Management's Discussion & Analysis

Fission Uranium Corp.

For the Six Month Period Ended
December 31, 2014

Introduction

The following Management's Discussion and Analysis, prepared as of February 16, 2015, should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes of Fission Uranium Corp. (the "Company" or "Fission Uranium") for the six month period ended December 31, 2014. The reader should also refer to the audited consolidated financial statements for the year ended June 30, 2014, as well as Management's Discussion and Analysis for that year.

The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SICs") as at December 31, 2014.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and the Company's website at www.fissionuranium.com, or by requesting further information from the Company's head office located in Kelowna, BC, Canada.

Forward looking statements

Statements in this report that are not historical based facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Description of business

Fission Uranium Corp. is a junior resource issuer specializing in uranium exploration and development in Saskatchewan's Athabasca Basin in western Canada. The Company's primary objective is to develop its Patterson Lake South project and finance its development by way of equity financing or other means.

Fission Uranium Corp. 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. (the "Fission Energy Arrangement"). Fission Uranium began trading as a new public company on April 30, 2013 under the symbol FCU.V (TSX Venture Exchange) and on June 27, 2013 under the symbol FCUUF (OTCQX U.S.). On October 8, 2014 the Company graduated to the Toronto Stock Exchange and began trading under the symbol FCU.TO. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2.

Fission Uranium owns 100% of the Patterson Lake South ("PLS") Property which comprises 17 contiguous claims totaling 31,039 hectares.

Fission Uranium's goal is to discover an economic uranium deposit through exploration. Exploration is subject to a number of risks and uncertainties, including: uncertainties related to exploration and development; uncertainties related to the nuclear power industry; the ability to raise sufficient capital to fund exploration and development; changes in economic conditions or financial markets; increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities, labour relations matters, and economic issues that could materially affect uranium exploration and mining.

Description of business (continued)

Alpha Minerals and Fission Uranium Arrangement Agreement

On December 6, 2013 the Company completed an Arrangement Agreement and acquired all of the issued and outstanding shares of Alpha Minerals Inc. ("Alpha") and its interest in the PLS Joint Venture (the "Alpha Arrangement"). Under the terms of the Alpha Arrangement, Fission Uranium offered shareholders of Alpha 5.725 shares of Fission Uranium and a cash payment of $0.0001 for each Alpha share held. Based on 27,927,276 Alpha shares outstanding, the Company issued 159,883,655 of their common shares to complete the transaction, representing approximately 51.11% of the Company's issued and outstanding common shares on December 6, 2013. The 2,142,100 outstanding Alpha options were replaced by options to purchase 12,263,523 common shares of the Company with exercise prices ranging from $0.1146 to $0.6387 and expiring between February 17, 2014 and April 12, 2018. The 1,301,600 outstanding Alpha warrants were replaced by warrants to purchase 7,451,657 common shares of the Company with exercise prices ranging from $0.1496 to $0.8133 and expiring between February 17, 2014 and April 25, 2015.

Additionally, Alpha shareholders received all of the common shares of Alpha Exploration Inc. ("Alpha Exploration") which was spun-out from Alpha and holds all of Alpha's exploration and evaluation assets (other than Alpha's interest in the PLS Joint Venture), marketable securities, and property and equipment located in Alpha's office in Vancouver, BC.

Similarly, the shareholders of Fission Uranium received all of the common shares of Fission 3.0 Corp. ("Fission 3.0") which was spun-out from Fission Uranium and holds all of Fission Uranium's exploration and evaluation assets (other than Fission Uranium's interest in the PLS Joint Venture), short-term investments, and property and equipment located in Peru (the "Fission Uranium Arrangement").

Under the terms of the Alpha Arrangement and Fission Uranium Arrangement, each of Alpha Exploration and Fission 3.0 received $3 million in cash to fund future operations. The transaction took place by way of a court approved plan of arrangement.

Alpha is in the early stage of exploration and does not yet have any processes or outputs; therefore Alpha is not considered a business under *IFRS 3 Business Combinations*. As a result the acquisition was accounted for as a purchase of assets. The purchase price has been allocated to the various assets and liabilities acquired through the Alpha Arrangement, including various working capital amounts and exploration and evaluation assets.

The total purchase price of the acquisition and the net identifiable assets of Alpha acquired are described below:

Purchase price	**$**
27,927,276 common shares of Alpha by issue of 159,883,655 Fission Uranium shares @ $1.06	169,476,674
2,142,100 Alpha options replaced by options to purchase 12,263,523 Fission Uranium shares	7,793,252
1,301,600 Alpha warrants replaced by warrants to purchase 7,451,657 Fission Uranium shares	5,098,376
Transaction costs	2,199,836
Total purchase price	**184,568,138**

Assets acquired	
Net working capital	8,136,076
Property and equipment	-
Exploration and evaluation assets	176,432,062
Net identifiable assets of Alpha	**184,568,138**

Description of business (continued)

Alpha Minerals and Fission Uranium Arrangement Agreement (continued)

The carrying value of the net assets transferred to Fission 3.0, pursuant to the Fission Uranium Arrangement, consisted of the following:

	$
Assets	
Cash	3,081,523
Short-term investments	766,066
Amounts receivable	102,518
Property and equipment	15,619
Exploration and evaluation assets	6,186,147
Total Assets	**10,151,873**
Liabilities	
Accounts payable and accrued liabilities	(45,433)
Deferred tax liability	(1,615,941)
Total Liabilities	**(1,661,374)**
Carrying Value	**8,490,499**
Fair value of net assets distributed to Fission Uranium shareholders	**(17,454,000)**
Gain on Fission 3.0 spin-out	**(8,963,501)**

In accordance with *IFRIC 17, Distributions of Non-cash Assets to Owners*, the Company recognized the distribution of assets to Fission Uranium shareholders at fair value with the difference between that value and the carrying amount of the assets recognized in the statement of comprehensive loss.

Fission 3.0 was a wholly owned subsidiary of Fission Uranium up to December 5, 2013. The Company recognized a $99,579 gain on the de-consolidation of Fission 3.0 on December 5, 2013.

Corporate goals

Fission Uranium's goal is to discover an economic uranium deposit through exploration. The Company's property is located in Saskatchewan's Athabasca Basin, home of the richest and lowest cost uranium deposits in the world. The Athabasca Basin has remained the primary focus of continued interest to uranium investors for the following reasons:

1. Rio Tinto's successful acquisition of Hathor Exploration in 2012 introduced new competition to the Athabasca Basin in the form of a leading international uranium producer, while confirming Cameco's intent to strengthen its position the region.
2. Completion of the Fission Energy Arrangement with Denison Mines Corp. ("Denison") in April 2013, resulting in Denison acquiring the Waterbury Lake deposit, confirmed the premium value of deposits in the Athabasca Basin, despite an overall weak uranium price environment.
3. Fission Uranium's PLS shallow high grade uranium discovery announced late in 2012, was made in the underexplored western part of the Athabasca Basin, and resulted in a staking rush in the region. In the three years since exploration first began, the PLS discovery, now named the Triple R Deposit, has quickly developed into the largest undeveloped high-grade uranium resource in the Athabasca Basin.
4. Canada recently signed a free-trade agreement with Europe, which removes a longstanding requirement that buyers are legally bound to take on a Canadian partner in uranium projects. This positive change is expected to attract new foreign investment in the development of uranium projects, most notably in the Athabasca Basin.

Corporate goals (continued)

Corporate Objectives

- To continue building upon the success of the high-grade, shallow depth, Triple R Uranium Deposit; and

- To explore corporate opportunities that may lead to value-added project decisions that enhance shareholder value.

Management continues to believe that long-term world-wide uranium demand and the corresponding nuclear power plant build-out will require new uranium supply to meet this expected new demand. As such, management remains optimistic about the long-term prospects for the uranium market and the Company remains committed to advancing its exploration plans in the Athabasca Basin. Past and current exploration successes have enabled the Company to fund its operations and advance its business plan in an extremely challenging overall uranium market and difficult capital market environment for mineral exploration companies in general.

Summary of significant accomplishments for the three months ended December 31, 2014 and subsequent:

- October 2014: Initial assays from the first 29 holes of the summer 2014 drill program confirm significant expansion of the R780E Zone laterally north-south along the entire strike length. In addition, Hole PLS 14-248 is confirmed as the second best hole drilled to date at the PLS property, (composite grade-thickness of 698) and returning 16.5m of 35.13% U_3O_8 within 47.5m grading 13.23% U_3O_8;

- October 2014: The Company received approval to list its common shares on the Toronto Stock Exchange ("TSX"). On Wednesday, October 8th, Fission began trading on the TSX, continuing under the trading symbol "FCU";

- October 2014: Additional 13 summer drill hole assays including 7.5m grading 24.87% U_3O_8 within 24m of 8.53% show continued lateral north-south expansion of the R780E zone.

- December 2014: Final 18 holes from the summer drill program returned strong mineralization at shallow depth, with 14 returning substantial high-grade intervals. Hole PLS14-290 (line 735E), which was drilled in an area that previously returned modest results, returned strong composite assay intervals including 32.53% U_3O_8 over 6.5m within a significantly larger 64.5m interval grading 3.72% U_3O_8;

- December 2014: Based on completed drilling to date, 224 delineation holes have defined mineralization over a combined strike length of 1,070m in the R00E and R780E zones, with 218 holes intersecting mineralization for a 97.3% success hit ratio;

- **January 2015: RPA Inc. completes its initial independent resource estimate for the PLS R00E and R780E zones. Renamed the "Triple R Deposit", the total resource is estimated to contain an indicated mineral resource totaling 79,610,000 lbs. U_3O_8, based on 2,291,000 tonnes at an average grade of 1.58% U_3O_8, and an inferred mineral resource totaling 25,884,000 lbs. U_3O_8 based on 901,000 tonnes at an average grade of 1.30% U_3O_8, making it the largest undeveloped high-grade uranium resource in the Athabasca region, after the producing McArthur River and Cigar Lake deposits; (See *"Triple R Deposit Mineral Resources"* table on page 7)**

- January 2015: Fission began a $10 million, 63 hole (20,230m) winter exploration program to continue building on the success of the Triple R Deposit, both laterally and on strike, in addition to testing prioritized exploration targets;

Summary of significant accomplishments for the three months ended December 31, 2014 and subsequent (continued)

- January 2015: The first five holes of the winter 2015 drill program all return wide mineralization, including variable intervals of >10,000 cps radioactivity, further extending the lateral width of the R780E Zone; and

- February 2015: Drilling continues to grow the R780E Zone vertically, laterally and along strike as 9 additional holes expanded the R780E Zone vertically by up to 50m on two lines, widened the R780E Zone by approximately 40m to the north (line 615E), and extended the strike length by approximately 30m to the east.

PLS high-grade uranium discovery: Operational summary for the three months ended December 31, 2014, and subsequent

Fission's PLS discovery is a basement hosted unconformity uranium deposit, characterized by shallow, high-grade mineralization in four separate zones trending for approximately 2.24km in length. From west to east, these zones are: R600W, R00E, R780E, and R1620E (from Hole PLS13-124 on line 615W to Hole PLS14-196 on line 1620E). Successful drilling completed to date has merged the former R390E, R585E, R945E and R1155E zones into the R780E Zone. The R780E Zone, which has exhibited high grade mineralization over exceptionally wide thicknesses, remains open along strike and laterally north-south as well as at depth. Up to and including drilling from the summer 2014 program, 224 delineation holes have defined mineralization over a combined strike length of 1,070m in the R00E and R780E zones, with 218 holes intersecting mineralization for a 97.3% success hit ratio. A maiden resource estimate was prepared by Roscoe Postle and Associates ("RPA Inc.") for the R00E and R780E zones. Collectively this resource is now referred to as the Triple R deposit.

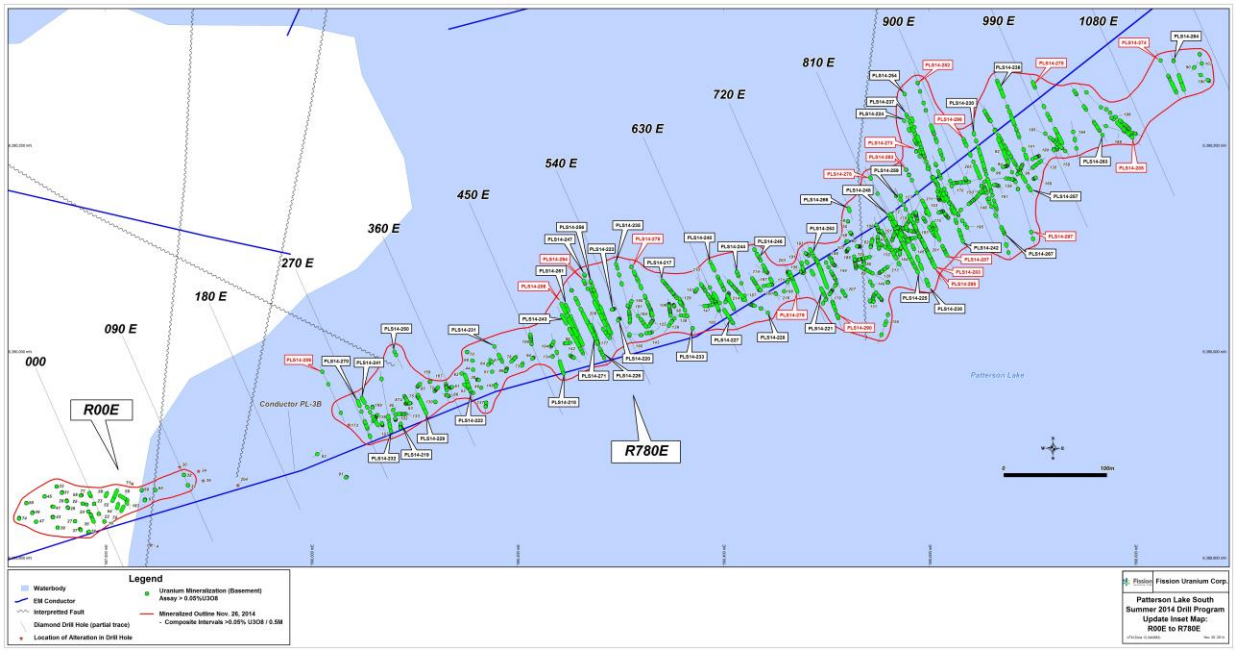
Summer 2014 Drill Program Results & Initial Independent Resource Estimate

During the three months ended December 31, 2014, assays from the drill holes completed during the summer exploration program were reported as results were received and compiled. A total of 82 core holes were drilled; 60 holes further delineating the R780E Zone and 22 holes on regional exploration targets. The results of the R780E drilling confirmed significant expansion of the zone laterally north-south along the entire strike length. In addition, the second best hole drilled to date at the PLS property was announced. Hole PLS14-248 (composite grade-thickness of 698) returned 16.5m of 35.13% U_3O_8 within 47.5m grading 13.23% U_3O_8. The final R780E Zone delineation holes were announced on December 1, 2014. Hole PLS14-290 (line 735E), which was drilled in an area that previously returned modest results, returned strong composite assay intervals including 32.53% U_3O_8 over 6.5m within a significantly larger 64.5m interval grading 3.72% U_3O_8 .

Overall, the program significantly widened the high-grade R780E Zone on multiple lines, and increased the strike length to 905m (between lines 255E and 1155E) within a mineralized lateral corridor up to 164m wide (line 885E) as drilling successfully connected the former R1155E Zone to the east. Mineralization remains open in several directions including strike, laterally and vertically. The R00E zone has been defined by drilling over a strike length of 165m (between lines 075W to 090E) and a lateral width up to 40m (line 030W) and also remains open, particularly at laterally to the south and at depth.

Summer 2014 Drill Program Results & Initial Independent Resource Estimate (continued)

Map of the PLS Uranium Discovery after completion of the 2014 Summer Drill Program: R00E to R780E (as at November, 2014):



Highlights of the summer 2014 drill program:

- 100% drilling success rate: All 60 drill holes completed during the summer 2014 exploration program at the R780E Zone have hit mineralization, with 42 holes intersecting >10,000 cps radioactivity;

- The R780E and R1155E zones have been successfully connected with Holes PLS-274 (Line 1125E) and PLS14-285 (Line 1095E) intersecting stronger mineralization than previously encountered. The newly enlarged R780E Zone's strike length has increased to 905m (between Line 225E and 1155E), from 855m;

- Lateral step-out drilling has significantly widened the R780E Zone to the north and south. Exceptionally wide high-grade mineralization was particularly demonstrated by Hole PLS14-248 (Line 825E), which is the second best hole drilled to date at the PLS property, returning 16.5m of 35.13% U_3O_8 within 47.5m grading 13.23% U_3O_8;

- Regional exploration has discovered significant anomalous radioactivity 17km southeast of the PLS discovery (Hole PLS14-255) near the property boundary with Fission 3.0 Corp.

All geochemical assay data from the summer 2014 drill program, required for the completion of a NI 43-101 compliant maiden resource for the R00E and R780E zones, was received prior to the three months ended December 31, 2014.

Subsequent to the three months ended December 31, 2014, the results of the independent resource estimate were announced, and the high-grade uranium deposit was named the 'Triple R' deposit.

Summer 2014 Drill Program Results & Initial Independent Resource Estimate (continued)

Highlights of the summer 2014 drill program (continued)

The Triple R deposit is estimated to contain (using a cut-off grade of 0.1% U_3O_8):

- 79,610,000 lbs U_3O_8 indicated mineral resource based on 2,291,000 tonnes at an average grade of 1.58% U_3O_8, including: High-grade zone of 44,297,000 lbs U_3O_8 based on 110,000 tonnes at a grade of 18.21% U_3O_8; and
- 25,884,000 lbs U_3O_8 inferred mineral resource based on 901,000 tonnes at an average grade of 1.30% U_3O_8, including: High-grade zone of 13,860,000 lbs U_3O_8 based on 24,000 tonnes at a grade of 26.35% U_3O_8.

The uranium deposit is contained entirely in basement lithology. Mineralization is open in all directions and at depth.

Gold mineralization is associated with the uranium mineralization in the Triple R deposit and is reported as part of the mineral resource:

- 38,000 ounces Au indicated mineral resource based on 2,291,000 tonnes of mineralization at an average grade of 0.51 g/t Au; and
- 16,000 ounces Au inferred mineral resource based on 901,000 tonnes of mineralization at an average grade of 0.56 g/t Au.

Triple R Deposit Mineral Resources as of January 5, 2015

Category	Zone	Sub-Zone	Tonnes	% U_3O_8	g/t Au	Pounds U_3O_8	Ounces Au
Indicated	R00E	Zone	126,000	1.15	0.15	3,180,000	1,000
	R780E (Main)	High Grade	110,000	18.21	2.77	44,297,000	10,000
		Lower Grade	1,898,000	0.69	0.39	28,763,000	24,000
		Subtotal Main	2,008,000	1.65	0.52	73,061,000	34,000
	R780E (Other Zones)		157,000	0.97	0.67	3,369,000	3,000
Total Indicated			**2,291,000**	**1.58**	**0.51**	**79,610,000**	**38,000**
Inferred	R00E	Zone	8,000	3.57	0.59	669,000	-
	R780E (Main)	High Grade	24,000	26.35	3.77	13,860,000	3,000
		Lower Grade	23,000	1.26	0.89	648,000	1,000
		Subtotal Main	47,000	13.93	2.35	14,508,000	4,000
	R780E (Other Zones)		585,000	0.68	0.56	8,797,000	11,000
	Low Grade Halo		260,000	0.22	0.22	1,910,000	2,000
Total Inferred			**901,000**	**1.30**	**0.56**	**25,884,000**	**16,000**

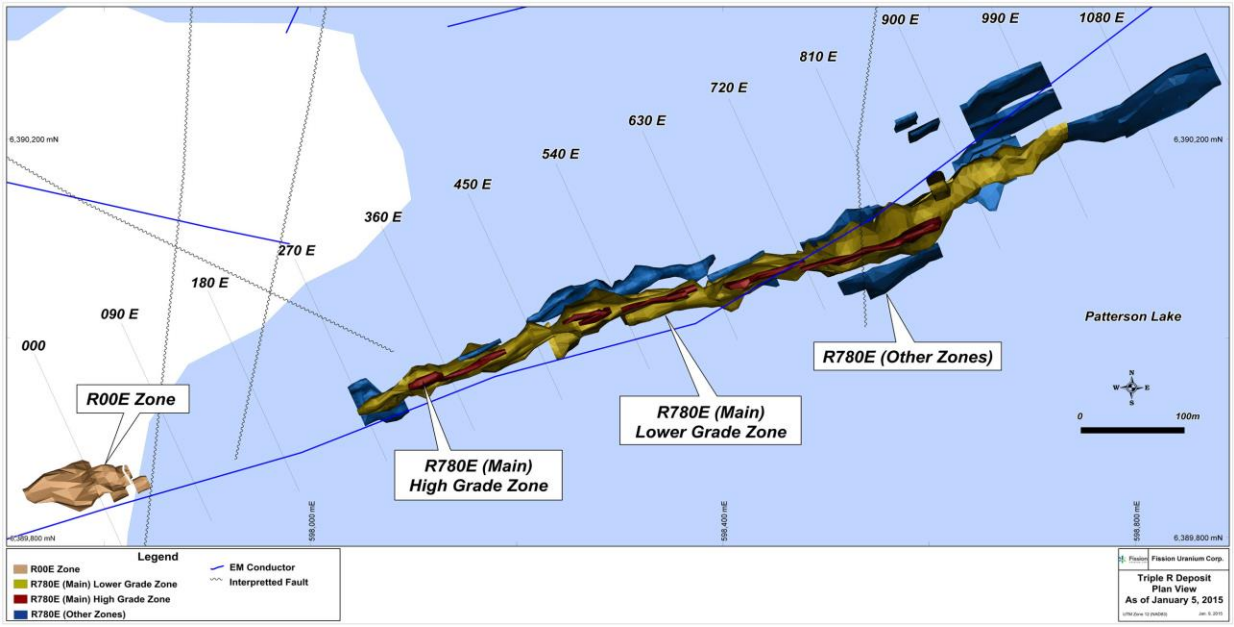
Notes:
- CIM definitions were followed for Mineral Resources.
- Mineral Resources are reported within a preliminary optimized open pit shell at a cut-off grade of 0.1% U_3O_8. The cut-off grade is based on price of US $50/lb. U_3O_8.
- Numbers may not add due to rounding.

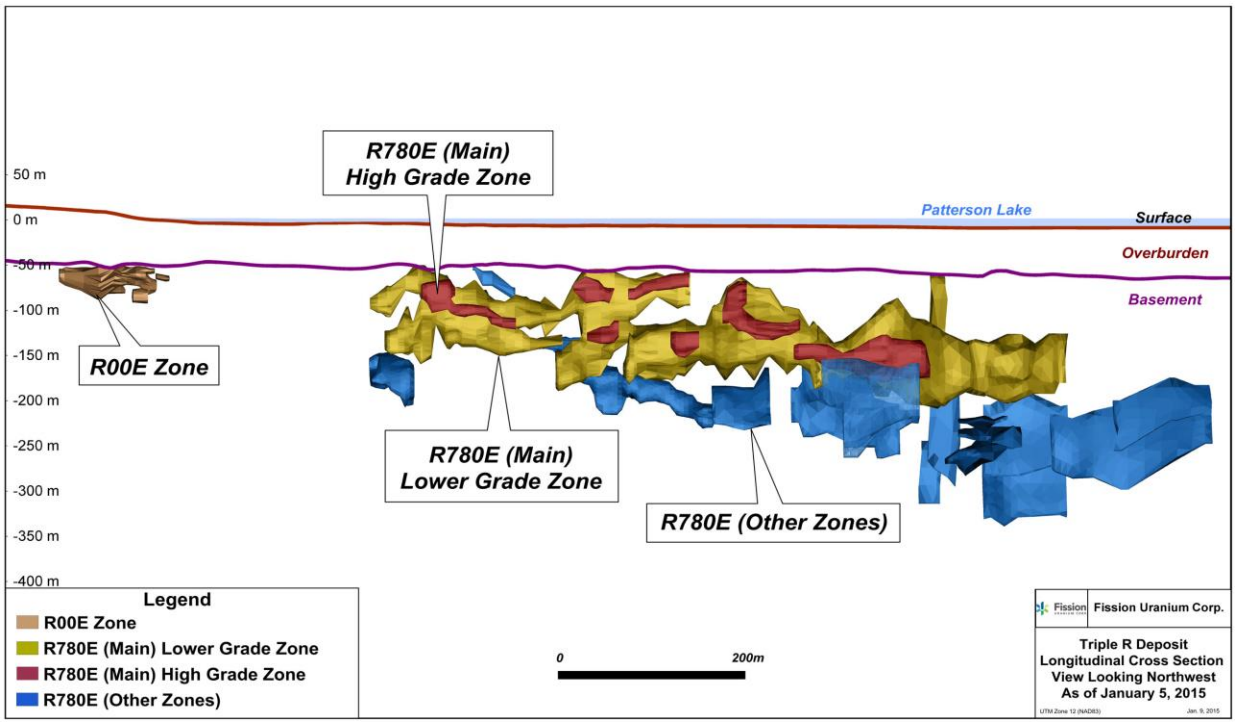
The modeling and estimation of uranium and gold mineral resources for the Triple R deposit was prepared by Mr. David Ross, P.Geo., an employee of RPA Inc. and independent of Fission Uranium. Mr. Ross is a certified Professional Geologist and a Qualified Person as defined by National Instrument 43-101. The mineral resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014). It should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

Summer 2014 Drill Program Results & Initial Independent Resource Estimate (continued)

Fission Uranium will file a National Instrument 43-101 Technical Report on the Triple R deposit on SEDAR on or before February 23, 2015.

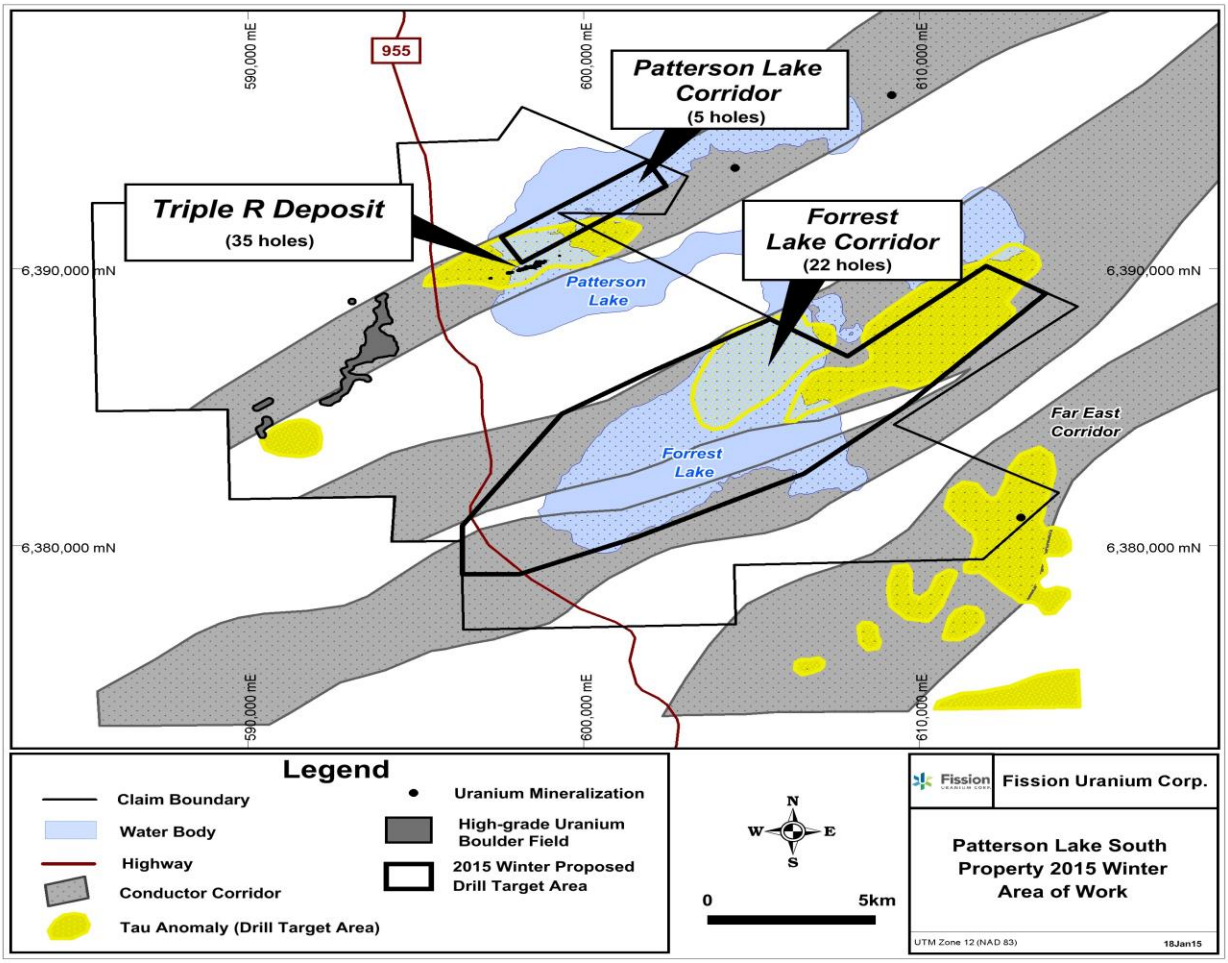
Plan View and Longitudinal Cross-Section View of the Tripe R Deposit (as at January 5, 2015):





Winter 2015 Drill Program

Subsequent to the three months ended December 31, 2014, Fission began a $10 million, 63 hole (20,230m) winter exploration program to continue building on the success of the Triple R Deposit, both laterally and on strike, in addition to testing prioritized exploration targets. Thirty-five closely spaced drill holes are planned for the R00E and R780E zones, in addition to further testing of the R600W zone, located an approximate 530m west and on strike of the R00E zone, where 5 drill holes were completed in 2013. The remaining twenty-eight drill holes will test a series of high priority regional targets in the Patterson Lake and Forest Lake Corridors (See Areas of Work map below).



On January 26, 2015, Fission announced results from the first five step-out angled drill holes of the 2015 winter drill program, all of which returned wide mineralization, including variable intervals of >10,000 cps (defined as "off-scale") radioactivity. All five holes were drilled in the R780E zone. Hole PLS15-299, which intersected 92m of mineralization, including 3.44m off-scale (>10,000 cps) at 60m depth has extended the lateral width of mineralization of the R780E Main zone by approximately 25m to the north on line 480E, while PLS15-302 has extended the mineralization by approximately 10m to the south on line 720E. In addition, PLS15-303 has extended the vertical extent of high-grade R780E mineralization by approximately 45m upwards on line 465E.

Winter 2015 Drill Program (continued)

In February 2015, the results of nine additional mineralized holes were announced. All nine holes intersected shallow uranium mineralization, successfully expanding the R780E Zone vertically, laterally, and along strike. The R780E Zone was expanded vertically by up to 50m on two lines, widened by approximately 40m to the north (line 615E), and the strike length was extended by approximately 30m to the east. To date, the winter 2015 drill program has achieved a 100% drilling success rate.

Drilling at the Triple R Deposit, which is open along strike, at width, and vertically, is continuing.

Outlook

Management believes that the exploration and development of uranium properties presents an opportunity to increase shareholder value for the following reasons:

- *Increased long-term worldwide energy demand for nuclear energy*

  Worldwide nuclear energy demand and the associated nuclear power plant build-out is projected to increase significantly in the years ahead, and will require new uranium supply to meet this increasing demand. According to the World Nuclear Association, electricity demand is increasing twice as fast as overall energy supply and is estimated to rise by more than two-thirds 2011 to 2035.

- *Increased long-term demand for uranium*

  It is projected that 526 nuclear power reactors will be operating worldwide by 2023 as compared to 436 today. The Ux Consulting Company expects worldwide uranium demand to increase 22% by 2020. In addition, many analysts continue to forecast a long-term global uranium demand/supply imbalance, which suggests a potential for significantly higher uranium prices.

  Increased long-term demand is expected from developing countries as they construct new nuclear power plants. 70 nuclear power plants are currently under construction worldwide, most notably in China, India, Russia, and South Korea. The most significant increase in long-term uranium demand is expected to come from China, which surpassed the United States as the world's largest energy consumer in 2010, and remains committed to a planned nuclear build-out over the next two decades. In 2013, China brought three new nuclear reactors on-line, and construction began on four others. There are currently 27 nuclear power plants under construction in China, which accounts for 38% of all the reactors under construction worldwide. The majority are scheduled for completion between 2016 and 2023. China's current domestic uranium production accounts for less than 25% of their annual uranium fuel requirements, resulting in increased imports and stockpiling. In 2010, Cameco Corp. signed the first of two long-term contracts with Chinese owned utilities for the delivery of uranium. Additional long-term demand is anticipated from other Asian countries, most notably India and South Korea, as they expand their planned nuclear build-out.

Outlook (continued)

- *Increased long-term demand for uranium (continued)*

  The following is a list of selected countries with nuclear reactors that are either planned, proposed, or under construction as of January 2015:

Country	Construction	Planned	Proposed	Total
China	27	64	123	214
India	6	22	35	63
Russia	9	31	18	58
USA	5	5	17	27
France	1	1	1	3
Saudi-Arabia	0	0	16	16
South Korea	5	8	0	13
Canada	0	2	3	5
Others	17	50	98	165
Total	**70**	**183**	**311**	**564**

Source: World Nuclear Association Website (World Nuclear Power Reactors & Uranium Requirements - www.world-nuclear.org - Updated January 2015)

- *Uranium demand/supply imbalance*

  A global uranium demand/supply imbalance has existed for several years, creating a potential for significantly higher uranium prices over the long-term. While a rapidly rising uranium price between 2004 and 2007 stimulated the development of new supply, most uranium analysts continued to forecast supply deficits every year from 2012 onwards. However, after Japan's Fukushima nuclear accident in March 2011, which resulted in the shutdown of all nuclear power plants in that country, a decline in uranium demand was witnessed by major producing companies like Cameco Corp., Uranium One Inc., and Paladin Energy Ltd. Uranium demand forecasts were subsequently revised downwards, pushing out expected supply deficits beyond 2014. In September, 2013, Raymond James again adjusted its previously modeled uranium shortfall, and now estimates that a uranium deficit may not emerge until 2020 (Raymond James, Industry Report Changes (Uranium), June 19, 2014), while Dundee Capital Markets believes uranium demand will surpass supply in 2016 (Dundee Capital Markets, Uranium Sector Report, July 15, 2014).

  Uranium supply that met production shortfalls from mining prior to the Fukushima event was derived from secondary sources, most notably the decommissioning of old Soviet nuclear weapons. Known as the US-Russian HEU Agreement (officially termed the "Megatons for Megawatts Program") secondary supply from Russia began entering the market in 1993. With the completion of the HEU Agreement in December 2013, it is estimated that approximately 20-24 million lbs. of uranium was removed from the market. The removal of this supply has been more than offset by excess inventory that entered the market from Japan as a result of the post-Fukushima suspension of nuclear power operations. Dundee Capital Markets is estimating a supply surplus of approximately 10 million lbs. in 2014, down from approximately 35 million lbs. in 2013 (Dundee Capital Markets, Uranium Sector Report, July 15, 2014). Over the long-term, it is expected that countries with existing or newly developing nuclear power plants will need to source long-life uranium assets from politically stable jurisdictions.

Outlook (continued)

- *Uranium demand/supply imbalance (continued)*

  Since 2003, the increased uranium demand and higher prices have stimulated new exploration and development of both new and previously explored uranium properties worldwide. This trend resulted in a strong supply response, most notably from Africa and Kazakhstan. The new production is primarily from lower grade deposits, which is not sustainable over the long-term without higher uranium prices. Uranium prices have declined to a nine year low since the Fukushima event. Higher prices will be necessary to encourage new production to meet long-term supply forecast deficits. To support a healthy global uranium mining sector, general consensus among analysts including RBC Capital (Canada), Raymond James Canada, and Resource Capital Research (Australia) is that a uranium price of US $70-$80/lb. is required to stimulate new exploration and mine development worldwide, where the average deposit grade is considerably lower than the higher grade deposits found in Saskatchewan's Athabasca Basin.

  The richest and lowest cost uranium deposits in the world are located in Saskatchewan's Athabasca Basin, which is the primary exploration focus of Fission Uranium Corp. The Company owns a 100% interest in the PLS property, where the Company has achieved significant exploration success. It is here at the PLS property that the Company believes it is well positioned to build on the success of its Triple R deposit, which is now the largest undeveloped high-grade uranium deposit in the Athabasca Basin. Its experienced management and technical team achieved earlier success with the Waterbury Lake discovery made by its predecessor company, Fission Energy.

Fukushima, Japan & its impact on the general outlook for the nuclear power & uranium markets

In March 2011, an earthquake and tsunami in Japan caused cooling systems at the Fukushima Daiichi nuclear reactor to fail, releasing radioactive materials into the environment. This event continues to impact uranium demand in the short and medium term. It has caused delay, and in some parts of the world, discouraged the nuclear build-out, which in turn has negatively impacted the near-term demand of uranium. In May, 2014, the spot uranium price declined in value to US $28.23/lb., a nine year low, before rebounding above US $40.00/lb. and settling at US $37.50/lb. on February 2, 2015.

At the time of the Fukushima event, Japan was the world's third largest user of nuclear power, which accounted for approximately 30% of the country's electrical output. Long-term plans were in place to increase this share to 50% by 2030. Subsequent to the Fukushima event, all 50 operating nuclear reactors, which consumed approximately 21.3 million lbs. of uranium per year, were shut down for safety inspections. At the time of writing, only two nuclear power reactors have been granted approval to restart operations. This shutdown has forced utility companies to import fossil fuels to maintain a reliable energy supply, leading to higher energy costs for consumers and industry, Japan's first trade deficit in over three decades, and inflation hitting a five year high during the country's fiscal year ending March, 2014.

For fiscal 2015, energy import costs are projected to be approximately double the amount paid in 2010, the year prior to the Fukushima event. Japan is now the world's largest importer of liquid natural gas. The rising cost of gas imports has also prompted a significant increase in coal imports.

Fukushima, Japan & its impact on the general outlook for the nuclear power & uranium markets (continued)

Japan's nuclear future and the long-term impact on the uranium market remains uncertain. In late February, 2014, Japan announced its new draft energy program, which stated that nuclear power is to remain "an important base load electricity source." (Dundee Capital Markets- Uranium Sector Update, February 25, 2014). In April 2014, the Japanese government approved the Energy Plan stating "reactors will be restarted once their safety is confirmed" (Raymond James, Uranium Industry Comment, April 11, 2014), and a total of 17 reactors have now applied for restart. In July, the government adopted new nuclear safety regulations providing a regulatory framework for up to 15 nuclear reactor restarts now planned for July, 2015. The timing of the nuclear reactor restarts in Japan is expected to impact the drawdown of current excess supply in the marketplace. During the three months ended December 31, 2014, regional authorities in Japan approved the restart of the idled Sendai nuclear plant, subject to passing operational safety check inspections.

The Sendai reactors, which are located 1,000km southwest of Tokyo, would become the first to restart since the Fukushima event. This approval may expedite the process to reinstate more Japanese reactors in the months ahead. The news prompted the spot uranium price to jump above US $40.00/lb., its highest level in 16 months. Should the renewed buying interest be sustained, increased contracting and reduced spot supplies may exert continued upward pressure on prices.

The events in Japan have caused certain countries to make strong political statements to end their use of nuclear power. Shortly after the Fukushima event, Germany stated its intention to close all 17 nuclear reactors, while Switzerland suspended the approval process for 3 new nuclear reactors, later making the ban permanent. Switzerland's 5 existing reactors, which supply 40% of the country's power, will not be replaced at the end of their life span, with the last plant to go off-line in 2034. In November 2011, Mexico announced its plans to cancel the planned construction of 10 nuclear power plants, and in May 2012, Brazil, which had initiated plans to construct between 4 and 8 nuclear power plants to 2030, has cancelled its program.

In contrast, there remain many countries that continue to favor nuclear power. In February 2014, the Financial Times reported that there are now more nuclear power plants under construction, planned or proposed than prior to the Fukushima event. Long-term plans for the construction of the largest number of new nuclear power plants continue to come from: China, India, Russia, and South Korea.

These countries are maintaining their current nuclear reactor development plans with a focus on increased safety. In 2012, China announced that it had completed its nuclear inspections. New nuclear safety regulations were adopted in 2014, and construction has since begun on 5 new nuclear reactors. By 2023, the number of operating nuclear plants worldwide is expected to increase from 436 to 526.

Performance and summary update

Uranium market

Source: Ux Consulting Company LLC, www.uxc.com: January 2015

The long-term contract price is published by the Ux Consulting Company at the end of each month, while the spot price is announced weekly. The long-term price, which accounts for almost 80% of the global uranium bought and sold, reached an all-time high of US $95.00/lb. in mid-2007 before declining to a multi-year low of US $44.00/lb. in August, 2014. The January, 2015 long-term price closed at US $49.00/lb. During the same period, the uranium spot price reached an all-time high of US $138.00/lb., before declining to a monthly average nine year low of US $28.23/lb. in June, 2014. A moderate pick-up in spot sales volumes since August, 2014 has helped the uranium spot price to rebound off its low, and it later surged to as high as US $41.75/lb. after regional authorities in Japan approved the first nuclear power plant restart since the Fukushima event in March, 2011. Volatility has continued, and the spot price subsequently declined for seven straight weeks. The spot price as reported weekly by UxC is US $36.50/lb. (January 19, 2015). The longer-term declining trend in uranium prices directly corresponds with the Fukushima event and the reduced demand/inventory sales resulting from the suspension of nuclear reactor operations in Japan. Spot market volumes totaled 42.1 million lbs. in 2014, down from 50.4 million lbs. in 2013, and virtually unchanged from 41.7 million lbs. in 2011, the year of the Fukushima event. (Source UxC and Haywood Securities)

It is uncertain how long the Fukushima nuclear event will impact the uranium sector. Most analyst uranium price forecasts have been reduced for a second time during 2014, which also includes factoring the impact of reduced demand from the global economic slowdown, unexpected shutdowns of aging reactors in the United States, continued US Department of Energy (DOE) uranium sales, and temporary shutdowns in South Korea. While the last three years have been challenging for uranium companies, expectations are for positive long-term uranium market conditions in the years ahead, from both market analysts and industry participants. Former RBC Capital analyst Adam Schatztker forecast "There is not enough uranium production, either current or planned, to satisfy reactor needs, initial core requirements and inventories for new reactors. A sustainably higher price should help resolve this gap." David Sadowski, of Raymond James continues to echo similar comments in his industry report dated April 11, 2014, where he noted that an estimated US $70/lb. in the medium term is required "to avoid a significant shortfall at decade's end".

Performance and summary update (continued)

Uranium market (continued)

Cancellation of the Megaton for Megawatts Program, mine shutdowns, delays and cutbacks, in addition to the continued power plant construction in China and the Japanese government's recent announcement of reactor restarts by 2015, are expected to serve as near-term catalysts and exert upward pressure on prices in 2014-2015 (Raymond James, Salman Partners, Dundee Capital Markets).

Despite the current continued weakness in uranium prices, Raymond James notes that the proposed Japanese restarts, in addition to a return to contracting by utilities to secure uncovered requirements, continued nuclear growth acceleration, and increased levels of merger and acquisition activity, are expected to generate positive trends in the uranium sector in 2015 (Raymond James, Uranium Tailwinds Brewing – What to Look For in 2015. January 9, 2015).

The following table provides uranium price forecasts for 2015 and 2016, by the investment firms listed. Prior to the three months ended December 31, 2014, many investment firms cut their near-term uranium price forecasts for a second time, but maintained a long-term forecast price of between US $60/lb. to US $70/lb. During the three months ended December 31, 2014 the spot uranium price spiked above US $40.00/lb. The US $41.75/lb. closing spot price on November 10, 2014, marked the largest weekly price increase since 2010. On November 11, 2014, Salman Partners announced an increase in their average calendar Q4 2014 spot price forecast from US $35.50/lb. to US $42.00/lb., in addition to raising forecast prices for 2015 and 2016. Price estimates for 2015 and 2016 were also raised by the other firms listed.

Investment Firm	2015 E	2016 E	Long-Term
Salman Partners	US $47.38	US $55.99	US $61.24
TD Securities	US $38.00	US $42.00	US $70.00
Raymond James	US $38.00	US $45.00	US $70.00
Dundee Capital Markets	US $40.00	US $55.00	US $65.00
Cantor Fitzgerald	US $42.75	US $50.00	US $70.00
Haywood Securities	US $39.50	US $53.00	US $65.00

Sources: Salman Partners, Metals Morning Note, November 11, 2014; TD Securities, Metals and Minerals 2015/2016 Outlook and Q4/14 Preview, January 22, 2015; Raymond James, Uranium Tailwinds Blowing – What to Look For in 2015, January 9, 2015; Dundee Capital Markets: Fission Uranium Target Revision, January 12, 2015 and Uranium Sector report, July 15, 2014; Cantor Fitzgerald, Quarterly Commodity Outlook, October 16, 2014; Haywood Securities Inc., Uranium Weekly, January 16, 2015.

The average uranium price forecast, based on a composite of analysts tracked by Bloomberg, is US $42.75/lb. for 2015 and US $54.00/lb. for 2016.

Cameco forecasts that 20% of world supply will need to come from exploration and development of new primary mine production over the next 10 years, but the significant decline in uranium prices since Fukushima, resulted in the recent suspension of its 2018 supply target of 36 million pounds. In addition, several new projects have now been categorized as uneconomic. Worldwide projects cancelled or deferred since 2012 include: Yeelirrie and Kintyre in Australia (Cameco), Trekkopje in Namibia (AREVA), Imouraren in Niger (AREVA) and the Olympic Dam expansion in Australia (BHP). Salman Partners estimates that 105.5 million lbs. of uranium has been removed from the world's mine plans for the period 2014 to 2021 (Metals Morning Note, February 13, 2014). In contrast, it is significant that no projects were cancelled in the Athabasca Basin in 2013, and that the McClean Lake mill is undergoing capacity expansion to process uranium ore from Cameco and AREVA's Cigar Lake mine, which, despite delays packaged its first uranium concentrate in October, 2014.

Patterson Lake South

Details of the Company's sole uranium exploration project as of December 31, 2014 are shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value ($CDN)
Patterson Lake South	Athabasca Basin, SK	100%	17	31,039	Drilling	226,837,890

Exploration is dependent on funding, and other operational capabilities, which are reviewed and evaluated on an ongoing basis. While management believes its property has the potential for hosting an economic uranium deposit, exploration carries considerable risk and there is no guarantee that an economic mineral deposit will be discovered.

Any scientific and technical information in respect of the exploration activities was reviewed and approved by Ross McElroy, P. Geol. President and COO, a "qualified person" as defined by NI 43-101.

Winter 2014 exploration

In December 2013, 48.8 line-km of IP-DC resistivity measurements were taken over two grids, 'Area B' and 'Forrest Lake (Area D)', to look for low resistivity zones in association with ground conductivity.

In January, 2014 a $500,000 radon survey was initiated that targeted ten high priority electromagnetic (EM) conductors within four outlined areas of the PLS property. The program focused on new areas of interest for identifying potential drill and mineralization targets.

In January, 2014 a planned 30,000m 90-hole winter 2014 drill and geophysical program commenced at the PLS property. The drill program was completed on April 18, 2014. Using 2 Reverse Circulation ("RC") drills and 5 diamond drills, total of 35,198m of drilling resulted in the completion of 105 pre-cased holes of which 92 core holes were completed to target depth. Of the 92 core holes completed, 80 holes (87%) were designed as delineation holes on the main mineralized trend and 12 holes (13%) were designed as exploration holes with the objective to discover new mineralized occurrences.

Important milestones achieved by the winter 2014 delineation drill program include:

- Merging of R390E, R585E, R780E and R945E zones into a single zone referred to as R780E;
- Expansion of R780E zone along strike to the east by 135m (from line 945E to line 1080E);
- Net increase of >135% in strike length of the R780E zone to 855m from the length defined in 2013;
- Increase in north-south lateral width of the R780E zone up to 90m on line 780E (from approximately 40m on line 780E defined in 2013);
- Expansion of lateral north-south width of the R1155E zone to approximately 20m wide; and
- Discovery of a new mineralized zone R1620E with 2 holes located 465m to the east of R1155E zone.

Patterson Lake South (continued)

Winter 2014 exploration (continued)

The 12 regional exploration drill holes completed in the winter 2014 program tested three EM conductors: PL-1B, PL-2C and PL-3C. The discovery and expansion of mineralization at the R1620E zone, via holes PLS14-196 and PLS14-208 (see NR dated Mar 31, 2014 and Apr 24, 2014), occurred while testing the PL-3C conductor. The results from the remaining holes have encountered geology of significant interest to the Company and warrant follow up.

Uranium mineralization at PLS has been traced by core drilling over 2.24km of east-west strike length in five separate mineralized "zones" from line 615W (PLS13-124) to line 1620E (PLS14-196). From west to east, these zones are: R600W, R00E, R780E, R1155E and R1620E. The former R390E, R585E and R945E zones have been merged into the R780E zone by successful winter 2014 drilling. Mineralization remains open along strike both to the western and eastern extents. Mineralization is located within and associated with a metasedimentary lithologic corridor, bounded to the south by the PL-3B basement Electro-Magnetic (EM) Conductor, and now in addition associated with the eastern PL-3C conductor.

An EIC radon gas survey to measure samples of radon in lake beneath the surface ice was conducted by RadonEx Exploration Management, of St Lazare, Quebec. The Company's use of RadonEx's lake bottom radon sampling survey (where the survey is conducted in the winter beneath the lake ice over known EM conductor axis) has shown to be an important layer of information to be used in identifying areas reflective of nearby radioactive source anomalies in bedrock. Analysis of these results was useful in assisting drill targeting during the 2013 drill programs at PLS. The survey comprised primarily samples of measurements of radon in water.

The radon-in-water survey followed up on 15 discrete geophysics-identified time domain electromagnetic (TDEM) basement conductors in 4 high priority areas (Areas A, B, C and D). Some of the radon anomalies are on the same scale of intensity as the anomalies associated with the PL-3B conductor at PLS that led to the discovery of high-grade uranium mineralization in drill core in 2013. The 2013 radon survey assisted targeting along the PL-3B conductor and was a contributing factor in the success of drill collar step outs as large as 465m at PLS.

In April and May 2014, Lake-bottom spectrometry was performed as a test trial, by Special Projects Inc., over the main resource zone and the B grid area; a total of 1,189 stations were measured.

In April 2014, GPR bathymetry was performed as a test trial, by Special Projects Inc., over the main resource zone; a total of 1,303,002 stations were measured.

Summer 2014 exploration

In July, 2014 a planned 20,330m 63-hole summer 2014 drill program, later expanded to 28,328m in 82 holes, commenced at the PLS property. The drill program was completed on September 15, 2014. Using primarily one Reverse Circulation ("RC") drill, which pre-cased 69 targets, and five diamond drills, a total of 28,328m of drilling was completed. Of the 82 core holes completed, 60 holes (73%) were designated as delineation holes on the main mineralized trend and 22 holes (27%) were designated as regional exploration holes with the objective to discover new mineralized occurrences.

A total of 56 of 60 holes completed over the main mineralized zone, were angled, most at -70° dip and all 60 holes were mineralized. Angled holes were drilled to improve Fission's understanding of the discovery's geometry and assisting in the identification of new mineralized areas.

Patterson Lake South (continued)

Summer 2014 exploration (continued)

Important milestones achieved by the summer 2014 delineation drill program include:

- Merging of R780E with R1150E into a single zone referred to as R780E;
- Expansion of R780E zone along strike to the east by 75 m (from line 1080E to line 1155E);
- Net increase of about 108% in strike length of R780E zone to 905m from the length defined during the winter 2014 program;
- Increase in north-south lateral width of R780E zone up to 50m north on lines 870E, 915E and 960E, approximately 15m south on line 840E and 30m north on line 525E, defined in the winter 2014 program; and
- Discovery of deeper mineralization hosted in previously unknown metapelitic gneiss parallel and about 45m north of the main zone mineralized horizon.

The 22 regional exploration drill holes completed in the summer 2014 program tested eleven EM conductors: PLG-1B, 2C, 3A, 3C, 10B, 91A, 63C 64A, 103A, 104A and 105A. Mineralization with a high of 2,532 cps was detected at hole PLS14-255 (Far East Grid) using a 2PGA-1000 natural gamma downhole probe while testing conductor 105A located about 17km southeast of the main discovery. Anomalous radioactivity was also detected at holes PLS14-252 (conductor 1B), PLS14-262 and PLS14-284 (conductor 105A) and PLS14-260 (conductor 104A) with a hand-held RS-121 Scintillometer manufactured by Radiation Solutions.

The final R780E Zone assay results from the PLS summer 2014 drilling program were announced on December 1, 2014.

With the completion of the summer 2014 drill program and the return of all geochemical assays, uranium mineralization at PLS has now been traced by core drilling over 2.24km of east-west strike length in four separate mineralized "zones" from line 615W (PLS13-124) to line 1620E (PLS14-196 and PLS14-208). From west to east, these zones are: R600W, R00E, R780E and R1620E. Successful drilling completed to date has merged the former R390E, R585E, R945E and R1155E zones into the R780E Zone. Holes PLS14-264 and PLS14-274 confirmed the latest connection between R780E and R1155E zones, while Hole PLS14-285 (Line 1095E) intersected stronger mineralization than previously encountered. The newly enlarged R780E Zone's strike length has increased from 855m to 905m (between lines 225E and 1155E)

Mineralization remains open along strike both to the western and eastern extents. Mineralization is located within and associated with a metasedimentary lithologic corridor, bounded to the south by the PLG-3B basement Electro-Magnetic (EM) Conductor, and in addition associated with the eastern PLG-3C conductor.

Exploration drill hole PLS14-255 encountered elevated radioactivity at the Far East target area of PLS, 17 kilometres south-east of the main discovery area, followed by three other holes similarly demonstrating anomalous radioactivity measurements. Exploration drill hole PLS14-252, targeting the 1B EM conductor on the PL Corridor, located approximately 750 metres east of the main discovery area, also intersected anomalous radioactivity.

Patterson Lake South (continued)

Summer 2014 exploration (continued)

In April 2014, 2,126 line-km of airborne magnetics surveying was conducted by Special Projects Inc. over the Patterson Lake and Forrest Lake areas. Results and interpretation are pending.

In August 2014, 7.5 line-km of Small Moving Loop Time-Domain Electromagnetic (SMLTEM) ground survey was conducted by Patterson Geophysics Inc. of La Ronge, SK east of Forrest Lake over three reconnaissance grid lines to define multiple high priority VTEM conductors. Interpretation by Living Sky Geophysics of Saskatoon, SK produced 11 conductor picks of which three were selected for drill follow-up based on high conductivity-thickness values. A 74.5km grid was established for the SMLTEM survey and loop edge lines east of Forrest Lake.

In August 2014, Remote Exploration Services (Pty) Limited completed a proprietary radon-in-soil emanometry technique ('RadonX') - test survey, samples taken with long measurement durations to average out diurnal variations. A total of 580 cup measurements were collected on-land along expected mineralized zones between lines 600W and 00E where drill testing has been limited.

The test was initiated in an attempt to resolve low level reproducibility of past surveys. Several discrete radon gas anomalies were confirmed within the survey area, suggesting the presence of untested mineralization.

In October 2014, Remote Exploration Services (Pty) Limited completed RadonX radon-in-soil surveying on the S1, S2, S3 and S4 conductor target areas. Interpretation of the results are pending.

In October 2014, PetroFind Geochem Ltd. conducted helium, neon and hydrogen-in-soil surveying in the Zone 600W area. Interpretation of the results are pending.

In April to May, July and November 2014, sonar bathymetry surveying was conducted by Special Projects Inc. on Patterson Lake including the main resource zone, providing a detailed lake-bottom elevation model.

In October 2014, airborne LiDAR surveying was conducted by Eagle Mapping Ltd. in order to establish a high-resolution digital elevation model ('DEM') of the central region of the PLS property including the resource zone area.

In October 2014, ground IP-resistivity geophysical surveying totaling 23.2 line-km was conducted by Patterson Geophysics Inc. on the S4 and U3-U4 conductor target grids in order to provide further resolution of the airborne conductors. Results and interpretation are pending.

Triple R Deposit Mineral Resources as of January 5, 2015

On January 9, 2015, the Company announced the results of the independent resource estimate. The high-grade uranium deposit was named the 'Triple R Deposit". (See *"Triple R Deposit Mineral Resources"* table on page 7)

Winter 2015 exploration

A planned $10 million, 63-hole (20,230m) winter exploration program commenced at the PLS property in January 2015 and is currently in progress.

Selected annual information [1]

Year ended	June 30 2014	June 30 2013	June 30 2012
	$	$	$
Net loss and comprehensive loss	(4,750,560)	(6,448,123)	(4,157,161)
Total assets	240,027,324	28,609,859	5,553,512
Total liabilities	3,312,827	4,002,317	1,489,351
Shareholders' equity	236,714,497	24,607,542	4,064,161
Basic and diluted loss per common share	(0.02)	(0.04)	(0.03)

(1) The results up to April 26, 2013 have been prepared on a carve-out basis from certain allocations of Fission Energy's financial statements.

Summary of quarterly results [1]

Quarter ended	December 31 2014	September 30 2014	June 30 2014	March 31 2014
	$	$	$	$
Exploration and evaluation assets	226,837,890	223,668,682	210,020,459	201,683,220
Working capital	17,774,121 [2]	21,600,812 [2]	26,451,356	7,422,682
Net income (loss) and comprehensive income (loss)	(4,698,667)	(3,392,936)	(4,347,981)	(502,678)
Net income (loss) per share basic and diluted	(0.01)	(0.01)	(0.02)	(0.00)

Quarter ended	December 31 2013	September 30 2013	June 30 2013	March 31 2013
	$	$	$	$
Exploration and evaluation assets	187,316,981	14,323,645	10,041,838	9,299,041
Working capital	16,256,358 [3]	11,036,968	15,983,541	(1,269,699)
Net income (loss) and comprehensive income (loss)	2,284,381	(2,184,282)	(2,979,190)	(1,495,409)
Net income (loss) per share basic and diluted	0.01	(0.01)	(0.02)	(0.01)

(1) The results up to April 26, 2013 have been prepared on a carve-out basis from certain allocations of Fission Energy's financial statements.

(2) The working capital at December 31, 2014 and September 30, 2014 include a $4,321,125 flow-through share premium liability which is a non-cash item and will be taken into other income when the renunciation documents are filed.

(3) The working capital at December 31, 2013 includes a $3,947,582 flow-through share premium liability which is a non-cash item and will be taken into other income when the renunciation documents are filed.

Results of operations

The expenses incurred by the Company are typical of junior exploration and development companies that do not have established cash flows from mining operations. Changes in these expenditures from quarter to quarter are impacted directly by non-recurring activities or events. The Company does not have any significant revenues other than interest and miscellaneous income.

Results of operations (continued)

Comparison of the three months ended December 31, 2014 and December 31, 2013.

- The Company had a net loss and comprehensive loss of $4,698,667 (($0.01) per basic share and diluted share) compared to a net income and comprehensive income of $2,284,381 ($0.01 per basic share and diluted share). The three months ended December 31, 2013 included an $8,963,501 gain on the spin-off transaction as a result of the net assets transferred to Fission 3.0.

- Office and administration fees increased to $382,357 from $280,869 primarily as a result of regulatory and filing fees associated with the Company's listing on the Toronto Stock Exchange ("TSX") on October 8, 2014.

- Professional fees decreased to $34,644 from $372,627. The three months ended December 31, 2013 included several non-recurring legal and accounting costs associated with the Alpha Arrangement which caused a significant increase to professional fees.

- Public relations and communications decreased to $265,621 from $496,504. A significant portion of the decrease is attributable to the three months ended December 31, 2013 containing significant shareholder dissemination costs associated with the Alpha Arrangement and Fission Uranium Arrangement.

- Share-based compensation decreased to $2,431,205 from $3,415,750. The three months ended December 2013 was greater largely as a result of share-based compensation recognized on the Alpha options replaced by Fission Uranium options.

- Wages and benefits decreased to $737,600 from $1,133,438 largely as a result of lower bonus payments to officers and employees.

- The exploration management fee income decreased to $Nil from $165,514 as a result of the Company acquiring 100% of PLS through the Alpha Arrangement.

Comparison of the six months ended December 31, 2014 and December 31, 2013.

- The Company had a net loss and comprehensive loss of $8,091,603 (($0.02) per basic share and diluted share) compared to a net income and comprehensive income of $100,099 ($0.00 per basic share and diluted share). The six-month period ended December 31, 2013 included an $8,963,501 gain on the spin-off transaction as a result of the net assets transferred to Fission 3.0.

- Office and administration fees increased to $567,673 from $487,593. A significant portion of the increase is a result of regulatory and filing fees associated with the Company's listing on the Toronto Stock Exchange ("TSX") on October 8, 2014.

- Professional fees decreased to $213,585 from $1,087,411. The six-month period ended December 31, 2013 was greater primarily as a result of non-recurring legal and accounting costs associated with the Alpha Arrangement and Fission Uranium Arrangement.

- Public relations and communications decreased to $586,218 from $759,636. The six-month period ended December 31, 2013 was greater primarily as a result of shareholder dissemination costs associated with the Alpha Arrangement and Fission Uranium Arrangement.

Results of operations (continued)

Comparison of the six months ended December 31, 2014 and December 31, 2013. (continued)

- Share-based compensation increased slightly to $4,499,273 from $4,335,138. The six-month period ended December 31, 2014 showed a decrease of share based compensation resulting from the Alpha options replaced by Fission Uranium Options in December 2013 which was offset by an increase in share based compensation recognized pursuant to the grant of stock options on December 15, 2014.

- Wages and benefits decreased to $934,519 from $1,320,107 largely as a result of lower bonus payments to officers and employees.

- The exploration management fee income decreased to $Nil from $437,200 as a result of the Company acquiring 100% of PLS through the Alpha Arrangement.

Short form prospectus financings - use of proceeds

April 1, 2014 private placement

The actual use of proceeds, as at December 31, 2014 in comparison to the proposed use of proceeds included in the Company's short form prospectus (the "Prospectus") dated April 24, 2014, is outlined below:

Uses	Proposed Use of Proceeds [1]	Actual Use of Proceeds	Remaining to be Spent/Difference
	$	$	$
Exploration and evaluation assets [2]	21,153,300	13,463,657	7,689,643
General and administrative costs	5,852,700	3,599,974	2,252,726
Share issuance costs - September 23, 2014 flow-through private placement	-	917,874	(917,874)
Total	**27,006,000**	**17,981,505**	**9,024,495**

(1) The Company estimated the net proceeds from the Special Warrant private placement to be $27,006,000 at the time of the Prospectus. The actual net proceeds were $26,958,088.

(2) On September 23, 2014 the Company completed a flow-through private placement. Accordingly any eligible exploration expenditures incurred after September 23, 2014 will be funded from the gross proceeds of the flow-through private placement.

As set out in the Prospectus, the Company intended to use the proceeds for the exploration and development of the PLS property and for general and administrative costs, from July 1, 2014 to September 30, 2015.

Prior to July 1, 2014 the Company had used $554,640 of such proceeds as disclosed in the Company's Management's Discussion and Analysis for the year ended June 30, 2014.

As of December 31, 2014, the Company has used only the portion of such proceeds noted in the table above. The amount remaining to be spent on exploration and evaluation assets will be spent on future exploration and evaluation expenditures once the gross proceeds from the September 23, 2014 flow-through private placement have been fully spent on eligible exploration expenditures. The general and administrative costs differences outlined above primarily represent the remaining expenditures from January 1, 2015 to September 30, 2015. The share issuance costs differences noted above relate to funds that were used to pay for share issuance costs related to the September 23, 2014 flow-through private placement. The share issuance costs are not eligible flow-through expenditures and therefore could not be paid from the gross proceeds of the September 23, 2014 flow-through private placement.

The differences noted above are not expected to have a material impact on the Company's ability to achieve its business objectives and milestones as set out in the Prospectus.

Short form prospectus financings - use of proceeds (continued)

The Company will provide updated disclosure regarding the use of such proceeds in subsequent Management's Discussion and Analysis as required.

Liquidity and capital resources

Fission Uranium is an exploration and evaluation company and has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for 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.

The Company's ability to meet its obligations and its ability to fund exploration programs depends on its ability to raise funds. The Company anticipates being able to raise funds, as necessary, primarily through equity financings. To date the Company has been successful in raising funds through equity private placements, however there are no assurances that the Company will be successful in raising funds in the future. On an ongoing basis, the Company monitors and adjusts, when required, exploration programs as well as ongoing general and administrative costs to ensure that adequate levels of working capital are maintained.

The Company has no exploration and evaluation asset agreements that require it to meet certain expenditures.

Financing and private placements

- December 9, 2013 flow-through private placement

  The Company completed a private placement of 8,581,700 flow-through common shares at $1.50 per share for aggregate gross proceeds of $12,872,550. The Company paid agents' commissions of $723,148 plus $217,695 of expenses and issued 482,099 broker warrants with an attributed value of $230,700 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of $1.50 per share with an expiry date of December 9, 2015. The assumptions used in the Black-Scholes pricing model include a volatility of 104.55%, risk free interest rate of 1.08%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. A flow-through share premium liability of $3,947,582 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into income when the renunciation documents were filed.

- April 1, 2014 private placement

  The Company completed a private placement of 17,968,750 special warrants ("Special Warrants"), at a price of $1.60 per Special Warrant, for gross proceeds of $28,750,000. The Company paid agents' commissions of $1,437,500 plus $354,412 of expenses and issued 898,439 broker warrants with an attributed value of $824,624 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of $1.60 per share with an expiry date of April 1, 2016. The assumptions used in the Black Scholes pricing model include a volatility of 104.39%, risk free interest rate of 1.07%, expected life of 2 years and a divided rate of 0%.

  All warrants vested immediately on the date of the grant. On April 25, 2014 the Company received approval for the final short form prospectus. On April 28, 2014 the 17,968,750 Special Warrants were automatically exercised into 17,968,750 common shares of the Company.

Liquidity and capital resources

Financing and private placements (continued)

- September 23, 2014 flow-through private placement

  The Company completed a private placement of 9,602,500 flow-through common shares at a price of $1.50 per share, for gross proceeds of $14,403,750. The Company paid agents' commissions of $714,109 plus $203,765 of expenses. At the time of financing, a flow-through share premium liability of $4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability will be taken into other income when the renunciation documents are filed.

Changes in working capital for the six-month period ended December 31, 2014

- At December 31, 2014, the Company had a positive working capital balance of $17,774,121 as compared to $26,451,356 at June 30, 2014. The working capital at December 31, 2014 includes a $4,321,125 flow-through share premium liability which is a non-cash item and will be taken into other income when the renunciation documents are filed. The decrease in working capital is primarily due to a large summer 2014 exploration program at PLS, and recognition of a flow-through share premium liability of $4,321,125. This was offset by net proceeds of $13,485,876 from the September 23, 2014 flow-through private placement.

- The Company's accounts payable and accrued liabilities at December 31, 2014 were $1,077,692 compared to $3,312,827 at June 30, 2014. The balance was higher at June 30, 2014 primarily as a result of outstanding invoices to PLS contractors.

Cash flow for the three months ended December 31, 2014:

Cash and cash equivalents for the three months ended December 31, 2014 decreased by $6,828,462 primarily as a result of:

- Cash spent on exploration and evaluation asset activities of $5,976,882 for exploration expenditures incurred on the Company's exploration project. During the three months ended December 31, 2014 the Company also recorded proceeds from the exercise of stock options and warrants of $1,358,647.

Cash flow for the six-month period ended December 31, 2014:

Cash and cash equivalents for the six-month period ended December 31, 2014 decreased by $6,338,895 primarily as a result of:

- Cash spent on exploration and evaluation asset activities of $18,290,585 for exploration expenditures incurred on the Company's exploration project. The cash outflow on exploration activities was offset by the net proceeds from the September 23, 2014 flow-through private placement of $13,485,876 and proceeds from the exercise of stock options and warrants of $1,902,607.

Related party transactions

The Company identified directors and certain senior management as its key management personnel. The compensation costs for key management personnel are as follows:

	Three months ended December 31		Six months ended December 31	
	2014	2013	**2014**	2013
	$	$	**$**	$
Compensation Costs				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	**923,930**	1,411,226	**1,257,556**	1,638,250
Directors fees	**112,000**	48,650	**164,500**	111,800
Share-based compensation for vesting of options previously granted to certain senior management	**523,741**	593,500	**1,001,708**	879,539
Share-based compensation for vesting of options previously granted to directors	**817,764**	769,702	**1,547,174**	1,154,508
	2,377,435	2,823,078	**3,970,938**	3,784,097

	Three months ended December 31		Six months ended December 31	
	2014	2013	**2014**	2013
	$	$		
Amounts Received or Receivable				
Exploration and administrative services billed to Fission 3.0 Corp. a company with common directors and management	**112,957**	18,213	**231,546**	18,213

Share based compensation represent the fair value calculations of options in accordance with *IFRS 2 Share-based Payments* granted to key management personnel.

Included in accounts payable at December 31, 2014 is $230,849 (June 30, 2014 - $191,003) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at December 31, 2014 is $31,670 (June 30, 2014 - $7,371) for exploration and administrative services and expense recoveries due from Fission 3.0.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outstanding share data

As at February 16, 2015, the Company has 368,685,972 common shares issued and outstanding, 33,768,333 incentive stock options outstanding with exercise prices ranging from $0.2505 to $1.65 per share and 5,582,687 share purchase warrants outstanding with exercise prices ranging from $0.7085 to $1.60 per share.

Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. If either of the two criteria are not met, the financial asset is classified at 'fair value through profit or loss'.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

Key estimates and judgments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the condensed consolidated interim 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.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in the following areas:

(i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the PLS property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and

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

Significant accounting policies

A summary of the Company's significant accounting policies is included in note 4 of the audited consolidated financial statements for the year ended June 30, 2014 except for the IFRS standards adopted as described below.

IFRS standards adopted

IFRS 9, Financial Instruments

On July 24, 2014 the IASB issued IFRS 9, Financial Instruments, which will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. For financial liabilities, the standard retains most of the IAS 39 requirements.

Adoption of IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018 however the Company has early adopted IFRS 9 effective July 1, 2014, as well as the related consequential amendments to other IFRSs. The Company has assessed the financial assets and financial liabilities held by the Company at the date of initial application of IFRS 9. The main effects resulting from this assessment were:

(i) Short-term investments previously classified as held for trading and measured at fair value through profit and loss continue to be recognized in a consistent manner. The Company has not made any elections to recognize fair value changes on any of its equity instruments through other comprehensive income.

(ii) All other financial instruments including cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities continue to be recognized at fair value on initial recognition and subsequently measured at amortized cost.

There was no difference between the previous carrying amount (under IAS 39) and the revised carrying amount (under IFRS 9) of the financial assets or financial liabilities as at July 1, 2014 to be recognized in opening deficit.

Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. If either of the two criteria are not met, the financial asset is classified at 'fair value through profit or loss'.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

IFRS standards adopted (continued)

IFRS 9, Financial Instruments (continued)

Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

New standards, amendments and interpretations not yet effective

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2015.

There are no new or revised standards that are not yet effective which are expected to have a significant impact to the Company's financial statements.

Contingencies

(a) July 29, 2013 Civil Claim and November 8, 2013 Counterclaim

On November 8, 2013, the Company received a counterclaim filed in the Supreme Court of British Columbia wherein it is named as a defendant by way of counterclaim to the Company's civil claim filed against Jody Dahrouge, Debbie Dahrouge, 877384 Alberta Ltd. and Dahrouge Geological Consulting Ltd. on July 29, 2013. The counterclaim alleges, among other things, that the Company slandered title to the properties at issue in the civil claim filed by the Company; and the Company interfered with Dahrouge Geological Consulting Ltd. contractual relations. Fission 3.0 Corp. has agreed to indemnify the Company for any losses incurred by the Company arising out of the counterclaim.

Subsequent to December 31, 2014, the litigation between the parties was resolved to the satisfaction of all parties.

(b) February 5, 2014 Notice of Civil Claim

On February 5, 2014, the Company received notice of a civil claim filed in the Supreme Court of British Columbia wherein it is named as a defendant. The claim was made by Mr. Jody Dahrouge, a former director of Fission Energy Corp. with whom the Company is engaged in separate, ongoing litigation. The claim alleges that an officer of the Company defamed Mr. Dahrouge in statements made in a magazine interview given in December 2013.

Subsequent to December 31, 2014, the litigation between the parties was resolved to the satisfaction of all parties.

Subsequent events

Subsequent to December 31, 2014:

a) 441,875 stock options were exercised with a weighted average exercise price of $0.7320 and a weighted average share price of $1.0281, 860,000 stock options expired, and 970,000 stock options were forfeited; and

b) 2,300,625 warrants were exercised with a weighted average exercise price of $0.4616 and a weighted average share price of $1.1242.

c) The Company entered into a subscription agreement with Fission 3.0, pursuant to which the Company will purchase, on a non-brokered private placement basis, 22,000,000 common shares (the "Purchased Shares") of Fission 3.0 at a price of $0.14 per share for a total subscription price of $3,080,000. The Purchased Shares will have a hold of four months and one day from closing.

   The Purchased Shares represent approximately 12% of Fission 3.0's issued and outstanding share capital.