Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited)

For the Three Month Period Ended March 31, 2021

Fission Uranium Corp.

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(Unaudited)

For the Three Month Period Ended March 31, 2021

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Fission Uranium Corp.

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

	Note	**March 31 2021**	December 31 2020
		$	$
Assets			
Current assets			
Cash and cash equivalents		**27,209,903**	29,947,143
Short-term investments	4	**22,892**	46,132
Amounts receivable		**285,352**	106,963
Prepaid expenses		**264,814**	92,191
		27,782,961	30,192,429
Non-current assets			
Investment in Fission 3.0 Corp.	5	**1,025,297**	1,025,297
Property and equipment		**20,819**	34,589
Right-of-use assets	6	**104,253**	129,487
Exploration and evaluation assets	7	**324,816,853**	320,185,305
		325,967,222	321,374,678
Total Assets		**353,750,183**	351,567,107
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**1,413,152**	729,351
Lease obligations - current portion	8	**88,412**	92,524
		1,501,564	821,875
Non-current liabilities			
Deferred gain on short-term investments	4	**52,954**	79,431
Lease obligations	8	**22,466**	44,600
Credit facility	9	**7,122,754**	7,095,200
Warrant liability	9	**1,558,431**	2,638,069
		8,756,605	9,857,300
Total Liabilities		**10,258,169**	10,679,175
Shareholders' Equity			
Share capital	10	**440,754,833**	436,957,431
Other capital reserves	10	**33,185,801**	31,290,185
Deficit		**(130,448,620)**	(127,359,684)
		343,492,014	340,887,932
Total Liabilities and Shareholders' Equity		**353,750,183**	351,567,107

Subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on May 13, 2021.

"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 March 31 2021**	Three Months Ended March 31 2020
		$	$
Expenses			
Business development		**1,461**	19,256
Consulting and directors fees		**216,200**	286,882
Depreciation		**39,004**	45,849
Office and administration		**166,709**	161,591
Professional fees		**127,484**	471,560
Public relations and communications		**70,857**	102,646
Share-based compensation expense	10(c)	**1,570,185**	1,179
Trade shows and conferences		**11,675**	45,158
Wages and benefits		**157,622**	182,818
		2,361,197	1,316,939
Other items - income/(expense)			
Foreign exchange gain		**106,979**	1,978
Interest and miscellaneous income		**57,473**	23,601
Interest - lease obligations	8	**(1,910)**	(3,396)
Financing costs - credit facility	9	**(357,338)**	-
Share of loss from equity investment in Fission 3.0 Corp.	5	**-**	(34,311)
Unrealized gain on short-term investments	4	**3,237**	18,425
Unrealized loss on warrant liability	9	**(536,180)**	-
		(727,739)	6,297
Net loss and comprehensive loss for the period		**(3,088,936)**	(1,310,642)
Basic and diluted loss per common share		**(0.01)**	(0.00)
Weighted average number of common shares outstanding		**583,737,424**	486,620,090

Fission Uranium Corp.

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

		Share capital				
	Note	Shares	Amount	Other capital reserves	Deficit	**Total shareholders' equity**
			$	$	$	**$**
Balance, January 1, 2020		486,620,090	413,615,850	26,717,159	(118,351,544)	**321,981,465**
Share-based compensation	10(c)	-	-	1,179	-	**1,179**
Net loss and comprehensive loss		-	-	-	(1,310,642)	**(1,310,642)**
Balance, March 31, 2020		486,620,090	413,615,850	26,718,338	(119,662,186)	**320,672,002**
Common share units issued - bought deal financings	10(a)	79,163,474	21,513,487	2,561,346	-	**24,074,833**
Share issuance costs	10(a)	-	(1,974,959)	(230,793)	-	**(2,205,752)**
Warrants exercised	10(b)	10,000,000	3,281,850	-	-	**3,281,850**
Director remuneration shares issued		243,852	80,185	-	-	**80,185**
Common shares issued for credit facility interest		1,684,231	441,018	-	-	**441,018**
Share-based compensation	10(c)	-	-	2,241,294	-	**2,241,294**
Net loss and comprehensive loss		-	-	-	(7,697,498)	**(7,697,498)**
Balance, December 31, 2020		577,711,647	436,957,431	31,290,185	(127,359,684)	**340,887,932**
Share issuance costs	10(a)	-	(1,022)		-	**(1,022)**
Stock Options exercised	10(b)	583,333	276,245	(95,412)	-	**180,833**
Warrants exercised	10(b)	8,250,384	3,522,179	(91,704)	-	**3,430,475**
Share-based compensation	10(c)	-	-	2,082,732	-	**2,082,732**
Net loss and comprehensive loss		-	-	-	(3,088,936)	**(3,088,936)**
Balance, March 31, 2021		586,545,364	440,754,833	33,185,801	(130,448,620)	**343,492,014**

Fission Uranium Corp.

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

	Note	**Three Months Ended March 31 2021**	Three Months Ended March 31 2020
		$	$
Operating activities			
Net loss and comprehensive loss		**(3,088,936)**	(1,310,642)
Items not involving cash:			
Depreciation		**39,004**	45,849
Share-based compensation	10(c)	**1,570,185**	1,179
Financing costs - credit facility	9	**137,009**	-
Foreign exchange gain on credit facility	9	**(109,455)**	-
Share of loss from equity investment in Fission 3.0 Corp.	5	**-**	34,311
Unrealized gain on short-term investments	4	**(3,237)**	(18,425)
Unrealized loss on warrant liability	9	**536,180**	-
		(919,250)	(1,247,728)
Changes in non-cash working capital items:			
(Increase) decrease in amounts receivable		**(174,125)**	2,213
Increase in prepaid expenses		**(142,457)**	(82,241)
Increase in accounts payable and accrued liabilities		**126,029**	329,562
Cash flow used in operating activities		**(1,109,803)**	(998,194)
Investing activities			
Exploration and evaluation asset additions		**(3,358,242)**	(834,903)
Cash flow used in investing activities		**(3,358,242)**	(834,903)
Financing activities			
Lease obligation payments	8	**(26,246)**	(24,761)
Credit facility financing costs	9	**-**	(154,840)
Share issuance costs	10(a)	**(238,439)**	-
Stock option exercises	10(b)	**180,833**	-
Warrant exercises	10(b)	**1,814,657**	-
Cash flow provided by (used in) financing activities		**1,730,805**	(179,601)
Decrease in cash and cash equivalents during the period		**(2,737,240)**	(2,012,698)
Cash and cash equivalents, beginning of period		**29,947,143**	4,785,701
Cash and cash equivalents, end of period		**27,209,903**	2,773,003

Supplemental disclosure with respect to cash flows (Note 11)

1. Nature of operations

Fission Uranium Corp. (the "Company" or "Fission Uranium") was incorporated on February 13, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Energy Corp. which was completed on April 26, 2013. The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and is listed on the Toronto Stock Exchange under the symbol FCU, on the U.S. OTCQX under the symbol FCUUF, and on the Frankfurt Stock Exchange under the symbol 2FU.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

2. Significant accounting policies

(a) Statement of compliance

These condensed interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting* ("IAS 34") and do not contain all of the information required for annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2020 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on May 13, 2021.

(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, 2020.

(Expressed in Canadian dollars)

3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty, as well as the key judgements made in the process of applying the Company's accounting policies, 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 mining title expiration dates, budgeted expenditures on the Patterson Lake South ("PLS") property, discontinuation of activities in any 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 issued in connection with the credit facility 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 warrants include volatility, expected term and the forfeiture rate (Note 10b).

4. Short-term investments

	March 31 2021	December 31 2020
	$	$
Fission 3.0 Corp. Warrants	**22,892**	46,132
	22,892	46,132

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.

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 is determined at each reporting date, and gains or losses on the fair value changes are recognized in the statements of loss and comprehensive loss each period.

(Expressed in Canadian dollars)

4. Short-term investments (continued)

For the three month period ended March 31, 2021 the Company recognized $26,477 (March 31, 2020 – $26,477) of the deferred gain. The balance of remaining deferred gain at March 31, 2021 was $52,954 (December 31, 2020 - $79,431). The Company determined that the fair value of the Fission 3.0 warrants at March 31, 2021 was $22,892 (December 31, 2020 – $46,132) and therefore recognized an unrealized loss of $23,240 (March 31, 2020 – $8,052) based on the fair value change. The net gain of $3,237 (March 31, 2020 - $18,425) was recorded within other items in the statements of loss and comprehensive loss.

5. Investment in Fission 3.0 Corp.

	March 31 2021	December 31 2020
	$	$
Fission 3.0 Corp. Shares	**1,025,297**	1,025,297
	1,025,297	1,025,297

Fission 3.0 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.

During the 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, as at September 30, 2020, the Company no longer had significant influence over Fission 3.0. At that time, the Company ceased to use the equity method to account for its investment in Fission 3.0 and, instead, its shareholdings are recorded at fair value, with the changes in fair value being recognized in the statement of loss. The trading price of Fission 3.0's common shares on March 31, 2021 was $0.095 (December 31, 2020 - $0.095).

6. Right-of-use assets

	Office Leases
	$
Cost	
Balance at January 1, 2020	331,360
Balance at December 31, 2020	331,360
Balance at March 31, 2021	**331,360**
Accumulated Depreciation	
Balance at January 1, 2020	100,937
Depreciation expense	100,936
Balance at December 31, 2020	201,873
Depreciation expense	25,234
Balance at March 31, 2021	**227,107**
Net Book Value, December 31, 2020	129,487
Net Book Value, March 31, 2021	**104,253**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

	Three months ended March 31 2021	Year ended December 31 2020
Patterson Lake South Property		
	$	$
Acquisition costs		
Balance, beginning and end	**176,501,858**	176,501,858
Exploration costs		
Balance, beginning	**143,683,447**	140,310,568
Incurred during		
Exploration		
Geophysics airborne	**-**	8,368
Drilling	**3,853,107**	1,849,604
Resource Development		
Mine Planning	**38,708**	261,886
Geotechnical	**20,883**	147,502
Metallurgical	**3,187**	4,241
Resource Development	**6,375**	700
Hydrogeological	**3,187**	-
Infrastructure	**11,073**	24,218
Permitting		
Operational Permits & Other	**13,152**	15,372
Environmental	**-**	293,620
Community relations	**138,886**	212,931
Other		
Land retention and permitting	**9,248**	4,287
Reporting	**-**	9,251
General	**21,195**	52,936
Share-based compensation	**512,547**	487,963
Additions	**4,631,548**	3,372,879
Balance, end	**148,314,995**	143,683,447
Total	**324,816,853**	320,185,305

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.

In January 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_3O_8 production and will have an option to purchase up to an additional 15% of U_3O_8 production from the PLS property, after commencement of commercial production.

(Expressed in Canadian dollars)

8. Lease Obligations

	Three months ended March 31 2021	Year ended December 31 2020
	$	$
Beginning balance	**137,124**	236,514
Lease obligation payments	(28,156)	(110,803)
Interest expense	1,910	11,413
Net lease obligation payments	(26,246)	(99,390)
Ending balance	**110,878**	137,124
Less: Lease obligations - current portion	(88,412)	(92,524)
Lease obligations	**22,466**	44,600

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 the 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 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 Company is also required to repay the Facility with 25% of the net proceeds from any equity financings (excluding flow-through financings) closed during the term (Note 10a).

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 10b). 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 is determined at each reporting date, and gains or losses on the fair value changes are recognized in the statements of loss and comprehensive loss each period.

As of March 31, 2021 the outstanding principal of the Facility was $8,766,860 (US$6,971,658).

The balance of the Facility is determined as follows:

	Credit facility	**Deferred financing costs**	**Total**
	$	$	$
Beginning balance, January 1, 2021	**8,876,315**	**(1,781,115)**	**7,095,200**
Interest expense	220,329	-	220,329
Interest payments	(220,329)	-	(220,329)
Foreign exchange adjustment	(109,455)	-	(109,455)
Amortization of deferred costs	-	137,009	137,009
Ending balance at March 31, 2021	**8,766,860**	**(1,644,106)**	**7,122,754**

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.

Bought Deal Financings

In November 2020, the Company closed a bought deal financing of 62,090,303 units at a price of $0.275 per unit for gross proceeds of $17,074,833. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.41 for a period of 24 months. The Company incurred share issuance costs of $1,490,074 in connection with this financing.

The fair value of the common shares was determined based on the closing trading price on November 17, 2020 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of $15,416,781 was recorded in share capital in relation to the common shares and $1,658,052 was recorded in other capital reserves in relation to the warrants. A total of $144,694 was reclassified from unit issuance costs to other capital reserves for the proportionate share of financing costs related to the warrants in the units issued. The fair value of the warrants was determined using the following assumptions: volatility of 94.98%; risk-free interest rate of 0.27%; expected life of 1.0 years; and a dividend rate of 0%.

Pursuant to the terms of the credit facility agreement, the Company was required to repay a portion of the outstanding principal with 25% of the net proceeds from this financing. A total of $4,470,809 (US$3,443,057) was paid which included $3,932,302 (US$3,028,342) in principal and $538,507 (US$414,715) in accelerated interest on early repayment.

In December 2020, the Company closed a bought deal financing of 17,073,171 flow-through units at a price of $0.41 per unit for gross proceeds of $7,000,000. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.50 for a period of 24 months. The Company incurred share issuance costs of $667,213 in connection with this placement. This flow-through financing was excluded from the obligation to repay a portion of the credit facility.

The fair value of the common shares was determined based on the closing trading price on December 21, 2020 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of $6,096,706 was recorded in share capital in relation to the common shares and $903,294 was recorded in other capital reserves in relation to the warrants. A total of $86,099 was reclassified from unit issuance costs to other capital reserves for the proportionate share of financing costs related to the warrants in the units issued. There was no fair value attributed to a flow-through premium. The fair value of the warrants was determined using the following assumptions: volatility of 97.78%; risk-free interest rate of 0.23%; expected life of 1.0 years; and a dividend rate of 0%.

(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.

(Expressed in Canadian dollars)

10. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

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 (Note 9).

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

		March 31 2021		December 31 2020		June 30 2020
Risk Free Interest Rate		**0.22%**		0.20%		0.28%
Expected Life - Years		**1.54**		1.67		1.92
Estimated Forfeiture Rate		**0.00%**		0.00%		0.00%
Annualised Volatility		**92.13%**		82.46%		71.53%
Dividend Rate		**N/A**		N/A		N/A
Weighted average fair value per warrant	**$**	**0.377**	$	0.247	$	0.118

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, 2020	18,865,000	0.850	-	-
Expired	(100,000)	0.850	-	-
Outstanding, March 31, 2020	18,765,000	0.850	-	-
Granted	13,702,935	0.310	60,248,403	0.340
Exercised	-	-	(10,000,000)	0.170
Expired	(1,495,000)	0.850	-	-
Outstanding, December 31, 2020	30,972,935	0.611	50,248,403	0.374
Granted	19,200,000	0.580	-	-
Exercised	(583,333)	0.310	(8,250,384)	0.222
Expired	(10,400,000)	0.850	-	-
Outstanding, March 31, 2021	**39,189,602**	**0.537**	**41,998,019**	**0.405**

The weighted average share price of stock options exercised during the three months ended March 31, 2021 was $0.586 (March 31, 2020 - $nil).

The weighted average share price of warrants exercised during the three months ended March 31, 2021 was $0.459 (March 31, 2020 - $nil).

(Expressed in Canadian dollars)

10. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

As at March 31, 2021, stock options and warrants were outstanding as follows:

Stock options

Number outstanding	Exercise price	Number of vested options	Expiry date
	$		
6,570,000	0.85	6,570,000	January 16, 2022
300,000	0.85	300,000	March 27, 2023
13,119,602	0.31	13,119,602	October 7, 2025
19,200,000	0.58	6,400,000	February 22, 2026
39,189,602		**26,389,602**	

Warrants

Number outstanding	Exercise price	Number of vested warrants	Expiry date
	$		
29,328,101	0.41	29,328,101	November 17, 2022
8,536,585	0.50	8,536,585	December 21, 2022
4,133,333	0.17	4,133,333	April 7, 2024
41,998,019		**41,998,019**	

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the three month period ended March 31, 2021 the Company granted 19,200,000 stock options (March 31, 2020 – Nil). Pursuant to the vesting schedule of options granted, during the three month period ended March 31, 2021 share-based compensation of $1,570,185 (March 31, 2020 - $1,179) was recognized in the statements of loss and comprehensive loss and $512,547 (March 31, 2020 - $nil) was recognized in exploration and evaluation assets. The total amount of $2,082,732 (March 31, 2020 - $1,179) was recorded within other capital reserves in the statements of changes in equity.

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

	March 31 2021	December 31 2020
Risk Free Interest Rate	**0.31%**	0.35%
Expected Life - Years	**2.92**	5.00
Estimated Forfeiture Rate	**4.77%**	4.77%
Annualised Volatility	**74.21%**	63.67%
Dividend Rate	**0%**	0%
Weighted average fair value per option	**$ 0.275**	$ 0.164

(Expressed in Canadian dollars)

11. Supplemental disclosure with respect to cash flows

	March 31 2021	December 31 2020
	$	$
Cash and cash equivalents		
Cash	**27,049,903**	29,787,143
Redeemable term deposits	**160,000**	160,000
	27,209,903	29,947,143

During the three month period ended March 31, 2021 the Company received $57,376 (March 31, 2020 - $19,715) in interest income.

Significant non-cash transactions for the three month period ended March 31, 2021 included:

(a) Recognizing $512,547 of share-based payments in exploration and evaluation assets; and

(b) Incurring $1,048,181 of exploration and evaluation related expenditures through accounts payable and accrued liabilities.

Significant non-cash transactions for the three month period ended March 31, 2020 included:

(a) Incurring $137,435 of exploration and evaluation related expenditures through accounts payable and accrued liabilities.

12. Related party transactions

The Company has identified the former CEO, current President and CEO, current and former CFO, VP Project Development, VP Exploration, and the Company's directors as its key management personnel during all or part of the periods presented below.

	Three Months Ended March 31 2021	Three Months Ended March 31 2020
	$	$
Compensation Costs		
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	**311,250**	434,417
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	**1,269,165**	-
	1,580,415	434,417
Exploration and administrative services billed to Fission 3.0, a company with common directors and management	**5,586**	64,840

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 three months ended March 31, 2021, the Company issued Nil shares with a total value of $Nil under the DRP Plan (March 31, 2020 – Nil shares valued at $Nil).

12. Related party transactions (continued)

Included in accounts payable at March 31, 2021 is $46,813 (December 31, 2020 - $16,625) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at March 31, 2021 is $4,113 (December 31, 2020 - $5,415) 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 hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable, investment in Fission 3.0 Corp., accounts payable and accrued liabilities, credit facility and warrant liability. Carrying value for cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and credit facility are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

Carrying value of the Company's investment in Fission 3.0. was determined using Level 1 inputs.

Carrying value of the Company's short term investments and warrant liability was determined using Level 2 inputs.

The Company's financial instruments are exposed to a number of financial and market risks, including foreign exchange, 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) *Foreign exchange risk*

Certain of the Company's financial assets and liabilities are denominated in US dollars. Financial instruments that impact the Company's net income or loss due to currency fluctuations include cash and cash equivalents, accounts payable and accrued liabilities and credit facility (Note 9).

At March 31, 2021, a 5% change in the value to the US dollar as compared to the Canadian dollar could have increased or decreased the Company's net loss by $350,000.

(Expressed in Canadian dollars)

13. Financial instruments and risk management (continued)

(b) 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, and expected credit losses are negligible. At March 31, 2021, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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

	March 31 2021	December 31 2020
	$	$
Cash and cash equivalents	**27,209,903**	29,947,143
Amounts receivable	**285,352**	106,963
	27,495,255	30,054,106

(c) 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, warrant liability 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:

	Less than 1 year	**2 - 3 years**	**4 - 5 years years**	**More than 5 years**
	$	$	$	$
Accounts payable and accrued liabilities	1,413,152	-	-	-
Warrant liability	-	1,558,431	-	-
Credit facility (principal)	-	-	8,766,860	-
Credit facility (interest)	940,109	1,880,217	18,029	-
	2,353,261	**3,438,648**	**8,784,889**	**-**

(Expressed in Canadian dollars)

13. Financial instruments and risk management (continued)

(d) 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 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, and warrant liability based on the fair value hierarchy is as follows:

	March 31 2021	December 31 2020
	$	$
Level 1 - investment in Fission 3.0	**1,025,297**	1,025,297
Level 2 - short-term investments	**22,892**	46,132
Level 2 - warrant liability	**1,558,431**	2,638,069
	2,606,620	3,709,498

14. Subsequent events

Subsequent to March 31, 2021:

(a) 385,000 warrants were exercised at an average price of $0.41 and a weighted average share price of $0.641, and 300,000 options were exercised at an average price of $0.31 and a weighted average share price of $0.605; and

(b) The Company announced that it has closed a bought deal financing consisting of 57,500,000 units (the "Units") at a price of $0.60 per Unit for gross proceeds of $34.5 million, inclusive of the full exercise of the over-allotment option held by the Underwriters (the "Offering"). Eight Capital and Sprott Capital Partners LP acted as co-lead underwriters on behalf of a syndicate of underwriters including Canaccord Genuity Corp., BMO Nesbitt Burns Inc. and H.C. Wainwright & Co., LLC (collectively, the "Underwriters"). Each Unit consisted of one common share of the Company and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one common share of the Company (each, a "Warrant Share") at a price of $0.85 at any time on or before 5:00 pm on May 11, 2024. In connection with this financing, Sprott Resource Lending II (Collector) L.P. provided a waiver of the Company's obligation to repay a portion of the Credit Facility with 25% of the net proceeds.