Management's Discussion & Analysis

Fission Uranium Corp.

For the Nine Month Period Ended
March 31, 2015

Introduction

The following Management's Discussion and Analysis, prepared as of May 14, 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 nine month period ended March 31, 2015. 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 March 31, 2015.

Additional information related to the Company, including the most recent Annual Information Form, is available for viewing on SEDAR at www.sedar.com. Further information including news releases and property maps are available on the Company's website at www.fissionuranium.com, or by requesting further information from the Company's head office located at 700 – 1620 Dickson Ave., Kelowna, British Columbia, Canada, V1Y 9Y2.

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. ("Fission Uranium" or "the Company") is a junior resource issuer specializing in uranium exploration and development in Saskatchewan's Athabasca Basin in Western Canada. The Company 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 primary asset is the Patterson Lake South ("PLS") project, which hosts the Triple R deposit – the largest undeveloped uranium deposit in Canada's Athabasca Basin District. The property comprises 17 contiguous claims totaling 31,039 hectares and is located in the south west margin of Saskatchewan's Athabasca Basin, home of the richest producing uranium mines in the world.

Previously the Company shared ownership interest in the Patterson Lake South project ("PLS Property") with Alpha Minerals Inc. ("Alpha") 50/50 through an exploration joint venture agreement ("PLS Joint Venture").

On December 6, 2013 the Company consolidated 100% ownership of the PLS Property by acquiring all of the issued and outstanding shares of Alpha Minerals Inc. ("Alpha") and its 50% interest in the PLS Joint Venture.

Corporate goals

Fission Uranium's goal is to continue growing the Triple R deposit and to discover additional high-grade uranium deposits at PLS through exploration. Management will continue to seek strategic opportunities to appropriately monetize the PLS Property and Triple R deposit for its shareholders.

Specific growth plans include:

- Expanding the overall footprint of known mineralized areas with the aim to increase the overall mineral resource of the Triple R deposit (see Triple R deposit mineral resources on Page 7) and potentially include peripheral mineralized zones;
- Target areas that were under-drilled prior to the release of the initial resource estimate detailed in the NI 43-101 report (dated February 12, 2015) and to discover and/or define new mineralization; and
- Preparing a Preliminary Economic Assessment ("PEA") during 2015 for the Triple R deposit on the PLS project.

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. The cost of conducting and continuing mineral exploration and development is significant, and there is no assurance that such activities will result in the discovery of new mineralization or that the discovery of a mineral deposit will be developed and advanced to commercial production.

The Athabasca Basin has remained the primary focus of continued interest to uranium investors for the following reasons:

1. The region is host to the world's highest grade uranium deposits, with mineral resource grades several times the world average. In addition, Saskatchewan is widely recognized as a world-class mining jurisdiction with strong local, provincial and federal support, straight forward permitting, excellent infrastructure and highly skilled labour. In 2014, the Fraser Institute ranked Saskatchewan as the most attractive jurisdiction for mining investment in Canada and 2nd overall in the world.

2. 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 in region.

3. Completion of the Fission Energy Arrangement with Denison Mines Corp. ("Denison") in April 2013, resulting in Denison acquiring the Waterbury Lake deposit. Both the Hathor Exploration acquisition by Rio Tinto and subsequent Waterbury Lake acquisition by Denison, confirmed the premium value attributed to deposits in the Athabasca Basin, despite an overall weak uranium price environment.

4. 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 and has been followed by other high-grade discoveries in the region.

Corporate goals (continued)

5. In 2013, Canada 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 continue attracting new foreign investment in the development of uranium projects, most notably in the Athabasca Basin.

In addition, the Company will continue 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 and development plans at the PLS Property. 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 March 31, 2015 and subsequent:

Key technical highlights

On February 23, 2015, Fission Uranium SEDAR filed its NI 43-101 technical report entitled "Technical Report on the Patterson Lake South (PLS) Property, Northern Saskatchewan, Canada" prepared by David A. Ross, M.Sc., P.Geo. of Roscoe Postle Associates Inc ("RPA"). The report includes the results of an independent initial resource estimate for the R00E and R780E zones at its PLS Property. In the report dated February 12, 2015, the newly named Triple R deposit is estimated to contain:

An indicated mineral resource of 79,610,000 lbs U_3O_8 based on 2,291,000 tonnes at an average grade of 1.58% U_3O_8, including:

- High-grade domain of 44,297,000 lbs U_3O_8 based on 110,000 tonnes at a grade of 18.21% U_3O_8

An inferred mineral resource of 25,884,000 lbs U_3O_8 based on 901,000 tonnes at an average grade of 1.30% U_3O_8, including:

- High-grade domain of 13,860,000 lbs U_3O_8 based on 24,000 tonnes at a grade of 26.35% U_3O_8

The current indicated and inferred mineral resources are stated using a cut-off grade of 0.1% U_3O_8. (See PLS NI 43-101 technical report & resource estimate on page 7 for further details).

Winter 2015 drill program

The winter 2015 program achieved significant growth in the mineralized footprint of the R780E zone, including significant expansion of the R780E Main high-grade domain. In addition high-grade uranium mineralization over exceptional widths was discovered at the R600W zone. Regional exploration drilling conducted throughout the property identified new areas for follow-up exploration. At the conclusion of the highly successful winter 2015 drill program, the Triple R deposit remains open along strike, at width, and vertically and continues to demonstrate significant potential for further expansion of the existing high-grade resource.

Fission Uranium completed a total of 88 drill holes in 28,296m. The program was divided into Resource Growth and Exploration Holes.

Summary of significant accomplishments for the three months ended March 31, 2015 and subsequent: (continued)

Winter 2015 drill program (continued)

Resource Growth (64 holes / 21,346m)

R780E zone (51 holes / 17,277m)

- Expanded footprint outside of the mineralized shell boundaries constructed and used by RPA for the resource estimate. 32 of 33 holes drilled were mineralized.

- Tested around and within the R780E Main zone with 18 holes. Holes designed to expand size and/or grade in areas that Fission felt the resource estimate had underestimated. Overall this has been successful, with the expansion of high-grade where the model did not previously have it.

- Excellent assay results were received and included hole PLS15-299 which returned 1.91% U_3O_8 over 33.5m including a significantly higher grade 14.09% U_3O_8 over 3.5m.

R00E zone (5 holes / 1,593m)

- Narrow, but weak mineralization was encountered in the 225m gap between the R00E and the R780E zones, which will require further drilling to determine if mineralization is present between the two zones.

R600W zone (7 holes / 2,146m)

- Land based drilling encountered major high-grade mineralization on trend 555m to the west of Triple R deposit.

- Includes one of the top five strongest mineralized holes at PLS - Hole PLS15-352 which returned 28.32% U_3O_8 over 12.0m within a larger interval of 11.09% U_3O_8 over 31.5m.

- Assay results from hole PLS15-343 demonstrated exceptionally strong mineralization totalling 3.36% U_3O_8 over 44.0m, including 14.74% U_3O_8 over 3.5m.

- Zone has expanded to 60m strike length and is high-grade. Previously was 30m strike length and all lower grade mineralization.

R1620E zone (1 hole / 330m)

- Extended mineralization to 45m west from line 1620E to 1575E. The results have given Fission potential to expand the zone of mineralization along strike of the R1620E zone.

Summary of significant accomplishments for the three months ended March 31, 2015 and subsequent: (continued)

Winter 2015 drill program (continued)

Exploration Holes (24 holes / 6,950m)

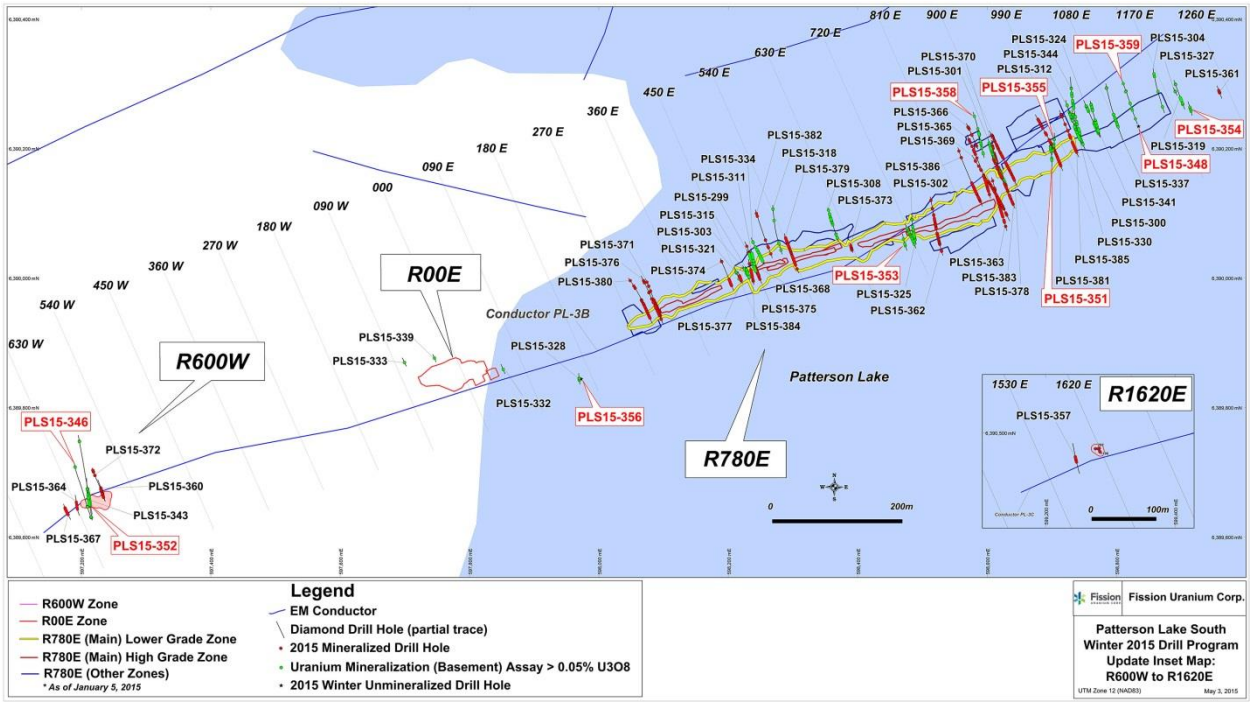
Forest Lake Corridor (20 holes / 5,637m)

- Drilling encountered geology prospective for hosting uranium mineralization and somewhat localized anomalous radioactivity, proving significant potential.
- Two holes showed weak but anomalous radioactivity over narrow widths on the PLG-54A. conductor

Patterson Lake Corridor (4 holes / 1,313m)

- Drilling encountered geology prospective for hosting uranium mineralization.
- The two most encouraging holes (PLS15-323 and PLS15-329) are on EM conductors further to the NE of Triple R deposit trend.

Map 1 - Winter 2015 Drill Program Update Inset Map: R600W to R1620E (May 3, 2015)



Summary of significant accomplishments for the three months ended March 31, 2015 and subsequent: (continued)

Corporate highlights

On April 29 2015, Fission Uranium completed a "bought deal" flow-through common share private placement with a syndicate of underwriters for the sale of 13,340,000 flow-through common shares of the Company, including the underwriters' overallotment, at a price of $1.50 per flow-through common share, for total gross proceeds of $20,010,000;

On February 23, 2015 Fission Uranium acquired 22,000,000 common shares of Fission 3.0 Corp. ("Fission 3.0") by way of private placement at a price of CDN$0.14 per Common Share, which represents approximately 12.36% ownership of Fission 3.0's issued and outstanding share capital.

PLS Property

Details of the Company's PLS Project as of March 31, 2015 are shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value ($CDN)
Patterson Lake South	Athabasca Basin, SK	100%	17	31,039	Drilling	238,475,731

Scientific and technical information regarding exploration activities was reviewed and approved by Ross McElroy, P. Geol. President and COO, a "Qualified Person" as defined by NI 43-101.

PLS mineralized trend & Triple R deposit summary

Uranium mineralization at PLS has been traced by core drilling over 2.27km of east-west strike in length in four separate mineralized "zones". From west to east, these zones are; R600W, R00E, R780E and R1620E.

The discovery hole of what is now referred to as the Triple R deposit was announced on November 5, 2012 with drill hole PLS12-022, from what is considered part of the R00E zone. Through successful exploration programs completed to date, it has evolved into a large, near surface, basement hosted, structurally controlled high-grade uranium deposit.

The Triple R deposit consists of the R00E zone on the western side and the much larger R780E zone further on strike to the east. Within the deposit, the R00E and R780E zones have an overall strike length of approximately 1.2km with the R00E Zone measuring approximately 125m in strike length and the R780E zone measuring approximately 900m in strike length. A 225m gap separates the R00E zone to the west and the R780E zone to the east, though sporadic, narrow, weakly mineralized intervals from drill holes completed within this gap suggest the potential for further significant mineralization in this area. The R780E zone is located beneath Patterson Lake which is approximately six metres deep in the area of the deposit. The entire Triple R deposit is covered by approximately 50m of overburden.

Mineralization remains open along strike both to the western and eastern extents. Mineralization is both located within and associated with a metasedimentary lithologic corridor, associated with the PL-3B basement Electro-Magnetic ("EM") Conductor.

PLS NI 43-101 technical report & resource estimate

The NI 43-101 compliant Triple R deposit mineral resource estimate is based on all geochemical assay data available as of January 5, 2015, which includes all drilling on the property up to and including drill hole PLS14-298.

The Triple R deposit resource estimate was prepared using a cut-off grade of 0.1% U_3O_8 and is estimated to contain:

- 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

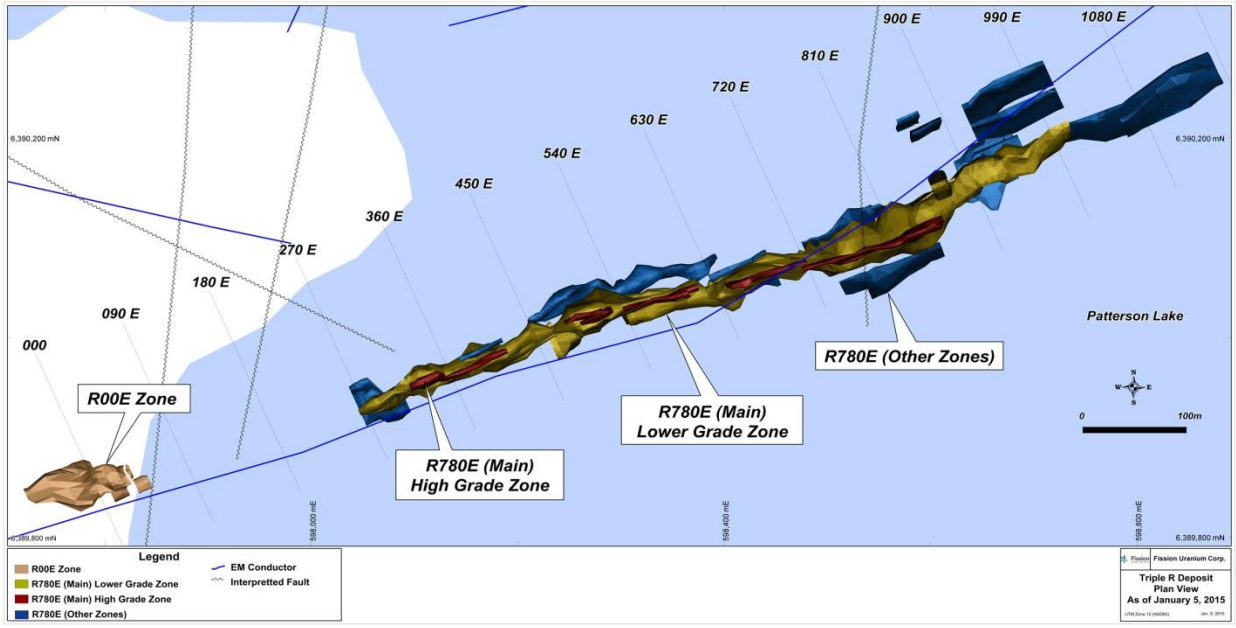
Category	Zone	Sub-Zone	Tonnes	% U_3O_8	g/t Au	Pounds U_3O_8	Ounces Au
Indicated	R00E	Zone	126,000	1.15	0.15	3,180,000	1,000
	R780E (Main)	High Grade	110,000	18.21	2.77	44,297,000	10,000
		Lower Grade	1,898,000	0.69	0.39	28,763,000	24,000
		Subtotal Main	2,008,000	1.65	0.52	73,061,000	34,000
	R780E (Other 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:

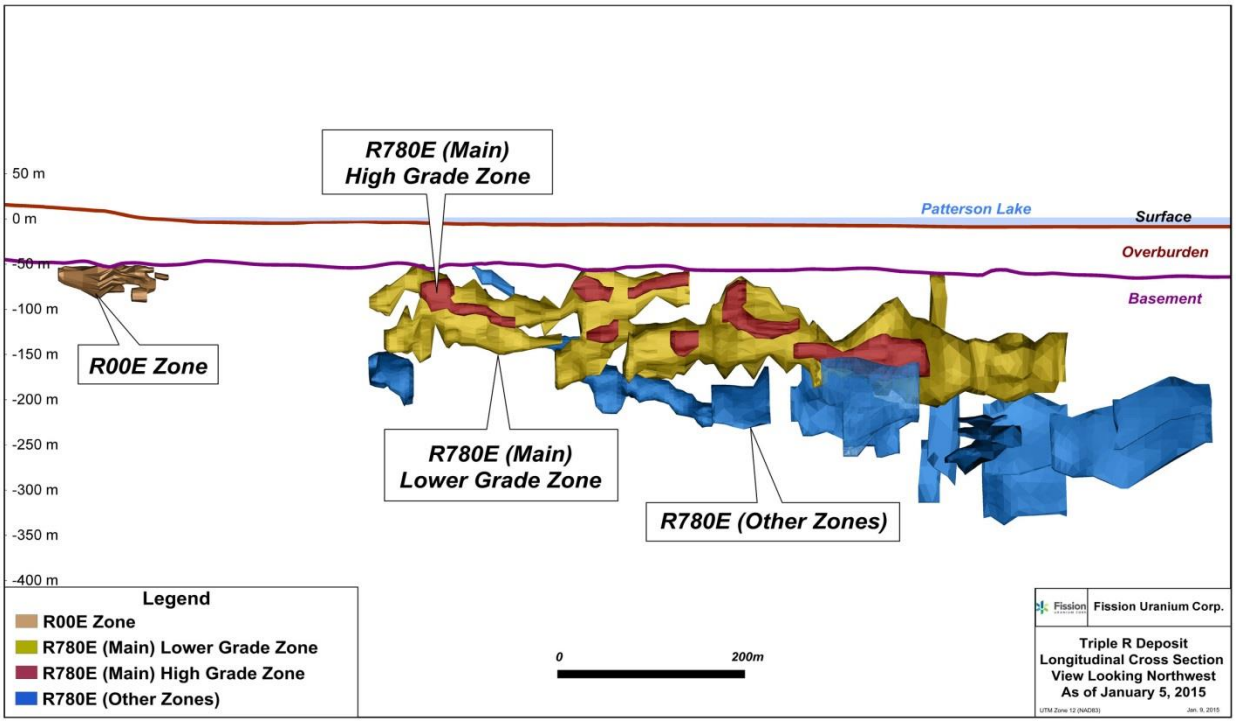
- CIM definitions were followed for Mineral Resources.
- Mineral Resources are reported within a preliminary optimized open pit shell at a cut-off grade of 0.1% U_3O_8. The cut-off grade is based on price of US $50/lb U_3O_8.
- Numbers may not add due to rounding.

PLS NI 43-101 technical report & resource estimate (continued)

Map 2 – Triple R Deposit Plan View (as at January 5, 2015):



Map 3 – Triple R Deposit Longitudinal Cross Section View Looking Northwest (as at January 5, 2015)



PLS NI 43-101 technical report & resource estimate (continued)

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 Roscoe Postle Associates 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.

Cautionary Notice to US Investors Regarding Mineral Resource Estimates

Disclosure of mineral resource estimate and mineral classification terms herein are made in accordance with the Canadian National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects. NI 43-101 is a rule established by the Canadian Securities Administrators ("CSA") that sets the standards for all public disclosure by issuers regarding scientific information and technical data concerning mineral projects. These standards differ significantly from the mineral reserve disclosure rules of the Securities and Exchange Commission ("SEC"). As a result, the Company's mineral resource estimate is not comparable to similar resource information that would be generally disclosed by US based companies under the rules of the SEC. The terms mineral resource, measured mineral resources, indicated mineral resources and inferred mineral resources, are reporting classification standards in Canada. Furthermore, inferred mineral resources have a greater amount of uncertainty as to whether they can be mined economically, legally, or whether they exist at all. In accordance with Canadian rules, inferred mineral resource estimates cannot form the basis of pre-feasibility or feasibility studies. There are no guarantees and it cannot be assumed that any classification of mineral resources: measured, indicated, inferred, in whole, or in part, will ever be upgraded to a higher classification. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

Uranium 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 within the next eight years as compared to 437 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.

Uranium Outlook (continued)

- *Increased long-term demand for uranium*

  Increased long-term demand is expected from developing countries as they construct new nuclear power plants. 65 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. There are currently 23 nuclear power plants under construction in China, which accounts for 35% 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. In 2015, Cameco signed its first contract with India to supply 7.1 million lbs of uranium concentrate through to 2020.

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

Country	Construction	Planned	Proposed	Total
China	23	45	142	210
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	4	8	0	12
Canada	0	2	3	5
Others	17	51	99	167
Total	**65**	**165**	**331**	**561**

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

- *Uranium demand/supply*

  A global uranium demand/supply imbalance has existed for several years, creating a potential for significantly higher uranium prices over the long-term. 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, and production was witnessed. In 2014, uranium production declined to 146 million lbs from 153.4 million lbs in 2013. Uranium demand forecasts have been revised downward, pushing out expected supply deficits beyond 2014. In June 2014, 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 Outlook (continued)

- *Uranium demand/supply (continued)*

  For many years uranium supply has relied on secondary sources to make up production shortfalls. The largest of these, the US-Russian HEU Agreement ("Megatons for Megawatts Program") concluded 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 offset by excess inventory that entered the market from Japan as a result of the post-Fukushima suspension of nuclear power operations, thus gradually reducing the supply overhang.

  In the last two years, a series of events including stalled mining license negotiations in Niger, legal action in Kazakhstan and sanctions against Russia (all three countries are major sources of uranium) have heighted concerns about security of uranium supply. This has led to a general expectation that nuclear energy utilities (the primary users of uranium) will seek their supply in more stable jurisdictions. A deal between Canadian-based uranium producer Cameco and India's power utilities in April 2015 for uranium supply suggests this expectation is correct.

  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. Kazakhstan is now the world's largest producer of uranium with approximately 41% of total worldwide production. The new production is primarily from lower grade deposits, which is not sustainable over the long-term without higher uranium prices. Uranium prices declined to a nine year low in 2014 but have since risen by over 30%. However, higher prices will be necessary to encourage new production to meet forecast long-term supply requirements.

  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.

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 and Japan's fleet of reactors was shut down. A new nuclear regulator was set up and, after a considerable delay, Japan's nuclear operators were given permission to apply to restart their reactors. The process is lengthy and involves multiple safety inspections. At the time of writing, 17 reactors are in various stages of the application process.

In December, 2014, regional authorities in Japan approved the restart of the idled Sendai nuclear plant, subject to passing operational safety check inspections. The news prompted the spot uranium price to jump above US $40.00/lb, its highest level in 16 months. Approval was later given to the Takahama reactors, which are expected to restart in early 2016.

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

The two Sendai nuclear power reactors are expected to restart operations later this summer. However, the proposed Takahama restart has been further delayed when it was reported that local residents were granted an injunction by a District Court citing safety concerns, despite clearance from the Japanese Nuclear Regulatory Agency (Reuters April 14, 2015). A second application for injunction to prohibit the restart of the two Sendai reactors was dismissed by the local District Court, thereby allowing for the resumption of reactor operations. Raymond James noted that this decision significantly de-risks the reactor restart process, further suggesting that the Takahama injunction is an isolated incident (Note from David Sadowski, Raymond James, April 21, 2015). Near-term, the timing of the nuclear reactor restarts in Japan will continue to impact the uranium market and the drawdown of current excess supply in the marketplace, and most notably in Japan where uranium inventories are estimated to exceed 100 million lbs.

Now in its fourth year, this prolonged nuclear shutdown has forced utility companies to import fossil fuels at a cost of US $30 billion a year, to maintain a reliable energy supply, leading to higher energy costs for consumers and industry. Japan is now reliant on importing 84% of its energy needs, and has become the world's largest importer of liquid natural gas. The rising cost of gas imports has also prompted a significant increase in coal imports to replace the cleaner nuclear power provided by the now idled plants.

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).

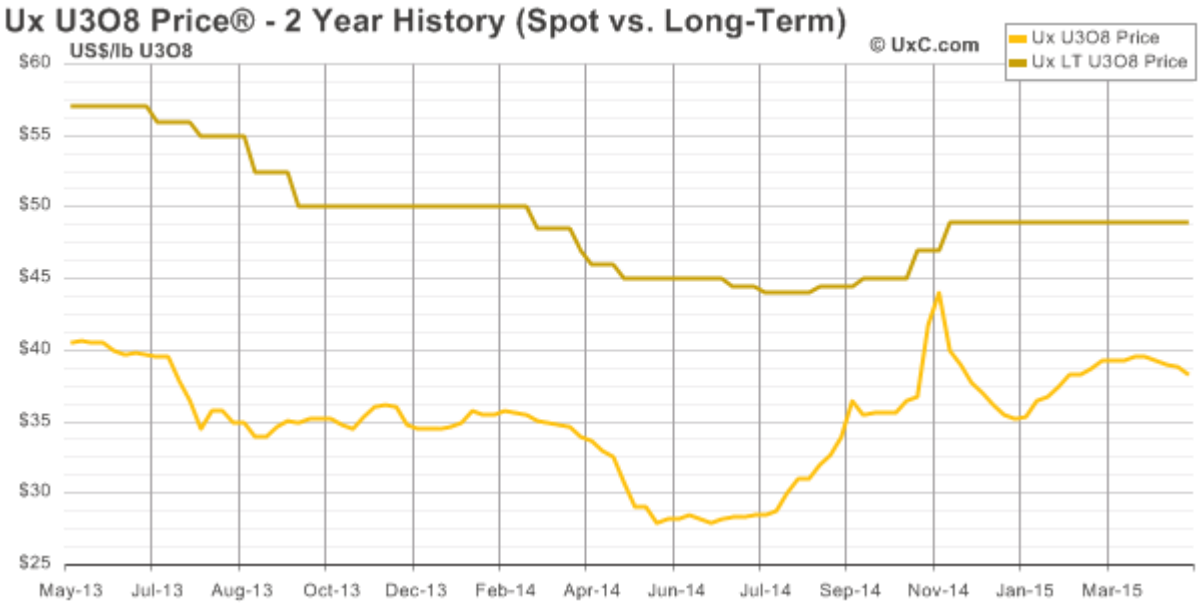
The events in Japan have caused certain countries worldwide to make strong political statements to end their use of nuclear power. Shortly after the Fukushima event, Germany stated its intention to close all 17 nuclear reactors by 2022, while Switzerland suspended the approval process for 3 new nuclear 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.

However , as reported by The Financial Times in February 2014, there are currently more reactors under construction, planned and proposed than prior to the Fukushima event and many countries are strongly in favour of nuclear power. 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 437 to 526.

Performance and summary update

Uranium market



Source: Ux Consulting Company LLC, www.uxc.com: April, 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 April 2015 long-term price closed at US $49.00/lb. The uranium spot price reached an all-time high of US $138.00/lb, in June 2007, 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 $38.25/lb (April 27, 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 were reduced for a second time later in 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)

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 lbs. 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.

Cancellation of the Megaton for Megawatts Program, mine shutdowns resulting in reduced production, project delays and cutbacks, in addition to the continued nuclear power plant construction in China and expectations of Japanese reactor restarts by 2015-2016, are expected to serve as near-term catalysts and exert upward pressure on prices (Raymond James, Salman Partners, Dundee Capital Markets) Raymond James further noted that 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 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.

Selected annual information [(1)]

	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	March 31 2015	December 31 2014	September 30 2014	June 30 2014
	$	$	$	$
Exploration and evaluation assets	238,475,731	226,837,890	223,668,682	210,020,459
Working capital	7,572,587	17,774,121 [2]	21,600,812 [2]	26,451,356
Net income (loss) and comprehensive income (loss)	273,029	(4,698,667)	(3,392,936)	(4,347,981)
Net income (loss) per share basic and diluted	0.00	(0.01)	(0.01)	(0.02)

Quarter ended	March 31 2014	December 31 2013	September 30 2013	June 30 2013
	$	$	$	$
Exploration and evaluation assets	201,683,220	187,316,981	14,323,645	10,041,838
Working capital	7,422,682	16,256,358 [3]	11,036,968	15,983,541
Net income (loss) and comprehensive income (loss)	(502,678)	2,284,381	(2,184,282)	(2,979,190)
Net income (loss) per share basic and diluted	(0.00)	0.01	(0.01)	(0.02)

[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 was taken into other income when the renunciation documents were 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 was taken into other income when the renunciation documents were 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.

Comparison of the three months ended March 31, 2015 and March 31, 2014.

- The Company had a net income and comprehensive income of $273,029 ($0.00 per basic share and diluted share) compared to a net loss and comprehensive loss of $502,678 ($0.00 per basic share and diluted share). The positive net income was largely the result of a larger flow through premium recovery in conjunction with decreased share based compensation expense compared to March 31, 2014.

- Consulting and directors fees increased to $348,957 from $193,816. The increase includes consulting fees associated with the Patterson Lake South NI 43-101 Technical Report & Resource Estimate.

- Office and administration fees decreased to $164,651 from $273,748 as a result of decreased computer costs, decreased telephone costs, and reduced costs associated with the Company's US listing requirements.

Results of operations (continued)

Comparison of the three months ended March 31, 2015 and March 31, 2014. (continued)

- Public relations and communications decreased to $281,380 from $334,141. The three months ended March 31, 2014 was greater primarily as a result of the Company enhancing its public relations program to publicize its successful exploration discoveries.

- Share-based compensation decreased to $694,721 from $1,770,114. The expense for the three months ended March 31, 2014 was larger due to the Company granting stock options during that period.

Comparison of the nine months ended March 31, 2015 and March 31, 2014.

- The Company had a net loss and comprehensive loss of $7,818,574 (($0.02) per basic share and diluted share) compared to a net loss and comprehensive loss of $402,579 (($0.00) per basic share and diluted share). The nine-month period ended March 31, 2014 included an $8,963,501 gain on the spin-off transaction as a result of the net assets transferred to Fission 3.0.

- Professional fees decreased to $387,415 from $1,288,560. The nine-month period ended March 31, 2014 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 $867,598 from $1,093,777. The nine-month period ended March 31, 2014 was greater primarily as a result of shareholder dissemination costs associated with the Alpha Arrangement and Fission Uranium Arrangement. The decrease in the current period is also a result of the Company negotiating better pricing on its news releases.

- Share-based compensation decreased to $5,193,994 from $6,105,252. The nine-month period ended March 31, 2014 included $1,179,407 share based compensation recognized on the Alpha options replaced by Fission Uranium options.

- Wages and benefits decreased to $1,165,523 from $1,535,058 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 the PLS Project through the Alpha Arrangement.

Short form prospectus financings - use of proceeds

April 1, 2014 private placement

The actual use of proceeds, as at March 31, 2015 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][3]			
Drilling	19,037,970	13,177,642	5,860,328
Geophysical, radon and other studies	2,115,330	481,449	1,633,881
	21,153,300	13,659,091	7,494,209
General and administrative costs	5,852,700	5,064,435	788,265
Purchase of investment in Fission 3.0	-	3,080,000	(3,080,000)
Share issuance costs - September 23, 2014 flow-through private placement	-	917,874	(917,874)
Total	**27,006,000**	**22,721,400**	**4,284,600**

[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 eligible exploration expenditures incurred from September 23, 2014 to March, 2015 were funded from the gross proceeds of the September 23, 2014 flow-through private placement.

[3] On April 29, 2015 the Company completed a flow-through private placement. Accordingly any eligible exploration expenditures incurred after April 29, 2015 will be funded from the gross proceeds of the April 29, 2015 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 March 31, 2015, the Company has used only the portion of such proceeds noted in the table above. During March 2015, the Company fulfilled its commitment to spend the gross proceeds from the September 23, 2014 flow-through private placement on eligible exploration expenditures. Accordingly the Company will use proceeds from the private placement for exploration expenditures until April 29, 2015, the date the April 2015 flow-through private placement closed (See Liquidity and capital resources – Financing and private placements). The general and administrative costs differences outlined above primarily represent the remaining expenditures from April 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.

Short form prospectus financings - use of proceeds (continued)

April 29, 2015 flow-through private placement

The Company completed a prospectus private placement on April 29, 2015. The proposed use of proceeds from the financing is as follows:

Uses	Proposed Use of Proceeds [1]
	$
Exploration and evaluation assets	
Drilling	19,100,000
Geophysical studies	570,000
Radon and other studies	340,000
Total	**20,010,000**

[1] The Company estimated the gross proceeds from the private placement to be $17,400,000, before the over-allotment option at the time of the Flow-through Prospectus. The over-allotment option was exercised in full and the actual gross proceeds received were $20,010,000.

The differences noted in the tables 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 and Flow-through Prospectus.

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.

Liquidity and capital resources (continued)

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 dividend 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.

- 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. 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 was taken into other income when the renunciation documents were filed.

- April 29, 2015 flow-through private placement

  The Company completed a private placement of 13,340,000 flow-through common shares at a price of $1.50 per share, for gross proceeds of $20,010,000. The Company paid agents' commissions of $990,435 plus estimated expenses of $400,000. A flow-through share premium liability of $4,402,200 was recognized and will be taken into other income when the renunciation documents are filed.

Liquidity and capital resources (continued)

Changes in working capital for the nine month period ended March 31, 2015

- At March 31, 2015, the Company had a positive working capital balance of $7,572,587 as compared to $26,451,356 at June 30, 2014. The decrease in working capital is primarily due to a large summer 2014 and winter 2015 exploration program at PLS, and the purchase of 22,000,000 common shares of Fission 3.0 for $3,080,000. 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 March 31, 2015 were $2,894,159 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 March 31, 2015:

Cash and cash equivalents for the three months ended March 31, 2015 decreased by $12,915,945 primarily as a result of:

- $9,368,198 for exploration expenditures incurred on the Company's PLS Project and the purchase of 22,000,000 common shares in Fission 3.0 for $3,080,000. During the three months ended March 31, 2015 the Company also recorded proceeds from the exercise of stock options and warrants of $1,403,852.

Cash flow for the nine month period ended March 31, 2015:

Cash and cash equivalents for the nine months ended March 31, 2015 decreased by $19,254,840 primarily as a result of:

- $27,658,783 for exploration expenditures incurred on the Company's PLS Project and the purchase of 22,000,000 common shares in Fission 3.0 for $3,080,000. During the nine months ended March 31, 2015 the Company also received 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 $3,306,522.

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 March 31		Nine months ended March 31	
	2015	2014	**2015**	2014
	$	$	**$**	$
Compensation Costs				
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	**425,419**	266,268	**1,847,474**	2,176,178
Share-based compensation for vesting of options previously granted to key management personnel	**791,258**	1,141,837	**3,340,140**	3,175,884
	1,216,677	1,408,105	**5,187,614**	5,352,062

	Three months ended March 31		Nine months ended March 31	
	2015	2014	**2015**	2014
	$	$	**$**	$
Amounts Received or Receivable				
Exploration and administrative services billed to Fission 3.0 Corp. a company with common directors and management	**49,206**	59,605	**280,752**	77,818

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

Included in accounts payable at March 31, 2015 is $31,140 (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 March 31, 2015 is $12,688 (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 May 14, 2015, the Company has 386,238,121 common shares issued and outstanding, 33,578,333 incentive stock options outstanding with exercise prices ranging from $0.2505 to $1.65 per share and 1,380,538 share purchase warrants outstanding with exercise prices ranging from $1.50 to $1.60 per share.

Internal controls over financial reporting

The Company's management is responsible for designing and maintaining an adequate system of internal controls over financial reporting as required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. Management designed the internal control system based on the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From this framework an evaluation of the internal control system was completed and management believes it to be effective.

Any internal control system, no matter how well designed, has inherent limitations. Therefore, internal controls can only provide reasonable assurance with respect to financial statement preparation and presentation.

There has not been any significant changes in the Company's internal control over financial reporting during the nine months ended March 31, 2015 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

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 unaudited 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.

Key estimates and judgments (continued)

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 new accounting policies and IFRS standards adopted as described below.

New accounting policies

Investments in associates

Entities over which the Company has significant influence but not control are associates. The Company accounts for its investments in associates by using the equity method with the investment initially recorded at cost. Subsequent to the acquisition date, the Company records its shares of the associates' profit or loss in net income or loss and its share of other comprehensive income/(loss) in other comprehensive income/(loss).

Transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Changes in the Company's interest in its associates resulting in dilution gains or losses are recorded in net income or loss.

The Company determines whether any objective evidence of impairment exists at each reporting date. If impaired, the carrying value of the investment is written down to its recoverable amount.

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.

IFRS standards adopted (continued)

IFRS 9, Financial Instruments (continued)

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.

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.