



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited)

**For the Six Month Period Ended
June 30, 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	June 30 2022	December 31 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		36,691,395	53,601,079
Short-term investments	4	-	304,136
Amounts receivable		194,272	241,833
Prepaid expenses		900,335	350,513
		37,786,002	54,497,561
Non-current assets			
Investment in Fission 3.0 Corp.	5	809,445	2,374,372
Property and equipment		22,601	29,448
Right-of-use assets		295,201	324,721
Exploration and evaluation assets	6	350,426,698	341,961,502
		351,553,945	344,690,043
Total Assets		389,339,947	399,187,604
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,270,965	1,597,014
Lease obligations - current portion		52,725	49,518
		1,323,690	1,646,532
Non-current liabilities			
Lease obligations		252,349	279,102
Credit facility	7	-	7,634,993
Warrant liability	7	-	2,562,828
		252,349	10,476,923
Total Liabilities		1,576,039	12,123,455
Shareholders' Equity			
Share capital	8	489,702,880	484,820,771
Other capital reserves	8	40,252,030	36,403,956
Deficit		(142,191,002)	(134,160,578)
		387,763,908	387,064,149
Total Liabilities and Shareholders' Equity		389,339,947	399,187,604

Approved by the Board of Directors and authorized for issue on August 12, 2022

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

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

	Three Months Ended June 30 2022	Three Months Ended June 30 2021	Six Months Ended June 30 2022	Six Months Ended June 30 2021
Note	\$	\$	\$	\$
Expenses				
Business development	39,934	1,225	42,608	2,686
Consulting and directors fees	214,700	210,464	429,400	426,664
Depreciation	19,021	26,085	38,651	65,089
Office and administration	276,050	205,706	481,751	372,415
Professional fees	43,018	63,159	161,774	190,643
Public relations and communications	87,353	80,335	173,623	151,192
Share-based compensation expense	8(d) 1,075,196	532,270	3,588,362	2,102,455
Trade shows and conferences	110,933	10,952	159,412	22,627
Wages and benefits	164,502	159,946	342,269	317,568
	2,030,707	1,290,142	5,417,850	3,651,339
Other items - income/(expense)				
Foreign exchange gain (loss)	(1,244)	339,856	(3,748)	446,835
Interest and miscellaneous income	155,972	83,196	252,883	140,669
Interest - lease obligations	(4,655)	(1,528)	(9,486)	(3,438)
Financing costs - credit facility	7 (1,091,282)	(353,147)	(1,449,849)	(710,485)
Gain on disposal of equipment	-	2,062	-	2,062
Gain (loss) on investment in Fission 3.0 Corp.	5 (917,371)	107,926	(1,508,815)	107,926
Gain (loss) on short-term investments	4 -	8,305	(304,136)	11,542
Gain (loss) on warrant liability	7 1,058,423	(438,369)	410,577	(974,549)
	(800,157)	(251,699)	(2,612,574)	(979,438)
Net loss and comprehensive loss for the period	(2,830,864)	(1,541,841)	(8,030,424)	(4,630,777)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding	677,201,145	618,082,694	676,402,997	601,706,899

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
Common share units issued - bought deal financings	8(b)	57,500,000	29,325,621	5,174,379	-	34,500,000
Share issuance costs	8(b)	-	(1,766,621)	(310,157)	-	(2,076,778)
Stock options exercised	8(c)	824,166	373,963	(155,930)	-	218,033
Warrants exercised	8(c)	10,096,934	4,377,884	(190,324)	-	4,187,560
Director remuneration shares issued	10	66,680	42,667	-	-	42,667
Common shares issued for credit facility interest	8(b)	131,253	72,557	-	-	72,557
Share-based compensation	8(d)	-	-	2,836,157	-	2,836,157
Net loss and comprehensive loss		-	-	-	(4,630,777)	(4,630,777)
Balance, June 30, 2021		646,330,680	469,383,502	38,644,310	(131,990,461)	376,037,351
Share issuance costs	8(b)	-	(113,843)	-	-	(113,843)
Stock options exercised	8(c)	4,653,738	2,442,265	(1,537,138)	-	905,127
Warrants exercised	8(c)	23,284,183	12,841,643	(1,744,647)	-	11,096,996
Director remuneration shares issued	10	51,754	42,666	-	-	42,666
Common shares issued for credit facility interest		379,276	224,538	-	-	224,538
Share-based compensation	8(d)	-	-	1,041,431	-	1,041,431
Net loss and comprehensive loss		-	-	-	(2,170,117)	(2,170,117)
Balance, December 31, 2021		674,699,631	484,820,771	36,403,956	(134,160,578)	387,064,149
Share issuance cost recovery	8(b)	-	1,293	-	-	1,293
Stock options exercised	8(c)	1,224,065	1,332,605	(853,039)	-	479,566
Warrants exercised	8(c)	5,520,220	3,505,544	(75,843)	-	3,429,701
Director remuneration shares issued	10	52,594	42,667	-	-	42,667
Share-based compensation	8(d)	-	-	4,776,956	-	4,776,956
Net loss and comprehensive loss		-	-	-	(8,030,424)	(8,030,424)
Balance, June 30, 2022		681,496,510	489,702,880	40,252,030	(142,191,002)	387,763,908

Fission Uranium Corp.

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

		Three Months Ended June 30 2022	Three Months Ended June 30 2021	Six Months Ended June 30 2022	Six Months Ended June 30 2021
	Note	\$	\$	\$	\$
Operating activities					
Net loss and comprehensive loss		(2,830,864)	(1,541,841)	(8,030,424)	(4,630,777)
Items not involving cash:					
Depreciation		19,021	26,085	38,651	65,089
Share-based compensation	8(d)	1,075,196	532,270	3,588,362	2,102,455
Director remuneration shares issued	10	42,667	42,667	42,667	42,667
Credit facility interest shares issued	8(b)	-	72,557	-	72,557
Interest income earned on cash and cash equivalents		(155,600)	(83,096)	(252,460)	(140,472)
Gain on disposal of equipment		-	(2,062)	-	(2,062)
Financing costs - credit facility	7	1,078,552	137,009	1,212,294	274,018
Foreign exchange (gain) loss on credit facility	7	61,350	(126,187)	(65,534)	(235,642)
(Gain) loss on investment in Fission 3.0 Corp.	5	917,371	(107,926)	1,508,815	(107,926)
(Gain) loss on short-term investments	4	-	(8,305)	304,136	(11,542)
(Gain) loss on warrant liability	7	(1,058,423)	438,369	(410,577)	974,549
		(850,730)	(620,460)	(2,064,070)	(1,597,086)
Changes in non-cash working capital items:					
(Increase) decrease in amounts receivable		35,154	(114,032)	28,088	(288,157)
(Increase) decrease in prepaid expenses		78,842	78,795	(167,980)	(63,662)
Increase (decrease) in accounts payable and accrued liabilities		(134,715)	(72,847)	(372,918)	53,182
Cash flow used in operating activities		(871,449)	(728,544)	(2,576,880)	(1,895,723)
Investing activities					
Interest income earned on cash and cash equivalents		155,600	83,096	252,460	140,472
Net proceeds on disposal of investment in Fission 3.0 Corp.	5	-	-	56,112	-
Net equipment additions		(2,284)	(229)	(1,484)	(229)
Exploration and evaluation asset additions		(4,089,754)	(3,908,231)	(7,242,517)	(7,266,473)
Cash flow used in investing activities		(3,936,438)	(3,825,364)	(6,935,429)	(7,126,230)
Financing activities					
Lease obligation payments		(11,860)	(22,983)	(23,546)	(49,229)
Credit facility financing costs	7	(8,619)	-	(8,619)	-
Credit facility repayment	7	(8,773,134)	-	(8,773,134)	-
Gross proceeds from the issuance of common share units	8(b)	-	34,500,000	-	34,500,000
Share issuance costs	8(b)	(351,580)	(2,074,516)	(349,092)	(2,312,955)
Stock option exercises	8(c)	46,401	37,200	479,566	218,033
Warrant exercises	8(c)	1,114,247	757,086	1,277,450	2,571,743
Cash flow (used in) provided by financing activities		(7,984,545)	33,196,787	(7,397,375)	34,927,592
Increase (decrease) in cash and cash equivalents during the period		(12,792,432)	28,642,879	(16,909,684)	25,905,639
Cash and cash equivalents, beginning of period		49,483,827	27,209,903	53,601,079	29,947,143
Cash and cash equivalents, end of period		36,691,395	55,852,782	36,691,395	55,852,782

Supplemental disclosure with respect to cash flows (Note 9)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 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 August 12, 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)

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 will be reclassified to property and equipment.

4. Short-term investments

	June 30 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. In September 2021, Fission 3.0 announced it had extended the expiry date of these warrants by a period of 6 months to March 28, 2022.

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 and 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 six month period ended June 30, 2022, there was no remaining deferred gain to recognize (June 30, 2021 - \$52,954). 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 June 30, 2022 (December 31, 2021 - fair value \$304,136) and recognized a loss of \$304,136 (June 30, 2021 - \$41,412) based on the movement from the prior year until derecognition. The net loss of \$304,136 (June 30, 2021 - \$11,542 gain) was recorded within other items in the statements of loss and comprehensive loss.

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 June 30, 2022		10,792,602
Trading price at December 31, 2021	\$	0.220
Trading price at June 30, 2022	\$	0.075
Fair Value, December 31, 2021	\$	2,374,372
Fair Value, June 30, 2022	\$	809,445

Fission Uranium Corp.

Notes to the condensed interim financial statements
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(Unaudited)

5. Investment in Fission 3.0 Corp. (continued)

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 six month period ended June 30, 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 a net gain of \$56,112 (June 30, 2021 - \$nil).

6. Exploration and evaluation assets

	Six months ended June 30 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	23,180	8,332,215
Environmental	-	3,879
Resource Advancement		
Mine Planning	1,721,397	521,747
Geotechnical	3,387,471	1,813,025
Metallurgical	596,559	1,181,755
Resource Development	-	87,106
Hydrogeological	192,456	1,490,714
Infrastructure studies	744,260	6,488,880
Permitting		
Operational Permits & Other	4,663	63,238
Environmental	305,590	54,037
Community relations	235,862	670,695
Other		
Land retention and permitting	524	18,283
General	64,640	57,968
Share-based compensation	1,188,594	992,655
Additions	8,465,196	21,776,197
Balance, end	173,924,840	165,459,644
Total	350,426,698	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
For the six month period ended June 30, 2022
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(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 8c). 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.

On April 7, 2022, the Company announced that it repaid the remaining Facility balance in full. Therefore, the outstanding principal of the Facility as at June 30, 2022 was \$nil.

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	237,556	-	237,556
Interest payments	(237,556)	-	(237,556)
Foreign exchange adjustment	(65,534)	-	(65,534)
Amortization of deferred costs	-	1,203,675	1,203,675
Repayment of loan principal	(8,773,134)	-	(8,773,134)
Ending balance, June 30, 2022	-	-	-

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.

(b) *Share issuances*

During the six months ended June 30, 2022, the Company issued nil common shares with a total value of \$nil to Sprott and affiliates as consideration for monthly interest in accordance with the terms and conditions of the credit facility agreement (June 30, 2021 – 131,253 shares valued at \$72,557).

In April 2022, the Company entered into an equity distribution agreement providing for an at-the-market ("ATM") equity offering program. The ATM will allow Fission to, from time to time, offer and sell, in Canada through the facilities of the Toronto Stock Exchange, such number of common shares as would have an aggregate offering price of up to \$50 million. The Company has incurred share issuance costs of \$351,014 (included in prepaid expenses) in connection with completing this agreement and the corresponding base shelf prospectus supplement.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2022
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8. Share capital and other capital reserves (continued)

(b) Share issuances (continued)

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.

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%.

(c) 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).

In June 2022, all remaining warrants that were granted in accordance with the credit facility agreement were exercised. As a result, there was no warrant liability to measure at June 30, 2022.

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

	June 30 2022	December 31 2021	June 30 2021
Risk Free Interest Rate	N/A	0.95%	0.45%
Expected Life - Years	N/A	1.17	1.42
Estimated Forfeiture Rate	N/A	0.00%	0.00%
Annualised Volatility	N/A	90.55%	97.81%
Dividend Rate	N/A	N/A	N/A
Weighted average fair value per warrant	N/A	\$ 0.620	\$ 0.483

Fission Uranium Corp.

Notes to the condensed interim financial statements
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8. Share capital and other capital reserves (continued)

(c) 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	28,750,000	0.850
Exercised	(953,333)	0.310	(10,096,934)	0.255
Forfeited	(1,466,666)	0.580	-	-
Expired	(11,948,334)	0.722	-	-
Outstanding, June 30, 2021	35,804,602	0.530	68,901,469	0.590
Exercised	(7,204,601)	0.482	(23,284,183)	0.477
Forfeited	(340,000)	0.580	-	-
Expired	(300,000)	0.850	-	-
Outstanding, December 31, 2021	27,960,001	0.537	45,617,286	0.648
Granted	17,400,000	0.750	-	-
Exercised	(3,248,334)	0.715	(5,520,220)	0.231
Forfeited	(50,000)	0.580	-	-
Expired	(2,225,000)	0.844	-	-
Outstanding, June 30, 2022	39,836,667	0.598	40,097,066	0.706

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 six months ended June 30, 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 six months ended June 30, 2022 was \$0.923 (June 30, 2021 - \$0.593).

The weighted average share price of warrants exercised during the six months ended June 30, 2022 was \$0.687 (June 30, 2021 - \$0.489).

As at June 30, 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
13,736,666	0.58	8,270,000	February 22, 2026
17,300,000	0.75	5,699,995	February 4, 2027
39,836,667		22,769,996	

Fission Uranium Corp.

Notes to the condensed interim financial statements
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8. Share capital and other capital reserves (continued)

(c) Stock options and warrants (continued)

Warrants				
Number	Exercise	Number of		
outstanding	price	vested warrants	Expiry date	
\$				
8,000,564	0.41	8,000,564	November 17, 2022	
6,459,452	0.50	6,459,452	December 21, 2022	
25,637,050	0.85	25,637,050	May 11, 2024	
40,097,066		40,097,066		

(d) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the six month period ended June 30, 2022, the Company granted 17,400,000 stock options (June 30, 2021 - 19,200,000). Pursuant to the vesting schedule of options granted, during the six month period ended June 30, 2022, share-based compensation of \$3,588,362 (June 30, 2021 - \$2,102,455) was recognized in the statements of loss and comprehensive loss and \$1,188,594 (June 30, 2021 - \$733,702) was recognized in exploration and evaluation assets. The total amount of \$4,776,956 (June 30, 2021 - \$2,836,157) 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:

	June 30 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

	June 30 2022	December 31 2021
	\$	\$
Cash and cash equivalents		
Cash	36,531,395	53,441,079
Redeemable term deposits	160,000	160,000
	36,691,395	53,601,079

During the six month period ended June 30, 2022, the Company received \$252,460 (June 30, 2021 - \$140,472) in interest payments.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the six month period ended June 30, 2022
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(Unaudited)

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

Significant non-cash transactions for the six month period ended June 30, 2022 included:

- (a) Incurring \$1,020,198 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$1,188,594 of share-based payments in exploration and evaluation assets.

Significant non-cash transactions for the six month period ended June 30, 2021 included:

- (a) Incurring \$2,363,062 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$733,702 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		Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Compensation Costs</i>				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	354,288	366,019	715,538	677,269
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	931,703	505,497	3,112,967	1,774,662
	1,285,991	871,516	3,828,505	2,451,931

The Company has a Directors Remuneration Plan (the "DRP Plan") whereby a portion of director fees can be paid through the issuance of common shares ("Director Remuneration Shares") in lieu of the payment of cash or other means of remuneration. Included in compensation costs is the value of shares issued under the DRP Plan. During the six month period ended June 30, 2022, the Company issued 52,594 shares with a total value of \$42,667 under the DRP Plan (June 30, 2021 - 66,680 shares valued at \$42,667).

Included in accounts payable at June 30, 2022 is \$36,534 (December 31, 2021 - \$421,808) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts receivable at June 30, 2022 is \$2,411 (December 31, 2021 - \$nil) for expense recoveries due from 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.

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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., and accounts payable and accrued liabilities. The 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.

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

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 and expected credit losses are negligible. At June 30, 2022, the Company has no financial assets that are past due or impaired due to defaults.

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

	June 30	December 31
	2022	2021
	\$	\$
Cash and cash equivalents	36,691,395	53,601,079
Amounts receivable	194,272	241,833
	36,885,667	53,842,912

Fission Uranium Corp.

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11. 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. 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 endeavouring to maintain 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	1 - 2 years	3 - 4 years	More than 5 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,270,965	-	-	-
	1,270,965	-	-	-

(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 exposure to price risk on its Fission 3.0 Corp. common shares included in investment in Fission 3.0 Corp. based on the fair value hierarchy is as follows:

	June 30 2022	December 31 2021
	\$	\$
Level 1 - investment in Fission 3.0	809,445	2,374,372
	809,445	2,374,372