Fission 3.0

Condensed Consolidated Interim

Financial Statements

(Unaudited – prepared by management)

Fission 3.0 Corp.

For the Six Month Period Ended
December 31, 2019

Fission 3.0 Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited – prepared by management)

For the Six Month Period Ended December 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 six month period ended December 31, 2019.

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Fission 3.0 Corp.

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

	Note	December 31 2019	June 30 2019
		$	$
Assets			
Current assets			
Cash and cash equivalents		**708,533**	3,036,004
Amounts receivable	4	**30,935**	115,204
Deposits		**196,315**	208,450
Prepaid expenses		**21,592**	19,298
		957,375	3,378,956
Non-current assets			
Investments	5(h)	**100**	100
Property and equipment		**15,509**	17,777
Exploration and evaluation assets	5	**14,528,754**	12,950,938
		14,544,363	12,968,815
Total Assets		**15,501,738**	16,347,771
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**319,828**	481,696
		319,828	481,696
Non-current liabilities			
Deferred income tax liability		**-**	18,301
		-	18,301
Total Liabilities		**319,828**	499,997
Shareholders' Equity			
Share capital	6	**29,225,232**	29,225,232
Other capital reserves	6	**5,706,860**	5,475,979
Accumulated other comprehensive income/(loss)		**(24,477)**	21,598
Deficit		**(19,725,705)**	(18,875,035)
		15,181,910	15,847,774
Total Liabilities and Shareholders' Equity		**15,501,738**	16,347,771

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

Approved by the Board of Directors and authorized for issue on March 2, 2020

"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 December 31 2019**	Three Months Ended December 31 2018	**Six Months Ended December 31 2019**	Six Months Ended December 31 2018
		$	$	**$**	$
Expenses					
Business development		**3,703**	3,676	**11,431**	5,355
Consulting and directors fees		**115,142**	151,414	**227,592**	245,335
Depreciation		**1,320**	2,259	**2,673**	4,698
Office and administration		**17,570**	27,561	**39,532**	44,899
Professional fees		**26,668**	116,043	**101,669**	218,142
Public relations and communications		**51,325**	104,606	**89,177**	141,190
Share-based compensation	6(c)	**77,406**	447,489	**191,167**	513,230
Trade shows and conferences		**-**	-	**1,320**	-
Wages and benefits		**56,273**	55,354	**114,769**	79,469
		349,407	908,402	**779,330**	1,252,318
Other items - income/(expense)					
Foreign exchange loss		**(1,885)**	(2,735)	**(226)**	(4,639)
Interest and miscellaneous income		**6,704**	37,265	**22,599**	39,895
Exploration and evaluation asset impairment	5	**(106,218)**	(1,463)	**(112,014)**	(39,441)
		(101,399)	33,067	**(89,641)**	(4,185)
Loss before income taxes		**(450,806)**	(875,335)	**(868,971)**	(1,256,503)
Deferred income tax recovery		**-**	-	**18,301**	-
Net loss for the period		**(450,806)**	(875,335)	**(850,670)**	(1,256,503)
Other comprehensive income/(loss)					
Items that may subsequently be classified to income:					
Foreign currency translation adjustment arising from translating foreign operations		**(54)**	84,746	**(46,075)**	20,084
Comprehensive loss for the period		**(450,860)**	(790,589)	**(896,745)**	(1,236,419)
Basic and diluted loss per common share		**(0.01)**	(0.01)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**141,853,371**	133,558,062	**141,853,371**	94,939,064

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, 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)**
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)	-	-	550,794	-	-	**550,794**
Net loss		-	-	-	-	(1,256,503)	**(1,256,503)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	20,084	-	**20,084**
Balance, December 31, 2018		141,853,371	28,993,065	5,040,984	70,160	(17,659,991)	**16,444,218**
Deferred income tax impact on share issuance costs		-	232,167	-	-	-	**232,167**
Share-based compensation	6(c)	-	-	434,995	-	-	**434,995**
Net loss		-	-	-	-	(1,215,044)	**(1,215,044)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	(48,562)	-	**(48,562)**
Balance, June 30, 2019		141,853,371	29,225,232	5,475,979	21,598	(18,875,035)	**15,847,774**
Share-based compensation	6(c)	-	-	230,881	-	-	**230,881**
Net loss		-	-	-	-	(850,670)	**(850,670)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	(46,075)	-	**(46,075)**
Balance, December 31, 2019		**141,853,371**	**29,225,232**	**5,706,860**	**(24,477)**	**(19,725,705)**	**15,181,910**

Fission 3.0 Corp.

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

	Note	**Three Months Ended December 31 2019**	Three Months Ended December 31 2018	**Six Months Ended December 31 2019**	Six Months Ended December 31 2018
		$	$	**$**	$
Operating activities					
Net loss		**(450,806)**	(875,335)	**(850,670)**	(1,256,503)
Items not involving cash:					
Depreciation		**1,320**	2,259	**2,673**	4,698
Share-based compensation	6(c)	**77,406**	447,489	**191,167**	513,230
Exploration and evaluation asset write-down	5	**106,218**	1,463	**112,014**	39,441
Deferred income tax recovery		**-**	-	**(18,301)**	-
		(265,862)	(424,124)	**(563,117)**	(699,134)
Changes in non-cash working capital items:					
(Increase)/decrease in amounts receivable		**69,647**	(119,400)	**84,809**	(128,159)
(Increase)/decrease in prepaid expenses		**6,274**	(42,488)	**2,578**	(13,026)
Increase/(decrease) in accounts payable and accrued liabilities		**(31,141)**	(83,687)	**11,362**	(60,280)
Cash flow used in operating activities		**(221,082)**	(669,699)	**(464,368)**	(900,599)
Investing activities					
Property and equipment additions		**(405)**	(2,278)	**(405)**	(2,278)
Exploration and evaluation asset additions		**(810,460)**	(483,648)	**(1,859,683)**	(608,767)
Exploration and evaluation asset cost recoveries	5(h)	**-**	-	**-**	100,000
Increase in deposits		**-**	(130,877)	**(3,015)**	(69,256)
Cash flow used in investing activities		**(810,865)**	(616,803)	**(1,863,103)**	(580,301)
Financing activities					
Proceeds from promissory notes		**-**	-	**-**	150,000
Repayment of promissory notes		**-**	-	**-**	(150,000)
Proceeds from the exercise of stock options	6(b)	**-**	1,600	**-**	1,600
Proceeds from the issuance of common share units and flow-through common shares	6(a)	**-**	3,315,201	**-**	9,500,201
Share issuance costs	6(a)	**-**	(350,346)	**-**	(793,061)
Cash flow provided by financing activities		**-**	2,966,455	**-**	8,708,740
Increase/(decrease) in cash and cash equivalents during the period		**(1,031,947)**	1,679,953	**(2,327,471)**	7,227,840
Cash and cash equivalents, beginning of period		**1,740,480**	5,665,863	**3,036,004**	117,976
Cash and cash equivalents, end of period		**708,533**	7,345,816	**708,533**	7,345,816

Supplemental disclosure with respect to cash flows (Note 7)

1. Nature of operations and going concern

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.

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. As at December 31, 2019 the Company had a working capital balance of $637,547, and for the six month period ended December 31, 2019, recorded cash outflows from operating activities of $464,368. The Company's ability to continue as a going concern is dependent upon its ability to fund its operations through equity financing, joint ventures, option agreements or other means. Although the Company has successfully raised funds in the past, there is no assurance that it will be able to do so in the future. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and statement of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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 financial statements for the year ended June 30, 2019 prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 2, 2020.

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, 2019.

(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. Certain comparative figures have been reclassified to conform with the current period presentation.

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 adopted by the Company

IFRS 16, Leases

The Company adopted IFRS 16 - Leases effective July 1, 2019. The adoption of IFRS 16 did not have an impact on the financial statements, as the Company does not currently have any leases.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

Leases are recognized as a right of use asset and a corresponding obligation when the leased asset is available for use by the Company. Lease obligations are initially measured at the net present value of the fixed lease payments and variable lease payments that are based on an index or a rate, discounted using the rate implicit in the lease, or if that cannot be determined, the Company's estimated incremental borrowing rate. Right of use assets are initially measured at cost, comprising the amount of the initial measurement of the lease obligation, any lease payments made at or before the lease commencement date, and restoration costs.

Right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease obligations are subsequently measured at amortized cost using the effective interest rate method.

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.

(Expressed in Canadian dollars)

3. Key estimates and judgements (continued)

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. Amounts receivable

	December 31 2019	June 30 2019
	$	$
GST receivable	**25,254**	74,940
Other receivables	**5,681**	40,264
	30,935	115,204

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 December 31, 2019.

(a) *Clearwater West Property, Canada*

The Company holds a 100% interest in 3 claims (June 30, 2019 – 3 claims) at the Clearwater West property in Saskatchewan.

(b) *Montgomery Lake Property, Canada*

The Company holds a 100% interest in 1 claim (June 30, 2019 – 1 claim) at the Montgomery Lake property in Saskatchewan.

Based on the Company's lack of planned expenditure on certain claims, an impairment indicator was identified for this property. The Company determined that the fair value of the claims on which there is no planned expenditure is $nil, and as a result, recorded an impairment of acquisition costs in the amount of $805 and exploration costs in the amount of $2,297 during the six month period ended December 31, 2019 (June 30, 2019 – $Nil).

(c) *Patterson Lake North Property, Canada*

The Company holds a 100% interest in 37 claims (June 30, 2019 – 37 claims) at the Patterson Lake North property in Saskatchewan.

(d) *Wales Lake Property, Canada*

The Company holds a 100% interest in 31 claims (June 30, 2019 – 31 claims) at the Wales Lake Property in Saskatchewan.

5. Exploration and evaluation assets (continued)

(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) Close Lake Property, 4 claims (June 30, 2019 – 4 claims);
(ii) Ford Lake Property, 15 claims (June 30, 2019 – 15 claims);
(iii) Gryphon West Property, 10 claims (June 30, 2019 – 10 claims);
(iv) Hobo Lake Property, 71 claims (June 30, 2019 – 40 claims);
(v) Morin Lake Property, 3 claims (June 30, 2019 – 3 claims).

Based on the Company's lack of planned expenditure on certain claims, an impairment indicator was identified for this property. The Company determined that the fair value of the claims on which there is no planned expenditure is $nil, and as a result, recorded an impairment of acquisition costs in the amount of $16,673 and exploration costs in the amount of $77,089 during the six month period ended December 31, 2019 (June 30, 2019 – $151,371 exploration costs).

(f) Beaverlodge/Uranium City Area, Canada

The Company holds a 100% interest in 57 claims (June 30, 2019 - 57 claims) at the Beaverlodge/Uranium City Area in Saskatchewan.

Based on the Company's lack of planned expenditure on certain claims, an impairment indicator was identified for this property. The Company determined that the fair value of the claims on which there is no planned expenditure is $nil, and as a result, recorded an impairment of exploration costs in the amount of $15,150 during the six month period ended December 31, 2019 (June 30, 2019 – $450 acquisition costs and $92,562 exploration costs.).

(g) Northeast Athabasca Basin Area, Canada

The Company holds a 100% interest in 32 claims (June 30, 2019 – 24 claims) in other uranium properties in and around the Northeast Athabasca Basin area of Saskatchewan.

(h) Macusani Property, Peru

The Company holds a 100% interest in 9 concessions (June 30, 2019 – 9 concessions) at the Macusani property in Peru.

In August 2018, the Company entered into a letter of intent (the "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 $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. As at December 31th, 2019, Rhyolite had not fulfilled any part of their earn-in agreement.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (continued)

As at December 31, 2019

	Clearwater West Property	Montgomery Lake Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	North East Athabasca Basin Area	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	**$**
Acquisition costs									
Balance, beginning of period	-	805	11,426	29,947	25,401	31,833	8,757	-	**108,169**
Additions	-	-	-	-	24,806	3,570	3,051	-	**31,427**
Impairment	-	(805)	-	-	(16,673)	-	-	-	**(17,478)**
Balance, end of period	-	-	11,426	29,947	33,534	35,403	11,808	-	**122,118**
Exploration costs									
Balance, beginning of period	89,821	2,182	5,757,166	1,096,882	940,907	946,938	884,282	3,102,993	**12,821,171**
Incurred during the period									
Geology mapping and sampling	266	-	4,447	331	4,706	573,943	7,536	5,184	**596,413**
Geophysics airborne	-	-	-	58,466	-	-	-	-	**58,466**
Geophysics ground	-	-	-	1,138	1,491	773,074	10,672	-	**786,375**
Land retention and permitting	272	91	3,269	5,735	11,901	28,658	4,822	-	**54,748**
Reporting	-	-	14,302	14,564	4,920	15,584	7,552	-	**56,922**
Environmental	-	-	-	-	-	-	-	73	**73**
Community relations	-	-	-	-	-	2,451	-	21,997	**24,448**
General	62	20	758	635	1,663	1,167	568	82,446	**87,319**
Share-based compensation	31	4	1,304	6,118	1,731	26,740	3,653	133	**39,714**
Additions	631	115	24,080	86,987	26,412	1,421,617	34,803	109,833	**1,704,478**
Impairment	-	(2,297)	-	-	(77,089)	(15,150)	-	-	**(94,536)**
Balance, end of period	90,452	-	5,781,246	1,183,869	890,230	2,353,405	919,085	3,212,826	**14,431,113**
Foreign currency translation	-	-	-	-	-	-	-	(24,477)	**(24,477)**
Total	**90,452**	**-**	**5,792,672**	**1,213,816**	**923,764**	**2,388,808**	**930,893**	**3,188,349**	**14,528,754**

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (continued)

As at June 30, 2019

	Clearwater West Property	Montgomery Lake Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	North East Athabasca Basin Area	Macusani Property	Total
	$	$	$	$	$	$	$	$	$
Acquisition costs									
Balance, beginning of year	-	805	11,426	26,619	25,401	25,156	8,757	-	98,164
Additions	-	-	-	3,328	-	7,127	-	-	10,455
Impairment	-	-	-	-	-	(450)	-	-	(450)
Balance, end of year	-	805	11,426	29,947	25,401	31,833	8,757	-	108,169
Exploration costs									
Balance, beginning of year	89,215	1,817	4,679,307	328,441	231,622	559,081	167,554	2,650,118	8,707,155
Incurred during the year									
Geology mapping and sampling	-	-	2,288	589	12,545	135,177	2,001	20,808	173,408
Geophysics airborne	-	-	-	223,611	35,000	-	-	8,603	267,214
Geophysics ground	-	-	848	177,189	15,872	253,709	187,459	17,944	653,021
Drilling	-	-	1,054,618	342,025	754,105	-	510,336	-	2,661,084
Land retention and permitting	447	262	6,899	6,935	19,441	74,562	6,522	197,931	312,999
Reporting	-	-	577	430	401	122	25	-	1,555
Environmental	-	-	-	-	-	-	-	14,033	14,033
Community relations	-	-	-	-	-	129	-	34,376	34,505
General	84	28	1,032	935	2,102	1,693	692	252,430	258,996
Share-based compensation	75	75	11,597	16,727	21,190	15,027	9,736	6,850	81,277
Additions	606	365	1,077,859	768,441	860,656	480,419	716,771	552,975	4,458,092
Cost recoveries	-	-		-	-	-	-	(100,100)	(100,100)
Impairment	-	-	-	-	(151,371)	(92,562)	(43)	-	(243,976)
Balance, end of year	89,821	2,182	5,757,166	1,096,882	940,907	946,938	884,282	3,102,993	12,821,171
Foreign currency translation	-	-	-	-	-	-	-	21,598	21,598
Total	89,821	2,987	5,768,592	1,126,829	966,308	978,771	893,039	3,124,591	12,950,938

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. 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.

(Expressed in Canadian dollars)

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 was 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.

Stock option and warrant transactions are summarized as follows:

	Stock options		**Warrants**	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		$		$
Outsanding July 1, 2018	2,889,975	0.6200	5,547,680	0.3931
Granted	13,985,000	0.1605	69,295,518	0.1512
Expired	(2,974,975)	0.6077	(5,547,680)	0.3931
Exercised	(13,333)	0.1200	-	-
Forfeited	(85,000)	0.1900	-	-
Outstanding, June 30, 2019	13,801,667	0.1602	69,295,518	0.1512
Outstanding, December 31, 2019	**13,801,667**	**0.1602**	**69,295,518**	**0.1512**

(Expressed in Canadian dollars)

6. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

As at December 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	1,720,001	August 14, 2023
7,930,000	0.1900	5,286,669	October 25, 2023
3,285,000	0.1200	1,642,500	March 15, 2024
13,801,667		**8,649,170**	

Warrants

Number outstanding	Exercise price	Number of vested warrants	Expiry date
	$		
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
69,295,518		**69,295,518**	

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the six month period ended December 31, 2019 the Company granted no stock options (December 31, 2018 – 10,700,000). Pursuant to the vesting schedule of options granted, during the six month period ended December 31, 2019 share-based compensation of $191,167 (December 31, 2018 – $513,230) was recognized in the statement of loss and comprehensive loss and $39,714 (December 31, 2018 – $37,564) was recognized in exploration and evaluation assets. The total amount of $230,881 (December 31, 2018 – $550,794) 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:

	December 31 2019	December 31 2018
Risk Free Interest Rate	**N/A**	2.31%
Expected Life - Years	**N/A**	2.92
Estimated Forfeiture Rate	**N/A**	0.89%
Annualised Volatility	**N/A**	102.51%
Dividend Rate	**N/A**	N/A
Weighted average fair value per option	**N/A**	$0.12

(Expressed in Canadian dollars)

7. Supplemental disclosure with respect to cash flows

	December 31 2019	June 30 2019
	$	$
Cash and cash equivalents		
Cash	**18,533**	196,004
Redeemable term deposits	**690,000**	2,840,000
	708,533	3,036,004

There were no cash payments for income taxes during the six months ended December 31, 2019 or 2018. During the six months ended December 31, 2019 the Company received $60,438 (December 31, 2018 - $8,853) in interest income and paid $Nil (December 31, 2018 - $1,162) in interest charges.

Significant non-cash transactions for the six months ended December 31, 2019 included:

(a) Incurring $264,791 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $39,714 of share-based payments in exploration and evaluation; and

(c) Reclassifying $15,150 of deficiency deposits to exploration and evaluation assets.

Significant non-cash transactions for the six months ended December 31, 2018 included:

(a) Incurring $465,891 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $37,564 of share-based payments in exploration and evaluation assets;

(c) Incurring $33,182 of share issuance costs through accounts payable and accrued liabilities; and

(d) Recognizing the $33,635 fair value of finders' warrants in other capital reserves and issuance costs.

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 December 31		**Six Month Ended December 31**	
	2019	2018	**2019**	2018
	$	$	**$**	$
Compensation costs				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	**172,673**	186,223	**346,000**	299,321
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	**46,300**	218,292	**117,367**	260,436
	218,973	404,515	**463,367**	559,757

(Expressed in Canadian dollars)

8. Related party transactions (continued)

	Three Months Ended December 31		Six Month Ended December 31	
	2019	2018	**2019**	2018
	$	$	**$**	$
Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0	**85,798**	96,603	**316,703**	127,783

Included in accounts payable at December 31, 2019 is $15,538 (June 30, 2019 - $19,107) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable at December 31, 2019 is $50,522 (June 30, 2019 - $60,907) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

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:

	December 31, 2019		June 30, 2019	
	Canada	**Peru**	Canada	Peru
	$	**$**	$	$
Property and equipment	**4,781**	**10,728**	6,600	11,177
Exploration & evaluation assets	**11,340,405**	**3,188,349**	9,826,347	3,124,591
	11,345,186	**3,199,077**	9,832,947	3,135,768

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 or debt or dispose of assets. The issuance of common shares or issuance of debt requires approval of the Board of Directors.

The Company reviews its capital management approach on an on-going basis and updates it 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.

(Expressed in Canadian dollars)

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 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 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 December 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:

	December 31 2019	June 30 2019
	$	$
Cash and cash equivalents	**708,533**	3,036,004
Amounts receivable	**30,935**	115,204
	739,468	3,151,208

(Expressed in Canadian dollars)

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 (see note 1). 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	**December 31 2019**	June 30 2019
		$	$
Accounts payable and accrued liabilities	< 6 months	**319,828**	481,696

(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:

	December 31 2019	June 30 2019
	$	$
Level 3	**100**	100
	100	100

12. Subsequent Event

Subsequent to December 31, 2019, the Company received a refund of deposits held by the Government of Saskatchewan in the amount of $108,146.