83
	207,697	7,398

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.

5. Exploration and evaluation assets

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, 2019.

(a) Clearwater West Property, Canada

The Company holds a 100% interest in 3 claims (June 30, 2018 – 90% interest in 3 claims) at the Clearwater West property in Saskatchewan.

(b) Patterson Lake North Property, Canada

The Company holds a 100% interest in 10 claims (June 30, 2018 – 10 claims) at the Patterson Lake North property in Saskatchewan.

(c) Patterson Lake Northeast Property, Canada

The Company holds a 100% interest in 27 claims (June 30, 2018 – 27 claims) at the Patterson Lake Northeast property in Saskatchewan.

(d) Wales Lake Property, Canada

The Company holds a 100% interest in 31 claims (June 30, 2018 – 30 claims) at the Wales Lake Property in Saskatchewan.

(e) Key Lake Area, Canada

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

(i) Ford Lake Property, 15 claims (June 30, 2018 – 15 claims);

(ii) Gryphon West Property, 10 claims (June 30, 2018 – 10 claims);

(iii) Hobo Lake Property, 15 claims (June 30, 2018 – 15 claims);

(iv) Karpinka Lake Property, 26 claims (June 30, 2018 – 27 claims); and

(v) Morin Lake Property, 3 claims (June 30, 2018 – 3 claims).

Based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the Key Lake Property. The Company determined that the fair value of the claims in which there is no planned expenditure is $nil, and as a result, recorded an impairment of exploration costs in the amount of $1,420 during the nine month period ended March 31, 2019 (June 30, 2018 – $151,330).

5. Exploration and evaluation assets (continued)

(f) Beaverlodge/Uranium City Area, Canada

The Company holds a 100% interest in 41 claims (June 30, 2018 - 42 claims) at the Beaverlodge/Uranium City Area in Saskatchewan.

(g) Other Saskatchewan Properties, Canada

The Company holds a 100% interest in 29 claims (June 30, 2018 – 30 claims) in other uranium properties in Saskatchewan in and around the Athabasca Basin.

Based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the Other Saskatchewan Properties. The Company determined that the fair value of the claims in which there is no planned expenditure is $nil, and as a result, recorded an impairment of exploration costs in the amount of $43 during the nine month period ended March 31, 2019 (June 30, 2018 – $5,298).

(h) North Shore Property, Canada

The Company holds a 100% interest in 15 MAIM agreements (June 30, 2018 – 18 MAIM agreements) at the North Shore property in Alberta.

Based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the North Shore Property. The Company determined that the fair value of the claims in which there is no planned expenditure is $nil, and as a result, recorded an impairment of exploration costs in the amount of $37,978 during the nine month period ended March 31, 2019 (June 30, 2018 – $nil).

(i) Macusani Property, Peru

The Company holds a 100% interest in 9 concessions (June 30, 2018 – 9 concessions) at the Macusani property in Peru.

In August 2018, the Company announced that it had entered into a binding letter of intent (the "Macusani LOI") with Rhyolite Lithium Corp. ("Rhyolite") pursuant to which Rhyolite can earn up to an 80% interest in the Company's mining concessions located in Peru (the "Peruvian Assets") by spending approximately $22 million over a five-year period (the "Earn-In"). As a part of the consideration for the Earn-In, the Company received $100,000 cash upon signing the LOI.

In March 2019, the Company announced completion of the binding earn-in agreement with Rhyolite. As final consideration for the Earn-In, Rhyolite granted the Company 19.9% of its issued and outstanding shares for which the Company has estimated a nominal fair value of $100. Pursuant to the terms of the agreement, Rhyolite will be required to spend a minimum of $5.5 million over the next two years to earn a 50% interest in the Peruvian Assets ("Stage One"). Rhyolite will also have the option to spend a further $16.5 million over the following three years to earn an additional 30% interest in the Peruvian Assets ("Stage Two"). If Rhyolite does not complete Stage One, they will earn no interest in the Peruvian Assets, and if it elects to begin, but does not complete Stage 2, it will only be granted a portion of the additional 30% interest. Fission 3.0 will remain the operator of the Peruvian Assets until the completion of Stage One.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (continued)

As at March 31, 2019

	Clearwater West Property	Patterson Lake North Property	Patterson Lake North-east Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	$	**$**
Acquisition costs										
Balance, beginning of period	-	-	11,426	26,619	23,305	25,156	11,658	-	-	**98,164**
Additions	-	-	-	3,328	-	5,093	-	-	-	**8,421**
Balance, end of period	-	-	11,426	29,947	23,305	30,249	11,658	-	-	**106,585**
Exploration costs										
Balance, beginning of period	89,215	4,673,361	5,946	328,441	231,218	347,257	169,775	211,824	2,650,118	**8,707,155**
Incurred during the period										
Geology mapping and sampling	-	1,701	565	589	8,623	15,043	1,403	-	13,662	**41,586**
Geophysics airborne	-	-	-	-	-	-	-	-	1,557	**1,557**
Geophysics ground	-	283	565	131,154	15,809	9,967	51,557	-	12,584	**221,919**
Drilling	-	1,041,921	-	330,655	721,396	-	20,813	-	-	**2,114,785**
Land retention and permitting	335	2,389	2,378	5,674	13,898	7,487	5,341	59,029	1,046	**97,577**
Reporting	-	271	-	-	98	122	25	-	-	**516**
Environmental	-	-	-	-	-	-	-	-	8,673	**8,673**
Community relations	-	-	-	-	-	-	-	-	24,831	**24,831**
General	62	207	558	711	1,492	917	622	372	199,242	**204,183**
Share-based compensatioı	64	9,412	678	14,640	18,928	4,900	5,807	1,372	4,504	**60,305**
Additions	461	1,056,184	4,744	483,423	780,244	38,436	85,568	60,773	266,099	**2,775,932**
Cost recoveries	-	-		-	-	-	-	-	(100,100)	**(100,100)**
Impairment	-	-	-	-	(1,420)	-	(43)	(37,978)	-	**(39,441)**
Balance, end of period	89,676	5,729,545	10,690	811,864	1,010,042	385,693	255,300	234,619	2,816,117	**11,343,546**
Foreign currency translation	-	-	-	-	-	-	-	-	58,640	**58,640**
Total	**89,676**	**5,729,545**	**22,116**	**841,811**	**1,033,347**	**415,942**	**266,958**	**234,619**	**2,874,757**	**11,508,771**

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (continued)

As at June 30, 2018

	Clearwater West Property	Patterson Lake North Property	Patterson Lake North-Easy Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	$	**$**
Acquisition costs										
Balance, beginning of year	-	-	-	14,907	1,418	20,623	-	-	-	**36,948**
Additions	-	-	11,426	15,195	23,306	16,010	11,658	-	-	**77,595**
Impairment	-	-	-	(3,483)	(1,419)	(11,477)	-	-	-	**(16,379)**
Balance, end of year	-	-	11,426	26,619	23,305	25,156	11,658	-	-	**98,164**
Exploration costs										
Balance, beginning of year	87,865	4,670,683	-	13,571	73,605	365,833	5,663	209,145	2,244,666	**7,671,031**
Incurred during the year										
Geology mapping and sampling	-	-	358	-	17,157	107,518	9,056	-	13,061	**147,150**
Geophysics airborne	-	687	832	298,006	147,992	-	3,790	-	-	**451,307**
Geophysics ground	-	-	-	-	5,498	110,843	140,113	-	-	**256,454**
Drilling	-	-	-	-	-	-	-	-	-	**-**
Land Retention and permitting	632	1,991	4,756	12,855	128,204	115,739	11,215	2,679	160,229	**438,300**
Reporting	718	-	-	5,953	7,975	11,487	4,290	-	-	**30,423**
Environmental	-	-	-	-	-	-	-	-	21,040	**21,040**
Community relations	-	-	-	-	277	-	-	-	37,635	**37,912**
General	-	-	-	1,739	1,840	2,047	946	-	173,487	**180,059**
Additions	1,350	2,678	5,946	318,553	308,943	347,634	169,410	2,679	405,452	**1,562,645**
Impairment	-	-	-	(3,683)	(151,330)	(366,210)	(5,298)	-	-	**(526,521)**
Balance, end of year	89,215	4,673,361	5,946	328,441	231,218	347,257	169,775	211,824	2,650,118	**8,707,155**
Foreign currency translation	-	-		-	-	-	-		50,075	**50,075**
Total	**89,215**	**4,673,361**	**17,372**	**355,060**	**254,523**	**372,413**	**181,433**	**211,824**	**2,700,193**	**8,855,394**

6. 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*

September 28, 2018

The Company completed the first tranche of a non-brokered private placement of 9,800,000 flow-through common shares at a price of $0.10 per share and 52,050,000 units at a price of $0.10 per unit for gross proceeds of $6,185,000. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common share at $0.15 per warrant until three years from the date of issuance. The Company incurred share issuance costs of $514,615 in connection with this placement.

The fair value of the common shares was determined based on the closing trading price on September 28, 2018 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of $4,421,416 was recorded in share capital in relation to the common shares and $1,763,584 was recorded in other capital reserves in relation to the warrants. A total of $146,736 was reclassified from unit issuance costs to other capital reserves for the proportionate share of financing costs related to the warrants in the units issued. The fair value of the warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 109.08%; risk-free interest rate of 2.20%; expected life of 1.5 years; and a dividend rate of 0%.

October 12, 2018

The Company completed the final tranche of a non-brokered private placement of 1,850,000 flow-through common shares at a price of $0.10 per share and 16,300,000 units at a price of $0.10 per unit for gross proceeds of $1,815,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at $0.15 per warrant until three years from the date of issuance. The Company incurred share issuance costs of $167,641 in connection with this placement.

The fair value of the common shares was determined based on the closing trading price on October 12, 2018 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of $1,277,311 was recorded in share capital in relation to the common shares and $537,689 was recorded in other capital reserves in relation to the warrants. A total of $49,663 was reclassified from unit issuance costs to other capital reserves for the proportionate share of financing costs related to the warrants in the units issued. The fair value of the warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 109.76%; risk-free interest rate of 2.26%; expected life of 1.5 years; and a dividend rate of 0%.

December 20, 2018

The Company completed a non-brokered private placement of 6,364,550 flow-through common shares at a price of $0.22 per share and 500,000 units at a price of $0.20 per unit for gross proceeds of $1,500,201. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at $0.25 per warrant until three years from the date of issuance. The Company incurred share issuance costs of $143,987 and issued 445,518 finder's warrants with a fair value of $33,635 in connection with this placement.

6. Share capital and other capital reserves (continued)

(a) Private Placements (continued)

December 20, 2018 (continued)

At the time of this placement, a flow-through share premium liability of $381,873 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

The fair value of the common shares was determined based on the closing trading price on December 20, 2018 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of $1,469,550 was recorded in share capital in relation to the common shares and $30,651 was recorded in other capital reserves in relation to the warrants. A total of $940 was reclassified from unit issuance costs to other capital reserves for the proportionate share of financing costs related to the warrants in the units issued.

Each finder's warrant is exercisable into one common share at a price of $0.22 per warrant until three years from the date of issuance. The fair value of the finders' warrants, which was included in other capital reserves, and share unit warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 120.46%; risk-free interest rate of 1.90%; expected life of 1.5 years; and a dividend rate of 0%.

All share purchase warrants issued in the above private placements contain the following acceleration clause: If, commencing four months and one day after the date of issuance, the volume weighted average trading price of the Company's shares on the TSX Venture Exchange is higher than $0.30 for 20 consecutive trading days then, on the 20th consecutive trading day of any such period (the "Acceleration Trigger Date"), the expiry date of the Warrants may be accelerated by the Company in its absolute discretion to the 30th calendar day after the Acceleration Trigger Date by the issuance of a news release announcing such acceleration within three trading days of the Acceleration Trigger Date.

(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.

(Expressed in Canadian dollars)

6. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

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, 2017	3,407,475	0.6200	5,547,680	0.3931
Expired	(517,500)	0.6200	-	-
Outstanding, June 30, 2018	2,889,975	0.6200	5,547,680	0.3931
Granted/issued	13,985,000	0.1605	69,295,518	0.1512
Expired	(2,889,975)	0.6200	(2,331,910)	0.3936
Exercised	(13,333)	0.1200	-	-
Outstanding, March 31, 2019	**13,971,667**	**0.1605**	**72,511,288**	**0.1691**

The share price of stock options exercised was $0.175 during the nine month period ended March 31, 2019.

As at March 31, 2019, stock options and warrants were outstanding as follows:

Stock Options

Number outstanding	Exercise price	Number of vested options	Expiry date
	$		
2,586,667	0.1200	1,286,667	August 14, 2023
8,100,000	0.1900	2,699,998	October 25, 2023
3,285,000	0.1200	1,095,000	March 15, 2024
13,971,667		**5,081,665**	

Warrants

Number outstanding	Exercise price	Number of vested warrants	Expiry date
	$		
192,938	0.2800	192,938	April 21, 2019
3,022,832	0.4000	3,022,832	April 21, 2019
52,050,000	0.1500	52,050,000	September 28, 2021
1,170,000	0.1500	1,170,000	October 2, 2021
15,130,000	0.1500	15,130,000	October 12, 2021
445,518	0.2200	445,518	December 20, 2021
500,000	0.2500	500,000	December 20, 2021
72,511,288		**72,511,288**	

Subsequent to March 31, 2019, 3,215,770 warrants expired unexercised.

(Expressed in Canadian dollars)

6. 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. During the nine month period ended March 31, 2019 the Company granted 13,985,000 stock options (March 31, 2018 – nil). Pursuant to the vesting schedule of options granted, during the nine month period ended March 31, 2019 share-based compensation of $762,353 (March 31, 2018 – $nil) was recognized in the statement of loss and comprehensive loss and $60,305 (March 31, 2018 – $nil) was recognized in exploration and evolution assets. The total amount of $822,658 (March 31, 2018 – $nil) was recorded within other capital reserves in the statement of changes in equity.

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

	March 31 2019	March 31 2018
Risk Free Interest Rate	**2.12%**	N/A
Expected Life - Years	**2.92**	N/A
Estimated Forfeiture Rate	**0.82%**	N/A
Annualised Volatility	**102.71%**	N/A
Dividend Rate	**N/A**	N/A
Weighted average fair value per option	**$0.16**	N/A

7. Supplemental disclosure with respect to cash flows

	March 31 2019	June 30 2018
	$	$
Cash and cash equivalents		
Cash	**160,685**	77,976
Redeemable term deposits	**4,840,000**	40,000
	5,000,685	117,976

There were no cash payments for income taxes during the nine months ended March 31, 2019 or 2018. During the nine months ended March 31, 2019 the Company received $37,598 (March 31, 2018 - $9,984) in interest income and paid $1,162 (March 31, 2018 - $Nil) in interest charges.

Significant non-cash transactions for the nine months ended March 31, 2019 included:

(a) Incurring $549,137 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $60,305 of share-based payments in exploration and evaluation; and

(c) Recognizing exploration and evaluation cost recoveries of $100 as the fair value of investments received.

Significant non-cash transactions for the nine months ended March 31, 2018 included:

(a) Incurring $11,719 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and

(b) Reclassifying $27,546 of deficiency deposits to exploration and evaluation assets.

(Expressed in Canadian dollars)

8. 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 2019	March 31 2018	**March 31 2019**	March 31 2018
			$	$
Compensation costs				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	**149,000**	112,917	**448,321**	344,917
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	**125,487**	-	**385,923**	-
	274,487	112,917	**834,244**	344,917
Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0	**137,651**	36,768	**265,435**	152,749
Total	**412,138**	149,685	**1,099,679**	497,666

Included in accounts payable at March 31, 2019 is $9,072 (June 30, 2018 - $2,538) 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, 2019 is $9,402 (June 30, 2018 - $43,988) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

During the three month period ended September 30, 2018, the Company received proceeds from promissory notes in the amount of $150,000 from officers of the Company. These promissory notes were repaid to the officers in full (plus interest of $1,162) during the same period.

These transactions were in the normal course of operations.

9. 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, 2019		June 30, 2018	
	Canada	**Peru**	Canada	Peru
	$	**$**	$	$
Property and equipment	**5,637**	**11,447**	8,536	12,257
Exploration & evaluation assets	**8,634,014**	**2,874,757**	6,155,201	2,700,193
	8,639,651	**2,886,204**	6,163,737	2,712,450

10. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and warrants.

Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash, cash equivalents, and short-term investments. The issuance of common shares requires approval of the Board of Directors.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets and updates them as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets and the use of joint ventures to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

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, amounts receivable, investments and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, carrying value for these financial instruments is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

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.

(Expressed in Canadian dollars)

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, 2019, 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 2019	June 30 2018
	$	$
Cash and cash equivalents	**5,000,685**	117,976
Amounts receivable	**207,697**	7,398
	5,208,382	125,374

(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 2019**	June 30 2018
		$	$
Accounts payable and accrued liabilities	< 6 months	**646,388**	329,823

(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 investments based on the fair value hierarchy is as follows:

Fair value hierarchy	**March 31 2019**	June 30 2018
	$	$
Level 3	**100**	-
	100	-