



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited – Prepared by Management)

**For the Nine Month Period Ended
September 30, 2018**

Fission Uranium Corp.

Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

For the Nine Month Period Ended September 30, 2018

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 interim financial statements for the nine month period ended September 30, 2018.

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Fission Uranium Corp.

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

	Note	September 30 2018	December 31 2017
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		13,535,542	30,735,915
Short-term investments	4	10,000,000	10,000,000
Amounts receivable		472,176	199,409
Prepaid expenses		164,239	269,795
		24,171,957	41,205,119
Investment in Fission 3.0 Corp.	5	1,109,653	2,017,311
Property and equipment		205,824	284,047
Exploration and evaluation assets	6	303,168,036	289,441,867
Total Assets		328,655,470	332,948,344
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		826,092	487,327
		826,092	487,327
Deferred income tax liability		-	762,109
Total Liabilities		826,092	1,249,436
Shareholders' Equity			
Share capital	7	413,282,975	413,155,475
Other capital reserves	7	26,644,238	26,307,729
Deficit		(112,097,835)	(107,764,296)
		327,829,378	331,698,908
Total Liabilities and Shareholders' Equity		328,655,470	332,948,344

Approved by the Board of Directors and authorized for issue on November 12, 2018.

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

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

	Three Months Ended September 30 2018	Three Months Ended September 30 2017	Nine Months Ended September 30 2018	Nine Months Ended September 30 2017
Note	\$	\$	\$	\$
Expenses				
Business development	166,779	214,116	468,271	346,940
Consulting and directors fees	358,351	392,837	1,151,584	1,145,371
Depreciation	22,766	26,680	78,223	90,433
Office and administration	203,138	199,510	640,678	607,669
Professional fees	19,686	18,949	220,319	159,622
Public relations and communications	112,064	288,849	612,482	852,171
Share-based compensation expense (recovery)	7(c) (36,719)	358,032	253,215	2,093,300
Trade shows and conferences	32,972	47,730	225,059	302,050
Wages and benefits	179,286	230,639	604,536	665,359
	1,058,323	1,777,342	4,254,367	6,262,915
Other items - income/(expense)				
Foreign exchange loss	(2,750)	(7,092)	(5,250)	(17,698)
Interest and miscellaneous income	148,480	171,861	471,627	509,559
Loss on disposal of property and equipment	-	(283)	-	(283)
Share of loss from equity investment in Fission 3.0 Corp.	5 (75,646)	(51,499)	(113,320)	(101,170)
Write-down on investment in Fission 3.0 Corp.	5 -	-	(1,164,525)	(903,624)
Dilution loss on investment in Fission 3.0 Corp.	5 (29,813)	-	(29,813)	-
	40,271	112,987	(841,281)	(513,216)
Loss before income taxes	(1,018,052)	(1,664,355)	(5,095,648)	(6,776,131)
Deferred income tax recovery	73,354	321,207	762,109	938,260
Net loss and comprehensive loss for the period	(944,698)	(1,343,148)	(4,333,539)	(5,837,871)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of common shares outstanding	485,823,707	484,839,866	485,721,877	484,334,139

Fission Uranium Corp.

Condensed interim statements of changes in equity

(Expressed in Canadian dollars)

(Unaudited - prepared by management)

	Note	Share capital		Other capital reserves	Deficit	Total shareholders' equity
		Shares	Amount			
			\$	\$	\$	\$
Balance, January 1, 2017		484,187,994	412,568,231	23,429,231	(100,728,333)	335,269,129
Exercise of stock options		463,333	186,648	(16,930)	-	169,718
Director remuneration shares issued		175,636	103,750	-	-	103,750
Share-based compensation	7(c)	-	-	2,587,004	-	2,587,004
Net loss and comprehensive loss		-	-	-	(5,837,871)	(5,837,871)
Balance, September 30, 2017		484,826,963	412,858,629	25,999,305	(106,566,204)	332,291,730
Exercise of stock options		646,667	176,846	(22,372)	-	154,474
Director remuneration shares issued		177,408	120,000	-	-	120,000
Share-based compensation		-	-	330,796	-	330,796
Net loss and comprehensive loss		-	-	-	(1,198,092)	(1,198,092)
Balance, December 31, 2017		485,651,038	413,155,475	26,307,729	(107,764,296)	331,698,908
Director remuneration shares issued		172,669	127,500	-	-	127,500
Share-based compensation	7(c)	-	-	336,509	-	336,509
Net loss and comprehensive loss		-	-	-	(4,333,539)	(4,333,539)
Balance, September 30, 2018		485,823,707	413,282,975	26,644,238	(112,097,835)	327,829,378

Fission Uranium Corp.

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

	Note	Three Months Ended September 30 2018 \$	Three Months Ended September 30 2017 \$	Nine Months Ended September 30 2018 \$	Nine Months Ended September 30 2017 \$
Operating activities					
Net loss and comprehensive loss		(944,698)	(1,343,148)	(4,333,539)	(5,837,871)
Items not involving cash:					
Depreciation		22,766	26,680	78,223	90,433
Share-based compensation	7(c)	(36,719)	358,032	253,215	2,093,300
Loss on Disposal of property and equipment		-	283	-	283
Accrued interest on investments		-	(4,373)	-	(87,682)
Share of loss from equity investment in Fission 3.0 Corp.	5	75,646	51,499	113,320	101,170
Write-down on investment in Fission 3.0 Corp.	5	-	-	1,164,525	903,624
Dilution loss on investment in Fission 3.0 Corp.	5	29,813	-	29,813	-
Deferred income tax recovery		(73,354)	(321,207)	(762,109)	(938,260)
Interest received on investments		-	168,000	-	168,000
		(926,546)	(1,064,234)	(3,456,552)	(3,507,003)
Changes in non-cash working capital items:					
(Increase) decrease in amounts receivable		23,202	(101,856)	(272,767)	(148,169)
(Increase) decrease in prepaid expenses		(8,848)	(262,349)	105,556	(222,865)
Increase (decrease) in accounts payable and accrued liabilities		(85,131)	86,078	68,331	177,677
Cash flow used in operating activities		(997,323)	(1,342,361)	(3,555,432)	(3,700,360)
Investing activities					
Property and equipment additions		-	(44,077)	-	(53,190)
Purchase of units of Fission 3.0 Corp.	5	(400,000)	-	(400,000)	(361,929)
Exploration and evaluation asset additions		(4,515,683)	(3,632,764)	(13,244,941)	(13,122,058)
Cash flow used in investing activities		(4,915,683)	(3,676,841)	(13,644,941)	(13,537,177)
Financing activities					
Proceeds from exercise of stock options		-	7,515	-	169,718
Cash flow provided by financing activities		-	7,515	-	169,718
Decrease in cash and cash equivalents during period		(5,913,006)	(5,011,687)	(17,200,373)	(17,067,819)
Cash and cash equivalents, beginning of period		19,448,548	38,192,247	30,735,915	50,248,379
Cash and cash equivalents, end of period		13,535,542	33,180,560	13,535,542	33,180,560

Supplemental disclosure with respect to cash flows (Note 8)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 30, 2018
(Expressed in Canadian dollars)
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1. Nature of operations

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.

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 financial statements for the year ended December 31, 2017 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 12, 2018.

(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

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 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 such as the Company’s office leases.

Fission Uranium Corp.

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3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the unaudited condensed interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in the following 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. Short-term investments

	September 30 2018	December 31 2017
	\$	\$
Guaranteed Investment Certificates ("GICs")	10,000,000	10,000,000
	10,000,000	10,000,000

The Company has two \$5,000,000 fixed rate GICs from a Canadian financial institution with terms of 6 months and 9 months, respectively. These GICs have been reinvested at maturity, with the current GICs bearing interest at annual rates of 2.07% and 2.12% and maturing on January 9, 2019 and April 8, 2019, respectively. Interest accrued on short-term investments is included in amounts receivable.

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5. Investment in Fission 3.0 Corp.

Fission 3.0 Corporation (“Fission 3.0”) is 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 its shareholding and its common directors and management, has significant influence over Fission 3.0 and accounts for the investment using the equity method.

On February 23, 2015 the Company completed a private placement with 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, representing a 12.36% interest in Fission 3.0.

On April 21, 2017, Fission 3.0 closed a non-brokered private placement financing by issuing 41,846,383 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 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.

On April 30, 2018, Fission 3.0 completed a consolidation of its issued and outstanding common shares (the “Pre-Consolidation Shares”) on the basis of one (1) new Common Share (the “Post-Consolidation Shares”) for every four (4) Pre-Consolidation Shares held (the “Share Consolidation”). As a result of the Share Consolidation, the Company held 6,792,602 Post-Consolidation common shares and 646,301 common share purchase warrants of Fission 3.0.

On September 28, 2018, Fission 3.0 completed the first tranche of a non-brokered private placement financing by issuing 52,050,000 units at a price of \$0.10 per unit, and 9,800,000 Flow Through Shares at a price of \$0.10 per share. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.15 per warrant until September 28, 2021. The Company purchased 4,000,000 units for a total cost of \$400,000, which resulted in its ownership being diluted down to 9.24% and the Company recognizing a dilution loss of \$29,813 during the three month period ended September 30, 2018.

If, commencing four months and one day after the date of issuance, the volume weighted average trading price of Fission 3.0’s common 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 Fission 3.0 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.

The Company determined that the fair value of the Fission 3.0 warrants acquired was \$317,724, which is based on the Black-Scholes option pricing model. Since the fair value of this financial instrument exceeded the transaction price of the unit offering, and the fair value is not based solely on observable inputs, this amount has been recognized as a deferred gain which will be recognized over the three year life of the warrants. The fair value of the warrants will be determined at each reporting date, and gains or losses on the fair value changes will be recognized in the statement of comprehensive loss each period.

Subsequent to September 30, 2018, Fission 3.0 closed the final tranche of its non-brokered private placement financing by issuing 16,300,000 units at a price of \$0.10 per unit, and 1,850,000 Flow Through Shares at a price of \$0.10 per share. As a result, the Company’s ownership was diluted to 8.0%.

Despite the reduction in ownership percentage, the Company continues to have significant influence over Fission 3.0 through common directors and management and, therefore, continues to account for its investment using the equity method.

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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 30, 2018
(Expressed in Canadian dollars)
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5. Investment in Fission 3.0 Corp. (continued)

For the nine month period ended September 30, 2018, the Company recognized its proportionate share of Fission 3.0's loss for the nine months ended June 30, 2018.

Details of the investment in Fission 3.0 are as follows:

	\$
Balance, January 1, 2017	2,697,490
Purchase of 1,292,602 units @ \$0.28 per unit (post-consolidation)	361,929
Share of Fission 3.0's loss for the twelve months ended September 30, 2017	(132,040)
Reversal of intercompany services	(6,444)
Investment in Fission 3.0 write-down	(903,624)
Balance, December 31, 2017	2,017,311
Purchase of 4,000,000 units @ \$0.10 per unit	400,000
Dilution loss on investment in Fission 3.0	(29,813)
Share of Fission 3.0's loss for the nine months ended September, 2018	(108,622)
Reversal of intercompany services	(4,698)
Investment in Fission 3.0 write-down	(1,164,525)
Balance, September 30, 2018	1,109,653

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.

As at June 30, 2018, the continued, 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 a further \$1,164,525 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 September 30, 2018 was \$0.155 (December 31, 2017 - \$0.24 (Post-consolidation)). The quoted market value of the investment in Fission 3.0 on September 30, 2018 was \$1,672,853 (December 31, 2017 - \$1,630,225).

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

	Nine months ended June 30 2018	Twelve months ended September 30 2017
	\$	\$
Comprehensive loss for the period	878,816	1,068,286

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

	June 30 2018	June 30 2017
	\$	\$
Current assets	289,794	2,591,993
Property and equipment	20,793	30,549
Exploration and evaluation assets	8,855,394	7,740,779
Total Assets	9,165,981	10,363,321
Current liabilities	329,823	51,718
Deferred income tax liability	-	308,880
Total Liabilities	329,823	360,598

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Expressed in Canadian dollars)
(Unaudited – prepared by management)

6. Exploration and evaluation assets

	Nine months ended September 30 2018	Year ended December 31 2017
Patterson Lake South Property		
	\$	\$
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration costs		
Balance, beginning	112,940,009	97,526,796
Incurred during		
Geology mapping/sampling	-	51,489
Geophysics airborne	4,036	-
Geophysics ground	7,127	400,516
Drilling	12,781,413	13,420,928
Land retention and permitting	30,908	36,697
Reporting	21,660	38,933
Environmental	649,921	694,167
Safety	-	54,777
Community relations	74,272	92,508
General	73,538	67,236
Share-based compensation	83,294	555,962
Additions	13,726,169	15,413,213
Balance, end	126,666,178	112,940,009
Total	303,168,036	289,441,867

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

(a) Authorized share capital

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.

(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.

Fission Uranium Corp.

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7. Share capital and other capital reserves

(b) *Stock options (continued)*

Stock option transactions are summarized as follows:

	Number outstanding	Weighted average exercise price \$
Balance, January 1, 2017	38,920,000	1.0568
Exercised ⁽¹⁾	(493,333)	0.8500
Granted	9,940,000	0.8500
Forfited	(8,333)	0.8500
Cancelled/Expired	(381,667)	1.2469
Outstanding, September 30, 2017	47,976,667	1.0198
Exercised ⁽¹⁾	(616,667)	0.2505
Forfeited	(120,833)	0.8500
Cancelled/Expired	(874,167)	1.1888
Outstanding, December 31, 2017	46,365,000	1.0278
Granted	500,000	0.8500
Forfeited	(598,335)	0.8500
Cancelled/Expired	(9,631,665)	0.9784
Outstanding, September 30, 2018	36,635,000	1.0412

⁽¹⁾ The weighted average share price of stock options exercised was \$0.6874 during the nine month period ended September 30, 2017 and \$0.6490 during the nine month period ended December 31, 2017.

As at September 30, 2018, incentive stock options were outstanding as follows:

Stock options			
Number outstanding	Exercise price \$	Number of vested options	Expiry date
11,675,000	0.8500	11,675,000	February 5, 2021
7,325,000	0.8500	6,104,167	January 16, 2022
300,000	0.8500	150,000	March 27, 2023
6,190,000	1.0000	6,190,000	December 15, 2019
6,235,000	1.2000	6,235,000	January 21, 2019
100,000	1.3100	100,000	February 25, 2019
4,810,000	1.6500	4,810,000	April 4, 2019
36,635,000		35,264,167	

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7. Share capital and other capital reserves (continued)

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the nine month period ended September 30, 2018 the Company granted 500,000 stock options (September 30, 2017 – 9,940,000). Pursuant to the vesting schedule of options granted, during the nine month period ended September 30, 2018 share-based compensation of \$253,215 (September 30, 2017 - \$2,093,300) was recognized in the statements of loss and comprehensive loss and \$83,294 (September 30, 2017 - \$493,704) was recognized in exploration and evaluation assets. The total amount of \$336,509 (September 30, 2017 - \$2,587,004) was recorded within other capital reserves in the statements of changes in equity.

During the three month period ended September 30, 2018, options that were forfeited by former directors & employees resulted in a reversal of previously recognized share based compensation expense in the statement of loss and comprehensive loss related to the unvested portion of these awards.

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

	Sept 30 2018	Sept 30 2017
Risk Free Interest Rate	1.91%	0.85%
Expected Life - Years	2.92	2.92
Estimated Forfeiture Rate	3.83%	4.45%
Annualised Volatility	50.53%	51.34%
Dividend Rate	N/A	N/A
Weighted average fair value per option	\$0.16	\$0.27

8. Supplemental disclosure with respect to cash flows

	Sept 30 2018	December 31 2017
	\$	\$
Cash and cash equivalents		
Cash	13,375,542	30,575,915
Redeemable term deposits	160,000	160,000
	13,535,542	30,735,915

During the nine month period ended September 30, 2018 the Company received \$468,251 (September 30, 2017 - \$496,144) in interest income.

Significant non-cash transactions for the nine month period ended September 30, 2018 included:

- Incurring \$587,334 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- Recognizing \$83,294 of share-based payments in exploration and evaluation assets; and
- Issuing director remuneration common shares to the Board of Directors valued at \$127,500 pursuant to the director remuneration plan.

Fission Uranium Corp.

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

Significant non-cash transactions for nine month period ended September 30, 2017 included:

- (a) Incurring \$454,982 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$493,704 of share-based payments in exploration and evaluation assets;
- (c) Reclassifying \$16,930 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.

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 September 30		Nine months ended September 30	
	2018	2017	2018	2017
			\$	\$
<i>Compensation Costs</i>				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	499,034	533,894	1,546,353	1,600,384
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	(33,519)	237,984	167,988	1,477,155
	465,515	771,878	1,714,341	3,077,539
			\$	\$
Exploration and administrative services billed to Fission 3.0, a company over which Fission Uranium has significant influence	31,180	69,723	95,912	146,790

Included in accounts payable at September 30, 2018 is \$6,724 (December 31, 2017 - \$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 September 30, 2018 is \$80,118 (December 31, 2017 - \$12,442) 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 note 6.

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).

On September 28, 2018, the Company purchased additional units of Fission 3.0 for a total cost of \$400,000, which diluted its ownership to 9.24% in Fission 3.0 (note 5).

These transactions were in the normal course of operations.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 30, 2018
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

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, short-term investments, 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;
- (ii) Short-term investments; and
- (iii) 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 September 30, 2018, 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:

	September 30 2018	December 31 2017
	\$	\$
Cash and cash equivalents	13,535,542	30,735,915
Short-term investments	10,000,000	10,000,000
Amounts receivable	472,176	199,409
	24,007,718	40,935,324

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 30, 2018
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

10. Financial instruments and risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents 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	September 30	December 31
	Dates	2018	2017
		\$	\$
Accounts payable and accrued liabilities	< 6 months	826,092	487,327