



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited)

**For the Nine Month Period Ended
September 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	September 30 2022	December 31 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		32,804,067	53,601,079
Short-term investments	4	-	304,136
Amounts receivable		208,204	241,833
Prepaid expenses		821,490	350,513
		33,833,761	54,497,561
Non-current assets			
Investment in Fission 3.0 Corp.	5	917,371	2,374,372
Property and equipment		84,706	29,448
Right-of-use assets		280,441	324,721
Exploration and evaluation assets	6	354,206,547	341,961,502
		355,489,065	344,690,043
Total Assets		389,322,826	399,187,604
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,569,520	1,597,014
Lease obligations - current portion		53,513	49,518
		1,623,033	1,646,532
Non-current liabilities			
Lease obligations		238,671	279,102
Credit facility	7	-	7,634,993
Warrant liability	7	-	2,562,828
		238,671	10,476,923
Total Liabilities		1,861,704	12,123,455
Shareholders' Equity			
Share capital	8	489,769,063	484,820,771
Other capital reserves	8	41,287,432	36,403,956
Deficit		(143,595,373)	(134,160,578)
		387,461,122	387,064,149
Total Liabilities and Shareholders' Equity		389,322,826	399,187,604

Subsequent events (Note 12)

Approved by the Board of Directors and authorized for issue on November 11, 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 September 30 2022	Three Months Ended September 30 2021	Nine Months Ended September 30 2022	Nine Months Ended September 30 2021
Note	\$	\$	\$	\$
Expenses				
Business development	151,516	1,139	194,124	3,825
Consulting and directors fees	214,700	208,700	644,100	635,364
Depreciation	22,085	24,821	60,736	89,910
Office and administration	174,343	132,755	656,094	505,170
Professional fees	9,921	6,411	171,695	197,054
Public relations and communications	207,039	77,563	380,662	228,755
Share-based compensation expense	783,691	468,676	4,372,053	2,571,131
Trade shows and conferences	54,932	6,273	214,344	28,900
Wages and benefits	163,898	164,742	506,167	482,310
	1,782,125	1,091,080	7,199,975	4,742,419
Other items - income/(expense)				
Foreign exchange gain (loss)	2,389	499	(1,359)	447,334
Interest and miscellaneous income	271,438	90,115	524,321	230,784
Interest - lease obligations	(4,475)	(1,202)	(13,961)	(4,640)
Financing costs - credit facility	7	-	(1,449,849)	(1,071,528)
Gain on disposal of equipment	476	333	476	2,395
Gain (loss) on investment in Fission 3.0 Corp.	5	107,926	(1,400,889)	755,482
Gain (loss) on short-term investments	4	-	(304,136)	209,839
Gain (loss) on warrant liability	7	-	410,577	(1,706,041)
	377,754	(156,937)	(2,234,820)	(1,136,375)
Net loss and comprehensive loss for the period	(1,404,371)	(1,248,017)	(9,434,795)	(5,878,794)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding	681,537,557	648,926,633	678,133,325	617,618,494

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)	-	(1,789,649)	(310,157)	-	(2,099,806)
Stock options exercised	8(c)	2,479,330	1,278,724	(739,274)	-	539,450
Warrants exercised	8(c)	19,350,118	8,931,719	(746,521)	-	8,185,198
Director remuneration shares issued	10	66,680	42,667	-	-	42,667
Common shares issued for credit facility interest	8(b)	432,696	222,959	-	-	222,959
Share-based compensation	8(d)	-	-	3,485,240	-	3,485,240
Net loss and comprehensive loss		-	-	-	(5,878,794)	(5,878,794)
Balance, September 30, 2021		657,540,471	474,969,472	38,153,852	(133,238,478)	379,884,846
Share issuance costs	8(b)	-	(90,815)	-	-	(90,815)
Stock options exercised	8(c)	2,998,574	1,537,504	(953,794)	-	583,710
Warrants exercised	8(c)	14,030,999	8,287,808	(1,188,450)	-	7,099,358
Director remuneration shares issued	10	51,754	42,666	-	-	42,666
Common shares issued for credit facility interest		77,833	74,136	-	-	74,136
Share-based compensation	8(d)	-	-	392,348	-	392,348
Net loss and comprehensive loss		-	-	-	(922,100)	(922,100)
Balance, December 31, 2021		674,699,631	484,820,771	36,403,956	(134,160,578)	387,064,149
Share issuance costs	8(b)	-	(2,429)	-	-	(2,429)
Stock options exercised	8(c)	1,224,065	1,332,605	(853,039)	-	479,566
Warrants exercised	8(c)	5,671,070	3,575,449	(83,899)	-	3,491,550
Director remuneration shares issued	10	52,594	42,667	-	-	42,667
Share-based compensation	8(d)	-	-	5,820,414	-	5,820,414
Net loss and comprehensive loss		-	-	-	(9,434,795)	(9,434,795)
Balance, September 30, 2022		681,647,360	489,769,063	41,287,432	(143,595,373)	387,461,122

Fission Uranium Corp.

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

	Three Months Ended September 30 2022	Three Months Ended September 30 2021	Nine Months Ended September 30 2022	Nine Months Ended September 30 2021
Note	\$	\$	\$	\$
Operating activities				
Net loss and comprehensive loss	(1,404,371)	(1,248,017)	(9,434,795)	(5,878,794)
Items not involving cash:				
Depreciation	22,085	24,821	60,736	89,910
Share-based compensation	8(d) 783,691	468,676	4,372,053	2,571,131
Director remuneration shares issued	10 -	-	42,667	42,667
Credit facility interest shares issued	8(b) -	150,402	-	222,959
Interest income earned on cash and cash equivalents	(270,509)	(90,014)	(522,969)	(230,486)
Gain on disposal of equipment	(476)	(333)	(476)	(2,395)
Financing costs - credit facility	7 -	137,008	1,212,294	411,026
Foreign exchange (gain) loss on credit facility	7 -	241,916	(65,534)	6,274
(Gain) loss on investment in Fission 3.0 Corp.	5 (107,926)	(647,556)	1,400,889	(755,482)
(Gain) loss on short-term investments	4 -	(198,297)	304,136	(209,839)
(Gain) loss on warrant liability	7 -	731,492	(410,577)	1,706,041
	(977,506)	(429,902)	(3,041,576)	(2,026,988)
Changes in non-cash working capital items:				
(Increase) decrease in amounts receivable	(14,592)	(83,069)	13,496	(371,226)
(Increase) decrease in prepaid expenses	83,123	3,310	(84,857)	(60,352)
Increase (decrease) in accounts payable and accrued liabilities	20,467	275,575	(352,451)	328,757
Cash flow used in operating activities	(888,508)	(234,086)	(3,465,388)	(2,129,809)
Investing activities				
Interest income earned on cash and cash equivalents	270,509	90,014	522,969	230,486
Net proceeds on disposal of investment in Fission 3.0 Corp.	5 -	-	56,112	-
Net equipment additions	(68,954)	(2,940)	(70,438)	(3,169)
Exploration and evaluation asset additions	(3,224,927)	(10,351,130)	(10,467,444)	(17,617,603)
Cash flow used in investing activities	(3,023,372)	(10,264,056)	(9,958,801)	(17,390,286)
Financing activities				
Lease obligation payments	(12,890)	(21,487)	(36,436)	(70,716)
Credit facility financing costs	7 -	-	(8,619)	-
Credit facility repayment	7 -	-	(8,773,134)	-
Gross proceeds from the issuance of common share units	8(b) -	-	-	34,500,000
Share issuance costs	8(b) (24,407)	(22,299)	(373,499)	(2,335,254)
Stock option exercises	8(c) -	321,417	479,566	539,450
Warrant exercises	8(c) 61,849	3,997,638	1,339,299	6,569,381
Cash flow (used in) provided by financing activities	24,552	4,275,269	(7,372,823)	39,202,861
Increase (decrease) in cash and cash equivalents during the period	(3,887,328)	(6,222,873)	(20,797,012)	19,682,766
Cash and cash equivalents, beginning of period	36,691,395	55,852,782	53,601,079	29,947,143
Cash and cash equivalents, end of period	32,804,067	49,629,909	32,804,067	49,629,909

Supplemental disclosure with respect to cash flows (Note 9)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 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, including 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 November 11, 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, 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

	September 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 nine month period ended September 30, 2022, the deferred gain to recognize was nil (September 30, 2021 - \$79,431). 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 September 30, 2022 (December 31, 2021 - fair value \$304,136) and recognized a loss of \$304,136 (September 30, 2021 - \$130,408 gain) based on the movement from the prior year until derecognition. The net loss of \$304,136 (September 30, 2021 - \$209,839 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 September 30, 2022	10,792,602
Trading price at December 31, 2021	\$ 0.220
Trading price at September 30, 2022	\$ 0.085
Fair Value, December 31, 2021	\$ 2,374,372
Fair Value, September 30, 2022	\$ 917,371

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 nine month period ended September 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 (September 30, 2021 - \$nil).

6. Exploration and evaluation assets

	Nine months ended September 30 2022	Year ended December 31 2021
Patterson Lake South Property		
	\$	\$
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration & Evaluation assets		
Balance, beginning	165,459,644	143,683,447
Incurred during		
Exploration		
Drilling	23,180	8,332,215
Environmental	-	3,879
Resource Advancement		
Mine Planning	2,820,735	521,747
Geotechnical	4,427,976	1,813,025
Metallurgical	771,312	1,181,755
Resource Development	-	87,106
Hydrogeological	293,120	1,490,714
Infrastructure studies	1,310,238	6,488,880
Permitting		
Operational Permits & Other	4,996	63,238
Environmental	577,628	54,037
Community relations	486,200	670,695
Other		
Land retention and permitting	686	18,283
General	80,613	57,968
Share-based compensation	1,448,361	992,655
Additions	12,245,045	21,776,197
Balance, end	177,704,689	165,459,644
Total	354,206,547	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. The Company's sole operation is the exploration and evaluation of the Patterson Lake South ("PLS") property, and all operations occur within Canada.

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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(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 September 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, September 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 nine months ended September 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 (September 30, 2021 – 432,696 shares valued at \$222,959).

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 \$371,265 (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 nine month period ended September 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

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 September 30, 2022.

The following assumptions have been used for the valuation of the warrant liability at the reporting date indicated:

	September 30	December 31	September 30
	2022	2021	2021
Risk Free Interest Rate	N/A	0.95%	0.53%
Expected Life - Years	N/A	1.17	1.29
Estimated Forfeiture Rate	N/A	0.00%	0.00%
Annualised Volatility	N/A	90.55%	89.53%
Dividend Rate	N/A	N/A	N/A
Weighted average fair value per warrant	N/A	\$ 0.620	\$ 0.660

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)

(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 \$
Total, 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	(3,655,000)	0.422	(19,350,118)	0.340
Forfeited	(1,556,666)	0.580	-	-
Expired	(12,048,334)	0.836	-	-
Total, September 30, 2021	32,912,935	0.533	59,648,285	0.615
Exercised	(4,502,934)	0.494	(14,030,999)	0.506
Forfeited	(250,000)	0.580	-	-
Expired	(200,000)	0.850	-	-
Total, 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	(5,671,070)	0.236
Forfeited	(50,000)	0.580	-	-
Expired	(2,225,000)	0.844	-	-
Total, September 30, 2022	39,836,667	0.598	39,946,216	0.707

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 nine months ended September 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 nine months ended September 30, 2022 was \$0.923 (September 30, 2021 - \$0.422).

The weighted average share price of warrants exercised during the nine months ended September 30, 2022 was \$0.690 (September 30, 2021 - \$0.340).

As at September 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	11,003,332	February 22, 2026
17,300,000	0.75	8,600,000	February 4, 2027
39,836,667		28,403,333	

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

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	
\$				
7,849,714	0.41	7,849,714	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	
39,946,216		39,946,216		

(d) Share-based compensation

All options are recorded on grant date at fair value using the Black-Scholes option pricing model. During the nine month period ended September 30, 2022, the Company granted 17,400,000 stock options (September 30, 2021 – 19,200,000). Pursuant to the vesting schedule of options granted, during the nine month period ended September 30, 2022, share-based compensation of \$4,372,053 (September 30, 2021 - \$2,571,131) was recognized in the statements of loss and comprehensive loss and \$1,448,361 (September 30, 2021 - \$914,109) was recognized in exploration and evaluation assets. The total amount of \$5,820,414 (September 30, 2021 - \$3,485,240) was recorded within other capital reserves in the statements of changes in equity.

The following assumptions were used on grant date for the valuation of share-based compensation for options granted during the periods ended:

	September 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

	September 30 2022	December 31 2021
	\$	\$
Cash and cash equivalents		
Cash	32,644,067	53,441,079
Redeemable term deposits	160,000	160,000
	32,804,067	53,601,079

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the nine month period ended September 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

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

Significant non-cash transactions for the nine month period ended September 30, 2022 included:

- (a) Incurring \$1,298,720 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$1,448,361 of share-based payments in exploration and evaluation assets.

Significant non-cash transactions for the nine month period ended September 30, 2021 included:

- (a) Incurring \$1,420,541 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$914,109 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		Nine Months Ended	
	September 30		September 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	336,128	362,673	1,051,667	1,039,942
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	679,298	412,358	3,792,265	2,187,020
	1,015,426	775,031	4,843,932	3,226,962

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

Included in accounts payable at September 30, 2022 is \$40,803 (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 nine month period ended September 30, 2022
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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 September 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:

	September 30	December 31
	2022	2021
	\$	\$
Cash and cash equivalents	32,804,067	53,601,079
Amounts receivable	208,204	241,833
	33,012,271	53,842,912

Fission Uranium Corp.

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

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	1,569,520	-	-	-
	1,569,520	-	-	-

(c) Price risk

Price risk is the risk that the 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:

	September 30 2022	December 31 2021
	\$	\$
Level 1 - investment in Fission 3.0	917,371	2,374,372
	917,371	2,374,372

12. Subsequent events

Subsequent to September 30, 2022:

- (a) the Company issued 5,330,500 shares at an average price of \$0.704 for gross proceeds of \$3,749,828 in accordance with its previously announced at-the-market equity offering program; and
- (b) 759,099 warrants were exercised at an average price of \$0.41 and a weighted average share price of \$0.672.