



**Fission**  
URANIUM CORP.

**Management's Discussion & Analysis**

**Fission Uranium Corp.**

**For the Six Month Period Ended  
December 31, 2015**

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Management's Discussion and Analysis  
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(Expressed in Canadian dollars, unless otherwise noted)

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### **Introduction**

The following Management's Discussion and Analysis ("MD&A"), prepared as of February 14, 2016, should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes of Fission Uranium Corp. (the "Company" or "Fission Uranium") for the six month period ended December 31, 2015. The reader should also refer to the audited consolidated financial statements for the year ended June 30, 2015, as well as Management's Discussion and Analysis for that year.

The Company's condensed interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard *IAS 34, Interim Financial Reporting* ("IAS34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at December 31, 2015.

Additional information related to the Company, including the most recent Annual Information Form ("AIF"), is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com). Further information including news releases and property maps are available on the Company's website at [www.fissionuranium.com](http://www.fissionuranium.com), or by requesting further information from the Company's head office located at 700 – 1620 Dickson Ave., Kelowna, British Columbia, Canada, V1Y 9Y2.

### **Forward looking statements**

Statements in this report that are not historical based facts are forward looking statements that could involve known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Should one or more of these unknown risks and uncertainties, or those described under the headings "Risk Factors" in the Company's AIF, which can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), and those set forth in this MD&A under the heading "Cautionary notes regarding forward-looking statements" and "Risks and uncertainties" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

### **Description of business**

Fission Uranium is a junior resource issuer specializing in uranium exploration and development in Saskatchewan's Athabasca Basin in Western Canada. The Company 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. (the "Fission Energy Arrangement"). Fission Uranium's common shares are listed on the Toronto Stock Exchange under the symbol "FCU", the OTCQX marketplace in the U.S. under the symbol "FCUUF" and on the Frankfurt Stock Exchange under the symbol "2FU".

The Company's primary asset is the Patterson Lake South ("PLS") project, which hosts the Triple R deposit – the largest undeveloped uranium deposit in Canada's Athabasca Basin District. The property comprises 17 contiguous claims totaling 31,039 hectares and is located in the south west margin of Saskatchewan's Athabasca Basin, home of the richest producing uranium mines in the world.

On October 13, 2015 the Company and Denison Mines Corp. ("Denison") terminated the previously announced arrangement agreement, pursuant to which the Company and Denison were to combine their respective businesses by way of a court approved plan of arrangement (the "2015 Denison Arrangement").

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### **Corporate goals**

Management firmly believes that long-term world-wide uranium demand, driven by an ongoing nuclear reactor construction boom, will require new sources of uranium supply from politically stable jurisdictions. As such, management is optimistic about the long-term prospects for the uranium market and the Company is committed to developing its world-class Triple R deposit at PLS, as well as exploring for additional high-grade deposits on the property.

Continued exploration and development success over the past two years has enabled the Company to fund its operations primarily through share equity financing and increase shareholder value in a difficult uranium sector and challenging capital market environment for mineral exploration companies.

In addition to progressing the Company's exploration and development plans, management will continue to seek strategic opportunities to add further shareholder value and appropriately monetize the PLS Property and Triple R deposit for shareholders.

Specific growth plans include:

- Improving the already strong economic parameters of the Triple R deposit (as defined by the Preliminary Economic Assessment ("PEA") study) by expanding the overall footprint of the Triple R deposit, discovering and/or defining new mineralization;
- Expanding the footprint of known mineralized zones in close proximity to the Triple R deposit and potentially add those zones to an updated mineral resource estimate for the Triple R deposit; and
- Following up on high-priority exploration targets in order to potentially make new uranium discoveries.

### **Summary of significant exploration and development accomplishments for the three months ended December 31, 2015 and subsequent**

- On September 18, 2015 Fission Uranium announced the completion of its 2015 summer drill program. A total of 21,425m was drilled by a combination of Reverse Circulation ("RC") collaring through overburden and core drilling of bedrock, resulting in 58 drill holes completed. 41 holes focused on resource growth (18 holes in the R780E zone, 4 testing the R1620E zone and 19 testing the R600W zone) and 17 holes were exploration targets outside of the main resource area (5 holes testing the Forest Lake Corridor and 12 holes testing the Patterson Lake Corridor).
- Drilling on the R780E zone significantly expanded the footprint and known mineralization, post maiden resource estimate. Strongest high grade mineralization on line 1125E intersected – opens up Triple R deposit's R780E zone towards R1620E.
- Drilling on the land based R600W zone significantly expanded high grade mineralization, located approximately 495m west of, and along strike of the R00E zone of the Triple R deposit. As of September 18, 2015, the R600W zone has been traced over 150m in strike length and is considered one of the most significant exploration and development accomplishments of the post-resource estimate drilling.
- Drilling on the R1620E zone – the easternmost zone of the PLG/PLV-3B mineralized corridor encountered broad lower grade mineralization and included the discovery of narrow high-grade mineralization in this zone, significantly upgrading its potential.
- On February 1, 2016 Fission announced the results of its first hole of the winter 2016 drill program; PLS16-445 on line 840W, 135m west of the R600W zone. The hole encountered wide (42m) mineralization with a continuous 2m interval measuring >10,000 cps radioactivity. As a result of the very high radioactivity intercepted, further drilling is being considered to evaluate this area and determine how the hole fits into the overall mineralized trend: as a large extension to the R600W zone or as a new, separate zone. The overall strike length of mineralization at PLS is now 2.47km.

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### **Summary of significant corporate accomplishments for the three months ended December 31, 2015 and subsequent**

#### Strategic Partner Invests In Fission Uranium

On December 21, 2015 the Company announced it had entered into a binding letter of intent ("LOI") with CGN Mining Company Limited ("CGN Mining", pursuant to which CGN Mining and the Company agreed to proceed towards the execution of a subscription agreement (the "Subscription Agreement") and an offtake agreement (the "Offtake Agreement"), (together the "Transaction Agreements").

On January 11, 2016 the Company executed the Transaction Agreements with CGN Mining. Pursuant to the Subscription Agreement, on January 26, 2016 CGN Mining purchased 96,736,540 common shares equal to 19.99% of the issued and outstanding common shares of the Company upon completion via a private placement. The Company's common shares were purchased at a price of \$0.85 per share for gross proceeds of \$82,226,059. In addition, under the terms of the Subscription Agreement, CGN Mining appointed two members to the Company's Board of Directors. Under the terms of the Offtake Agreement, CGN Mining will purchase 20% of annual U<sub>3</sub>O<sub>8</sub> production and will have an option to purchase up to an additional 15% U<sub>3</sub>O<sub>8</sub> production from the PLS property, after commencement of commercial production.

CGN Mining's Transaction Agreements with Fission Uranium are the first time a Chinese company has invested directly in a Canadian uranium company and management considers the timing and scale of the CGN Mining deal to be highly positive for shareholders in both the short and long term.

#### **PLS Preliminary Economic Assessment highlights**

Below are the highlights from the NI 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment of the Patterson Lake South Property, Northern Saskatchewan, Canada" prepared by David A. Ross, M.Sc., P.Geo. of RPA. Additional report details can be found under the heading "PLS NI 43-101 technical report & resource estimate" (Page 9).

- Base case pre-tax net present value ("NPV") of \$1.81 billion, post-tax NPV of \$1.02 billion (10% discount rate);
- Mine life of 14 years producing an estimated 100.8 million lbs of yellowcake at a metallurgical recovery of 95% with 77.5 million lbs of U<sub>3</sub>O<sub>8</sub> recovered in the first 6 years of production;
- Average annual production of 7.2 million lbs U<sub>3</sub>O<sub>8</sub> over the life of mine;
- Base case pre-tax net cash flow over the proposed mine life of \$4.12 billion, post-tax net cash flow of \$2.53 billion;
- Base case pre-tax internal rate of return ("IRR") of 46.7%, post-tax IRR of 34.2%;
- Pay back estimated at 1.4 years (pre-tax), pay back at 1.7 years (post-tax);
- Estimated initial capital costs of \$1.1 billion; and
- Average operating costs ("OPEX") of US\$14.02/lb U<sub>3</sub>O<sub>8</sub> over the life of mine.

(Base case using US\$65/lb U<sub>3</sub>O<sub>8</sub> and an exchange rate of US\$0.85:C\$1.00).

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### **PLS Preliminary Economic Assessment highlights (continued)**

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that the outputs of the PEA will be realized.

The PEA study considers the PLS project as a stand-alone mine and mill operation, which includes development and extraction of the R00E and R780E zones (Triple R deposit). Due to the early stage of drill definition, the PEA does not include the recently discovered R600W zone.

The study envisions a combination of open-pit and underground mining, with a dyke system (dyke and slurry wall) for water control. High-grade mineralization (above 4% U<sub>3</sub>O<sub>8</sub>) is captured within the open pit, eliminating the need for expensive, specialized underground mining methods. This hybrid open pit and underground mining results in an OPEX cost of US\$14.02/lb U<sub>3</sub>O<sub>8</sub> over the life of the mine, making Triple R potentially one of the lowest cost uranium producers in the world.

These results may be further enhanced with the addition of the R600W zone discovered 495m along strike to the west of the R00E zone. Although not included in the PEA production schedule, definition drilling continues to expand the known mineralization since the discovery of high-grade mineralization within the R600W zone during the winter 2015 drill program.

### **Winter 2016 drill program**

A \$7.94M budget for the PLS property for the six month period from November 1, 2015 to April 30, 2016 has been approved. The winter drill program will include 11,200m in 33 core holes and 1,800m in 6 reverse circulation holes. Other activities will include a 214 line-km airborne HeliSAM Magnetometric Conductivity ("HeliSAM MMC") survey.

The resource growth drilling breakdown is as follows:

- R600W Resource Growth drilling – 7 holes
- R780E Resource Growth drilling – 6 holes
- R1620E Resource Growth drilling – 5 holes
- R840W Resource Growth drilling – 4 holes

Exploration drilling will include 17 holes as follows:

- PLG-1B EM Conductor – 5 core holes
  - Follow up of results from anomalous holes PLS15-419, 422 and 425.
  - Holes will test down-dip and along strike of the anomalous radioactivity identified in hole PLS15-419 (peak of 7,965 cps) and PLS15-425 (peak of 4,168 cps).
- PLG-3B West EM Conductor – 2 core holes and 6 RC holes
  - 1 DDH hole located 80m east of R600W between R600W and R00E zones where many strong radon anomalies have been identified.
  - 1 DDH hole located 135m west of R600W zone.

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### **Winter 2016 drill program (continued)**

- PLG-3B West EM Conductor – 2 core holes and 6 RC holes (continued)
  - 3 RC holes drilled along a fence pattern across the conductor located 200m to the west of the R600W zone.
  - 3 RC holes drilled along a fence pattern across the conductor located 500m to the west of the R600W zone.
- PLG-3A EM Conductor – 1 core hole
  - 1 core hole targeting the PLG-3A conductor approximately 1 km east of the high-grade uranium boulder field, where promising geophysical signatures including a resistivity low associated with flexures in the conductor are present.
- Area B – 1 core hole
  - Area B represents an area of anomalous radon anomalies to the North-East of the main Patterson Lake Corridor. The drill hole will follow up on the large brittle graphitic fault encountered in PLS15-323 over an 87m (down-hole) wide interval. Previous holes in this area failed to intersect this fault structure.
- Area C – 1 core hole
  - Area C represents an area of anomalous lake bottom spectrometer uranium readings. One hole will target the most prospective portion of this anomalous area.
- Forrest Lake Conductive Corridor – 1 core hole
  - This target represents a gravity low coincident with a break in the PLV-41D EM conductor and thus may be a suitable location for focusing uranium mineralized fluids. One hole will evaluate this target.

The first of the exploration holes has already been successful. Hole PLS16-445 on line 840W, 135m west of the R600W zone has drilled wide mineralization with a continuous 2m interval measuring >10,000 cps radioactivity. Further drilling is being considered to determine whether the hole is a large extension of the R600W zone or a new, separate zone.

The HeliSAM MMC survey scheduled to be conducted in mid-February is designed to obtain high-resolution geophysical detail of the bedrock over highly prospective areas of the Patterson Lake conductive corridor including the Triple-R deposit. The survey's objective is to outline hydrothermal clay alteration and structural controls to mineralization.

### **Summer 2015 drill program highlights**

The summer 2015 exploration program drilled 21,425m resulting in 58 completed holes, between early July, 2015 and September 9, 2015. The summer program expanded the mineralized inventory of the R00E, R780E and R1620E zones, continued to delineate and expand on the recently discovered high-grade mineralization on the R600W zone, and through regional exploration, drilled anomalous radioactivity on the Forest Lake and Patterson Lake corridors. Some drilling highlights are as follows:

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### **Summer 2015 drill program highlights (continued)**

#### Resource Growth (41 holes / 15,319m)

##### R780E zone (18 holes / 6,571m)

- In total, 18 holes targeting the R780E zone were completed, and all 18 holes were mineralized. 10 holes focused on the western area of the zone between 270E and 555E and resulted in increasing the vertical extent and continuity of mineralization. 8 holes were drilled on the eastern extent of the zone between lines 1050E and 1140E, similarly resulting in increasing the vertical extent and continuity of mineralization.
- Of particular note was the intersection of high-grade mineralization between 1110E and 1140E, where previous drilling had not encountered particularly strong mineralization. Mineralization remains open along strike to the east.

##### R600W zone (19 holes / 7,494m)

- Land based drilling encountered major high-grade mineralization on trend 495m to the west of the Triple R deposit.
- All 19 holes were mineralized and resulted in the expansion of the strike length to 150m (lines 705W to 555W). Overall the zone is characterized by a system of multiple parallel stacked lenses, with a mineralized system width of up to 85m (line 615W). Drill results show good continuity particularly along the southern boundary across the entire strike length (705W to 555W). The northern extent of the R600W zone is developed best in the eastern region between lines 630W to 555W. The R600W zone remains open in all directions and more drilling is required to further evaluate it.

##### R1620E zone (4 holes / 1,254m)

- In total, 4 holes targeting the R1620E zone were completed. All four holes were weakly to locally moderately mineralized.
- The R1620E zone is defined by 7 holes in total and has a strike length of 45m (lines 1575E to 1620E). Although weakly mineralized at this time, the R1620E zone remains open and has the potential to host significant high-grade mineralization and more drilling is required to further evaluate this area.

#### Exploration Holes (17 holes / 6,106m)

##### Forest Lake corridor (5 holes / 1,567m)

- The Forest Lake conductive corridor is located approximately 7.28km south of the Patterson Lake conductive corridor.
- Hole (PLS15-433) tested a coincident radon anomaly with the PLV-41E EM conductor. Intercalated orthogneiss, mafic gneiss and pelite was intersected in the hole with anomalous radioactivity noted in two intervals. The anomalous radioactivity appears to be related to felsic intrusives, rather than pelitic gneiss.

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## Summer 2015 drill program highlights (continued)

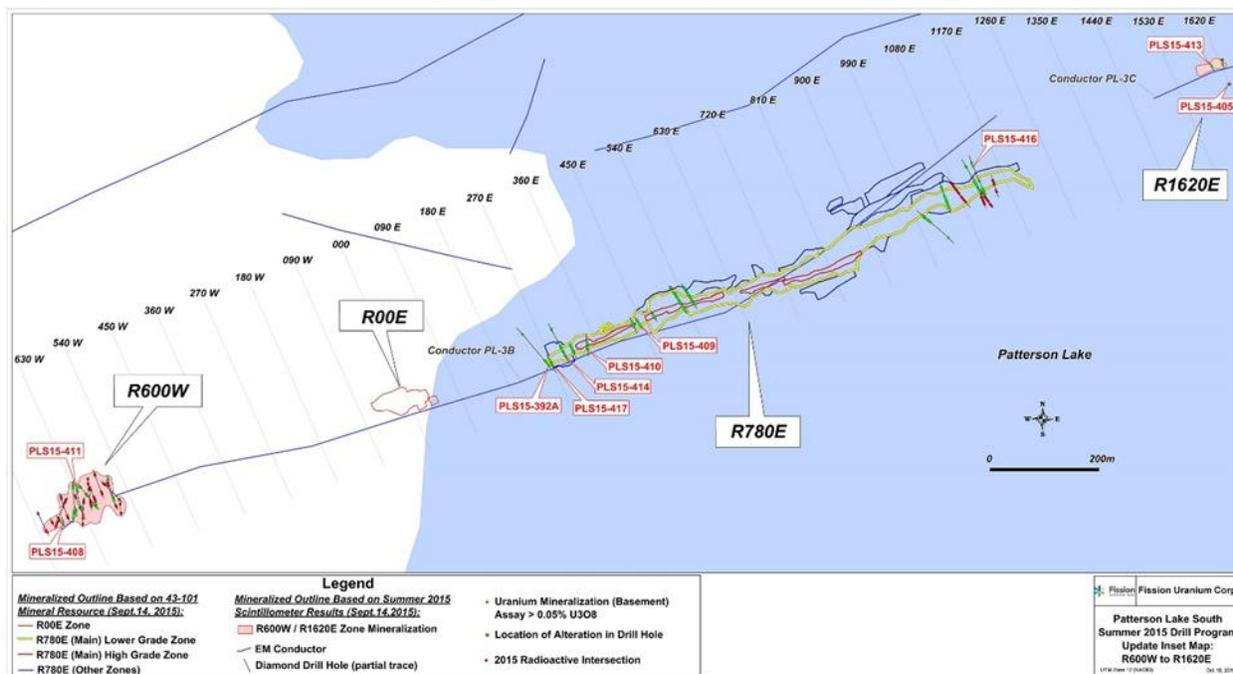
### Exploration Holes (17 holes / 6,106m) (continued)

#### Patterson Lake corridor (12 holes / 4,539m)

- The most encouraging results came from three holes (PLS15-419, PLS15-422, PLS15-425) which tested the PLG-1B EM conductor, located 470m north of the R600W zone. These holes encountered encouraging hydrothermal alteration associated with graphitic pelitic gneiss. PLS15-419 and PLS15-425 both intersected anomalous radioactivity in the down-hole gamma survey (PLS15-419 with a maximum of 7,965 cps at 153.5m and PLS15-425 with a maximum of 4,168 cps at 100.8m) but no anomalous radioactivity was seen in the core, possibly due to loss of recovered core. Importantly, dravite veining was visible in holes PLS15-419 and PLS15-425. Dravite (boron-rich clay) is often considered to be one of the most important path-finder elements and is often associated in hydrothermal altered systems near uranium mineralization. The anomalous alteration features and the radioactivity measured in the down-hole gamma survey, make this area a top priority for further drilling.

In addition to the drilling, other exploration activities included ground gravity geophysics surveys and a radon gas survey that helped prioritize areas for regional exploration drilling. A total of 19 grids were covered, including a 16.63 line-km ground gravity geophysics survey and supportive 6,148 land-based sample stations as part of the radon survey.

Map 1 - PLS Summer 2015 Drill Program Update Inset Map: R600W to R1620E (October 18, 2015)



## PLS Property

Details of the Company's PLS Project as of December 31, 2015 are shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value (\$CDN)
Patterson Lake South	Athabasca Basin, SK	100%	17	31,039	Drilling	255,346,582

Scientific and technical information regarding exploration activities was reviewed and approved by Ross McElroy, P. Geol. President and COO, a "Qualified Person" as defined by NI 43-101.

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### **PLS mineralized trend & Triple R deposit summary**

Uranium mineralization at PLS has been traced by core drilling along a mineralized trend approximately 2.47km of east-west strike length in four separate mineralized "zones". From west to east, these zones are: R600W, R00E, R780E and R1620E.

The discovery hole of what is now referred to as the Triple R deposit was announced on November 5, 2012 with drill hole PLS12-022, from what is considered part of the R00E zone. Through successful exploration programs completed to date, it has evolved into a large, near surface, basement hosted, structurally controlled high-grade uranium deposit.

The Triple R deposit resource estimate currently consists of only the R00E zone on the western side and the much larger R780E zone further on strike to the east. Within the deposit, the R00E and R780E zones have an overall strike length of approximately 1.2km with the R00E measuring approximately 125m in strike length and the R780E zone measuring approximately 900m in strike length. A 225m gap separates the R00E zone to the west and the R780E zone to the east, though sporadic, narrow, weakly mineralized intervals from drill holes completed within this gap suggest the potential for further significant mineralization in this area. The R780E zone is located beneath Patterson Lake which is approximately six metres deep in the area of the deposit. The entire Triple R deposit is covered by approximately 50m of overburden.

Mineralization remains open along strike both to the western and eastern extents. Mineralization is both located within and associated with a metasedimentary lithologic corridor, associated with the PL-3B basement Electro-Magnetic ("EM") conductor. Recent very positive drill results returning wide and strongly mineralized intersections approximately 495m west of the Triple R deposit, have significantly upgraded the R600W zone to a very prospective area for further growth of the PLS resource.

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### PLS NI 43-101 technical report & resource estimate

Below are the details of the resource estimate for the PLS Property. The resource – subsequently named the Triple R deposit – is the largest undeveloped uranium deposit in the Athabasca Basin and the third largest in the Basin overall. The NI 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment of the Patterson Lake South Property, Northern Saskatchewan, Canada" prepared by David A. Ross, M.Sc., P.Geo. of RPA, was SEDAR-filed on September 15, 2015.

The NI 43-101 compliant Triple R deposit mineral resource estimate is based on all geochemical assay data available as of July 28, 2015, which includes all drilling on the property up to and including drill hole PLS15-386.

The Triple R deposit resource estimate was prepared using a cut-off grade of 0.2% U<sub>3</sub>O<sub>8</sub> for open pit and 0.25% U<sub>3</sub>O<sub>8</sub> for underground and is estimated to contain:

- 81,111,000 lbs U<sub>3</sub>O<sub>8</sub> indicated mineral resource based on 2,011,000 tonnes at an average grade of 1.83% U<sub>3</sub>O<sub>8</sub>
- 27,157,000 lbs U<sub>3</sub>O<sub>8</sub> inferred mineral resource based on 785,000 tonnes at an average grade of 1.57% U<sub>3</sub>O<sub>8</sub>

The uranium deposit is contained entirely in basement lithology. Mineralization is open in all directions and at depth.

Gold mineralization is associated with the uranium mineralization in the Triple R deposit and is reported as part of the mineral resource:

- 38,000 ounces Au indicated mineral resource based on 2,011,000 tonnes of mineralization at an average grade of 0.59 g/t Au; and
- 17,000 ounces Au inferred mineral resource based on 785,000 tonnes of mineralization at an average grade of 0.66 g/t Au.

### Tonnage and grade by zone and sub-zone as of July 28, 2015

	Tonnage	U <sub>3</sub> O <sub>8</sub> grade	Au grade	U <sub>3</sub> O <sub>8</sub> pounds	Au ounce
<b>Indicated Open Pit</b>					
R780E High Grade	107,000	17.98	2.75	42,565,000	10,000
R780E Main Zone	952,000	0.82	0.42	17,130,000	13,000
R00E	89,000	1.23	0.13	2,409,000	380
<b>Total</b>	<b>1,149,000</b>	<b>2.45</b>	<b>0.62</b>	<b>62,104,000</b>	<b>23,000</b>
<b>Indicated Underground</b>					
R780E High Grade	5,000	23.27	3.34	2,514,000	1,000
R780E Main Zone	645,000	0.85	0.54	12,082,000	11,000
R00E	16,000	2.07	0.17	712,000	90
R780E Other	197,000	0.85	0.58	3,699,000	4,000
<b>Total</b>	<b>863,000</b>	<b>1.00</b>	<b>0.56</b>	<b>19,007,000</b>	<b>15,000</b>
<b>Indicated Open Pit and Underground</b>					
R780E High Grade	112,000	18.22	2.78	45,079,000	10,000
R780E Main Zone	1,597,000	0.83	0.47	29,211,000	24,000
R00E	105,000	1.35	0.14	3,121,000	470
R780E Other	197,000	0.85	0.58	3,699,000	4,000
<b>Total</b>	<b>2,011,000</b>	<b>1.83</b>	<b>0.59</b>	<b>81,111,000</b>	<b>38,000</b>

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### PLS NI 43-101 technical report & resource estimate (continued)

#### Tonnage and grade by zone and sub-zone as of July 28, 2015 (continued)

	Tonnage	U <sub>3</sub> O <sub>8</sub> grade	Au grade	U <sub>3</sub> O <sub>8</sub> pounds	Au ounce
<b>Inferred Open Pit</b>					
R780E High Grade	23,000	25.27	2.78	12,845,000	3,000
R780E Main Zone	23,000	1.62	0.47	802,000	1,000
R00E	3,000	2.04	0.14	133,000	-
Halo	21,000	0.54	0.58	248,000	160
R780E Other	5,000	0.31	0.20	31,000	-
<b>Total</b>	<b>74,000</b>	<b>8.61</b>	<b>1.64</b>	<b>14,060,000</b>	<b>4,000</b>
<b>Inferred Underground</b>					
R780E High Grade	2,000	22.77	2.48	1,053,000	170
R780E Main Zone	35,000	0.93	0.87	723,000	1,000
R00E	5,000	4.15	0.84	501,000	150
Low Grade Halo	120,000	0.52	0.35	1,386,000	1,000
R780E Other	547,000	0.78	0.58	9,433,000	10,000
<b>Total</b>	<b>711,000</b>	<b>0.84</b>	<b>0.56</b>	<b>13,097,000</b>	<b>13,000</b>
<b>Inferred Open Pit and Underground</b>					
R780E HG	25,000	25.06	3.73	13,898,000	3,000
R780E MZ	58,000	1.20	0.99	1,526,000	2,000
R00E	8,000	3.41	0.56	634,000	150
Low Grade Halo	141,000	0.52	0.34	1,634,000	2,000
R780E Other	552,000	0.78	0.58	9,465,000	10,000
<b>Total</b>	<b>785,000</b>	<b>1.57</b>	<b>0.66</b>	<b>27,157,000</b>	<b>17,000</b>

#### Notes:

- CIM definitions were followed for Mineral Resources.
- Mineral Resources are reported within the preliminary pit design at a pit discard cut-off grade of 0.20% U<sub>3</sub>O<sub>8</sub> and outside the design at an underground cut-off grade of 0.25% U<sub>3</sub>O<sub>8</sub> based on a long-term price of US\$65 per lb U<sub>3</sub>O<sub>8</sub> and PEA cost estimates.
- A minimum mining width of 2.0m was used.
- Numbers may not add due to rounding.

The modeling and estimation of uranium and gold mineral resources for the Triple R deposit was prepared by Mr. David Ross, P.Geo., an employee of RPA and independent of Fission Uranium. Mr. Ross is a certified Professional Geologist and a Qualified Person as defined by National Instrument 43-101. The mineral resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014). It should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

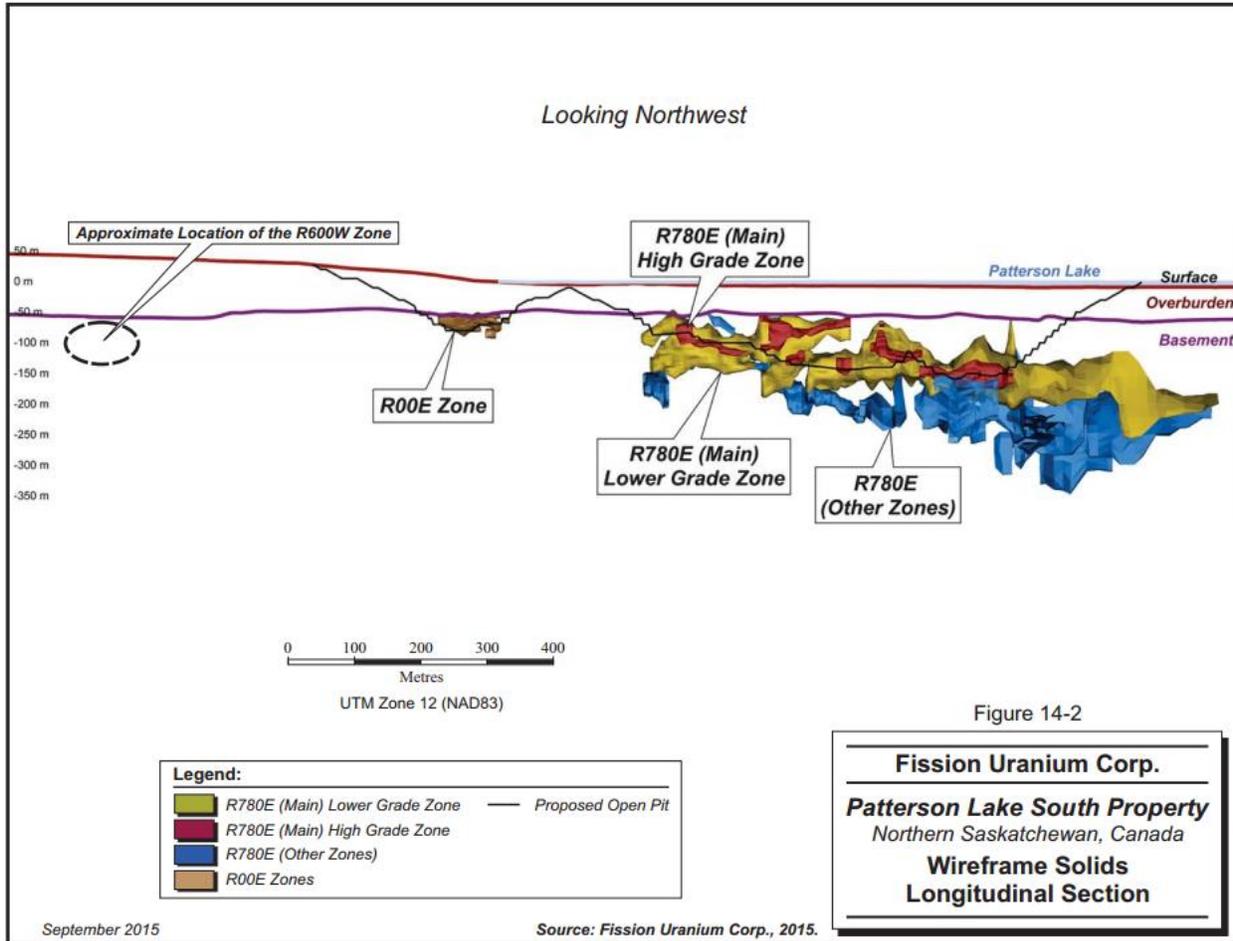
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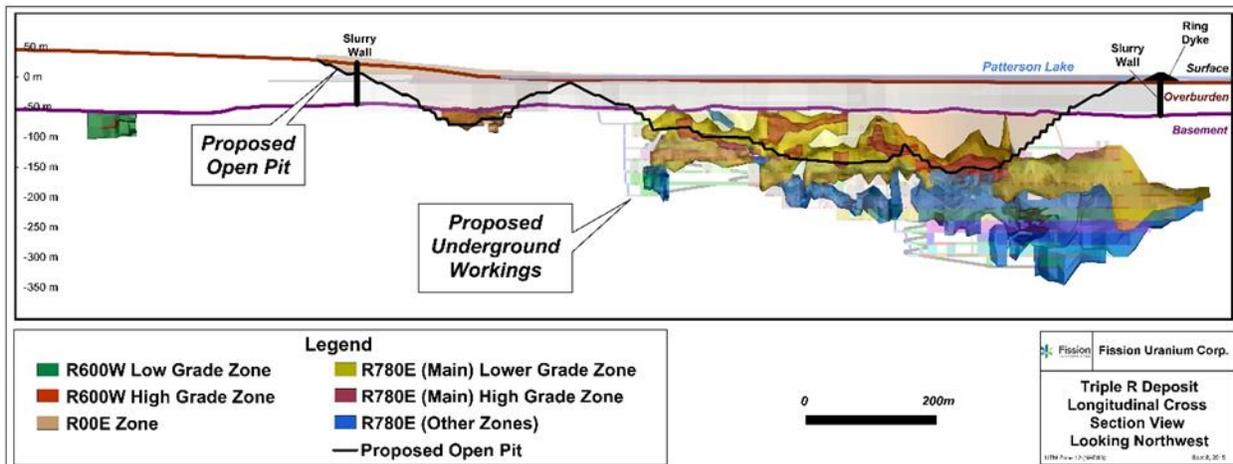


## PLS NI 43-101 technical report & resource estimate (continued)

Map 2 – Triple R Deposit Wireframe Solids Longitudinal Section Looking North West (as at September, 2015)



Map 3– Triple R Deposit Longitudinal Cross Section View Looking Northwest (as at September, 2015)



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### Uranium outlook

Management believes that the exploration and development of uranium properties presents an opportunity to increase shareholder value for the following reasons:

- *Increased long-term worldwide demand for nuclear energy*

Worldwide nuclear energy demand and the associated nuclear power plant build-out is projected to increase significantly in the years ahead, and will require new uranium supply to meet this increasing demand. According to the World Nuclear Association, electricity demand is estimated to rise by more than 76% from 2011 to 2030.

- *Increased long-term demand for uranium*

Currently, there are 439 operable reactors worldwide. 66 new reactors are currently under construction, a further 158 are planned or have been ordered and an additional 330 have been proposed for construction by 2030. The Ux Consulting Company expects worldwide uranium demand to increase 22% by 2020. In addition, many analysts continue to forecast a long-term global uranium demand/supply imbalance, which suggests a potential for significantly higher uranium prices.

Increased long-term demand is expected particularly from developing countries, which are driving the reactor construction boom. Foremost amongst these are China, India, Russia, and South Korea. There are currently 24 nuclear power plants under construction in China, which accounts for 36% of all the reactors under construction worldwide. The majority are scheduled for completion between 2016 and 2023. China's current domestic uranium production accounts for less than 25% of their annual uranium fuel requirements resulting in increased imports and stockpiling. In 2010, Cameco Corp. signed the first of two long-term contracts with Chinese owned utilities for the delivery of uranium. Additional long-term demand is anticipated from other Asian countries, most notably India and South Korea, as they expand their planned nuclear build-out. In 2015, Cameco signed its first contract with India to supply 7.1 million lbs of uranium concentrate through to 2020. CGN Mining's Transaction Agreements with Fission Uranium are also highly significant as it highlights the fact that China is moving to further secure its long term uranium supply.

The following is a list of selected countries with nuclear reactors that are either planned, proposed, or under construction as of December, 2015:

<b>Country</b>	<b>Construction</b>	<b>Planned</b>	<b>Proposed</b>	<b>Total</b>
China	24	40	136	200
India	6	24	36	66
Russia	8	25	23	56
USA	5	5	17	27
France	1	0	1	2
Saudi-Arabia	0	0	16	16
South Korea	4	8	0	12
Canada	0	2	3	5
Others	18	54	98	170
<b>Total</b>	<b>66</b>	<b>158</b>	<b>330</b>	<b>554</b>

Source: World Nuclear Association Website (World Nuclear Power Reactors & Uranium Requirements - [www.world-nuclear.org](http://www.world-nuclear.org) - Updated December 2015)

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### Uranium outlook (continued)

- *Uranium demand/supply*

A global uranium demand/supply imbalance has existed for many years. Primary uranium supply (from mining) has consistently and significantly failed to keep pace with demand. The shortfall has been filled using secondary supply, including the sale of government stockpiles, fuel reprocessing and the HEU agreement (which ended late 2013). According to UPC, stockpiles are shrinking and reprocessing is expected to reduce from 2014 onwards (UPC, August 19, 2015). With primary supply under further pressure, there is strong potential for significantly higher uranium prices over the long-term.

After Japan shut down its reactor fleet in March 2011 a decline in uranium demand and subsequently in production was witnessed. The first of those reactors was restarted August 2015, a second reactor followed on October 16, 2015, a third received local community support for a restart (the final political requirement for all Japanese restarts) October 26, 2015 and more are expected to follow in the next six months.

In 2014, uranium production declined again, following a series of events including stalled mining license negotiations in Niger, legal action in Kazakhstan, and sanctions against Russia (all three countries are major sources of uranium). This has heightened concerns about security of uranium supply and has led to a general expectation that nuclear energy utilities (the primary users of uranium) will seek their supply in more stable jurisdictions. A deal between Canadian-based uranium producer Cameco and India's power utilities in April 2015 for uranium supply suggests this expectation is correct, as does China based CGN Mining's Transaction Agreements with Fission Uranium.

Kazakhstan is currently the world's largest producer of uranium with approximately 41% of total worldwide production. The new production is primarily from lower grade deposits, which is not sustainable over the long-term. Canada, home to the highest grade uranium in the world, is the second largest supplier, responsible for approximately 16%.

Uranium prices declined to a nine year low in 2014 but have since risen by over 30%. To support a healthy global uranium mining sector, general consensus among analysts including RBC Capital (Canada), Raymond James Canada, and Resource Capital Research (Australia) is that a uranium price of US \$70-\$80/lb is required to stimulate new exploration and mine development worldwide.

- *Primary supply issues*

As a result of the long period of low uranium prices, several new projects have been categorized as uneconomic. Worldwide projects cancelled or deferred since 2012 include: Yeelirrie and Kintyre in Australia (Cameco), Trekkopje in Namibia (AREVA), Imouraren in Niger (AREVA) and the Olympic Dam expansion in Australia (BHP). Salman Partners estimates that 105.5 million lbs of uranium has been removed from the world's mine plans for the period 2014 to 2021 (Metals Morning Note, February 13, 2014).

Increasing the pressure on medium to long term supply is the lengthy period (approximately ten years on average) required to take a uranium project from discovery to production. With so many projects stalled or abandoned, it is felt by analysts that a growing supply/demand imbalance may be difficult to deal with once secondary supplies can no longer meet rising demand. This increases the attractiveness of assets that have the potential to be taken into production in the shortest time possible and at a lower cost. Typically such projects would have similar characteristics to Fission Uranium's Triple R deposit: high-grade, shallow, in basement rock and in a stable jurisdiction.

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### Uranium outlook (continued)

- *Japanese nuclear reactor fleet and uranium stockpiles*

Following the Fukushima incident in March 2011, Japan shut down all of its nuclear reactors, pending new safety regulations, legislation and inspections. A new nuclear regulator was set up and, after a considerable delay, Japan's nuclear operators were given permission to apply to restart their reactors. The process is lengthy but, at the time of writing, the first two of 25 reactors that are in various stages of the application process have now been restarted with more expected soon.

While the first wave of reactor restarts in Japan (at least three more expected in first calendar quarter of 2016) is not expected to immediately increase uranium demand, it increases confidence that Japan's utility companies will not sell their uranium fuel stockpiles into the market. The potential for this estimated 90 million lbs of uranium to enter the spot market has been viewed as a significant threat to uranium prices since 2011 and analysts believe it has been a major factor in suppressing the buy cycle and pricing.

### Uranium market



Source: Ux Consulting Company LLC, [www.uxc.com](http://www.uxc.com): January, 2016

The long-term contract price is published by the Ux Consulting Company ("UxC") at the end of each month, while the spot price is announced weekly. The long-term price, which accounts for almost 80% of the global uranium bought and sold closed at US \$44.00/lb in January 2016. A moderate pick-up in spot sales volumes since August 2014 has helped the uranium spot price to rebound off its low of US \$28.23/lb in June 2014, and it later surged to as high as US \$41.75/lb after regional authorities in Japan approved the first nuclear power plant restart. Volatility has continued, and the spot price subsequently declined for seven straight weeks. The spot price as reported weekly by UxC was US \$34.70/lb at January 1, 2016.

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### Selected annual information <sup>(1)</sup>

The financial information presented below for the current and comparative periods was prepared in accordance with IFRS and is expressed in Canadian dollars.

	June 30 2015	June 30 2014	June 30 2013
	\$	\$	\$
Net loss and comprehensive loss	(9,874,580)	(4,750,560)	(6,448,123)
Total assets	272,093,019	240,027,324	28,609,859
Current liabilities	6,313,569	3,312,827	2,338,172
Non-current liabilities	914,834	-	1,664,145
Shareholders' equity	264,864,616	236,714,497	24,607,542
Basic and diluted loss per common share	(0.03)	(0.02)	(0.04)

<sup>(1)</sup> The results up to April 26, 2013 have been presented on a carve-out basis from certain allocations of Fission Energy's financial statements.

### Summary of quarterly results

Quarter ended	December 31 2015	September 30 2015	June 30 2015	March 31 2015
	\$	\$	\$	\$
Exploration and evaluation assets	255,346,582	253,580,356	243,461,489	238,475,731
Working capital	2,283,923 <sup>(1)</sup>	6,170,395 <sup>(1)</sup>	19,090,178 <sup>(1)</sup>	7,572,587
Net income (loss) and comprehensive income (loss)	(2,914,566)	(2,813,716)	(2,056,006)	273,029
Net income (loss) per share basic and diluted	(0.01)	(0.01)	(0.01)	0.00

Quarter ended	December 31 2014	September 30 2014	June 30 2014	March 31 2014
	\$	\$	\$	\$
Exploration and evaluation assets	226,837,890	223,668,682	210,020,459	187,316,981
Working capital	17,774,121 <sup>(2)</sup>	21,600,812 <sup>(2)</sup>	26,451,356	16,256,358
Net income (loss) and comprehensive income (loss)	(4,698,667)	(3,392,936)	(4,347,981)	(502,678)
Net income (loss) per share basic and diluted	(0.01)	(0.01)	(0.02)	(0.00)

<sup>(1)</sup> The working capital at December 31, 2015, September 30, 2015 and June 30, 2015 includes a \$4,402,200 flow-through share premium liability which is a non-cash item and will be taken into other income when the renunciation documents are filed.

<sup>(2)</sup> The working capital at December 31, 2014 and September 30, 2014 includes a \$4,321,125 flow-through share premium liability which is a non-cash item and was taken into other income when the renunciation documents were filed.

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## **Fission Uranium Corp.**

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### **Results of operations**

The expenses incurred by the Company are typical of junior exploration and development companies that do not have established cash flows from mining operations. Changes in these expenditures from quarter to quarter are impacted directly by non-recurring activities or events.

#### *Comparison of the three months ended December 31, 2015 and December 31, 2014.*

- The Company had a net loss and comprehensive loss of \$2,914,566 (\$(0.01) per basic share and diluted share) compared to a net loss and comprehensive loss of \$4,698,667 (\$(0.01) per basic share and diluted share).
- Consulting and directors fees decreased to \$367,928 from \$661,033 primarily as a result of the Company not paying Christmas bonuses to its consultants. The decrease was partially offset from an increase in directors fees.
- Office and administration costs decreased to \$194,462 from \$382,357. The prior period was higher as a result of regulatory and filing fees incurred from the Company's listing on the Toronto Stock Exchange.
- Professional fees increased to \$376,275 from \$34,644 primarily as a result of increased legal fees associated with the 2015 Denison Arrangement and the annual general meeting of shareholders ("AGM"). The Company incurred increased legal fees in the current period due to a "withhold all" campaign launched by dissident shareholders.
- Public relations and communications costs increased to \$1,071,136 from \$265,621 primarily as a result of an increase in shareholder communications costs associated with the Company's AGM. The shareholder communications costs were primarily related to AGM mail out materials, proxy solicitation/advisory fees and investor relations services regarding the "withhold all" campaign launched by dissident shareholders.
- Share-based compensation decreased to \$417,418 from \$2,431,205. The decrease in the current period is due to the diminishing impact of stock options granted in prior periods as they vest. In addition there were no stock options granted in the current period.
- Wages and benefits decreased to \$316,651 from \$737,600 primarily as a result of the Company not paying Christmas bonuses to its officers and employees.

#### *Comparison of the six months ended December 31, 2015 and December 31, 2014.*

- The Company had a net loss and comprehensive loss of \$5,728,282 (\$(0.01) per basic share and diluted share) compared to a net loss and comprehensive loss of \$8,091,603 (\$(0.02) per basic share and diluted share).
- Consulting and directors fees increased to \$1,125,448 from \$896,997. The increase is primarily due to consulting fees associated with the Patterson Lake South PEA and an increase in directors fees. This was partially offset by the Company not paying Christmas bonuses to its consultants in the current period.
- Professional fees increased to \$1,394,369 from \$213,585. The increase was primarily the result of legal fees associated with the 2015 Denison Arrangement and the Company's AGM.
- Public relations and communications costs increased to \$1,553,123 from \$586,218 primarily as a result of increased shareholder communications costs associated with the 2015 Denison Arrangement and the Company's AGM.

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### Results of operations (continued)

*Comparison of the six months ended December 31, 2015 and December 31, 2014 (continued).*

- Share-based compensation decreased to \$1,010,171 from \$4,499,273. The decrease in the current period is due to the diminishing impact of stock options granted in prior periods as they vest. In addition there were no stock options granted in the current period.
- Wages and benefits decreased to \$525,342 from \$934,519 primarily as a result of the Company not paying Christmas bonuses to its officers and employees.

### Short form prospectus financings - use of proceeds

*April 29, 2015 flow-through private placement*

The actual use of proceeds, as at December 31, 2015 in comparison to the proposed use of proceeds included in the Company's short form prospectus (the "Flow-through Prospectus") dated April 16, 2015 is outlined below:

<b>Uses</b>	<b>Proposed Use of Proceeds <sup>(1)</sup></b>	<b>Actual Use of Proceeds</b>	<b>Remaining to be Spent/Difference</b>
	\$	\$	\$
Exploration and evaluation assets			
Drilling	19,100,000	13,398,543	5,701,457
Geophysical studies	570,000	373,811	196,189
Radon and other studies	340,000	803,930	(463,930)
<b>Total</b>	<b>20,010,000</b>	<b>14,576,284</b>	<b>5,433,716</b>

<sup>(1)</sup> The Company estimated the gross proceeds from the private placement to be \$17,400,000, before the over-allotment option at the time of the Flow-through Prospectus. The over-allotment option was exercised in full and the actual gross proceeds received were \$20,010,000.

The differences noted in the tables above are not expected to have a material impact on the Company's ability to achieve its business objectives and milestones as set out in the Flow-through Prospectus.

The Company will provide updated disclosure regarding the use of such proceeds in subsequent Management's Discussion and Analysis as required.

### Liquidity and capital resources

Fission Uranium is an exploration and evaluation company and has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for 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's ability to meet its obligations and its ability to fund exploration programs depends on its ability to raise funds. The Company anticipates being able to raise funds, as necessary, primarily through equity financings. To date the Company has been successful in raising funds through equity private placements, however there are no assurances that the Company will be successful in raising funds in the future. On an ongoing basis, the Company monitors and adjusts, when required, exploration programs as well as ongoing general and administrative costs to ensure that adequate levels of working capital are maintained.

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### **Liquidity and capital resources (continued)**

The Company has no exploration and evaluation asset agreements that require it to meet certain expenditures.

#### *Financing and private placements*

- September 23, 2014 flow-through private placement  
The Company completed a private placement of 9,602,500 flow-through common shares at a price of \$1.50 per share, for gross proceeds of \$14,403,750. The Company paid agents' commissions of \$714,109 plus \$203,765 of expenses. A flow-through share premium liability of \$4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.
- April 29, 2015 flow-through private placement  
The Company completed a private placement of 13,340,000 flow-through common shares at a price of \$1.50 per share, for gross proceeds of \$20,010,000. The Company paid agents' commissions of \$990,435 plus \$349,499 of expenses. A flow-through share premium liability of \$4,402,200 was recognized and will be taken into other income when the renunciation documents are filed.
- January 26, 2016 private placement  
The Company completed a private placement with CGN Mining, under which CGN Mining purchased 96,736,540 common shares at a price of \$0.85 per share, for gross proceeds of \$82,226,059. The Company paid agents' commissions of \$4,111,303 plus estimated expenses of \$650,000.

#### *Changes in working capital for the six months ended December 31, 2015*

- At December 31, 2015, the Company had a positive working capital balance of \$2,283,923 as compared to \$19,090,178 at June 30, 2015. The decrease in working capital is primarily due to a large summer 2015 exploration program, costs associated with the 2015 Denison Arrangement, and the Company's AGM.
- The Company's accounts payable and accrued liabilities at December 31, 2015 were \$1,286,152 compared to \$1,911,369 at June 30, 2015. The prior period accounts payable was higher primarily due to outstanding invoices to PLS contractors. The decrease was partially offset from invoices related to the Company's AGM, the Transaction Agreements with CGN Mining and the winter 2016 drill program.

#### *Cash flow for the three months ended December 31, 2015:*

Cash and cash equivalents for the three months ended December 31, 2015 decreased by \$8,206,383 primarily as a result of:

- Exploration and evaluation asset additions in the amount of \$3,268,819.
- Operating and administrative expenses, net in the amount of \$2,568,632.
- Restricted cash of \$3,000,000 deposited into an escrow account pursuant to the LOI with CGN Mining. The restricted cash was subsequently released to the Company upon the execution of the Transaction Agreements.
- The above decreases were offset by proceeds from the exercise of stock options in the amount of \$366,890.

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### Liquidity and capital resources (continued)

Cash flow for the six months ended December 31, 2015:

Cash and cash equivalents for the six months ended December 31, 2015 decreased by \$20,529,885 primarily as a result of:

- Exploration and evaluation asset additions in the amount of \$12,832,479.
- Operating and administrative expenses, net in the amount of \$5,490,426.
- Restricted cash of \$3,000,000 deposited into an escrow account pursuant to the LOI with CGN Mining. The restricted cash was subsequently released to the Company upon the execution of the Transaction Agreements.
- The above decreases were offset by proceeds from the exercise of stock options in the amount of \$366,890.

### 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. The compensation costs for key management personnel are as follows:

	Three months ended		Six months ended	
	December 31		December 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Compensation Costs</b>				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	<b>625,607</b>	1,035,930	<b>1,161,706</b>	1,422,056
Share-based compensation for vesting of options granted to key management personnel	<b>271,241</b>	1,341,505	<b>654,127</b>	2,548,882
	<b>896,848</b>	2,377,435	<b>1,815,833</b>	3,970,938
	Three months ended		Six months ended	
	December 31		December 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Amounts Received or Receivable</b>				
Exploration and administrative services billed to Fission 3.0 Corp. a company over which Fission Uranium has significant influence	<b>70,580</b>	112,957	<b>222,178</b>	231,546

Included in accounts payable at December 31, 2015 is \$68,640 (June 30, 2015 - \$21,797) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at December 31, 2015 is \$32,820 (June 30, 2015 - \$23,001) for exploration and administrative services and expense recoveries due from Fission 3.0.

These transactions were in the normal course of operations.

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### **Outstanding share data**

As at February 14, 2016, the Company has 483,924,661 common shares issued and outstanding, 47,978,333 incentive stock options outstanding with exercise prices ranging from \$0.2505 to \$1.65 per share and 898,439 share purchase warrants outstanding with an exercise price of \$1.60 per share.

### **Internal controls over financial reporting**

The Company's management is responsible for designing and maintaining an adequate system of internal controls over financial reporting as required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. Management designed the internal control system based on the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From this framework an evaluation of the internal control system was completed and management believes it to be effective.

Any internal control system, no matter how well designed, has inherent limitations. Therefore, internal controls can only provide reasonable assurance with respect to financial statement preparation and presentation.

There have not been any significant changes in the Company's internal control over financial reporting during the six months ended December 31, 2015 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

### **Financial assets**

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company has classified its cash and cash equivalents, restricted cash and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

### **Financial liabilities**

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

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### **Key estimates and judgments**

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 judgment 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 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.

### **Significant accounting policies**

The accounting policies applied in preparation of the December 31, 2015 unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended June 30, 2015.

### **Cautionary notes regarding forward-looking statements**

Certain information contained in this MD&A constitutes "forward-looking statements" and "forward-looking information" within the meaning of Canadian legislation.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved" or "has the potential to".

Forward looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The Company believes that the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. This information speaks only as of the date of this MD&A. In particular, this MD&A may contain forward-looking information pertaining to the following: the net present value, metal recoveries, capital costs, operating costs, production, rates of return, payback and impact of the R600W zone on the operations; the likelihood of completing and benefits to be derived from corporate transactions; the estimates of the Company's mineral resources on its PLS property; estimated exploration and development expenditures; expectations of market prices and costs; supply and demand for uranium ("U<sub>3</sub>O<sub>8</sub>"); possible impacts of litigation and regulatory actions on the Company; exploration, development and expansion plans and objectives; expectations regarding adding to its mineral resources through acquisitions and exploration; and receipt of regulatory approvals, permits and licences under governmental regulatory regimes.

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**Cautionary notes regarding forward-looking statements (continued)**

There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed below in this MD&A under the heading "Risks and Uncertainties".

Accordingly, readers should not place undue reliance on forward-looking statements. These factors are not, and should not be construed as being exhaustive. Statements relating to "mineral resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A or to conform such information to actual results or to changes in the Company's expectations except as otherwise required by applicable legislation.

**Cautionary notice to US investors regarding mineral resource estimates**

Disclosure of mineral resource estimates and mineral classification terms herein are made in accordance with the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule established by the Canadian Securities Administrators ("CSA") that sets the standards for all public disclosure by issuers regarding scientific information and technical data concerning mineral projects. These standards differ significantly from the mineral reserve disclosure rules of the Securities and Exchange Commission ("SEC"). As a result, the Company's mineral resource estimate is not comparable to similar resource information that would be generally disclosed by US based companies under the rules of the SEC. The terms mineral resource, measured mineral resources, indicated mineral resources and inferred mineral resources, are reporting classification standards in Canada. Furthermore, inferred mineral resources have a greater amount of uncertainty as to whether they can be mined economically, legally, or whether they exist at all. In accordance with Canadian rules, inferred mineral resource estimates cannot form the basis of pre-feasibility or feasibility studies. There are no guarantees and it cannot be assumed that any classification of mineral resources: measured, indicated, inferred, in whole, or in part, will ever be upgraded to a higher classification. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

**Risks and uncertainties**

The Company is subject to a number of risks and uncertainties, including: uncertainties related to exploration and development; uncertainties related to the nuclear power industry; the ability to raise sufficient capital to fund exploration and development; changes in economic conditions or financial markets; increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities, labour relations matters, and economic issues that could materially affect uranium exploration and mining. The cost of conducting and continuing mineral exploration and development is significant, and there is no assurance that such activities will result in the discovery of new mineralization or that the discovery of a mineral deposit will be developed and advanced to commercial production. The Company continually seeks to minimize its exposure to these adverse risks and uncertainties, but by the nature of its business and exploration activities, it will always have some degree of risk.