



**Fission**  
URANIUM CORP.

**Condensed Interim Financial Statements**

**Fission Uranium Corp.**

**(Unaudited)**

**For the Six Month Period Ended  
June 30, 2020**

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### **Notice**

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# Fission Uranium Corp.

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

	Note	June 30 2020	December 31 2019
		\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		14,222,276	4,785,701
Short-term investments	4	16,208	22,764
Amounts receivable		109,004	119,971
Prepaid expenses		76,066	75,381
		<b>14,423,554</b>	5,003,817
Non-current assets			
Investment in Fission 3.0 Corp.	5	510,952	559,661
Property and equipment		72,132	117,937
Right-of-use assets	6	179,955	230,423
Exploration and evaluation assets	7	318,250,538	316,812,426
		<b>319,013,577</b>	317,720,447
<b>Total Assets</b>		<b>333,437,131</b>	322,724,264
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		508,833	320,946
Lease obligations - current portion	8	100,568	99,390
		<b>609,401</b>	420,336
Non-current liabilities			
Deferred gain on short-term investments	5	132,385	185,339
Lease obligations	8	87,895	137,124
Credit facility	9	10,745,796	-
		<b>10,966,076</b>	322,463
<b>Total Liabilities</b>		<b>11,575,477</b>	742,799
<b>Shareholders' Equity</b>			
Share capital	10	413,945,434	413,615,850
Other capital reserves	10	29,151,136	26,717,159
Deficit		(121,234,916)	(118,351,544)
		<b>321,861,654</b>	321,981,465
<b>Total Liabilities and Shareholders' Equity</b>		<b>333,437,131</b>	322,724,264

Subsequent event (Note 14)

Approved by the Board of Directors and authorized for issue on August 12, 2020

**"Frank Estergaard"**

Director

**"William Marsh"**

Director

## Fission Uranium Corp.

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

	<b>Three Months Ended June 30 2020</b>	Three Months Ended June 30 2019	<b>Six Months Ended June 30 2020</b>	Six Months Ended June 30 2019
Note	\$	\$	\$	\$
<b>Expenses</b>				
Business development	<b>2,639</b>	137,853	<b>21,895</b>	182,161
Consulting and directors fees	<b>294,871</b>	399,611	<b>581,753</b>	784,475
Depreciation	<b>44,631</b>	47,771	<b>90,480</b>	95,353
Office and administration	<b>126,440</b>	142,247	<b>288,031</b>	337,461
Professional fees	<b>525,407</b>	49,041	<b>996,967</b>	164,191
Public relations and communications	<b>161,020</b>	206,599	<b>263,666</b>	336,234
Share-based compensation	-	2,598	<b>1,179</b>	13,372
Trade shows and conferences	<b>4,698</b>	48,047	<b>49,856</b>	142,299
Wages and benefits	<b>253,601</b>	190,256	<b>436,419</b>	360,004
	<b>1,413,307</b>	1,224,023	<b>2,730,246</b>	2,415,550
Other items - income/(expense)				
Foreign exchange gain (loss)	<b>321,474</b>	(2,593)	<b>323,452</b>	(3,771)
Interest and miscellaneous income	<b>29,864</b>	70,739	<b>53,465</b>	182,576
Interest - lease obligations	8 <b>(3,043)</b>	(4,464)	<b>(6,439)</b>	(7,839)
Financing costs - credit facility	9 <b>(517,500)</b>	-	<b>(517,500)</b>	-
Loss on disposal of equipment	<b>(3,793)</b>	-	<b>(3,793)</b>	-
Share of loss from equity investment in Fission 3.0 Corp.	5 <b>(14,398)</b>	(49,761)	<b>(48,709)</b>	(109,925)
Gain (loss) on short-term investments	5 <b>27,973</b>	5,145	<b>46,398</b>	(300,198)
	<b>(159,423)</b>	19,066	<b>(153,126)</b>	(239,157)
Loss before income taxes	<b>(1,572,730)</b>	(1,204,957)	<b>(2,883,372)</b>	(2,654,707)
<b>Net loss and comprehensive loss for the period</b>	<b>(1,572,730)</b>	(1,204,957)	<b>(2,883,372)</b>	(2,654,707)
<b>Basic and diluted loss per common share</b>	<b>(0.01)</b>	(0.00)	<b>(0.01)</b>	(0.01)
<b>Weighted average number of common shares outstanding</b>	<b>487,034,995</b>	486,072,733	<b>486,827,543</b>	486,043,688

## Fission Uranium Corp.

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

	Note	Share capital		Other capital reserves	Deficit	Total shareholders' equity
		Shares	Amount			
			\$	\$	\$	\$
<b>Balance, January 1, 2019</b>		486,014,642	413,399,850	26,698,159	(112,951,786)	<b>327,146,223</b>
Director remuneration shares issued	12	251,728	120,000	-	-	<b>120,000</b>
Share-based compensation	10(c)	-	-	15,149	-	<b>15,149</b>
Net loss and comprehensive loss		-	-	-	(2,654,707)	<b>(2,654,707)</b>
<b>Balance, June 30, 2019</b>		486,266,370	413,519,850	26,713,308	(115,606,493)	<b>324,626,665</b>
Director remuneration shares issued	12	353,720	96,000	-	-	<b>96,000</b>
Share-based compensation	10(c)	-	-	3,851	-	<b>3,851</b>
Net loss and comprehensive loss		-	-	-	(2,745,051)	<b>(2,745,051)</b>
<b>Balance, December 31, 2019</b>		486,620,090	413,615,850	26,717,159	(118,351,544)	<b>321,981,465</b>
Common shares issued	10(a)	1,341,927	325,353	-	-	325,353
Share issuance costs	10(a)	-	(35,769)	-	-	(35,769)
Warrants issued	10(b)	-	-	2,432,798	-	2,432,798
Director remuneration shares issued	12	124,220	40,000	-	-	40,000
Share-based compensation	10(c)	-	-	1,179	-	1,179
Net loss and comprehensive loss		-	-	-	(2,883,372)	(2,883,372)
<b>Balance, June 30, 2020</b>		488,086,237	413,945,434	29,151,136	(121,234,916)	<b>321,861,654</b>

## Fission Uranium Corp.

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

Note	Three Months Ended June 30 2020	Three Months Ended June 30 2019	Six Months Ended June 30 2020	Six Months Ended June 30 2019
	\$	\$	\$	\$
<b>Operating activities</b>				
Net loss and comprehensive loss	<b>(1,572,730)</b>	(1,204,957)	<b>(2,883,372)</b>	(2,654,707)
Items not involving cash:				
Depreciation	<b>44,631</b>	47,771	<b>90,480</b>	95,353
Share-based compensation	10(c) -	2,598	<b>1,179</b>	13,372
Director remuneration shares issued	12 <b>40,000</b>	120,000	<b>40,000</b>	120,000
Credit facility interest shares issued	10(a) <b>325,353</b>	-	<b>325,353</b>	-
Loss on disposal of equipment	<b>3,793</b>	-	<b>3,793</b>	-
Financing costs - credit facility	9 <b>192,147</b>	-	<b>192,147</b>	-
Foreign exchange gain on credit facility	<b>(326,000)</b>	-	<b>(326,000)</b>	-
(Gain) loss on short-term investments	5 <b>(27,973)</b>	(5,145)	<b>(46,398)</b>	300,198
Share of loss from equity investment in Fission 3.0 Corp.	5 <b>14,398</b>	49,761	<b>48,709</b>	109,925
	<b>(1,306,381)</b>	(989,972)	<b>(2,554,109)</b>	(2,015,859)
Changes in non-cash working capital items:				
(Increase) decrease in amounts receivable	<b>7,194</b>	(100,256)	<b>9,407</b>	(370,271)
(Increase) decrease in prepaid expenses	<b>101,672</b>	29,909	<b>19,431</b>	(111,838)
Increase (decrease) in accounts payable and accrued liabilities	<b>(155,978)</b>	(268,481)	<b>173,584</b>	(663)
Cash flow used in operating activities	<b>(1,353,493)</b>	(1,328,800)	<b>(2,351,687)</b>	(2,498,631)
<b>Investing activities</b>				
Proceeds on redemption of short-term investments	-	5,000,000	-	10,000,000
Property and equipment disposals (additions)	<b>2,000</b>	(2,855)	<b>2,000</b>	(5,187)
Exploration and evaluation asset additions	<b>(626,042)</b>	(5,126,305)	<b>(1,460,945)</b>	(9,880,606)
Cash flow provided by (used in) investing activities	<b>(624,042)</b>	(129,160)	<b>(1,458,945)</b>	114,207
<b>Financing activities</b>				
Lease obligation payments	8 <b>(23,290)</b>	(21,869)	<b>(48,051)</b>	(46,413)
Gross proceeds from credit facility	9 <b>13,535,380</b>	-	<b>13,535,380</b>	-
Credit facility financing costs	9 <b>(68,093)</b>	-	<b>(222,933)</b>	-
Share issuance costs	10(a) <b>(17,189)</b>	-	<b>(17,189)</b>	-
Cash flow provided by (used by) financing activities	<b>13,426,808</b>	(21,869)	<b>13,247,207</b>	(46,413)
Increase (decrease) in cash and cash equivalents during the period	<b>11,449,273</b>	(1,479,829)	<b>9,436,575</b>	(2,430,837)
Cash and cash equivalents, beginning of period	<b>2,773,003</b>	9,992,388	<b>4,785,701</b>	10,943,396
<b>Cash and cash equivalents, end of period</b>	<b>14,222,276</b>	8,512,559	<b>14,222,276</b>	8,512,559

Supplemental disclosure with respect to cash flows (Note 11)

# Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
(Expressed in Canadian dollars)  
(Unaudited)

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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 its shares are 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 annual financial statements for the year ended December 31, 2019 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on August 12, 2020.

### (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) *Significant accounting policies*

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in note 2 of the Company's financial statements for the year ended December 31, 2019.

## Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
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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 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.

(a) *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.

(b) *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.

(c) *Contingent liabilities*

Contingent liabilities are possible obligations that arise from past events which will be confirmed by the occurrence or non-occurrence of future events. These contingencies are recognized in the financial statements when the obligation is probable and if the obligation can be measured reliably. The Company exercises significant judgement when determining the probability of the future outcome and with regard to any required disclosure of contingencies, and measuring the liability is a significant estimate.

### 4. Short-term investments

	<b>June 30 2020</b>	December 31 2019
	\$	\$
Fission 3.0 Corp. Warrants	<b>16,208</b>	22,764
	<b>16,208</b>	22,764

In September 2018, Fission 3.0 Corp. ("Fission 3.0") issued the Company 4,000,000 warrants as a result of the Company's participation in a private placement financing (Note 5). As at June 30, 2020, the carrying value of the warrants was \$16,208 (December 31, 2019 - \$22,764).



## Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
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### 5. Investment in Fission 3.0 Corp.

Fission 3.0 Corp. 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.

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.

Details of the investment in Fission 3.0 are as follows:

	\$
<b>Balance, January 1, 2019</b>	<b>1,113,774</b>
Share of loss for the twelve months ended September 30, 2019	(190,256)
Write-down on Investment in Fission 3.0	(363,857)
<b>Balance, December 31, 2019</b>	<b>559,661</b>
Share of loss for the six months ended March 31, 2020	(48,709)
<b>Balance, June 30, 2020</b>	<b>510,952</b>

In September 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.

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 statements of loss and comprehensive loss each period.

For the six month period ended June 30, 2020 the Company recognized \$52,954 (June 30, 2019 – \$52,954) of the deferred gain. The balance of remaining deferred gain at June 30, 2020 was \$132,385 (December 31, 2019 - \$185,339). The Company determined that the fair value of the Fission 3.0 warrants at June 30, 2020 was \$16,208 (December 31, 2019 – \$22,764) and therefore recognized an unrealized loss of \$6,556 (June 30, 2019 – \$353,152) based on the fair value change. The net gain of \$46,398 (June 30, 2019 - \$300,198 loss) was recorded within other items in the statements of loss and comprehensive loss.

As at June 30, 2020, the Company holds a 7.61% ownership interest in F3.0 (December 31, 2019 – 7.61%). The trading price of Fission 3.0's common shares on June 30, 2020 was \$0.045 (December 31, 2019 - \$0.07). The quoted market value of the investment in Fission 3.0 on June 30, 2020 was \$485,667 (December 31, 2019 - \$755,482).

## Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
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### 5. Investment in Fission 3.0 Corp. (continued)

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

	Six months ended March 31 2020	Twelve months ended September 30 2019
	\$	\$
<b>Comprehensive loss for the period</b>	<b>(640,061)</b>	<b>(2,500,080)</b>

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

	March 31 2020	June 30 2019
	\$	\$
Current assets	457,620	3,378,956
Investments	100	100
Property and equipment	14,189	17,777
Exploration and evaluation assets	14,875,891	12,950,938
<b>Total Assets</b>	<b>15,347,800</b>	<b>16,347,771</b>
Current liabilities	280,097	481,696
Deferred income tax liability	-	18,301
<b>Total Liabilities</b>	<b>280,097</b>	<b>499,997</b>

### 6. Right-of-use assets

	Office Leases
	\$
<b>Cost</b>	
Balance at January 1, 2019	331,360
<b>Balance at December 31, 2019</b>	<b>331,360</b>
<b>Balance at June 30, 2020</b>	<b>331,360</b>
<b>Accumulated Depreciation</b>	
Balance at January 1, 2019	-
Depreciation expense	100,937
<b>Balance at December 31, 2019</b>	<b>100,937</b>
Depreciation expense	50,468
<b>Balance at June 30, 2020</b>	<b>151,405</b>
<b>Net Book Value, December 31, 2019</b>	<b>230,423</b>
<b>Net Book Value, June 30, 2020</b>	<b>179,955</b>

## Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
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### 7. Exploration and evaluation assets

	Six months ended June 30 2020	Year ended December 31 2019
<b>Patterson Lake South Property</b>		
	\$	\$
<b>Acquisition costs</b>		
Balance, beginning and end	<b>176,501,858</b>	176,501,858
<b>Exploration costs</b>		
Balance, beginning	<b>140,310,568</b>	128,877,743
Incurred during		
Exploration		
Geology mapping/sampling	-	1,506
Geophysics airborne	<b>4,295</b>	-
Geophysics ground	<b>74</b>	374
Drilling	<b>832,908</b>	1,487,922
Resource Development		
Mine Planning	<b>109,115</b>	1,291,554
Geotechnical	<b>28,817</b>	4,431,497
Metallurgical	<b>4,241</b>	51,793
Resource Development	<b>700</b>	34,204
Hydrogeological	-	1,356,208
Infrastructure	<b>11,093</b>	1,677,391
Permitting		
Operational Permits & Other	<b>15,120</b>	69,474
Environmental	<b>268,120</b>	752,823
Community relations	<b>124,834</b>	133,078
Other		
Land retention and permitting	<b>2,601</b>	38,449
Reporting	<b>3,374</b>	21,797
General	<b>32,820</b>	82,978
Share-based compensation	-	1,777
Additions	<b>1,438,112</b>	11,432,825
Balance, end	<b>141,748,680</b>	140,310,568
<b>Total</b>	<b>318,250,538</b>	316,812,426

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 U<sub>3</sub>O<sub>8</sub> production and will have an option to purchase up to an additional 15% of U<sub>3</sub>O<sub>8</sub> production from the PLS property, after commencement of commercial production.

## Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
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(Unaudited)

### 8. Lease Obligations

	<b>Six Months Ended June 30 2020</b>
	\$
<b>Beginning balance, January 1, 2020</b>	<b>236,514</b>
Lease obligation payments	(54,490)
Interest expense	6,439
Net lease obligation payments	(48,051)
<b>Ending balance at June 30, 2020</b>	<b>188,463</b>
Less: Lease obligations - current portion	(100,568)
<b>Lease obligations</b>	<b>87,895</b>

The Company's lease obligations relate to commercial office space utilized by the Company's offices in Kelowna and Vancouver. The Company's estimated incremental borrowing rate used in the calculation of these obligations is 5.95%.

### 9. Credit Facility

In April 2020, the Company entered into a senior secured credit facility (the "Facility") with Sprott Resource Lending II (Collector) L.P. ("Sprott"). Under the terms of Facility, Sprott advanced the Company a gross amount of US\$10,000,000 (net cash proceeds were subject to a 3% discount) with a four-year term and no obligation to make any principal repayments until April 2024 (the "Maturity Date"). The Company also has the option to extend the term of the Facility by one year, subject to certain terms and conditions contained in the Facility. The Facility bears interest at a rate of 10% per annum, payable monthly with the option to pay a portion of the interest due by way of common shares. The Company may voluntarily repay the Facility in whole or in part anytime before the Maturity Date, provided that a minimum of 24 months interest has been paid.

The Facility is secured against all present and after acquired personal property of the Company with a first priority of encumbrance over the PLS project by way of customary security documents.

In connection with the Facility, the Company issued 20,666,667 common share purchase warrants to Sprott and its affiliates (note 10).

As of June 30, 2020, the outstanding principal of the Facility was valued at C\$13,628,000. The balance of the Facility is determined as follows:

	<b>Credit facility - amortized cost</b>	<b>Deferred financing costs</b>	<b>Total</b>
	\$	\$	\$
<b>Beginning balance, January 1, 2020</b>	-	-	-
Advance (discounted at 3%)	13,954,000	(418,620)	13,535,380
Fair value of warrants	-	(2,432,798)	(2,432,798)
Financing costs incurred	-	(222,933)	(222,933)
Interest expense	325,353	-	325,353
Interest payments	(325,353)	-	(325,353)
Foreign exchange adjustment	(326,000)	-	(326,000)
Amortization of deferred costs	-	192,147	192,147
<b>Ending balance at June 30, 2020</b>	<b>13,628,000</b>	<b>(2,882,204)</b>	<b>10,745,796</b>

## Fission Uranium Corp.

Notes to the condensed interim financial statements  
For the six month period ended June 30, 2020  
(Expressed in Canadian dollars)  
(Unaudited)

### 10. 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.

During the three month period ended June 30, 2020, the Company issued 1,341,927 common shares with a total value of \$325,353 to Sprott and affiliates as remuneration for monthly interest in accordance with the terms and conditions of the credit facility agreement (June 30, 2019 – Nil shares valued at \$nil).

#### (b) Stock options and warrants

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price is determined by the Board of Directors provided the minimum exercise price is set at the Company's closing share price on the day before the grant date. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

In April 2020, the Company granted 20,666,667 warrants to Sprott and affiliates in accordance with the terms and conditions of the credit facility agreement. Each warrant is exercisable into one common share at \$0.17 per warrant for a period of four years from the date of issuance. The fair value of the warrants, which was included in other capital reserves, was determined using the Black-Scholes pricing model using the following assumptions: volatility of 61.50%; risk-free interest rate of 0.45%; expected life of 2 years; and a dividend rate of 0%.

Stock option and warrant transactions are summarized as follows:

	Stock options		Warrants	
	Number Outstanding	Weighted average exercise price	Number Outstanding	Weighted average exercise price
		\$		\$
Outstanding, January 1, 2019	36,635,000	1.0412	-	-
Expired	(11,145,000)	1.4000	-	-
Outstanding June 30, 2019	25,490,000	0.8900	-	-
Expired	(6,625,000)	0.9821	-	-
Outstanding, December 31, 2019	18,865,000	0.8500	-	-
Granted	-	-	20,666,667	0.1700
Expired	(420,000)	0.8500	-	-
<b>Outstanding, June 30, 2020</b>	<b>18,445,000</b>	<b>0.8500</b>	<b>20,666,667</b>	<b>0.1700</b>

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### 10. Share capital and other capital reserves (continued)

#### (b) Stock options and warrants (continued)

As at June 30, 2020, stock options and warrants were outstanding as follows:

<b>Stock options</b>				
Number outstanding	Exercise price	Number of vested options	Expiry date	
	\$			
225,000	0.85	225,000	July 28, 2020	
760,000	0.85	760,000	August 18, 2020	
10,500,000	0.85	10,500,000	February 5, 2021	
6,660,000	0.85	6,660,000	January 16, 2022	
300,000	0.85	300,000	March 27, 2023	
<b>18,445,000</b>		<b>18,445,000</b>		

Subsequent to June 30, 2020, 225,000 stock options exercisable at \$0.85 expired.

<b>Warrants</b>				
Number outstanding	Exercise price	Number of vested warrants	Expiry date	
	\$			
20,666,667	0.17	20,666,667	April 7, 2024	
<b>20,666,667</b>		<b>20,666,667</b>		

#### (c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the six month period ended June 30, 2020 the Company granted Nil stock options (June 30, 2019 - Nil). Pursuant to the vesting schedule of options granted, during the six month period ended June 30, 2020 share-based compensation of \$1,179 (June 30, 2019 - \$13,372) was recognized in the statements of loss and comprehensive loss and \$nil (June 30, 2019 - \$1,777) was recognized in exploration and evaluation assets. The total amount of \$1,179 (June 30, 2019 - \$15,149) was recorded within other capital reserves in the statements of changes in equity.

### 11. Supplemental disclosure with respect to cash flows

	<b>June 30 2020</b>	December 31 2019
	\$	\$
Cash and cash equivalents		
Cash	<b>14,062,276</b>	4,625,701
Redeemable term deposits	<b>160,000</b>	160,000
	<b>14,222,276</b>	4,785,701

During the six month period ended June 30, 2020 the Company received \$48,201 (June 30, 2019 - \$248,520) in interest income.

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### 11. Supplemental disclosure with respect to cash flows (continued)

Significant non-cash transactions for the six month period ended June 30, 2020 included:

- (a) Incurring \$203,511 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Incurring \$18,580 of share issuance costs through accounts payable and accrued liabilities.

Significant non-cash transactions for six month period ended June 30, 2019 included:

- (a) Incurring \$209,543 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$22,276 of exploration and evaluation related expenditures through prepaid expenses; and
- (c) Recognizing \$1,777 of share-based payments in exploration and evaluation assets.

### 12. Related party transactions

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

	Three Months Ended		Six Months Ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
	\$	\$	\$	\$
<i>Compensation Costs</i>				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key key management personnel	<b>481,258</b>	525,250	<b>915,675</b>	1,049,903
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	-	-	-	4,339
	<b>481,258</b>	525,250	<b>915,675</b>	1,054,242

	Three Months Ended		Six Months Ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
	\$	\$	\$	\$
Exploration and administrative services billed to Fission 3.0, a company over which Fission Uranium has significant influence	<b>13,836</b>	125,738	<b>78,676</b>	283,094

The Company has a Directors Remuneration Plan (the "DRP Plan") whereby a portion of director fees can be paid through the issuance of common shares ("Director Remuneration Shares") in lieu of the payment of cash or other means of remuneration. Included in compensation costs is the value of shares issued under the DRP Plan. During the six months ended June 30, 2020, the Company issued 124,220 shares with a total value of \$40,000 under the DRP Plan (June 30, 2019 - 251,728 shares valued at \$120,000).

## Fission Uranium Corp.

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### 12. Related party transactions (continued)

Included in accounts payable at June 30, 2020 is \$94,125 (December 31, 2019 - \$19,250) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at June 30, 2020 is \$19,046 (December 31, 2019 - \$50,522) 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 7.

These transactions were in the normal course of operations.

### 13. Financial instruments and risk management

*IFRS 13, Fair Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The 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 price 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 cash and cash equivalents; and 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 June 30, 2020, 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:

	<b>June 30</b>	December 31
	<b>2020</b>	2019
	\$	\$
Cash and cash equivalents	<b>14,222,276</b>	4,785,701
Amounts receivable	<b>109,004</b>	119,971
	<b>14,331,280</b>	4,905,672



## Fission Uranium Corp.

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### 13. 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 and credit facility. 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 Dates	June 30 2020	December 31 2019
		\$	\$
Accounts payable and accrued liabilities	< 6 months	508,833	320,946
Credit Facility (principal)	>12 months	13,628,000	-
		<b>14,136,833</b>	320,946

#### (c) Price risk

Price risk is the risk that assets or liabilities carried at fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions.

The Company's maximum exposure to price risk on its Fission 3.0 Corp. warrants included in short-term investments based on the fair value hierarchy is as follows:

	June 30 2020	December 31 2019
	\$	\$
Level 2	16,208	22,764
	<b>16,208</b>	22,764

### 14. Subsequent event

On July 31, 2020, in accordance with the terms of the credit facility agreement, the Company issued 342,304 common shares to Sprott and its affiliates as consideration for that month's interest payment.