



Fission
URANIUM CORP.

Financial Statements

Fission Uranium Corp.

For the Three and Nine Month Periods Ended September 30, 2024

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

(Unaudited)

Fission Uranium Corp.

Condensed Interim Financial Statements

For the Three and Nine Month Periods Ended September 30, 2024

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

(Unaudited)

Table of contents

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

Fission Uranium Corp.

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

	Note	September 30 2024	December 31 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		44,801	74,014
Short-term investments	4	90,000	-
Amounts receivable		2,815	262
Prepaid expenses		196	277
		137,812	74,553
Non-current assets			
Right-of-use assets		247	317
Property and equipment		127	112
Exploration and evaluation assets	5	409,867	378,448
		410,241	378,877
Total Assets		548,053	453,430
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,237	2,546
Lease obligations - current portion		95	89
		2,332	2,635
Non-current liabilities			
Lease obligations		175	247
Flow-through share premium liability	6(b)	-	2,706
		175	2,953
Total Liabilities		2,507	5,588
Shareholders' Equity			
Share capital	6	651,951	551,585
Other capital reserves	6	53,502	48,098
Deficit		(159,907)	(151,841)
		545,546	447,842
Total Liabilities and Shareholders' Equity		548,053	453,430

Approved by the Board of Directors and authorized for issue on November 13, 2024

Frank Estergaard

Director

"William Marsh"

Director

Fission Uranium Corp.

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

		Three Months Ended September 30	Three Months Ended September 30	Nine Months Ended September 30	Nine Months Ended September 30
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Wages, consulting and directors fees		725	482	3,289	1,484
Professional fees		1,205	112	2,348	325
Public relations and corporate development		744	408	2,082	1,183
Office and administration		1,220	188	1,875	691
Share-based compensation	6(d)	1,089	1,034	6,415	5,595
Depreciation		33	26	99	66
		5,016	2,250	16,108	9,344
Other items - income/(expense)					
Foreign exchange income (loss)		(2)	1	(1)	(1)
Interest and miscellaneous income		1,858	649	5,355	1,774
Interest - lease obligations		(5)	(4)	(16)	(12)
Gain on investment in F3 Uranium Corp.		-	1,188	-	1,457
Flow-through premium recovery	6(b)	-	-	2,706	-
Loss on disposal of equipment		(2)	-	(2)	-
		1,849	1,834	8,042	3,218
Net loss and comprehensive loss for the period		(3,167)	(416)	(8,066)	(6,126)
Basic and diluted loss per common share		(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding		858,048,521	725,301,851	838,300,401	721,501,417

Fission Uranium Corp.

Condensed interim statements of changes in equity

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

(Unaudited)

	Note	Share capital		Other capital		Total
		Shares	Amount	reserves	Deficit	shareholders' equity
			\$	\$	\$	\$
Balance, January 1, 2023		703,587,245	503,495	41,116	(142,920)	401,691
Common shares issued - ATM Financing	6(b)	32,678,000	24,591	-	-	24,591
Share issuance costs	6(b)	-	(1,118)	-	-	(1,118)
Stock options exercised	6(c)	2,399,400	1,055	(615)	-	440
Director remuneration shares issued	8	133,479	83	-	-	83
Share-based compensation	6(d)	-	-	7,623	-	7,623
Net loss and comprehensive loss		-	-	-	(6,126)	(6,126)
Balance, September 30, 2023		738,798,124	528,106	48,124	(149,046)	427,184
Common share units issued - ATM Financing	6(b)	17,463,400	16,506	-	-	16,506
Flow-through shares issued	6(b)	7,731,092	9,200	-	-	9,200
Flow-through share premium liability	6(b)	-	(2,706)	-	-	(2,706)
Share issuance costs	6(b)	-	(1,532)	-	-	(1,532)
Stock options exercised	6(c)	2,165,225	1,597	(1,292)	-	305
Warrants exercised	6(c)	330,000	340	(59)	-	281
Director remuneration shares issued		72,122	74	-	-	74
Share-based compensation	6(d)	-	-	1,325	-	1,325
Net loss and comprehensive loss		-	-	-	(2,795)	(2,795)
Balance, December 31, 2023		766,559,963	551,585	48,098	(151,841)	447,842
Common shares issued	6(b)	63,560,000	75,001	-	-	75,001
Share issuance costs	6(b)	-	(4,263)	-	-	(4,263)
Stock options exercised	6(c)	3,459,912	3,686	(1,320)	-	2,366
Warrants exercised	6(c)	25,186,964	25,942	(4,533)	-	21,409
Share-based compensation	6(d)	-	-	11,257	-	11,257
Net loss and comprehensive loss		-	-	-	(8,066)	(8,066)
Balance, September 30, 2024		858,766,839	651,951	53,502	(159,907)	545,546

Fission Uranium Corp.

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

		Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
	Note	\$	\$	\$	\$
Operating activities					
Net loss and comprehensive loss		(3,167)	(416)	(8,066)	(6,126)
Items not involving cash:					
Depreciation		33	26	99	66
Share-based compensation	6(d)	1,089	1,034	6,415	5,595
Director remuneration shares issued	8	-	-	-	83
Interest income received		(1,183)	(649)	(3,698)	(1,770)
Loss on disposal of equipment		2	-	2	-
Gain on investment in F3 Uranium Corp.		-	(1,188)	-	(1,457)
Flow-through premium recovery	6(b)	-	-	(2,706)	-
		(3,226)	(1,193)	(7,954)	(3,609)
Changes in non-cash working capital items:					
(Increase) decrease in amounts receivable		(1,137)	61	(2,548)	(16)
(Increase) decrease in prepaid expenses		145	10	58	(171)
Increase (decrease) in accounts payable and accrued liabilities		(1,396)	102	165	(215)
Cash flow used in operating activities		(5,614)	(1,020)	(10,279)	(4,011)
Investing activities					
Interest income received		1,183	649	3,698	1,770
Acquisition of short-term investments	4	(15,000)	-	(115,000)	-
Redemption of short-term investments	4	15,000	-	25,000	-
Net equipment additions		(28)	(30)	(43)	(41)
Exploration and evaluation asset additions	5	(9,129)	(4,196)	(27,007)	(13,071)
Cash flow used in investing activities		(7,974)	(3,577)	(113,352)	(11,342)
Financing activities					
Gross proceeds from the issuance of common shares	6(b)	-	7,832	75,001	24,591
Share issuance costs	6(b)	(3)	(242)	(4,292)	(840)
Stock option exercises	6(c)	2,366	-	2,366	440
Warrant exercises	6(c)	-	-	21,409	-
Lease obligation payments		(23)	(18)	(66)	(45)
Cash flow provided by financing activities		2,340	7,572	94,418	24,146
Increase (decrease) in cash and cash equivalents during the period		(11,248)	2,975	(29,213)	8,793
Cash and cash equivalents, beginning of period		56,049	47,174	74,014	41,356
Cash and cash equivalents, end of period		44,801	50,149	44,801	50,149

Supplemental disclosure with respect to cash flows (Note 7)

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(Unaudited)

1. Nature of operations

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

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

2. Material accounting policy information

(a) Statement of compliance

These condensed interim financial statements are unaudited and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34") and do not contain all of the information required for annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2023 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 13, 2024.

(b) Material accounting policy information

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in Note 2 of the Company's financial statements for the year ended December 31, 2023.

(c) New accounting pronouncement

In January 2020, the International Accounting Standards Board ("IASB") issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations that would be considered as a settlement of a liability. In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1). These further amendments clarify how to address the effects on classification and disclosure of covenants that an entity is required to comply with on or before the reporting date and covenants that an entity must comply with only after the reporting date. We have adopted these amendments effective January 1, 2024. These amendments did not have a material impact on our consolidated financial statements.

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(Unaudited)

3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as well as the key judgements made in the process of applying the Company's accounting policies, at the reporting date, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as mining title expiration dates, budgeted expenditures, discontinuation of activities in any area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable.

No impairment indicators were identified by management as at September 30, 2024.

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

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

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

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

4. Short-term investments

	September 30 2024	December 31 2023
	\$	\$
Guaranteed Investment Certificates ("GICs")	90,160	160
Less: Redeemable GIC's included in Cash & Cash Equivalents	(160)	(160)
Amounts classified as Short-Term Investments	90,000	-

Short-term investments consist of non-redeemable guaranteed investment certificates with maturity dates ranging from 90 to 365 days and bear interest at rates ranging from 4.43% to 5.55%.

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(Unaudited)

5. Exploration and evaluation assets

Nine month period ended September 30, 2024	Patterson Lake South Property	West Cluff Property	La Rocque Property	Total
	\$	\$	\$	\$
Acquisition costs				
Balance, beginning	176,502	7	1	176,510
Balance, end	176,502	7	1	176,510
Exploration & evaluation expenditures				
Balance, beginning	201,930	6	2	201,938
Incurred during				
Exploration				
Geophysics	7	92	-	99
Drilling	6,641	-	-	6,641
Resource Advancement				
Mine Planning	10,845	-	-	10,845
Geotechnical	10	-	-	10
Metallurgical	118	-	-	118
Resource Development	4,240	-	-	4,240
Hydrogeological	6	-	-	6
Infrastructure studies	1,474	-	-	1,474
Permitting				
Operational Permits & Other	784	-	-	784
Environmental	908	-	-	908
Community relations	1,312	-	-	1,312
Other				
Land retention and permitting	9	1	-	10
General	129	1	-	130
Share-based compensation	4,842	-	-	4,842
Additions	31,325	94	-	31,419
Balance, end	233,255	100	2	233,357
Total	409,757	107	3	409,867

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(Unaudited)

5. Exploration and evaluation assets (continued)

Year ended December 31, 2023	Patterson Lake South Property	West Cluff Property	La Rocque Property	Total
	\$	\$	\$	\$
Acquisition costs				
Balance, beginning	176,502	7	-	176,509
Additions	-	-	1	1
Balance, end	176,502	7	1	176,510
Exploration & evaluation expenditures				
Balance, beginning	180,799	3	-	180,802
Incurred during				
Exploration				
Geology	-	1	1	2
Drilling	405	-	-	405
Resource Advancement				
Mine Planning	5,089	-	-	5,089
Geotechnical	7,261	-	-	7,261
Metallurgical	222	-	-	222
Hydrogeological	598	-	-	598
Infrastructure studies	549	-	-	549
Permitting				
Operational Permits & Other	1,193	-	-	1,193
Environmental	1,498	-	-	1,498
Community relations	1,634	-	-	1,634
Other				
Land retention and permitting	12	1	1	14
General	97	1	-	98
Share-based compensation	2,573	-	-	2,573
Additions	21,131	3	2	21,136
Balance, end	201,930	6	2	201,938
Total	378,432	13	3	378,448

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(unaudited)

5. Exploration and evaluation assets (continued)

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

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

The Company holds a 100% interest in 17 claims (December 31, 2023 – 17 claims) at the PLS property.

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

(b) West Cluff property, Saskatchewan, Canada

The Company holds a 100% interest in 3 claims (December 31, 2023 – 3 claims) at the West Cluff property.

(c) La Rocque property, Saskatchewan, Canada

The Company holds a 100% interest in 2 claims (December 31, 2023 – 2 claims) at the La Rocque property.

6. Share capital and other capital reserves

(a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares, without par value. All of the Company's issued shares are fully paid.

(b) Share issuances

In April 2022, the Company entered into an equity distribution agreement providing for an at-the-market ("ATM") equity offering program. The ATM allowed Fission, through its agents, to, from time to time, offer and sell, in Canada through the facilities of the Toronto Stock Exchange, such a number of common shares as would have an aggregate offering price of up to \$50 million.

During the year ended December 31, 2023, the Company issued a total of 50,141,400 shares at an average price of \$0.819 per share for gross proceeds of \$41,097 under the ATM program. The Company paid the agents a commission equal to 3.0% of the gross proceeds. The Company incurred total share issuance costs (including agents' commissions) of \$1,680 in connection with the ATM program during the year.

In October 2023, the Company closed a flow-through bought deal financing consisting of 7,731,092 flow-through common shares at a price of \$1.19 per share for gross proceeds of \$9,200. The Company incurred total share issuance costs (including agents' commissions) of \$963 in connection with this financing. A flow-through share premium liability of \$2,706 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 during the current period.

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(unaudited)

6. Share capital and other capital reserves (continued)

(b) Share issuances (continued)

In February 2024, the Company closed a bought deal financing consisting of 63,560,000 common shares at a price of \$1.18 per share for gross proceeds of \$75,001. The Company incurred total share issuance costs (including agents' commissions) of \$4,258 in connection with this financing.

(c) Stock options and warrants

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

Stock option and warrant transactions are summarized as follows:

	Stock options		Warrants	
	Number Outstanding	Weighted average exercise price \$	Number Outstanding	Weighted average exercise price \$
Total, January 1, 2023	39,795,001	0.598	25,627,050	0.850
Granted	22,350,000	0.841	-	-
Exercised	(3,241,667)	0.373	-	-
Forfeited	(399,999)	0.750	-	-
Expired	(1,858,335)	0.663	-	-
Total, September 30, 2023	56,645,000	0.704	25,627,050	0.850
Exercised	(4,375,000)	0.603	(330,000)	0.850
Total, December 31, 2023	52,270,000	0.712	25,297,050	0.850
Granted	21,550,000	1.250	-	-
Exercised	(3,636,000)	0.695	(25,186,964)	0.850
Forfeited	(1,166,667)	1.152	-	-
Expired	(308,333)	1.188	(110,086)	0.850
Total, September 30, 2024	68,709,000	0.872	-	-

The Company's stock option plan allows for options to be exercised on a net-settlement ("cashless") basis where shares are withheld in lieu of cash proceeds. During the nine months ended September 30, 2024, 200,000 stock options were exercised on a cashless basis resulting in the issuance of 23,912 shares (September 30, 2023 - 2,258,334 options resulting in 1,416,067 shares).

The weighted average market price of stock options exercised during the nine months ended September 30, 2024 was \$1.181 (September 30, 2023 - \$0.923).

The weighted average market price of warrants exercised during the nine months ended September 30, 2024 was \$1.082 (September 30, 2023 - \$nil).

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(unaudited)

6. Share capital and other capital reserves (continued)

(c) Stock options and warrants (continued)

As at September 30, 2024, stock options and warrants were outstanding as follows:

Number outstanding	Exercise price \$	Number vested	Expiry date
Stock options			
5,358,334	0.31	5,358,334	October 7, 2025
7,891,666	0.58	7,891,666	February 22, 2026
14,034,000	0.75	14,034,000	February 4, 2027
14,300,000	0.87	11,858,331	February 5, 2028
1,500,000	0.82	1,250,000	February 6, 2028
5,200,000	0.76	3,466,665	August 28, 2028
20,425,000	1.25	10,387,500	January 31, 2029
68,709,000		54,246,496	

(d) Share-based compensation

All options are recorded on grant date at fair value using the Black-Scholes option pricing model. During the nine months ended September 30, 2024, the Company granted 21,550,000 stock options (September 30, 2023 - 22,350,000). Pursuant to the vesting schedule of options granted, share-based compensation of \$6,415 (September 30, 2023 - \$5,595) was recognized in the statements of loss and comprehensive loss and \$4,842 (September 30, 2023 - \$2,028) was recognized in exploration and evaluation assets. The total amount of \$11,257 (September 30, 2023 - \$7,623) was recorded within other capital reserves in the statements of changes in equity.

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

	September 30 2024	December 31 2023
Risk Free Interest Rate	3.76%	3.77%
Expected Life - Years	2.92	2.92
Estimated Forfeiture Rate	5.38%	5.49%
Annualised Volatility	74.40%	84.13%
Weighted average fair value per option	\$ 0.63	\$ 0.46

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(unaudited)

7. Supplemental disclosure with respect to cash flows

	September 30 2024	December 31 2023
	\$	\$
Cash and cash equivalents		
Cash	44,641	73,854
Redeemable GIC's	160	160
	44,801	74,014

Significant non-cash transactions for the nine month period ended September 30, 2024 included:

- (a) Incurring \$1,177 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (b) Incurring \$3 of property and equipment additions through accounts payable and accrued liabilities; and
- (c) Recognizing \$4,842 of share-based payments in exploration and evaluation assets.

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

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

8. Related party transactions

The Company has identified the President and CEO, CFO, VP Project Development, VP Exploration, and the Company's current and former directors as its key management personnel during all or part of the periods presented below.

	Three Months Ended September 30		Nine month period ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Wages and consulting fees	358	354	1,076	942
Director fees	131	131	634	418
Share-based compensation	1,660	1,102	7,015	5,001
	2,149	1,587	8,725	6,361

The Company has a Directors Remuneration Plan (the "DRP Plan") whereby a portion of director fees can be paid through the issuance of common shares in lieu of the payment of cash. Included in compensation costs is the value of shares issued under the DRP Plan. During the nine month period ended September 30, 2024, the Company issued nil shares with a total value of \$nil under the DRP Plan (September 30, 2023 - 133,479 shares valued at \$83).

Included in accounts payable at September 30, 2024 is \$45 (December 31, 2023 - \$544) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Transactions with CGN Mining, which is deemed to be a related party as a result of its shareholdings and board representation of the Company, have been disclosed in Note 5(a).

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(unaudited)

9. Financial instruments and risk management

IFRS 13, Fair Value Measurement, establishes a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

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

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

(a) Credit risk

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

The primary sources of credit risk for the Company arise from cash and cash equivalents, short-term investments and amounts receivable.

The Company has not had any credit losses in the past and expected credit losses are negligible. At September 30, 2024, the Company has no financial assets that are past due or impaired due to defaults.

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

	September 30 2024	December 31 2023
	\$	\$
Cash and cash equivalents	44,801	74,014
Short-term investments (GICs)	90,000	-
Amounts receivable	2,815	262
	137,616	74,276

Fission Uranium Corp.

Notes to the condensed interim financial statements

For the three and nine month periods ended September 30, 2024

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

(unaudited)

9. Financial instruments and risk management (continued)

(b) Liquidity risk

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

The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses.

Payment terms on accounts payable and accrued liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

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

	Less than 1 year	1 - 2 years	3 - 5 years	More than 5 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,237	-	-	-
Lease obligations	95	105	70	-
	2,332	105	70	-

10. Plan of Arrangement with Paladin Energy Ltd.

On June 24, 2024, the Company announced it had entered into a definitive arrangement agreement (the "Agreement"), pursuant to which Paladin Energy Limited will acquire 100% of the issued and outstanding shares of the Company by way of a court approved plan of arrangement under the Canada Business Corporation Act (the "Transaction"). The Transaction remains subject to certain regulatory approvals. A termination Fee of \$40 million would be payable by the Company in certain circumstances in connection with the termination of the Agreement.