



Fission
URANIUM CORP.

Condensed Interim Financial Statements

Fission Uranium Corp.

For the Three and Nine Month Periods Ended September 30, 2023

(expressed in thousands of Canadian Dollars, except as noted)

(Unaudited)

Fission Uranium Corp.

Condensed Interim Financial Statements

For the Three and Nine Month Periods Ended September 30, 2023

(expressed in thousands of Canadian Dollars, except as noted)

(Unaudited)

Table of contents

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

Fission Uranium Corp.

Condensed interim statements of financial position
(Expressed in thousands of Canadian dollars, except as noted)
(Unaudited)

	Note	September 30 2023	December 31 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		50,149	41,356
Amounts receivable		185	170
Prepaid expenses		564	802
		50,898	42,328
Non-current assets			
Investment in F3 Uranium Corp.	4	4,857	3,400
Right-of-use assets		341	266
Property and equipment		107	79
Exploration and evaluation assets	5	373,270	357,311
		378,575	361,056
Total Assets		429,473	403,384
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,931	1,414
Lease obligations - current portion		88	54
		2,019	1,468
Non-current liabilities			
Lease obligations		270	225
		270	225
Total Liabilities		2,289	1,693
Shareholders' Equity			
Share capital	6	528,106	503,495
Other capital reserves	6	48,124	41,116
Deficit		(149,046)	(142,920)
		427,184	401,691
Total Liabilities and Shareholders' Equity		429,473	403,384

Subsequent events (Note 10)

Approved by the Board of Directors and authorized for issue on November 10, 2023

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

Condensed interim statements of loss and comprehensive loss
(Expressed in thousands of Canadian dollars, except as noted)
(Unaudited)

	Three Months Ended September 30	Three Months Ended September 30	Nine Months Ended September 30	Nine Months Ended September 30
Note	2023	2022	2023	2022
	\$	\$	\$	\$
Expenses				
Wages, consulting and directors fees	482	378	1,484	1,150
Public relations and corporate development	408	413	1,183	789
Office and administration	188	175	691	656
Professional fees	112	10	325	172
Share-based compensation	6(d) 1,034	784	5,595	4,372
Depreciation	26	22	66	61
	2,250	1,782	9,344	7,200
Other items - income/(expense)				
Foreign exchange gain (loss)	1	3	(1)	(1)
Interest and miscellaneous income	649	271	1,774	524
Interest - lease obligations	(4)	(5)	(12)	(14)
Gain (loss) on investment in F3 Uranium Corp.	4 1,188	108	1,457	(1,401)
Financing costs - credit facility	-	-	-	(1,450)
Loss on short-term investments	-	-	-	(304)
Gain on warrant liability	-	-	-	411
	1,834	377	3,218	(2,235)
Net loss and comprehensive loss for the period	(416)	(1,405)	(6,126)	(9,435)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding	725,301,851	681,537,557	721,501,417	678,133,325

Fission Uranium Corp.

Condensed interim statements of changes in equity
(Expressed in thousands of Canadian dollars, except as noted)
(Unaudited)

	Note	Share capital		Other capital reserves	Deficit	Total shareholders' equity
		Shares	Amount			
			\$	\$	\$	\$
Balance, January 1, 2022		674,699,631	484,821	36,404	(134,161)	387,064
Share issuance cost recovery	6(b)	-	(2)	-	-	(2)
Stock options exercised	6(c)	1,224,065	1,333	(853)	-	480
Warrants exercised	6(c)	4,671,070	3,575	(84)	-	3,491
Director remuneration shares issued	8	52,594	43	-	-	43
Share-based compensation	6(d)	-	-	5,820	-	5,820
Net loss and comprehensive loss		-	-	-	(9,435)	(9,435)
Balance, September 30, 2022		680,647,360	489,770	41,287	(143,596)	387,461
Common share units issued - ATM Financing	6(b)	10,899,300	7,999	-	-	7,999
Share issuance costs	6(b)	-	(346)	-	-	(346)
Stock options exercised	6(c)	15,398	11	(11)	-	-
Warrants exercised	6(c)	11,955,989	6,003	(925)	-	5,078
Director remuneration shares issued	8	69,198	58	-	-	58
Share-based compensation	6(d)	-	-	765	-	765
Net income and comprehensive income		-	-	-	676	676
Balance, December 31, 2022		703,587,245	503,495	41,116	(142,920)	401,691
Common shares issued - ATM financing	6(b)	32,678,000	24,591	-	-	24,591
Share issuance costs	6(b)	-	(1,118)	-	-	(1,118)
Stock options exercised	6(c)	2,399,400	1,055	(615)	-	440
Director remuneration shares issued	8	133,479	83	-	-	83
Share-based compensation	6(d)	-	-	7,623	-	7,623
Net loss and comprehensive loss		-	-	-	(6,126)	(6,126)
Balance, September 30, 2023		738,798,124	528,106	48,124	(149,046)	427,184

Fission Uranium Corp.

Condensed interim statements of cash flows
(Expressed in thousands of Canadian dollars, except as noted)
(Unaudited)

	Note	Three Months Ended September 30 2023	Three Months Ended September 30 2022	Nine Months Ended September 30 2023	Nine Months Ended September 30 2022
		\$	\$	\$	\$
Operating activities					
Net loss and comprehensive loss		(416)	(1,405)	(6,126)	(9,435)
Items not involving cash:					
Depreciation		26	22	66	61
Share-based compensation	6(d)	1,034	784	5,595	4,372
Director remuneration shares issued	8	-	-	83	43
Interest income earned on cash and cash equivalents		(649)	(271)	(1,770)	(523)
Financing costs - credit facility		-	-	-	1,212
Foreign exchange (gain) loss on credit facility		-	-	-	(66)
(Gain) loss on investment in F3 Uranium Corp.	4	(1,188)	(108)	(1,457)	1,401
Loss on short-term investments		-	-	-	304
Gain on warrant liability		-	-	-	(411)
		(1,193)	(978)	(3,609)	(3,042)
Changes in non-cash working capital items:					
(Increase) decrease in amounts receivable		61	(15)	(16)	13
(Increase) decrease in prepaid expenses		10	84	(171)	(84)
Increase (decrease) in accounts payable and accrued liabilities		102	21	(215)	(352)
Cash flow used in operating activities		(1,020)	(888)	(4,011)	(3,465)
Investing activities					
Interest income earned on cash and cash equivalents		649	271	1,770	523
Net proceeds on disposal of investment in F3 Uranium Corp.	4	-	-	-	56
Net equipment additions		(30)	(69)	(41)	(70)
Exploration and evaluation asset additions	5	(4,196)	(3,226)	(13,071)	(10,468)
Cash flow used in investing activities		(3,577)	(3,024)	(11,342)	(9,959)
Financing activities					
Credit facility financing costs		-	-	-	(9)
Credit facility repayment		-	-	-	(8,773)
Gross proceeds from the issuance of common shares	6(b)	7,832	-	24,591	-
Share issuance costs	6(b)	(242)	(24)	(840)	(373)
Stock option exercises	6(c)	-	-	440	480
Warrant exercises	6(c)	-	62	-	1,339
Lease obligation payments		(18)	(12)	(45)	(36)
Cash flow provided (used) by financing activities		7,572	26	24,146	(7,372)
Increase (decrease) in cash and cash equivalents during the period		2,975	(3,886)	8,793	(20,796)
Cash and cash equivalents, beginning of period		47,174	36,691	41,356	53,601
Cash and cash equivalents, end of period		50,149	32,805	50,149	32,805

Supplemental disclosure with respect to cash flows (Note 7)

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(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 have technical feasibility and commercial viability. 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 permitting, licensing and 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 as issued by the International Accounting Standards Board ("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, 2022 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 10, 2023.

(b) Basis of presentation

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

(c) Significant accounting policies

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in note 2 of the Company's financial statements for the year ended December 31, 2022.

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

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

3. Key estimates and judgements (continued)

(a) *Impairment indicators of exploration and evaluation assets*

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.

No impairment indicators were identified by management as at September 30, 2023.

(b) *Determination of technical feasibility and commercial viability*

Assessing when the technical feasibility and commercial viability of the project has been determined, at which point the asset is reclassified to property and equipment.

The determination of technical feasibility and commercial viability of a mineral property requires significant judgement and takes into account, among other factors, a combination of (i) the extent to which mineral reserves or mineral resources have been defined in a definitive feasibility study in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects; (ii) the results of any optimization studies and further technical evaluation carried out to mitigate project risks identified in the definitive feasibility study; (iii) the status of environmental permits; and (iv) the status of mining leases or permits.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that have technical feasibility and commercial viability.

4. Investment in F3 Uranium Corp.

F3 Uranium Corp. Shares

Balance at December 31, 2021		10,792,602
Additions		4,000,000
Disposals		(4,000,000)
Balance at December 31, 2022		10,792,602
Balance at September 30, 2023		10,792,602
Trading price at December 31, 2022	\$	0.315
Trading price at September 30, 2023	\$	0.450
Fair Value, December 31, 2022	\$	3,400
Fair Value, September 30, 2023	\$	4,857

F3 Uranium Corp. ("F3", formerly Fission 3.0 Corp.) is a public company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties. The Company's shareholdings in F3 are recorded at fair value, with the changes in fair value being recognized in the statement of loss and comprehensive loss.

During the year ended December 31, 2022, the Company acquired 4,000,000 shares through the exercise of warrants and disposed of 4,000,000 shares of F3 for a net gain of \$56.

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

5. Exploration and evaluation assets

Period ended September 30, 2023	Patterson Lake South Property	West Cluff Property	La Rocque Property	Total
	\$	\$	\$	\$
Acquisition costs				
Balance, beginning	176,502	7	-	176,509
Additions	-	-	1	1
Balance, end	176,502	7	1	176,510
Exploration & evaluation expenditures				
Balance, beginning	180,799	3	-	180,802
Incurred during				
Exploration				
Geology mapping/sampling	23	1	1	25
Geophysics	6	-	-	6
Drilling	41	-	-	41
Resource Advancement				
Mine Planning	2,899	-	-	2,899
Geotechnical	6,866	-	-	6,866
Metallurgical	176	-	-	176
Hydrogeological	581	-	-	581
Infrastructure studies	387	-	-	387
Permitting				
Operational Permits & Other	799	-	-	799
Environmental	1,032	-	-	1,032
Community relations	1,039	-	-	1,039
Other				
Land retention and permitting	3	-	1	4
General	75	-	-	75
Share-based compensation	2,028	-	-	2,028
Additions	15,955	1	2	15,958
Balance, end	196,754	4	2	196,760
Total	373,256	11	3	373,270

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

5. Exploration and evaluation assets (continued)

Year ended December 31, 2022	Patterson Lake South Property	West Cluff Property	Total
	\$	\$	\$
Acquisition costs			
Balance, beginning	176,502	-	176,502
Additions	-	7	7
Balance, end	176,502	7	176,509
Exploration & evaluation expenditures			
Balance, beginning	165,460	-	165,460
Incurred during			
Exploration			
Geology mapping/sampling	-	2	2
Drilling	24	-	24
Resource Advancement			
Mine Planning	3,903	-	3,903
Geotechnical	5,284	-	5,284
Metallurgical	799	-	799
Resource Development	2	-	2
Hydrogeological	294	-	294
Infrastructure studies	1,689	-	1,689
Permitting			
Operational Permits & Other	5	-	5
Environmental	737	-	737
Community relations	845	-	845
Other			
Land retention and permitting	8	1	9
General	111	-	111
Share-based compensation	1,638	-	1,638
Additions	15,339	3	15,342
Balance, end	180,799	3	180,802
Total	357,301	10	357,311

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

5. Exploration and evaluation assets (continued)

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

(a) *Patterson Lake South ("PLS") property, Saskatchewan, Canada*

The Company holds a 100% interest in 17 claims (December 31, 2022 – 17 claims) at the PLS property.

In January 2016, the Company executed an offtake agreement with CGN Mining Company Limited ("CGN Mining"). CGN Mining's parent company is China Uranium Development Company Limited, a company incorporated in Hong Kong and is, ultimately, a state-owned enterprise established in the People's Republic of China. Under the terms of the offtake agreement, CGN Mining will purchase 20% of annual U₃O₈ production and has an option to purchase up to an additional 15% of U₃O₈ production from the PLS property for a certain period of time, after commencement of commercial production.

(b) *West Cluff property, Saskatchewan, Canada*

The Company holds a 100% interest in 3 claims (December 31, 2022 – 3 claims) at the West Cluff property.

(c) *La Rocque property, Saskatchewan, Canada*

The Company holds a 100% interest in 2 claims (December 31, 2022 – nil claims) at the La Rocque property.

6. 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*

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, through its agents, 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 incurred share issuance costs of \$371 (of which, \$238 remain included in prepaid expenses to be recognized over the remaining term of the ATM) in connection with completing this agreement and the corresponding base shelf prospectus supplement.

During the year ended December 31, 2022, the Company issued a total of 10,899,300 shares at an average price of \$0.7339 per share for gross proceeds of \$7,999 under the ATM program. The Company paid the agents a commission equal to 3.0% of the gross proceeds. The Company incurred total share issuance costs (including agents' commissions) of \$343 in connection with the ATM program during the year.

During the nine month period ended September 30, 2023, the Company issued a total of 32,678,000 shares at an average price of \$0.7525 per share for gross proceeds of \$24,591 under the ATM program. The Company paid the agents a commission equal to 3.0% of the gross proceeds. The Company incurred total share issuance costs (including agents' commissions) of \$1,114 in connection with the ATM program during the period.

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

6. Share capital and other capital reserves (continued)

(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.

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, 2022	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
Exercised	(41,666)	0.580	(10,955,989)	0.463
Expired	-	-	(3,363,177)	0.410
Total, December 31, 2022	39,795,001	0.598	25,627,050	0.850
Granted	22,350,000	0.841	-	-
Exercised	(3,241,667)	0.373	-	-
Forfeited	(399,999)	0.750	-	-
Expired	(1,858,335)	0.663	-	-
Total, September 30, 2023	56,645,000	0.704	25,627,050	0.850

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, 2023, 2,258,334 stock options were exercised on a cashless basis resulting in the issuance of 1,416,067 shares.

The weighted average share price of stock options exercised during the nine months ended September 30, 2023 was \$0.843 (September 30, 2022 - \$0.923).

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

6. Share capital and other capital reserves (continued)

(c) Stock options and warrants (continued)

As at September 30, 2023, stock options and warrants were outstanding as follows:

Stock options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
5,783,334	0.31	5,783,334	October 7, 2025
12,411,666	0.58	12,411,666	February 22, 2026
16,100,000	0.75	13,399,996	February 4, 2027
15,650,000	0.87	7,825,000	February 5, 2028
1,500,000	0.82	750,000	February 6, 2028
5,200,000	0.76	1,733,335	August 28, 2028
56,645,000		41,903,331	

Warrants			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	\$		
25,627,050	0.85	25,627,050	May 11, 2024
25,627,050		25,627,050	

(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, 2023, the Company granted 22,350,000 stock options (September 30, 2022 - 17,400,000). Pursuant to the vesting schedule of options granted, during the nine month period ended September 30, 2023, share-based compensation of \$5,595 (September 30, 2022 - \$4,372) was recognized in the statements of loss and comprehensive loss and \$2,028 (September 30, 2022 - \$1,448) was recognized in exploration and evaluation assets. The total amount of \$7,623 (September 30, 2022 - \$5,820) 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 2023	September 30 2022
Risk Free Interest Rate	3.77%	1.44%
Expected Life - Years	2.92	2.92
Estimated Forfeiture Rate	5.49%	6.65%
Annualised Volatility	84.13%	85.21%
Weighted average fair value per option	\$ 0.46	\$ 0.41

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

7. Supplemental disclosure with respect to cash flows

	September 30 2023	December 31 2022
	\$	\$
Cash and cash equivalents		
Cash	49,989	41,196
Redeemable term deposits	160	160
	50,149	41,356

Significant non-cash transactions for the nine month period ended September 30, 2023 included:

- (a) Recognizing \$124 of right-of-use assets and \$124 of total lease obligations;
- (b) Incurring \$1,434 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (c) Recognizing \$226 of exploration and evaluation asset additions through prepaid expenses;
- (d) Incurring \$108 of share issuance costs through accounts payable and accrued liabilities;
- (e) Recognizing \$183 of share issuance costs through prepaid expenses; and
- (f) Recognizing \$2,028 of share-based payments in exploration and evaluation assets.

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

- (a) Incurring \$1,299 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$1,448 of share-based payments in exploration and evaluation assets.

8. Related party transactions

The Company has identified the President and CEO, CFO, VP Project Development, current and former 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	
	2023	2022	2023	2022
	\$	\$	\$	\$
Wages and consulting fees	354	263	942	835
Director fees	131	73	418	217
Share-based compensation	1,102	679	5,001	3,792
	1,587	1,015	6,361	4,844

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 in lieu of the payment of cash. Included in compensation costs is the value of shares issued under the DRP Plan. During the nine month period ended September 30, 2023, the Company issued 133,479 shares with a total value of \$83 under the DRP Plan (September 30, 2022 - 52,594 shares valued at \$43).

Included in accounts payable at September 30, 2023 is \$51 (December 31, 2022 - \$490) 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 5a.

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

9. 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 F3 Uranium 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 F3 Uranium 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, 2023, 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
	2023	2022
	\$	\$
Cash and cash equivalents	50,149	41,356
Amounts receivable	185	170
	50,334	41,526

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the Three and Nine Month periods ended September 30, 2023

(Expressed in thousands of Canadian dollars, except as noted)

(Unaudited)

9. 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	1,931	-	-	-
	1,931	-	-	-

(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 F3 common shares included in Investment in F3 Uranium Corp. based on the fair value hierarchy is as follows:

	September 30 2023	December 31 2022
	\$	\$
Level 1 - investment in F3	4,857	3,400
	4,857	3,400

10. Subsequent events

Subsequent to September 30, 2023, the Company:

- issued 6,984,500 shares at an average price of \$0.8870 per share for gross proceeds of \$6,195 in accordance with its at-the-market equity offering program;
- Closed a bought-deal offering consisting of 7,731,092 flow-through common shares at a price of \$1.19 per share for gross proceeds of \$9,200; and
- 391,666 stock options were exercised at an average price of \$0.459 for proceeds of \$180 and a weighted average share price of \$0.884.