



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited)

**For the Three Month Period Ended
March 31, 2022**

Fission Uranium Corp.

Condensed Interim Financial Statements

(Unaudited)

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Fission Uranium Corp.

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

	Note	March 31 2022	December 31 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		49,483,827	53,601,079
Short-term investments	4	-	304,136
Amounts receivable		235,733	241,833
Prepaid expenses		644,135	350,513
		50,363,695	54,497,561
Non-current assets			
Investment in Fission 3.0 Corp.	5	1,726,816	2,374,372
Property and equipment		24,578	29,448
Right-of-use assets		309,961	324,721
Exploration and evaluation assets	6	346,871,822	341,961,502
		348,933,177	344,690,043
Total Assets		399,296,872	399,187,604
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,341,261	1,597,014
Lease obligations - current portion		51,109	49,518
		2,392,370	1,646,532
Non-current liabilities			
Lease obligations		265,825	279,102
Credit facility	7	7,641,851	7,634,993
Warrant liability	7	3,210,674	2,562,828
		11,118,350	10,476,923
Total Liabilities		13,510,720	12,123,455
Shareholders' Equity			
Share capital	8	486,249,332	484,820,771
Other capital reserves	8	38,896,958	36,403,956
Deficit		(139,360,138)	(134,160,578)
		385,786,152	387,064,149
Total Liabilities and Shareholders' Equity		399,296,872	399,187,604

Subsequent events (Note 12)

Approved by the Board of Directors and authorized for issue on May 13, 2022

"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 2022	Three Months Ended March 31 2021
		\$	\$
Expenses			
Business development		2,674	1,461
Consulting and directors fees		214,700	216,200
Depreciation		19,630	39,004
Office and administration		205,701	166,709
Professional fees		118,756	127,484
Public relations and communications		86,270	70,857
Share-based compensation expense	8(c)	2,513,166	1,570,185
Trade shows and conferences		48,479	11,675
Wages and benefits		177,767	157,622
		3,387,143	2,361,197
Other items - income/(expense)			
Foreign exchange gain (loss)		(2,504)	106,979
Interest and miscellaneous income		96,911	57,473
Interest - lease obligations		(4,831)	(1,910)
Financing costs - credit facility	7	(358,567)	(357,338)
Loss on investment in Fission 3.0 Corp.	5	(591,444)	-
Gain (loss) on short-term investments	4	(304,136)	3,237
Loss on warrant liability	7	(647,846)	(536,180)
		(1,812,417)	(727,739)
Net loss and comprehensive loss for the period		(5,199,560)	(3,088,936)
Basic and diluted loss per common share		(0.01)	(0.01)
Weighted average number of common shares outstanding		675,595,981	583,737,424

Fission Uranium Corp.

Condensed interim 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, 2021		577,711,647	436,957,431	31,290,185	(127,359,684)	340,887,932
Share issuance costs	8(a)	-	(1,022)	-	-	(1,022)
Stock options exercised	8(b)	583,333	276,245	(95,412)	-	180,833
Warrants exercised	8(b)	8,250,384	3,522,179	(91,704)	-	3,430,475
Share-based compensation	8(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
Common share units issued - bought deal financings	8(a)	57,500,000	29,325,621	5,174,379	-	34,500,000
Share issuance costs	8(a)	-	(1,879,442)	(310,157)	-	(2,189,599)
Stock options exercised	8(b)	4,894,571	2,539,983	(1,597,656)	-	942,327
Warrants exercised	8(b)	25,130,733	13,697,348	(1,843,267)	-	11,854,081
Director remuneration shares issued	10	118,434	85,333	-	-	85,333
Common shares issued for credit facility interest		510,529	297,095	-	-	297,095
Share-based compensation	8(c)	-	-	1,794,856	-	1,794,856
Net loss and comprehensive loss		-	-	-	(3,711,958)	(3,711,958)
Balance, December 31, 2021		674,699,631	484,820,771	36,403,956	(134,160,578)	387,064,149
Share issuance costs	8(a)	-	(20,381)	-	-	(20,381)
Stock options exercised	8(b)	1,144,065	1,264,203	(831,038)	-	433,165
Warrants exercised	8(b)	393,762	184,739	(21,536)	-	163,203
Share-based compensation	8(c)	-	-	3,345,576	-	3,345,576
Net loss and comprehensive loss		-	-	-	(5,199,560)	(5,199,560)
Balance, March 31, 2022		676,237,458	486,249,332	38,896,958	(139,360,138)	385,786,152

Fission Uranium Corp.

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

	Note	Three Months Ended March 31 2022	Three Months Ended March 31 2021
		\$	\$
Operating activities			
Net loss and comprehensive loss		(5,199,560)	(3,088,936)
Items not involving cash:			
Depreciation		19,630	39,004
Share-based compensation	8(c)	2,513,166	1,570,185
Interest income earned on cash and cash equivalents		(96,860)	(57,376)
Financing costs - credit facility	7	133,742	137,009
Foreign exchange gain on credit facility	7	(126,884)	(109,455)
Loss on investment in Fission 3.0 Corp.	5	591,444	-
(Gain) loss on short-term investments	4	304,136	(3,237)
Loss on warrant liability	7	647,846	536,180
		(1,213,340)	(976,626)
Changes in non-cash working capital items:			
Increase in amounts receivable		(7,066)	(174,125)
Increase in prepaid expenses		(246,822)	(142,457)
Increase (decrease) in accounts payable and accrued liabilities		(238,203)	126,029
Cash flow used in operating activities		(1,705,431)	(1,167,179)
Investing activities			
Interest income earned on cash and cash equivalents		96,860	57,376
Net proceeds on disposal of investment in Fission 3.0	5	56,112	-
Proceeds on disposal of equipment		800	-
Exploration and evaluation asset additions		(3,152,763)	(3,358,242)
Cash flow used in investing activities		(2,998,991)	(3,300,866)
Financing activities			
Lease obligation payments		(11,686)	(26,246)
Share issuance (costs) recovery	8(a)	2,488	(238,439)
Stock option exercises	8(b)	433,165	180,833
Warrant exercises	8(b)	163,203	1,814,657
Cash flow provided by financing activities		587,170	1,730,805
Decrease in cash and cash equivalents during the period		(4,117,252)	(2,737,240)
Cash and cash equivalents, beginning of period		53,601,079	29,947,143
Cash and cash equivalents, end of period		49,483,827	27,209,903

Supplemental disclosure with respect to cash flows (Note 9)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended March 31, 2022
(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 the Company 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, 2021 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on May 13, 2022.

(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 comparative figures have been reclassified to confirm with the current year 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, 2021.

3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as well as the key judgements made in the process of applying the Company's accounting policies, at the reporting date, 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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
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3. Key estimates and judgements (continued)

(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 and expected term (Note 8b).

4. Short-term investments

	March 31 2022	December 31 2021
	\$	\$
Fission 3.0 Corp. Warrants	-	304,136
	-	304,136

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.

At the time of acquisition, the fair value of the warrants was determined to be \$317,724, 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, that amount had been recognized as a deferred gain to be recognized over the original three year term of the warrants. The fair value of the warrants was determined at each reporting date, and gains or losses on fair value changes were recognized in the statements of loss and comprehensive loss each period.

For the three month period ended March 31, 2022, the Company recognized \$nil (March 31, 2021 - \$26,477) of the deferred gain. During March 2022, the Company exercised all 4,000,000 warrants for a total exercise price of \$600,000. As a result, the Company had no Fission 3.0 warrants at March 31, 2022 (December 31, 2021 - fair value \$304,136) and recognized a loss of \$304,136 (March 31, 2021 - \$23,240) based on the movement from the prior period until derecognition. The net loss of \$304,136 (March 31, 2021 - \$3,237 gain) was recorded within other items in the statements of loss and comprehensive loss.

Fission Uranium Corp.

Notes to the condensed interim financial statements
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5. Investment in Fission 3.0 Corp.

Fission 3.0 Corp. Shares

Balance at December 31, 2021	10,792,602
Additions	4,000,000
Disposals	(4,000,000)
Balance at March 31, 2022	10,792,602

Trading price at December 31, 2021	\$	0.220
Trading price at March 31, 2022	\$	0.160
Fair Value, December 31, 2021	\$	2,374,372
Fair Value, March 31, 2022	\$	1,726,816

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's shareholdings in Fission 3.0 are recorded at fair value, with the changes in fair value being recognized in the statement of loss and comprehensive loss.

During the three month period ended March 31, 2022, the Company acquired 4,000,000 shares through the exercise of warrants and disposed of 4,000,000 shares of Fission 3.0 for net gain of \$56,112 (March 31, 2021 - \$nil).

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended March 31, 2022
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(Unaudited)

6. Exploration and evaluation assets

	Three months ended March 31 2022	Year ended December 31 2021
Patterson Lake South Property		
	\$	\$
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration costs		
Balance, beginning	165,459,644	143,683,447
Incurred during		
Exploration		
Drilling	26,712	8,332,215
Environmental	-	3,879
Resource Advancement		
Mine Planning	663,499	521,747
Geotechnical	2,575,308	1,813,025
Metallurgical	163,899	1,181,755
Resource Development	-	87,106
Hydrogeological	69,009	1,490,714
Infrastructure studies	310,286	6,488,880
Permitting		
Operational Permits & Other	4,663	63,238
Environmental	144,241	54,037
Community relations	78,208	670,695
Other		
Land retention and permitting	183	18,283
General	41,902	57,968
Share-based compensation	832,410	992,655
Additions	4,910,320	21,776,197
Balance, end	170,369,964	165,459,644
Total	346,871,822	341,961,502

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 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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Expressed in Canadian dollars)
(Unaudited)

7. 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.

In connection with the Facility, the Company issued 20,666,667 common share purchase warrants to Sprott and its affiliates (Note 8b). 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, 2022 the outstanding principal of the Facility was \$8,711,784 (US\$6,971,658).

The balance of the Facility is determined as follows:

	Credit facility	Deferred financing costs	Total
	\$	\$	\$
Beginning balance, January 1, 2022	8,838,668	(1,203,675)	7,634,993
Interest expense	220,594	-	220,594
Interest payments	(220,594)	-	(220,594)
Foreign exchange adjustment	(126,884)	-	(126,884)
Amortization of deferred costs	-	133,742	133,742
Ending balance, March 31, 2022	8,711,784	(1,069,933)	7,641,851

8. 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 financing

In May 2021, the Company closed a bought deal financing of 57,500,000 units at a price of \$0.60 per unit for gross proceeds of \$34,500,000. 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 \$0.85 for a period of 36 months. The Company incurred share issuance costs of \$2,067,960 in connection with this financing.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended March 31, 2022
(Expressed in Canadian dollars)
(Unaudited)

8. Share capital and other capital reserves (continued)

(a) *Bought deal financing (continued)*

The fair value of the common shares was determined based on the closing trading price on May 11, 2021 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of \$29,325,621 was recorded in share capital in relation to the common shares and \$5,174,379 was recorded in other capital reserves in relation to the warrants. A total of \$310,157 was recorded in 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 94.91%; risk-free interest rate of 0.30%; expected life of 1.5 years; and a dividend rate of 0%.

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.

(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 (Note 7).

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

	March 31	December 31	March 31
	2022	2021	2021
Risk Free Interest Rate	2.26%	0.95%	0.22%
Expected Life - Years	1.04	1.17	1.54
Estimated Forfeiture Rate	0.00%	0.00%	0.00%
Annualised Volatility	85.64%	90.55%	92.13%
Dividend Rate	N/A	N/A	N/A
Weighted average fair value per warrant	\$ 0.777	\$ 0.620	\$ 0.377

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Expressed in Canadian dollars)
(Unaudited)

8. 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, 2021	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
Granted	-	-	28,750,000	0.850
Exercised	(7,574,601)	0.462	(25,130,733)	0.409
Forfeited	(1,806,666)	0.580	-	-
Expired	(1,848,334)	0.850	-	-
Outstanding, December 31, 2021	27,960,001	0.537	45,617,286	0.648
Granted	17,400,000	0.750	-	-
Exercised	(3,168,334)	0.718	(393,762)	0.414
Forfeited	(50,000)	0.580	-	-
Expired	(2,225,000)	0.844	-	-
Outstanding, March 31, 2022	39,916,667	0.598	45,223,524	0.650

The Company's stock option plan allows for options to be exercised on a net-settlement ("cashless") basis where shares are withheld in lieu of cash proceeds. During the three months ended March 31, 2022, 2,351,668 stock options were exercised on a cashless basis resulting in the issuance of 327,399 shares.

The weighted average share price of stock options exercised during the three months ended March 31, 2022 was \$0.922 (March 31, 2021 - \$0.586).

The weighted average share price of warrants exercised during the three months ended March 31, 2022 was \$0.757 (March 31, 2021 - \$0.459).

As at March 31, 2022, stock options and warrants were outstanding as follows:

Stock options			
Number outstanding	Exercise price \$	Number of vested options	Expiry date
300,000	0.85	300,000	March 27, 2023
8,500,001	0.31	8,500,001	October 7, 2025
13,816,666	0.58	8,350,000	February 22, 2026
17,300,000	0.75	5,699,995	February 4, 2027
39,916,667		22,849,996	

Fission Uranium Corp.

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8. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

Warrants				
Number outstanding	Exercise price	Number of vested warrants	Expiry date	
	\$			
8,983,689	0.41	8,983,689	November 17, 2022	
6,459,452	0.50	6,459,452	December 21, 2022	
4,133,333	0.17	4,133,333	April 7, 2024	
25,647,050	0.85	25,647,050	May 11, 2024	
45,223,524		45,223,524		

(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, 2022, the Company granted 17,400,000 stock options (March 31, 2021 - 19,200,000). Pursuant to the vesting schedule of options granted, during the three month period ended March 31, 2022, share-based compensation of \$2,513,166 (March 31, 2021 - \$1,570,185) was recognized in the statements of loss and comprehensive loss and \$832,410 (March 31, 2021 - \$512,547) was recognized in exploration and evaluation assets. The total amount of \$3,345,576 (March 31, 2021 - \$2,082,732) 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 2022	December 31 2021
Risk Free Interest Rate	1.44%	0.31%
Expected Life - Years	2.92	2.92
Estimated Forfeiture Rate	6.65%	4.77%
Annualised Volatility	85.21%	74.21%
Dividend Rate	0%	0%
Weighted average fair value per option	\$ 0.410	\$ 0.275

9. Supplemental disclosure with respect to cash flows

	March 31 2022	December 31 2021
	\$	\$
Cash and cash equivalents		
Cash	49,323,827	53,441,079
Redeemable term deposits	160,000	160,000
	49,483,827	53,601,079

During the three month period ended March 31, 2022, the Company received \$96,860 (March 31, 2021 - \$57,376) in interest payments.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended March 31, 2022
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(Unaudited)

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

Significant non-cash transactions for the three month period ended March 31, 2022 included:

- (a) Incurring \$1,933,539 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$832,410 of share-based payments in exploration and evaluation assets.

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

- (a) Incurring \$1,048,181 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$512,547 of share-based payments in exploration and evaluation assets.

10. Related party transactions

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

	Three Months Ended March 31 2022	Three Months Ended March 31 2021
	\$	\$
<i>Compensation Costs</i>		
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	361,250	311,250
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	2,181,264	1,269,165
	2,542,514	1,580,415

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 month period ended March 31, 2022, the Company issued Nil shares with a total value of \$Nil under the DRP Plan (March 31, 2021 - Nil shares valued at \$Nil).

Included in accounts payable at March 31, 2022 is \$47,365 (December 31, 2021 - \$421,808) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Transactions with CGN Mining, which is deemed to be a related party as it accounts for its investment in the Company as an investment in associate, have been disclosed in Note 6.

These transactions were in the normal course of operations.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended March 31, 2022
(Expressed in Canadian dollars)
(Unaudited)

11. 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, 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 and accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The carrying value of the Company's credit facility approximates its fair value as the company's borrowing rate has remained approximately consistent since the inception of the credit facility.

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

Carrying value of the Company's warrant liability was determined using Level 3 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 7).

At March 31, 2022, 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 \$1,000 as a result of offsetting financial assets and liabilities denominated in USD.

(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.

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Expressed in Canadian dollars)
(Unaudited)

11. Financial instruments and risk management (continued)

(b) Credit risk (continued)

The Company has not had any credit losses in the past and expected credit losses are negligible. At March 31, 2022, 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	December 31
	2022	2021
	\$	\$
Cash and cash equivalents	49,483,827	53,601,079
Amounts receivable	235,733	241,833
	49,719,560	53,842,912

(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 endeavour 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 - 2	3 - 4	More than
	1 year	years	years	5 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,341,261	-	-	-
Warrant liability	-	3,210,674	-	-
Credit facility (principal)*	8,711,784	-	-	-
Credit facility (interest)*	17,623	-	-	-
	11,070,668	3,210,674	-	-

* see note 12 (b) regarding the early payback of the credit facility

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Unaudited)

11. 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. common shares included in investment in Fission 3.0 Corp, and warrant liability based on the fair value hierarchy is as follows:

	March 31	December 31
	2022	2021
	\$	\$
Level 1 - investment in Fission 3.0	1,726,816	2,374,372
Level 3 - warrant liability	3,210,674	2,562,828
	4,937,490	4,937,200

12. Subsequent events

Subsequent to March 31, 2022:

- (a) 84,000 warrants were exercised at an average price of \$0.462 and a weighted average share price of \$0.789, and 80,000 options were exercised (resulting in the issuance of 80,000 shares) at an average price of \$0.580 and a weighted average share price of \$0.970;
- (b) the Company announced that it repaid the remaining balance of its secured credit facility in full; and
- (c) the Company announced that it entered into an equity distribution agreement providing for an at-the-market ("ATM") equity offering program, with Canaccord Genuity Corp. (the "Lead Agent"), and including Sprott Capital Partners LP, BMO Capital Markets and Haywood Securities Inc. (collectively with the Lead Agent, the "Agents").

The ATM will allow Fission, through the Agents, to, from time to time, offer and sell, in Canada through the facilities of the Toronto Stock Exchange ("TSX"), such number of common shares as would have an aggregate offering price of up to C\$50 million. Sales of the common shares, if any, will be made by means of ordinary brokers' transactions on the TSX or otherwise at market prices prevailing at the time of sale.