



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

**For the Six Month Period Ended
June 30, 2017**

Fission Uranium Corp.

Condensed Interim Financial Statements

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Fission Uranium Corp.

Condensed interim statements of financial position
(Expressed in Canadian dollars)
(Unaudited)

	Note	June 30 2017	December 31 2016
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		38,192,247	50,248,379
Amounts receivable		206,768	160,455
Prepaid expenses		113,917	153,401
		38,512,932	50,562,235
Investments	4	10,163,627	10,080,318
Investment in Fission 3.0 Corp.	5	2,106,124	2,697,490
Property and equipment		283,493	341,862
Exploration and evaluation assets	6	283,993,868	274,028,654
Total Assets		335,060,044	337,710,559
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		515,500	475,311
		515,500	475,311
Deferred income tax liability		1,349,066	1,966,119
Total Liabilities		1,864,566	2,441,430
Shareholders' Equity			
Share capital	7	412,850,025	412,568,231
Other capital reserves	7	25,568,509	23,429,231
Deficit		(105,223,056)	(100,728,333)
		333,195,478	335,269,129
Total Liabilities and Shareholders' Equity		335,060,044	337,710,559

Approved by the Board of Directors and authorized for issue on August 10, 2017.

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

Condensed interim statements of loss and comprehensive loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended June 30 2017	Three Months Ended June 30 2016	Six Months Ended June 30 2017	Six Months Ended June 30 2016
Note	\$	\$	\$	\$
Expenses				
Business development	62,962	124,027	132,824	347,597
Consulting and directors fees	362,715	380,229	752,534	808,154
Depreciation	29,038	34,984	63,753	60,692
Office and administration	178,302	207,804	408,159	399,479
Professional fees	70,093	91,794	140,673	156,715
Public relations and communications	335,059	410,890	563,322	715,917
Share-based compensation	7(c) 549,706	638,984	1,735,268	2,056,621
Trade shows and conferences	99,600	43,672	254,320	159,535
Wages and benefits	207,171	228,116	434,720	466,139
	1,894,646	2,160,500	4,485,573	5,170,849
Other items - income/(expense)				
Flow-through premium recovery	-	-	-	4,402,200
Foreign exchange loss	(6,356)	(4,582)	(10,606)	(11,728)
Interest and miscellaneous income	159,681	106,911	337,698	176,548
Loss on disposal of property and equipment	-	(485)	-	(485)
Share of loss from equity investment in Fission 3.0 Corp.	5 (15,805)	(37,338)	(49,671)	(66,317)
Investment in Fission 3.0 Corp. write-down	5 -	-	(903,624)	-
	137,520	64,506	(626,203)	4,500,218
Loss before income taxes	(1,757,126)	(2,095,994)	(5,111,776)	(670,631)
Deferred income tax recovery/(expense)	303,615	362,814	617,053	(3,939,089)
Net loss and comprehensive loss for the period	(1,453,511)	(1,733,180)	(4,494,723)	(4,609,720)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding	484,653,252	483,924,661	484,401,421	470,180,672

Fission Uranium Corp.

Condensed interim statements of changes in equity
(Expressed in Canadian dollars)
(Unaudited)

	Note	Share capital		Other capital reserves	Deficit	Total shareholders' equity
		Shares	Amount			
			\$	\$	\$	\$
Balance, January 1, 2016		387,188,121	333,741,259	19,977,536	(93,002,616)	260,716,179
Common shares issued for cash	7(a)	96,736,540	82,226,059	-	-	82,226,059
Share issuance costs	7(a)	-	(4,730,720)	-	-	(4,730,720)
Deferred income tax impact on share issuance costs		-	1,229,987	-	-	1,229,987
Share-based compensation	7(c)	-	-	2,485,440	-	2,485,440
Net loss and comprehensive loss		-	-	-	(4,609,720)	(4,609,720)
Balance, June 30, 2016		483,924,661	412,466,585	22,462,976	(97,612,336)	337,317,225
Exercise of stock options		263,333	101,646	(8,993)	-	92,653
Share-based compensation		-	-	975,248	-	975,248
Net loss and comprehensive loss		-	-	-	(3,115,997)	(3,115,997)
Balance, December 31, 2016		484,187,994	412,568,231	23,429,231	(100,728,333)	335,269,129
Exercise of stock options		463,333	178,044	(15,841)	-	162,203
Director remuneration shares issued		175,636	103,750	-	-	103,750
Share-based compensation	7(c)	-	-	2,155,119	-	2,155,119
Net loss and comprehensive loss		-	-	-	(4,494,723)	(4,494,723)
Balance, June 30, 2017		484,826,963	412,850,025	25,568,509	(105,223,056)	333,195,478

Fission Uranium Corp.

Condensed interim statements of cash flows
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended June 30 2017	Three Months Ended June 30 2016	Six Months Ended June 30 2017	Six Months Ended June 30 2016
Note	\$	\$	\$	\$
Operating activities				
Net loss and comprehensive loss	(1,453,511)	(1,733,180)	(4,494,723)	(4,609,720)
Items not involving cash:				
Depreciation	29,038	34,984	63,753	60,692
Share-based compensation	549,706	638,984	1,735,268	2,056,621
Flow-through premium recovery	-	-	-	(4,402,200)
Loss on short-term investments	-	4,250	-	3,500
Loss on disposal of property and equipment	-	485	-	485
Accrued interest on investments	(41,884)	-	(83,309)	-
Share of loss from equity investment in Fission 3.0 Corp.	15,805	37,338	49,671	66,317
Investment in Fission 3.0 Corp. write-down	-	-	903,624	-
Deferred income tax (recovery)/expense	(303,615)	(362,814)	(617,053)	3,939,089
	(1,204,461)	(1,379,953)	(2,442,769)	(2,885,216)
Changes in non-cash working capital items:				
(Increase) decrease in amounts receivable	181,358	282,267	(46,313)	48,981
(Increase) decrease in prepaid expenses	45,426	(377,865)	39,484	(40,478)
Increase (decrease) in accounts payable and accrued liabilities	(74,768)	(137,472)	91,599	(690,940)
Cash flow used in operating activities	(1,052,445)	(1,613,023)	(2,357,999)	(3,567,653)
Investing activities				
Restricted cash	-	-	-	3,000,000
Property and equipment additions	(5,384)	(2,281)	(9,113)	(296,308)
Purchase of units of Fission 3.0 Corp.	(361,929)	-	(361,929)	-
Exploration and evaluation asset additions	(4,993,382)	(3,462,399)	(9,489,294)	(8,885,457)
Cash flow used in investing activities	(5,360,695)	(3,464,680)	(9,860,336)	(6,181,765)
Financing activities				
Proceeds from the issuance of common shares net of share issuance costs	-	-	-	77,495,339
Proceeds from exercise of stock options	13,360	-	162,203	-
Cash flow provided by financing activities	13,360	-	162,203	77,495,339
(Decrease)/increase in cash and cash equivalents during the period	(6,399,780)	(5,077,703)	(12,056,132)	67,745,921
Cash and cash equivalents, beginning of period	44,592,027	77,067,295	50,248,379	4,243,671
Cash and cash equivalents, end of period	38,192,247	71,989,592	38,192,247	71,989,592

Supplemental disclosure with respect to cash flows (Note 8)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

1. Nature of operations and change in year end

Fission Uranium Corp. (the "Company" or "Fission Uranium") was incorporated on February 13, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Energy Corp. which was completed on April 26, 2013. 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 Toronto Stock Exchange under the symbol FCU, on the U.S. OTCQX under the symbol FCUUF, and on the Frankfurt Stock Exchange under the symbol 2FU.

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.

The Company has changed its fiscal year end from June 30 to December 31 in order to better align the Company's financial disclosure with one of its largest shareholders for operational and administrative efficiency. The change in fiscal year end was effective December 31, 2016 and so the transitional fiscal period was for the six month period ended December 31, 2016.

2. Significant accounting policies

(a) *Statement of compliance*

These condensed 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 six month transitional fiscal year ended December 31, 2016 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on August 10, 2017.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the six month transitional fiscal year ended December 31, 2016.

(b) *Basis of presentation*

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

(c) *New standards, amendments and interpretations not yet effective*

The IASB issued a number of new standards and amendments to standards and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2018.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

2. Significant accounting policies (continued)

(c) *New standards, amendments and interpretations not yet effective (continued)*

Accounting standards effective January 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 has not yet considered the potential impact of the adoption of IFRS 16.

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 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 areas:

- (i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the Patterson Lake South ("PLS") property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and
- (ii) Assessing when the commercial viability and technical feasibility of the project has been determined, at which point the asset is reclassified to property and equipment.

Investments in associates

The application of the Company's accounting policy for investments in associates requires judgement to determine whether any objective evidence of impairment exists at each reporting date giving consideration to factors such as: significant financial difficulty of the associate, or a significant or prolonged decline in the fair value of the investment below its carrying value.

4. Investments

	June 30	December 31
	2017	2016
		\$
Guaranteed Investment Certificates ("GIC's")	10,000,000	10,000,000
Interest accrued on GIC's	163,627	80,318
	10,163,627	10,080,318

The Company purchased two \$5,000,000 fixed rate GIC's with a term of 2 years from a Canadian financial institution. The GIC's bear interest at a 1.68% annual rate and mature on July 9, 2018 and July 11, 2018.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
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5. Investment in Fission 3.0 Corp.

On February 23, 2015 the Company completed a private placement with Fission 3.0 Corp. ("Fission 3.0") pursuant to which the Company purchased 22,000,000 common shares of Fission 3.0 at a price of \$0.14 per share for a total cost of \$3,080,000.

The Company has a 12.36% interest in Fission 3.0, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties in Canada and Peru. The Company, through a combination of this shareholding and its common directors and management, has significant influence over Fission 3.0 and accounts for the investment using the equity method.

On April 21, 2017, Fission 3.0 closed the second and final tranche of its non-brokered private placement financing by issuing an additional 24,182,683 units at a price of \$0.07 per unit. Each unit consisted of one common share and one-half of one share purchase warrant exercisable for an additional common share at \$0.10 per warrant until April 21, 2019. To maintain its 12.36% interest in Fission 3.0, the Company purchased 5,170,410 units for a total cost of \$361,929. The Company now holds 27,170,410 common shares and 2,585,205 common share purchase warrants of Fission 3.0.

Due to the fact that Fission 3.0's financial statements are typically not publicly available at the time the Company files its financial statements, the share of Fission 3.0's results are recognized using a reporting period which is three months prior to that of the Company. For the six month period ended June 30, 2017, the Company recognized its proportionate share of Fission 3.0's loss for the six month period ended March 31, 2017.

Details of the investment in Fission 3.0 are as follows:

	\$
Balance January 1, 2016	2,942,500
Share of Fission 3.0's loss for the six months ended March 31, 2016	(62,947)
Reversal of intercompany services	(3,370)
Balance June 30, 2016	2,876,183
Share of Fission 3.0's loss for the six months ended September 30, 2016	(173,896)
Reversal of intercompany services	(4,797)
Balance December 31, 2016	2,697,490
Purchase of 5,170,410 units @ \$0.07 per unit	361,929
Share of Fission 3.0's loss for the six months ended March 31, 2017	(46,556)
Reversal of intercompany services	(3,115)
Investment in Fission 3.0 Corp. write-down	(903,624)
Balance June 30, 2017	2,106,124

As at March 31, 2017, the prolonged decline in the fair value of the investment in Fission 3.0 was considered to be objective evidence of impairment under *IAS 28, Investments in Associates and Joint Ventures*. Accordingly, the carrying value of the investment was written down by \$903,624 to its fair value based on the quoted market price of Fission 3.0's common shares.

The trading price of Fission 3.0's common shares on June 30, 2017 was \$0.07 (December 31, 2016 - \$0.065). The quoted market value of the investment in Fission 3.0 on June 30, 2017 was \$1,901,929 (December 31, 2016 - \$1,430,000).

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

5. Investment in Fission 3.0 Corp. (continued)

Fission 3.0's comprehensive loss for select periods is as follows:

	Six months Ended	Six months Ended	Six months Ended
	March 31	September 30	March 31
	2017	2016	2016
	\$	\$	\$
Comprehensive loss for the period	376,667	1,406,925	509,273

Select information from Fission 3.0's statements of financial position is as follows:

	March 31	June 30
	2017	2016
	\$	\$
Current assets	2,167,627	1,928,260
Property and equipment	32,993	40,571
Exploration and evaluation assets	7,689,894	8,462,549
Total Assets	9,890,514	10,431,380
Current liabilities	124,663	55,762
Deferred income tax liability	465,398	1,066,189
Total Liabilities	590,061	1,121,951

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

6. Exploration and evaluation assets

	Six months ended June 30 2017	Six months ended December 31 2016
Patterson Lake South Property		
		\$
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration costs		
Balance, beginning	97,526,796	88,539,338
Incurred during		
Geology mapping/sampling	44,457	26,370
Geophysics airborne	-	46,367
Geophysics ground	373,853	330,803
Drilling	8,710,100	7,736,870
Land retention and permitting	23,161	21,632
Reporting	21,077	32,596
Environmental	270,459	494,973
Safety	54,777	24,909
Community relations	20,654	87,716
General	26,825	9,434
Share-based compensation	419,851	175,788
Additions	9,965,214	8,987,458
Balance, end	107,492,010	97,526,796
Total	283,993,868	274,028,654

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 title to all of its exploration and evaluation assets, and to the best of its knowledge, title to its property is in good standing.

On January 11, 2016 the Company executed an offtake agreement with CGN Mining Company Limited ("CGN Mining"). Under the terms of the offtake agreement, CGN Mining will purchase 20% of annual U₃O₈ production and will have an option to purchase up to an additional 15% of U₃O₈ production from the PLS property, after commencement of commercial production.

7. Share capital and other capital reserves

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

(a) Private Placements

January 26, 2016

The Company completed a private placement with CGN Mining of 96,736,540 common shares at a price of \$0.85 per share, for gross proceeds of \$82,226,059 equal to 19.99% of the issued and outstanding shares of the Company upon closing. The Company paid agents' commissions of \$4,111,303 plus expenses of \$619,417.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

7. Share capital and other capital reserves (continued)

(b) Stock options

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 transactions are summarized as follows:

	Stock options	
	Number	Weighted
	outstanding	average
		exercise
		price
		\$
Balance January 1, 2016	31,628,333	1.0645
Granted	16,350,000	0.8500
Forfeited	(23,333)	1.0000
Expired	(8,371,667)	0.6933
Outstanding, June 30, 2016	39,583,333	1.0545
Exercised ⁽¹⁾	(263,333)	0.3518
Expired	(400,000)	1.2920
Outstanding, December 31, 2016	38,920,000	1.0568
Granted	9,940,000	0.8500
Exercised ⁽¹⁾	(463,333)	0.3501
Outstanding, June 30, 2017	48,396,667	1.0211

⁽¹⁾ The weighted average share price of stock options exercised during the six month period ended June 30, 2017 was \$0.6892 (Six months ended December 31, 2016 - \$0.6035).

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

7. Share capital and other capital reserves (continued)

(b) Stock options (continued)

As at June 30, 2017, incentive stock options were outstanding as follows:

Stock options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
646,667	0.2505	646,667	December 31, 2017
16,350,000	0.8500	10,899,999	February 5, 2021
9,940,000	0.8500	3,313,332	January 16, 2022
7,930,000	1.0000	7,930,000	December 15, 2019
7,210,000	1.2000	7,210,000	January 21, 2019
300,000	1.3100	300,000	February 25, 2019
6,020,000	1.6500	6,020,000	April 4, 2019
48,396,667		36,319,998	

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the six month period ended June 30, 2017 the Company granted 9,940,000 stock options (June 30, 2016 - 16,350,000). Pursuant to the vesting schedule of options granted, during the six month period ended June 30, 2017 share-based compensation of \$1,735,268 (June 30, 2016 - \$2,056,621) was recognized in the statements of loss and comprehensive loss and \$419,851 (June 30, 2016 - \$428,819) was recognized in exploration and evaluation assets. The total amount of \$2,155,119 (June 30, 2016 - \$2,485,440) was also recorded as other capital reserves in the statements of changes in equity.

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

	June 30 2017	June 30 2016
Risk Free Interest Rate	0.85%	0.38%
Expected Life - Years	2.92	2.92
Estimated Forfeiture Rate	4.45%	6.10%
Annualised Volatility	51.34%	55.80%
Dividend Rate	N/A	N/A
Weighted average fair value per option	\$0.27	\$0.24

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Expressed in Canadian dollars)
(Unaudited)

8. Supplemental disclosure with respect to cash flows

	June 30 2017	December 31 2016
	\$	\$
Cash and cash equivalents		
Cash	32,832,247	44,573,379
Redeemable term deposits	5,360,000	5,675,000
	38,192,247	50,248,379

There were no cash payments for interest and income taxes during the six month period ended June 30, 2017, or the six month period ended June 30, 2016. During the six month period ended June 30, 2017 the Company received \$226,135 (June 30, 2016 - \$153,723) in interest income.

Significant non-cash transactions for the six month period ended June 30, 2017 included:

- (a) Incurring \$329,942 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$419,851 of share-based payments in exploration and evaluation assets;
- (c) Reclassifying \$15,841 from other capital reserves to share capital on the exercise of stock options; and
- (d) Issuing director remuneration common shares to the Board of Directors valued at \$103,750 pursuant to the director remuneration plan.

Significant non-cash transactions for six month period ended June 30, 2016 included:

- (a) Incurring \$787,074 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$428,819 of share-based payments in exploration and evaluation assets; and
- (c) Reclassifying \$1,229,987 from share issuance costs to deferred income tax liability to record the impact of deferred income taxes on share issuance costs.

9. Related party transactions

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

	Three months ended		Six months ended	
	June 30 2017	2016	June 30 2017	2016
	\$	\$	\$	\$
<i>Compensation Costs</i>				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	512,410	606,026	1,066,490	1,185,825
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	371,822	483,702	1,239,171	1,544,543
	884,232	1,089,728	2,305,661	2,730,368

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

9. Related party transactions (continued)

	Three months ended		Six months ended	
	June 30		June 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Exploration and administrative services billed to Fission 3.0 Corp., a company over which Fission Uranium has significant influence	39,896	50,993	77,067	96,809

Included in accounts payable at June 30, 2017 is \$13,448 (December 31, 2016 - \$13,448) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at June 30, 2017 is \$14,422 (December 31, 2016 - \$2,499) for exploration and administrative services and expense recoveries due from Fission 3.0.

Transactions with CGN Mining, which is deemed to be a related party as it accounts for its investment in the Company as an investment in associate, have been disclosed in notes 6 and 7.

On April 21, 2017, the Company purchased additional units of Fission 3.0 for a total cost of \$361,929 to maintain its 12.36% interest in Fission 3.0 (note 5).

These transactions were in the normal course of operations.

10. 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 is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. For investments with fixed rates of interest, the carrying value is considered to be a reasonable approximation of fair value due to insignificant movements in risk-free interest rates during the period.

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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

10. Financial instruments and risk management (continued)

(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;
- (ii) Amounts receivable; and
- (iii) Investments

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At June 30, 2017, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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

	June 30	December 31
	2017	2016
	\$	\$
Cash and cash equivalents	38,192,247	50,248,379
Amounts receivable	206,768	160,455
Investments	10,163,627	10,080,318
	48,562,642	60,489,152

(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 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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2017
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(Unaudited)

10. Financial instruments and risk management (continued)

(b) *Liquidity risk (continued)*

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

	Maturity Dates	June 30 2017	December 31 2016
		\$	\$
Accounts payable and accrued liabilities	< 6 months	515,500	475,311