



Condensed Interim Financial Statements

Fission Uranium Corp.

**For the Three Month Period Ended
September 30, 2015**

Fission Uranium Corp.

Condensed Interim Financial Statements

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Fission Uranium Corp.

Condensed interim statements of financial position
(Expressed in Canadian dollars)

		September 30	June 30
	Note	2015	2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		12,450,054	24,773,556
Short-term investments		3,500	2,250
Amounts receivable	4	795,615	393,339
Prepaid expenses		177,014	234,602
		13,426,183	25,403,747
Investment in Fission 3.0 Corp.	5	3,004,966	3,040,535
Property and equipment		164,264	187,248
Exploration and evaluation assets	6	253,580,356	243,461,489
Total Assets		270,175,769	272,093,019
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,853,588	1,911,369
Flow-through share premium liability	7(a)	4,402,200	4,402,200
		7,255,788	6,313,569
Deferred tax liability		155,040	914,834
Total Liabilities		7,410,828	7,228,403
Shareholders' Equity			
Share capital	7	333,328,259	333,328,259
Other capital reserves	7	19,524,732	18,810,691
Deficit		(90,088,050)	(87,274,334)
		262,764,941	264,864,616
Total Liabilities and Shareholders' Equity		270,175,769	272,093,019

Subsequent events (Note 11)

Approved by the board and authorized for issue on November 15, 2015.

"Frank Estergaard"

Director

"William Marsh"

Director

Fission Uranium Corp.

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

		Three Months September 30 2015	Three Months September 30 2014
	Note	\$	\$
Expenses			
Business development		250,030	253,347
Consulting and directors fees		757,520	235,964
Depreciation		21,518	23,377
Office and administration		247,291	185,316
Professional fees		1,018,094	178,941
Public relations and communications		481,987	320,597
Share-based compensation	7(c)	592,753	2,068,068
Trade shows and conferences		27,992	12,534
Wages and benefits		208,691	196,919
		3,605,876	3,475,063
Other items - income/(expense)			
Equipment rental income		5,769	5,376
Foreign exchange gain		2,091	300
Gain/(loss) on investments		1,250	(13,250)
Interest and miscellaneous income		61,951	89,701
Loss on disposal of property and equipment		(3,126)	-
Share of loss from equity investment in Fission 3.0 Corp.	5	(35,569)	-
		32,366	82,127
Loss before income taxes		(3,573,510)	(3,392,936)
Deferred income tax recovery		759,794	-
Net loss and comprehensive loss for the period		(2,813,716)	(3,392,936)
Basic and diluted loss per common share		(0.01)	(0.01)
Weighted average number of common shares outstanding		386,238,121	353,570,081

Fission Uranium Corp.

Condensed interim statements of changes in equity
(Expressed in Canadian dollars)

	Note	Share capital		Other capital reserves	Deficit	Total shareholders' equity
		Shares	Amount			
			\$	\$	\$	\$
Balance, July 1, 2014		352,309,460	297,123,549	16,990,702	(77,399,754)	236,714,497
Flow-through common shares issued for cash	7(a)	9,602,500	14,403,750	-	-	14,403,750
Flow-through share premium	7(a)	-	(4,321,125)	-	-	(4,321,125)
Share issuance costs	7(a)	-	(917,874)	-	-	(917,874)
Exercise of stock options/warrants		1,155,500	1,203,934	(659,911)	-	544,023
Share-based compensation	7(c)	-	-	2,463,322	-	2,463,322
Net loss and comprehensive loss		-	-	-	(3,392,936)	(3,392,936)
Balance, September 30, 2014		363,067,460	307,492,234	18,794,113	(80,792,690)	245,493,657
Flow-through common shares issued for cash	7(a)	13,340,000	20,010,000	-	-	20,010,000
Flow-through share premium	7(a)	-	(4,402,200)	-	-	(4,402,200)
Share issuance costs	7(a)	-	(1,339,934)	-	-	(1,339,934)
Deferred income tax impact on share issuance costs		-	587,030	-	-	587,030
Exercise of stock options/warrants		9,830,661	10,981,129	(4,830,362)	-	6,150,767
Share-based compensation		-	-	4,846,940	-	4,846,940
Net loss and comprehensive loss		-	-	-	(6,481,644)	(6,481,644)
Balance, June 30, 2015		386,238,121	333,328,259	18,810,691	(87,274,334)	264,864,616
Share-based compensation	7(c)	-	-	714,041	-	714,041
Net loss and comprehensive loss		-	-	-	(2,813,716)	(2,813,716)
Balance, September 30, 2015		386,238,121	333,328,259	19,524,732	(90,088,050)	262,764,941

Fission Uranium Corp.

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

	Three Months September 30 2015 \$	Three Months September 30 2014 \$
Operating activities		
Net loss and comprehensive loss	(2,813,716)	(3,392,936)
Items not involving cash:		
Depreciation	21,518	23,377
Share-based compensation	592,753	2,068,068
(Gain)/loss on investments	(1,250)	13,250
Loss on disposal of property and equipment	3,126	-
Share of loss from equity investment in Fission 3.0 Corp.	35,569	-
Deferred income tax recovery	(759,794)	-
	(2,921,794)	(1,288,241)
Changes in non-cash working capital items:		
Increase in amounts receivable	(402,276)	(229,313)
Decrease in prepaid expenses	57,588	10,262
Increase in accounts payable and accrued liabilities	508,300	285,521
Cash flow used in operating activities	(2,758,182)	(1,221,771)
Investing activities		
Property and equipment additions	(1,660)	(4,858)
Exploration and evaluation asset additions	(9,563,660)	(12,313,703)
Cash flow used in investing activities	(9,565,320)	(12,318,561)
Financing activities		
Proceeds from the issuance of flow-through common shares net of share issuance costs	-	13,485,876
Proceeds from exercise of stock options/warrants	-	544,023
Cash flow provided by financing activities	-	14,029,899
(Decrease)/increase in cash and cash equivalents during the period	(12,323,502)	489,567
Cash and cash equivalents, beginning of period	24,773,556	28,908,384
Cash and cash equivalents, end of period	12,450,054	29,397,951

Supplemental disclosure with respect to cash flows (Note 8)

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

1. Nature of operations

Fission Uranium Corp. (the "Company" or "Fission Uranium") was incorporated on February 13, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Energy Corp. ("Fission Energy") which was completed on April 26, 2013 (the "Fission Energy Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and it is listed on the Toronto Stock Exchange under the symbol FCU, on the U.S. OTCQX under the symbol FCUUF, and on the Frankfurt Stock Exchange under the symbol 2FU.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

2. Significant accounting policies

(a) Statement of compliance

These condensed interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard *IAS 34, Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at September 30, 2015. The condensed interim financial statements were authorized for issue by the Board of Directors on November 15, 2015.

These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015 prepared in accordance with IFRS.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended June 30, 2015.

(b) Basis of presentation

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

Fission Uranium Corp.

Notes to the condensed interim financial statements
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3. Key estimates and judgements

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 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 judgement 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.

4. Amounts receivable

	September 30 2015	June 30 2015
	\$	\$
GST receivable	526,197	266,638
Other receivables	233,418	126,701
	759,615	393,339

The Company does not have any significant balances that are past due. Amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of amounts receivable approximates their carrying value.

5. Investment in Fission 3.0

On February 23, 2015 the Company completed a private placement with Fission 3.0 Corp. ("Fission 3.0") pursuant to which the Company purchased 22,000,000 common shares of Fission 3.0 at a price of \$0.14 per share for a total cost of \$3,080,000.

The Company has a 12.36% interest in Fission 3.0, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties in Canada and Peru. The Company, through a combination of this shareholding and its common directors and management, has significant influence over Fission 3.0 and accounts for the investment using the equity method.

Due to the fact that Fission 3.0's financial statements for the three month period ended September 30, 2015 are not yet publicly available, the Company recognized its proportionate share of Fission 3.0's loss from April 1, 2015 to June 30, 2015 in the Company's three month period ended September 30, 2015.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

5. Investment in Fission 3.0 (continued)

Details of the investment in Fission 3.0 are as follows:

	\$
Balance July 1, 2014	-
Purchase of 22,000,000 common shares @ \$0.14 ⁽¹⁾	3,080,000
Share of Fission 3.0's loss for the period ended March 31, 2015 ⁽²⁾	(38,911)
Reversal of gains from intercompany services	(554)
Balance June 30, 2015	3,040,535
Share of Fission 3.0's loss for the three months ended June 30, 2015	(32,207)
Reversal of gains from intercompany services	(3,362)
Balance September 30, 2015	3,004,966

(1) The trading price of Fission 3.0 on September 30, 2015 was \$0.07 (June 30, 2015 - \$0.11). The quoted market value of the investment in Fission 3.0 on September 30, 2015 was \$1,540,000 (June 30, 2015 - \$2,420,000).

(2) Since the investment in Fission 3.0 was purchased on February 23, 2015, the share of Fission 3.0's loss is only calculated from the date of acquisition to March 31, 2015.

6. Exploration and evaluation assets

	Three months ended September 30 2015	Year ended June 30 2015
Patterson Lake South Property		
	\$	\$
Acquisition costs		
Balance, beginning and end	176,501,858	176,501,858
Exploration costs		
Balance, beginning	66,959,631	33,518,601
Incurring during		
Geology mapping/sampling	87,377	703,920
Geophysics airborne	4,390	25,929
Geophysics ground	142,216	1,383,057
Drilling	9,694,135	29,686,455
Land retention and permitting	13,676	47,014
Reporting	6,768	55,397
Environmental	31,219	109,297
Safety	12,508	226,348
Community relations	244	731
General	5,046	20,500
Share-based compensation	121,288	1,182,382
Additions	10,118,867	33,441,030
Balance, end	77,078,498	66,959,631
Total	253,580,356	243,461,489

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

Fission Uranium Corp.

Notes to the condensed interim financial statements
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7. Share capital and other capital reserves

The Company is authorized to issue an unlimited number of common shares, without par value.

(a) *Private placements*

September 23, 2014

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

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 \$349,499 of expenses. A flow-through share premium liability of \$4,402,200 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.

(b) *Stock options and warrants*

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

Stock options and share purchase warrants transactions are summarized as follows:

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		\$		\$
Balance July 1, 2014	31,662,833	1.0155	8,452,199	0.8120
Granted	8,000,000	1.0000	-	-
Exercised	(3,914,500)	0.5089	(7,071,661)	0.6650
Expired	(1,042,500)	1.3997	-	-
Forfeited	(1,127,500)	1.3906	-	-
Outstanding, June 30, 2015	33,578,333	1.0464	1,380,538	1.5651
Outstanding, September 30, 2015	33,578,333	1.0464	1,380,538	1.5651

During the three months ended September 30, 2015 no stock options or warrants were exercised. The weighted average share price of stock options and warrants exercised during the year ended June 30, 2015 was \$0.9950 and \$1.1874, respectively.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

7. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

As at September 30, 2015, incentive stock options and share purchase warrants were outstanding as follows:

Stock options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
836,667	0.2505	836,667	December 31, 2017
950,000	0.3862	950,000	December 30, 2015
536,666	0.3862	536,666	January 12, 2017
8,215,000	0.6820	8,215,000	June 1, 2016
8,000,000	1.0000	4,000,000	December 15, 2019
1,000,000	1.1000	1,000,000	December 15, 2015
7,270,000	1.2000	5,452,500	January 21, 2019
400,000	1.2920	400,000	August 15, 2016
300,000	1.3100	225,000	February 25, 2019
6,070,000	1.6500	4,552,500	April 4, 2019
33,578,333		26,168,333	
Warrants			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	\$		
482,099	1.5000	482,099	December 9, 2015
898,439	1.6000	898,439	April 1, 2016
1,380,538		1,380,538	

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. There were no stock options granted during the three month period ended September 30, 2015 or September 30, 2014. Pursuant to the vesting of options previously granted, during the three month period ended September 30, 2015 share-based compensation of \$592,753 (September 30, 2014 - \$2,068,068) was recognized in the statements of loss and comprehensive loss and \$121,288 (September 30, 2014 - \$395,254) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

8. Supplemental disclosure with respect to cash flows

	September 30 2015	June 30 2015
	\$	\$
Cash and cash equivalents		
Cash	1,290,054	613,556
Redeemable Term Deposits	11,160,000	24,160,000
	12,450,054	24,773,556

There were no cash payments for interest and income taxes during the three month period ended September 30, 2015, and September 30, 2014. During the three month period ended September 30, 2015 the Company received \$45,691 (September 30, 2014 - \$87,417) in interest income.

Significant non-cash transactions for the three month period ended September 30, 2015 included:

- (a) Incurring \$1,990,825 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and
- (b) Recognizing \$121,288 of share-based payments in exploration and evaluation assets.

Significant non-cash transactions for the three month period ended September 30, 2014 included:

- (a) Incurring \$3,679,438 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Recognizing \$395,254 of share-based payments in exploration and evaluation assets;
- (c) Reclassifying \$659,911 from other capital reserves to share capital on the exercise of stock options and warrants; and
- (d) Reclassifying \$4,321,125 from share capital to flow-through share premium liability for the flow-through premium liability recognized, which was taken into other income when the renunciation documents were filed.

9. Related party transactions

The Company has identified the CEO, President and COO, CFO, VP Exploration, and the Company's directors as its key management personnel. The compensation costs for key management personnel are as follows:

	Three months ended September 30	
	2015	2014
	\$	\$
Compensation Costs		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	536,099	386,126
Share-based compensation for vesting of options granted to key management personnel	382,886	1,207,378
	918,985	1,593,504

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

9. Related party transactions (continued)

	Three months ended	
	September 30	
	2015	2014
	\$	\$
Amounts Received or Receivable		
Exploration and administrative services billed to Fission 3.0 Corp. a company over which Fission Uranium has significant influence	151,597	118,589

Included in accounts payable at September 30, 2015 is \$9,342 (June 30, 2015 - \$21,797) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at September 30, 2015 is \$107,021 (June 30, 2015 - \$23,001) 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.

10. Financial instruments and risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The fair value of short-term investments represents their quoted market price.

Short-term investments are carried at fair value, with the unrealized gain or loss recorded in the statements of loss and comprehensive loss.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations warrant such hedging activities.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and other counterparty concentrations as measured by amount and percentage.

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

10. Financial instruments and risk management (continued)

(a) Credit risk (continued)

The primary sources of credit risk for the Company arise from:

- (i) Cash and cash equivalents; and
- (ii) Amounts receivable.

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At September 30, 2015, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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

	September 30 2015	June 30 2015
	\$	\$
Cash and cash equivalents	12,450,054	24,773,556
Amounts receivable	795,615	393,339
	13,245,669	25,166,895

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and short-term investment balances to meet its anticipated operational needs.

The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

The following table summarizes the remaining contractual maturities of the Company's financial liabilities.

	Maturity Dates	September 30 2015	June 30 2015
		\$	\$
Accounts payable and accrued liabilities	< 6 months	2,853,588	1,911,369

Fission Uranium Corp.

Notes to the condensed interim financial statements
For the three month period ended September 30, 2015
(Expressed in Canadian dollars)

11. Subsequent events

Subsequent to September 30, 2015:

- (a) The Company and Denison Mines Corp. ("Denison") terminated the previously announced arrangement agreement, pursuant to which the Company and Denison were to combine their respective businesses by way of a court approved plan of arrangement. While the majority of Fission Uranium shareholders voted in favour of the merger, the required two-thirds approval was not obtained.
- (b) 485,000 stock options were exercised with a weighted average exercise price of \$0.3862 and a weighted average share price of \$0.6907.