



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited)

**For the Nine Month Period Ended
September 30, 2020**

Fission Uranium Corp.

Condensed Interim Financial Statements

(Unaudited)

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Notice

Table of contents

Condensed interim statements of financial position	1
Condensed interim statements of loss and comprehensive loss	2
Condensed interim statements of changes in equity	3
Condensed interim statements of cash flows	4
Notes to the condensed interim financial statements	5-14

Fission Uranium Corp.

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

	Note	September 2020 \$	December 31 2019 \$
Assets			
Current assets			
Cash and cash equivalents		12,434,163	4,785,701
Short-term investments	4	36,936	22,764
Amounts receivable		79,005	119,971
Prepaid expenses		80,394	75,381
		12,630,498	5,003,817
Non-current assets			
Investment in Fission 3.0 Corp.	5	809,445	559,661
Property and equipment		53,325	117,937
Right-of-use assets	6	154,721	230,423
Exploration and evaluation assets	7	318,964,201	316,812,426
		319,981,692	317,720,447
Total Assets		332,612,190	322,724,264
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		587,500	320,946
Lease obligations - current portion	8	96,576	99,390
		684,076	420,336
Non-current liabilities			
Deferred gain on short-term investments	5	105,908	185,339
Lease obligations	8	66,408	137,124
Credit facility	9	10,648,943	-
Warrant liability	9, 14	3,790,639	-
		14,611,898	322,463
Total Liabilities		15,295,974	742,799
Shareholders' Equity			
Share capital	10, 14	414,048,403	413,615,850
Other capital reserves	10	26,833,338	26,717,159
Deficit		(123,565,525)	(118,351,544)
		317,316,216	321,981,465
Total Liabilities and Shareholders' Equity		332,612,190	322,724,264

Subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on November 13, 2020

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

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

	Note	Three Months Ended September 2020 \$	Three Months Ended September 2019 \$	Nine Months Ended September 2020 \$	Nine Months Ended September 2019 \$
Expenses					
Business development		23,710	135,044	45,605	317,205
Consulting and directors fees		347,035	399,313	928,788	1,183,788
Depreciation		44,041	47,243	134,521	142,596
Office and administration		134,398	148,266	422,429	485,727
Professional fees		219,144	48,973	1,216,111	213,164
Public relations and communications		70,348	178,584	334,014	514,818
Share-based compensation	10(c)	115,000	2,613	116,179	15,985
Trade shows and conferences		1,211	81,018	51,067	223,317
Wages and benefits		142,820	192,398	579,239	552,402
		1,097,707	1,233,452	3,827,953	3,649,002
Other items - income/(expense)					
Foreign exchange gain (loss)		286,421	(153)	609,873	(3,924)
Interest and miscellaneous income		27,232	57,465	80,697	240,041
Interest - lease obligations	8	(2,677)	(4,120)	(9,116)	(11,959)
Financing costs - credit facility	9	(531,735)	-	(1,049,235)	-
Loss on disposal of equipment		-	-	(3,793)	-
Share of loss from equity investment in Fission 3.0 Corp.	5	(268,645)	(46,399)	(317,354)	(156,324)
Gain (loss) on investment in Fission 3.0 Corp.	5	567,138	(363,857)	567,138	(363,857)
Gain (loss) on short-term investments	5	47,205	(91,751)	93,603	(391,949)
Loss on warrant liability	9	(1,357,841)	-	(1,357,841)	-
		(1,232,902)	(448,815)	(1,386,028)	(687,972)
Loss before income taxes		(2,330,609)	(1,682,267)	(5,213,981)	(4,336,974)
Net loss and comprehensive loss for the period		(2,330,609)	(1,682,267)	(5,213,981)	(4,336,974)
Basic and diluted loss per common share		(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding		488,316,920	486,266,370	487,327,626	486,118,837

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			
			\$	\$	\$	\$
Balance, January 1, 2019		486,014,642	413,399,850	26,698,159	(112,951,786)	327,146,223
Director remuneration shares issued	12	251,728	120,000	-	-	120,000
Share-based compensation	10(c)	-	-	17,762	-	17,762
Net loss and comprehensive loss		-	-	-	(4,336,974)	(4,336,974)
Balance, September 30, 2019		486,266,370	413,519,850	26,715,921	(117,288,760)	322,947,011
Director remuneration shares issued	12	353,720	96,000	-	-	96,000
Share-based compensation	10(c)	-	-	1,238	-	1,238
Net loss and comprehensive loss		-	-	-	(1,062,784)	(1,062,784)
Balance, December 31, 2019		486,620,090	413,615,850	26,717,159	(118,351,544)	321,981,465
Common shares issued	10(a)	1,684,231	441,018	-	-	441,018
Share issuance costs	10(a)	-	(48,465)	-	-	(48,465)
Director remuneration shares issued	12	124,220	40,000	-	-	40,000
Share-based compensation	10(c)	-	-	116,179	-	116,179
Net loss and comprehensive loss		-	-	-	(5,213,981)	(5,213,981)
Balance, September 30, 2020		488,428,541	414,048,403	26,833,338	(123,565,525)	317,316,216

Fission Uranium Corp.

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

Note	Three Months Ended September 2020	Three Months Ended September 2019	Nine Months Ended September 2020	Nine Months Ended September 2019
	\$	\$	\$	\$
Operating activities				
Net loss and comprehensive loss	(2,330,609)	(1,682,267)	(5,213,981)	(4,336,974)
Items not involving cash:				
Depreciation	44,041	47,243	134,521	142,596
Share-based compensation	115,000	2,613	116,179	15,985
Director remuneration shares issued	-	-	40,000	120,000
Credit facility interest shares issued	115,665	-	441,018	-
Loss on disposal of equipment	-	-	3,793	-
Financing costs - credit facility	192,147	-	384,294	-
Foreign exchange gain on credit facility	(289,000)	-	(615,000)	-
(Gain) loss on short-term investments	(47,205)	91,751	(93,603)	391,949
(Gain) loss on investment in Fission 3.0 Corp.	(567,138)	363,857	(567,138)	363,857
Share of loss from equity investment in Fission 3.0 Corp.	268,645	46,399	317,354	156,324
Loss on warrant liability	1,357,841	-	1,357,841	-
	(1,140,613)	(1,130,404)	(3,694,722)	(3,146,263)
Changes in non-cash working capital items:				
Decrease in amounts receivable	28,559	444,294	37,966	74,023
(Increase) decrease in prepaid expenses	(14,386)	76,433	5,045	(35,405)
Increase in accounts payable and accrued liabilities	63,600	122,142	237,184	121,479
Cash flow used in operating activities	(1,062,840)	(487,535)	(3,414,527)	(2,986,166)
Investing activities				
Proceeds on redemption of short-term investments	-	-	-	10,000,000
Property and equipment disposals (additions)	-	(7,233)	2,000	(12,420)
Exploration and evaluation asset additions	(668,518)	(1,185,587)	(2,129,463)	(11,066,193)
Cash flow used in investing activities	(668,518)	(1,192,820)	(2,127,463)	(1,078,613)
Financing activities				
Lease obligation payments	(25,479)	(24,037)	(73,530)	(70,450)
Gross proceeds from credit facility	-	-	13,535,380	-
Credit facility financing costs	-	-	(222,933)	-
Share issuance costs	(31,276)	-	(48,465)	-
Cash flow provided by (used by) financing activities	(56,755)	(24,037)	13,190,452	(70,450)
Increase (decrease) in cash and cash equivalents during the period	(1,788,113)	(1,704,392)	7,648,462	(4,135,229)
Cash and cash equivalents, beginning of period	14,222,276	8,512,559	4,785,701	10,943,396
Cash and cash equivalents, end of period	12,434,163	6,808,167	12,434,163	6,808,167

Supplemental disclosure with respect to cash flows (Note 11)

Fission Uranium Corp.

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

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 November 13, 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. Certain figures have been reclassified to confirm with the current period presentation.

(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 nine month period ended September 30, 2020
(Expressed in Canadian dollars)
(Unaudited)

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) *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.

(b) *Warrant liability*

Share purchase warrants are considered a derivative liability, the fair value of which is estimated using the Black-Scholes pricing model. The significant inputs used in the Black-Scholes model to calculate the fair value of share purchase warrants include volatility, expected term of the warrants and the forfeiture rate.

4. Short-term investments

	September 30 2020	December 31 2019
	\$	\$
Fission 3.0 Corp. Warrants	36,936	22,764
	36,936	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 September 30, 2020, the carrying value of the warrants was \$36,936 (December 31, 2019 - \$22,764).

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. The Company, through a combination of its shareholding and its common directors and management, had significant influence over Fission 3.0 and accounted for the investment using the equity method.

Fission Uranium Corp.

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

5. Investment in Fission 3.0 Corp. (continued)

During the recent three month period ended September 30, 2020, there was a reduction in the ownership interest in Fission 3.0 as a result of additional shares being issued through a non-brokered private placement. There were also changes to the number of common directors and management. As a result, the Company is no longer deemed to have significant influence over Fission 3.0. The Company will no longer use the equity method to account for its investment in Fission 3.0 and, instead, its shareholdings will be recorded at fair value, with the changes in fair value being recognized in the statement of loss.

As at September 30, 2020, the Company held a 6.67% ownership interest in Fission 3.0 (June 30, 2020 – 7.61%; December 31, 2019 – 7.61%). The trading price of Fission 3.0's common shares on September 30, 2020 was \$0.075 (December 31, 2019 - \$0.07). The quoted market value of the investment in Fission 3.0 on September 30, 2020 was \$809,445 (December 31, 2019 - \$755,482).

Details of the investment in Fission 3.0 are as follows:

	\$
Balance, January 1, 2019	1,113,774
Share of loss for the twelve months ended September 30, 2019	(190,256)
Write-down on Investment in Fission 3.0	(363,857)
Balance, December 31, 2019	559,661
Share of loss for the nine months ended June 30, 2020	(317,354)
Fair value adjustment based on Fission 3.0 share price as at September 30, 2020	567,138
Balance, September 30, 2020	809,445

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

	Nine months ended June 30 2020	Twelve months ended September 30 2019
	\$	\$
Comprehensive loss for the period	(4,170,220)	(2,500,080)

In September 2018, Fission 3.0 completed the first tranche of a non-brokered private placement financing by issuing units at a price of \$0.10 per unit. 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 nine month period ended September 30, 2020 the Company recognized \$79,431 (September 30, 2019 – \$79,431) of the deferred gain. The balance of remaining deferred gain at September 30, 2020 was \$105,908 (December 31, 2019 - \$185,339). The Company determined that the fair value of the Fission 3.0 warrants at September 30, 2020 was \$36,936 (December 31, 2019 – \$22,764) and therefore recognized an unrealized gain of \$14,172 (September 30, 2019 – \$471,380 loss) based on the fair value change. The net gain of \$93,603 (September 30, 2019 - \$391,949 loss) was recorded within other items in the statements of loss and comprehensive loss.

Fission Uranium Corp.

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

6. Right-of-use assets

	Office Leases
	\$
Cost	
Balance at January 1, 2019	331,360
Balance at December 31, 2019	331,360
Balance at September 30, 2020	331,360
Accumulated Depreciation	
Balance at January 1, 2019	-
Depreciation expense	100,937
Balance at December 31, 2019	100,937
Depreciation expense	75,702
Balance at September 30, 2020	176,639
Net Book Value, December 31, 2019	230,423
Net Book Value, September 30, 2020	154,721

7. Exploration and evaluation assets

	Nine months ended September 30 2020	Year ended December 31 2019
	\$	\$
Patterson Lake South Property		
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration costs		
Balance, beginning	140,310,568	128,877,743
Incurred during		
Exploration		
Geology mapping/sampling	-	1,506
Geophysics airborne	4,295	-
Geophysics ground	74	374
Drilling	1,360,870	1,487,922
Resource Development		
Mine Planning	177,229	1,291,554
Geotechnical	90,833	4,431,497
Metallurgical	4,241	51,793
Resource Development	700	34,204
Hydrogeological	-	1,356,208
Infrastructure	17,469	1,677,391
Permitting		
Operational Permits & Other	15,120	69,474
Environmental	280,870	752,823
Community relations	144,533	133,078
Other		
Land retention and permitting	3,412	38,449
Reporting	9,251	21,797
General	42,878	82,978
Share-based compensation	-	1,777
Additions	2,151,775	11,432,825
Balance, end	142,462,343	140,310,568
Total	318,964,201	316,812,426

Fission Uranium Corp.

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

7. Exploration and evaluation assets (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The Company has investigated title to all of its exploration and evaluation assets, and to the best of its knowledge, title to its property is in good standing.

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

8. Lease Obligations

	Nine Months Ended September 30 2020
	\$
Beginning balance, January 1, 2020	236,514
Lease obligation payments	(82,646)
Interest expense	9,116
Net lease obligation payments	(73,530)
Ending balance at September 30, 2020	162,984
Less: Lease obligations - current portion	(96,576)
Lease obligations	66,408

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). The warrants contain a provision which gives the Company the option to settle the warrants net in cash rather than through the issuance of common shares. The Company has therefore recognized the fair value of these derivative financial instruments as a financial liability. 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.

As of September 30, 2020, the outstanding principal of the Facility was \$13,339,000.

Fission Uranium Corp.

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

9. Credit Facility (continued)

The balance of the Facility is determined as follows:

	Credit facility	Deferred financing costs	Total
	\$	\$	\$
Beginning balance, January 1, 2020	-	-	-
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	664,941	-	664,941
Interest payments	(664,941)	-	(664,941)
Foreign exchange adjustment	(615,000)	-	(615,000)
Amortization of deferred costs	-	384,294	384,294
Ending balance at September 30, 2020	13,339,000	(2,690,057)	10,648,943

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 nine month period ended September 30, 2020, the Company issued 1,684,231 common shares with a total value of \$481,396 to Sprott and affiliates as remuneration for monthly interest in accordance with the terms and conditions of the credit facility agreement (September 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 recognized as a financial liability, will be determined at each reporting date using the Black-Scholes pricing model.

The following assumptions were used for the valuation of the warrant liability:

	September 30 2020	June 30 2020	April 7 2020
Risk Free Interest Rate	0.25%	0.28%	0.45%
Expected Life - Years	1.79	1.92	2.00
Estimated Forfeiture Rate	0.00%	0.00%	0.00%
Annualised Volatility	77.52%	71.53%	61.50%
Dividend Rate	N/A	N/A	N/A
Weighted average fair value per warrant	\$ 0.183	\$ 0.118	\$ 0.118

Fission Uranium Corp.

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

10. Share capital and other capital reserves (continued)

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

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	(11,370,000)	1.3851	-	-
Outstanding September 30, 2019	25,265,000	0.8900	-	-
Expired	(6,400,000)	0.9939	-	-
Outstanding, December 31, 2019	18,865,000	0.8500	-	-
Granted	-	-	20,666,667	0.1700
Expired	(1,405,000)	0.8500	-	-
Outstanding, September 30, 2020	17,460,000	0.8500	20,666,667	0.1700

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

Stock options			
Number outstanding	Exercise price \$	Number of vested options	Expiry date
190,000	0.85	190,000	October 4, 2020
10,400,000	0.85	10,400,000	February 5, 2021
6,570,000	0.85	6,570,000	January 16, 2022
300,000	0.85	300,000	March 27, 2023
17,460,000		17,460,000	

Subsequent to September 30, 2020, 190,000 stock options exercisable at \$0.85 expired.

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

(c) *Share-based compensation*

All options are recorded at fair value using the Black-Scholes option pricing model. During the nine month period ended September 30, 2020 the Company granted Nil stock options (September 30, 2019 - Nil). Pursuant to the vesting schedule of options granted and accrued, during the nine month period ended September 30, 2020 share-based compensation of \$116,179 (September 30, 2019 - \$15,985) was recognized in the statements of loss and comprehensive loss and \$nil (September 30, 2019 - \$1,777) was recognized in exploration and evaluation assets. The total amount of \$116,179 (September 30, 2019 - \$17,762) was recorded within other capital reserves in the statements of changes in equity.

Fission Uranium Corp.

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

11. Supplemental disclosure with respect to cash flows

	September 30 2020	December 31 2019
	\$	\$
Cash and cash equivalents		
Cash	12,274,163	4,625,701
Redeemable term deposits	160,000	160,000
	12,434,163	4,785,701

During the nine month period ended September 30, 2020 the Company received \$74,745 (September 30, 2019 - \$294,401) in interest income.

Significant non-cash transactions for nine month period ended September 30, 2020 included:

- (a) Incurring \$237,158 of exploration and evaluation related expenditures through accounts payable and accrued liabilities.

Significant non-cash transactions for nine month period ended September 30, 2019 included:

- (a) Incurring \$372,734 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$1,777 of share-based payments in exploration and evaluation assets.

12. Related party transactions

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Compensation Costs</i>				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	448,208	554,692	1,363,883	1,604,595
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	115,000	-	115,000	4,339
	563,208	554,692	1,478,883	1,608,934
Exploration and administrative services billed to Fission 3.0, a company with common directors and management	3,487	230,904	82,163	513,998

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 nine months ended September 30, 2020, the Company issued 124,220 shares with a total value of \$40,000 under the DRP Plan (September 30, 2019 - 251,728 shares valued at \$120,000).

Fission Uranium Corp.

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

12. Related party transactions (continued)

Included in accounts payable at September 30, 2020 is \$16,625 (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 September 30, 2020 is \$5,570 (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, investment in Fission 3.0 Corp., accounts payable and accrued liabilities and warrant liability. Carrying value for cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities 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 September 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:

	September 30	December 31
	2020	2019
	\$	\$
Cash and cash equivalents	12,434,163	4,785,701
Amounts receivable	79,005	119,971
	12,513,168	4,905,672

Fission Uranium Corp.

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

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	September 30 2020	December 31 2019
		\$	\$
Accounts payable and accrued liabilities	< 6 months	587,500	320,946
Credit Facility (principal)	>12 months	13,339,000	-
		13,926,500	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 and common shares included in short-term investments and investment in Fission 3.0 Corp, respectively, based on the fair value hierarchy is as follows:

	September 30 2020	December 31 2019
	\$	\$
Level 1	809,445	-
Level 2	36,936	22,764
	846,381	22,764

14. Subsequent events

Subsequent to September 30, 2020:

- The Company granted 13,702,935 stock options to directors, officers, employees and consultants exercisable at \$0.31 per share for a period of 5 years.
- 10,000,000 warrants were exercised at a price of \$0.17 and a weighted average share price of \$0.284.
- The Company announced a bought deal financing whereby underwriters have agreed to purchase 54,545,500 units at a price of \$0.275 for gross proceeds of \$15,000,013. Each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable at a price of \$0.41 for a period of 24 months.