Consolidated Financial Statements

Fission 3.0 Corp.

For the Year Ended
June 30, 2018

October 4, 2018

Independent Auditor's Report

To the Shareholders of
Fission 3.0 Corp.

We have audited the accompanying consolidated financial statements of Fission 3.0 Corp., which comprise the consolidated statements of financial position as at June 30, 2018 and June 30, 2017 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fission 3.0 Corp. as at June 30, 2018 and June 30, 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Fission 3.0 Corp.

Consolidated Financial Statements

For the Year Ended June 30, 2018

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Fission 3.0 Corp.

Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	June 30 2018	June 30 2017
		$	$
Assets			
Current assets			
Cash and cash equivalents		**117,976**	1,936,434
Amounts receivable	4	**7,398**	80,551
Deposits		**61,621**	168,312
Prepaid expenses		**102,799**	406,696
		289,794	2,591,993
Property and equipment	5	**20,793**	30,549
Exploration and evaluation assets	6	**8,855,394**	7,740,779
Total Assets		**9,165,981**	10,363,321
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**329,823**	51,718
		329,823	51,718
Deferred income tax liability	10	**-**	308,880
Total Liabilities		**329,823**	360,598
Shareholders' Equity			
Share capital	7	**22,867,600**	22,867,600
Other capital reserves	7	**2,321,970**	2,321,970
Accumulated other comprehensive income/(loss)		**50,076**	32,800
Deficit		**(16,403,488)**	(15,219,647)
		8,836,158	10,002,723
Total Liabilities and Shareholders' Equity		**9,165,981**	10,363,321

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on October 4, 2018

"Frank Estergaard"
Director

"William Marsh"
Director

Fission 3.0 Corp.

Consolidated statements of loss and comprehensive loss
(Expressed in Canadian dollars)

	Note	**Year Ended June 30 2018**	Year Ended June 30 2017
		$	$
Expenses			
Business development		**1,968**	5,146
Consulting and directors fees		**393,718**	398,886
Depreciation	5	**9,756**	10,022
Office and administration		**72,950**	74,531
Professional fees		**138,203**	152,252
Public relations and communications		**230,955**	154,864
Trade shows and conferences		**11,677**	17,304
Wages and benefits		**95,305**	101,974
		954,532	914,979
Other items - income/(expense)			
Foreign exchange loss		**(5,685)**	(16,261)
Loss on short-term investments		**-**	(20,477)
Interest and miscellaneous income		**10,396**	11,126
Exploration and evaluation asset write-down	6	**(542,900)**	(1,847,659)
		(538,189)	(1,873,271)
Loss before income taxes		**(1,492,721)**	(2,788,250)
Deferred income tax recovery	10	**308,880**	698,420
Net loss for the year		**(1,183,841)**	(2,089,830)
Other comprehensive income/(loss)			
Items that may subsequently be classified to income:			
Foreign currency translation adjustment arising from translating foreign operations		**17,276**	21,486
Comprehensive loss for the year		**(1,166,565)**	(2,068,344)
Basic and diluted loss per common share		**(0.02)**	(0.04)
Weighted average number of common shares outstanding		**54,975,488**	46,796,708

Fission 3.0 Corp.

Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Note	Share capital		Other capital reserves	Accumulated other comprehensive income/(loss)	Deficit	**Total shareholders' equity**
		Shares	Amount				
			$	$	$	$	**$**
Balance, July 1, 2016	7(a)	44,513,896	20,666,088	1,761,844	11,314	(13,129,817)	**9,309,429**
Units issued for cash	7(b)	10,461,592	2,386,616	542,631	-	-	**2,929,247**
Unit issuance costs	7(b)	-	(233,083)	6,585	-	-	**(226,498)**
Deferred income tax impact on unit issuance costs		-	47,979	10,910	-	-	**58,889**
Net loss		-	-	-	-	(2,089,830)	**(2,089,830)**
Foreign currency translation adjustment arising from translating foreign operations		-	-	-	21,486	-	**21,486**
Balance, June 30, 2017		54,975,488	22,867,600	2,321,970	32,800	(15,219,647)	**10,002,723**
Net loss		-	-	-	-	(1,183,841)	**(1,183,841)**
Foreign currency translation adjustment							**-**
arising from translating foreign operations		-	-	-	17,276	-	**17,276**
Balance, June 30, 2018		**54,975,488**	**22,867,600**	**2,321,970**	**50,076**	**(16,403,488)**	**8,836,158**

Fission 3.0 Corp.

Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Note	**Year Ended June 30 2018**	Year Ended June 30 2017
		$	$
Operating activities			
Net loss		**(1,183,841)**	(2,089,830)
Items not involving cash:			
Depreciation	5	**9,756**	10,022
Loss on short-term investments		**-**	20,477
Exploration and evaluation asset write-down	6	**542,900**	1,847,659
Deferred income tax recovery		**(308,880)**	(698,420)
		(940,065)	(910,092)
Changes in non-cash working capital items:			
Decrease/(increase) in amounts receivable		**23,153**	(11,652)
Decrease in deposits		**(97,783)**	(168,312)
Decrease/(increase) in prepaid expenses		**303,897**	(393,513)
Increase/(decrease) in accounts payable and accrued liabilities		**111,329**	(7,461)
Cash flow used in operating activities		**(599,469)**	(1,491,030)
Investing activities			
Decrease/(increase) in notes receivable	4	**50,000**	(50,000)
Proceeds from disposition of short-term investments		**-**	530,650
Exploration and evaluation asset additions		**(1,268,989)**	(1,022,275)
Cash flow used in investing activities		**(1,218,989)**	(541,625)
Financing activities			
Proceeds from the issuance of units net of unit issuance costs	7(b)	**-**	2,702,749
Cash flow provided by financing activities		**-**	2,702,749
(Decrease)/increase in cash and cash equivalents during the year		**(1,818,458)**	670,094
Cash and cash equivalents, beginning of year		**1,936,434**	1,266,340
Cash and cash equivalents, end of year		**117,976**	1,936,434

Supplemental disclosure with respect to cash flows (Note 8)

(Expressed in Canadian dollars)

1. Nature of operations

Fission 3.0 Corp. (the "Company" or "Fission 3.0") was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Uranium Corp. ("Fission Uranium") which was completed on December 6, 2013 (the "Fission Uranium Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and is listed on the TSX Venture Exchange under the symbol FUU, and on the Frankfurt Stock Exchange under the symbol 2F3.

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.

On April 30, 2018 the Company consolidated its common shares on a basis of one post-consolidated common share for every four pre-consolidated common shares. All references in the financial statements have been adjusted to reflect this share consolidation.

2. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") as at June 30, 2018. These consolidated financial statements were authorized for issue by the Board of Directors on October 04, 2018.

(b) Basis of presentation

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

(c) Basis of consolidation

The consolidated financial statements of the Company include the following subsidiary:

Name of Subsidiary	Place of Incorporation	Ownership Interest	Basis of Presentation
Fission Energy Peru S.A.C	Peru	100%	Consolidated

The Company consolidates subsidiaries when it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

2. Significant accounting policies (continued)

(d) 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.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes.

(e) Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks and redeemable term deposits that are readily convertible to cash. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset backed deposits/investments.

(f) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars. The financial statements for the Company's subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). Each subsidiary determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in *IAS 21, The Effects of Changes in Foreign Exchange Rates*.

The functional currency of the Company, and the Company's subsidiary are as follows:

(i) Fission 3.0 Corp. – Canadian Dollar

(ii) Fission Energy Peru S.A.C. – Peruvian New Sol

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are recognized in profit or loss.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2. Significant accounting policies (continued)

(f) Foreign currency translation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and income and expenses are translated at exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognized in other comprehensive income/(loss). On disposal of a foreign operation, the component of other comprehensive income/(loss) relating to that particular foreign operation is recognized in profit or loss.

(g) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis at the following annual rates based on estimated useful lives:

• Geological equipment	20%
• Vehicles	30%
• Office equipment	20%
• Computer hardware	30%
• Computer software	50%
• Building	4%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

When an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment.

(h) Exploration and evaluation assets

The Company records exploration and evaluation assets which consist of the costs of acquiring licenses for the right to explore and costs associated with exploration and evaluation activity, at cost. All direct and indirect costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property.

The exploration and evaluation assets are capitalized until the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Exploration and evaluation assets are then assessed for impairment and reclassified to mining property and development assets within property and equipment. If an exploration and evaluation property interest is abandoned, both the acquisition costs and the exploration and evaluation costs will be written off to operations in the period of abandonment.

2. Significant accounting policies (continued)

(h) Exploration and evaluation assets (continued)

On an ongoing basis, exploration and evaluation assets are reviewed on a property-by-property basis to consider if there are any indicators of impairment, including the following:

(i) Whether the exploration on the property has significantly changed, such that previously identified resource targets are no longer being pursued;

(ii) Whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; and

(iii) Whether remaining claim tenure terms are sufficient to conduct necessary studies or exploration work.

If any indication of impairment exists, an estimate of the exploration and evaluation asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs of disposal for the exploration and evaluation property interest and their value in use. The fair value less costs of disposal and the value in use are determined for an individual exploration and evaluation property interest, unless the exploration and evaluation property interest does not generate cash inflows that are largely independent of other exploration and evaluation property interests. If this is the case, the exploration and evaluation property interests are grouped together into cash generating units ("CGUs") for impairment purposes.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized in the period in which that determination was made in profit or loss.

(i) 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.

2. Significant accounting policies (continued)

(j) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flow-through share tax expense until paid.

(k) Share-based payments

The Company has a stock option plan whereby it is authorized to grant stock options to directors, officers, employees and consultants. Directors, officers, employees and consultants are classified as employees who render personal services to the entity and either i) are regarded as employees for legal or tax purposes, ii) work for an entity under its direction in the same way as directors, officers, employees and consultants who are regarded as employees for legal or tax purposes, or iii) the services rendered are similar to those rendered by employees.

The fair value of equity settled stock options issued to employees is measured on the grant date, using the Black-Scholes option pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options to profit or loss unless it meets the criteria for capitalisation to the exploration and evaluation assets with a corresponding credit to other capital reserves in equity. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

The share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. This fair value shall be measured at the date the entity obtains the goods or the counterparty renders service. If the fair value of goods or services received cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes option pricing model until the counterparty performance is complete.

When the stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from other capital reserves to share capital. The estimated forfeitures are based on historical experience and reviewed on a quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures.

2. Significant accounting policies (continued)

(l) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of each reporting period, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Loss per share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the gain or loss attributable to common shareholders when the effect is anti-dilutive.

(n) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant control over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(o) New standards, amendments and interpretations not yet effective

Accounting standards effective for fiscal years beginning on, or after January 1, 2019

IFRS 16, Leases

In January 2016, the IASB issued *IFRS 16, Leases*, which will replace *IAS 17, Leases*. The standard provides a single lease accounting model, which requires all leases, including financing and operating leases, to be reported on the statement of financial position, unless the term is less than 12 months, or the underlying asset has a low value. The Company is currently assessing and quantifying the effect of this standard on its financial statements.

(Expressed in Canadian dollars)

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 consolidated 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 area: determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on each of the properties, 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.

4. Amounts receivable

	June 30 2018	June 30 2017
	$	$
GST receivable	**7,315**	25,584
Notes receivable	**-**	50,000
Other receivables	**83**	4,967
	7,398	80,551

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 carrying value of amounts receivable is considered to be a reasonable approximation of fair value. The Notes receivable amount plus accrued interest was received in May 2018.

5. Property and equipment

Cost	**Geological Equipment**	**Computer Hardware**	**Building**	**Total**
	$	$	$	$
As at July 1, 2016	16,500	20,015	20,190	56,705
Additions/disposals	-	-	-	-
As at June 30, 2017	16,500	20,015	20,190	56,705
Additions/disposals	-	-	-	-
As at June 30, 2018	**16,500**	**20,015**	**20,190**	**56,705**
Accumulated Depreciation				
As at July 1, 2016	3,850	5,636	6,648	16,134
Depreciation	3,300	5,918	804	10,022
As at June 30, 2017	7,150	11,554	7,452	26,156
Depreciation	3,300	5,652	804	9,756
As at June 30, 2018	**10,450**	**17,206**	**8,256**	**35,912**
Net Book Value				
As at June 30, 2017	9,350	8,461	12,738	30,549
As at June 30, 2018	**6,050**	**2,809**	**11,934**	**20,793**

(Expressed in Canadian dollars)

6. Exploration and evaluation assets

As at June 30, 2018

	Clearwater West Property	Patterson Lake North Property	Patterson Lake North-east Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	$	**$**
Acquisition costs										
Balance, beginning of year	-	-	-	14,907	1,418	20,623	-	-	-	**36,948**
Additions	-	-	11,426	15,195	23,306	16,010	11,658	-	-	**77,595**
Impairment	-	-	-	(3,483)	(1,419)	(11,477)	-	-	-	**(16,379)**
Balance, end of year	-	-	11,426	26,619	23,305	25,156	11,658	-	-	**98,164**
Exploration costs										
Balance, beginning of year	87,865	4,670,683	-	13,571	73,605	365,833	5,663	209,145	2,244,666	**7,671,031**
Incurred during the year										
Geology mapping and sampling	-	-	358	-	17,157	107,518	9,056	-	13,061	**147,150**
Geophysics airborne	-	687	832	298,006	147,992	-	3,790	-	-	**451,307**
Geophysics ground	-	-	-	-	5,498	110,843	140,113	-	-	**256,454**
Drilling	-	-	-	-	-	-	-	-	-	**-**
Land retention										**-**
and permitting	632	1,991	4,756	12,855	128,204	115,739	11,215	2,679	160,229	**438,300**
Reporting	718	-	-	5,953	7,975	11,487	4,290	-		**30,423**
Environmental	-	-	-	-	-		-	-	21,040	**21,040**
Community relations	-	-	-	-	277		-	-	37,635	**37,912**
General	-	-	-	1,739	1,840	2,047	946	-	173,487	**180,059**
Additions	1,350	2,678	5,946	318,553	308,943	347,634	169,410	2,679	405,452	**1,562,645**
Impairment				(3,683)	(151,330)	(366,210)	(5,298)			**(526,521)**
Balance, end of year	89,215	4,673,361	5,946	328,441	231,218	347,257	169,775	211,824	2,650,118	**8,707,155**
Foreign currency translation	-	-	-	-	-	-	-	-	50,075	**50,075**
Total	**89,215**	**4,673,361**	**17,372**	**355,060**	**254,523**	**372,413**	**181,433**	**211,824**	**2,700,193**	**8,855,394**

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

As at June 30, 2017

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	Other Saskatchewan Properties	North Shore Property	Macusani Property	**Total**
	$	$	$	$	$	$	$	$	**$**
Acquisition costs									
Balance, beginning of year	-	-	16,468	1,418	53,354	147,390	-	-	**218,630**
Impairment	-	-	(1,561)	-	(32,731)	(147,390)	-	-	**(181,682)**
Balance, end of year	-	-	14,907	1,418	20,623	-	-	-	**36,948**
Exploration costs									
Balance, beginning of year	60,779	4,667,461	5,366	123,732	492,325	1,295,111	205,781	1,382,050	**8,232,605**
Incurred during the year									
Geology mapping/sampling	-	-	-	10,813	6,585	1,612	-	15,213	**34,223**
Geophysics airborne	-	-	4,900	10,490	19,902	6,058	-	-	**41,350**
Geophysics ground	8,605	455	-	1,040	7,053	3,077	-	-	**20,230**
Drilling	1,110	-	-	2,417	-	-	-	417,096	**420,623**
Land retention and permitting	3,462	2,580	4,688	92,866	15,477	13,750	3,027	160,419	**296,269**
Reporting	13,909	187	392	487	4,320	-	337	9,124	**28,756**
Environmental	-	-	-	-	-	-	-	39,313	**39,313**
Community relations	-	-	-	-	-	-	-	45,599	**45,599**
General	-	-	117	283	1,604	184	-	175,852	**178,040**
Additions	27,086	3,222	10,097	118,396	54,941	24,681	3,364	862,616	**1,104,403**
Impairment	-	-	(1,892)	(168,523)	(181,433)	(1,314,129)	-	-	**(1,665,977)**
Balance, end of year	87,865	4,670,683	13,571	73,605	365,833	5,663	209,145	2,244,666	**7,671,031**
Foreign currency translation	-	-	-	-	-	-		32,800	**32,800**
Total	**87,865**	**4,670,683**	**28,478**	**75,023**	**386,456**	**5,663**	**209,145**	**2,277,466**	**7,740,779**

6. 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 titles to all of its exploration and evaluation assets, and to the best of its knowledge, titles to all of its properties are in good standing. The number of metallic and industrial mineral ("MAIM") agreements, claims, and concessions held at each property are as at June 30, 2018.

(a) Clearwater West Property, Canada

The Company holds a 100% interest in 3 claims (June 30, 2017 – 3 claims) at the Clearwater West property in Saskatchewan.

(b) Patterson Lake North Property, Canada

The Company holds a 90% interest in 10 claims (June 30, 2017 – 10 claims) at the Patterson Lake North property in Saskatchewan.

(c) Patterson Lake Northeast Property, Canada

The Company holds a 100% interest in 27 claims (June 30, 2017 – Nil claims) at the Patterson Lake Northeast property in Saskatchewan.

(d) Wales Lake Property, Canada

The Company holds a 100% interest in 30 claims (June 30, 2017 – 21 claims) at the Wales Lake Property in Saskatchewan.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the Wales Lake Property. The Company determined that the fair value of the claims in which there is no planned expenditure is $Nil, and as a result, recorded a write-down of acquisition costs in the amount of $3,483 and exploration costs in the amount of $3,683 during the year ended June 30, 2018 (June 30, 2017 - $1,561 and $1,892, respectively).

(e) Key Lake Area, Canada

The Company holds a 100% interest in 5 properties that comprise the Key Lake Area in Saskatchewan. The number of claims held at each Key Lake Area property is as follows:

(i) Ford Lake Property, 15 claims (June 30, 2017 – Nil claims);

(ii) Gryphon West Property, 10 claims (June 30, 2017 – Nil claims);

(iii) Hobo Lake Property, 15 claims (June 30, 2017 – 10 claims);

(iv) Karpinka/Millson Lake Property, 27 claims (June 30, 2017 – 15 claims); and

(v) Morin Lake Property, 3 claims (June 30, 2017 – Nil claims).

6. Exploration and evaluation assets (continued)

(e) Key Lake Area, Canada (continued)

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the Key Lake Area. The Company determined that the fair value of the claims in which there is no planned expenditure is $Nil, and as a result, recorded a write-down of acquisition costs in the amount of $1,419 and exploration costs in the amount of $151,330 during the year ended June 30, 2018 (June 30, 2017 – exploration costs $168,523).

(f) Beaverlodge/Uranium City Area, Canada

The Company holds a 100% interest in 42 claims (June 30, 2017 - 43 claims) at the Beaverlodge/Uranium City Area in Saskatchewan.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the Beaverlodge/Uranium City Area. The Company determined that the fair value of the claims in which there is no planned expenditure is $Nil, and as a result, recorded a write-down of acquisition costs in the amount of $11,477 and exploration costs in the amount of $366,210 during the year ended June 30, 2018 (June 30, 2017 - $32,731 and $181,433, respectively).

(g) Other Saskatchewan Properties, Canada

The Company holds a 100% interest in 30 claims (June 30, 2017 – 54 claims) in other uranium properties in Saskatchewan in and around the Athabasca Basin.

Due to current market conditions and in the interest of conserving cash, based on the Company's lack of planned expenditure on certain claims, the Company identified an impairment indicator for the Other Saskatchewan Properties Area. The Company determined that the fair value of the claims in which there is no planned expenditure is $Nil, and as a result, recorded a write-down of acquisition costs in the amount of $Nil and exploration costs in the amount of $5,298 during the year ended June 30, 2018 (June 30, 2017 - $147,390 and $1,314,129, respectively).

(h) North Shore Property, Canada

The Company holds a 100% interest in 18 MAIM agreements (June 30, 2017 – 18 MAIM agreements) at the North Shore property in Alberta.

(i) Macusani Property, Peru

The Company holds a 100% interest in 9 concessions (June 30, 2017 – 9 concessions) at the Macusani property in Peru.

7. Share capital and other capital reserves

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.

(a) Share Consolidation

Effective April 30, 2018, the Company consolidated its issued and outstanding common shares (the "Pre-Consolidation Shares") on the basis of one (1) new common share (the "Post-Consolidation Shares") for every four (4) Pre-Consolidation Shares held (the "Share Consolidation"). As a result of the Share Consolidation, the 219,901,987 Pre-Consolidation Shares were consolidated to 54,975,488 Post-Consolidation Shares. The Share Consolidation was previously approved by shareholders at a meeting held on December 14, 2017. All references in the financial statements have been adjusted to reflect this share consolidation.

(b) Private Placements

March 31, 2017

The Company completed the first tranche of a non-brokered private placement (the "Private Placement") of 4,415,925 units at a price of $0.28 per unit for gross proceeds of $1,236,459. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant ("Warrant") is exercisable into one common share at a price of $0.40 per Warrant until March 31, 2019. The gross proceeds from the Private Placement were allocated between the common shares and Warrants based on their relative fair value.

The fair value of the common shares was determined based on the closing trading price on March 31, 2017 and the fair value of Warrants was determined using the Black-Scholes pricing model. A total of $1,011,490 was recorded in share capital in relation to the common shares and $224,969 was recorded in other capital reserves in relation to the Warrants. The Company paid finders' fees of $34,706 plus $59,952 of expenses and issued 123,948 finders' warrants with a fair value of $21,196 based on the Black-Scholes pricing model which was included in other capital reserves. Each finder's warrant is exercisable into one common share at a price of $0.28 per warrant until March 31, 2019. The fair value of the Warrants and finders' warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 94.78%; risk-free interest rate of 0.75%; expected life of 2 years; and a dividend rate of 0%. All warrants vested immediately on the date of grant. A total of $21,079 was reclassified from unit issuance costs to other capital reserves for the proportionate share of Warrants in the units issued.

April 21, 2017

The Company completed the second tranche of the Private Placement of 6,045,667 units at a price of $0.28 per unit for gross proceeds of $1,692,788. Each unit consists of one common share and one-half of one share purchase warrant. Each Warrant is exercisable into one common share at a price of $0.40 per Warrant until April 21, 2019. The gross proceeds from the Private Placement were allocated between the common shares and Warrants based on their relative fair value.

(Expressed in Canadian dollars)

7. Share capital and other capital reserves (continued)

(b) Private Placements (continued)

The fair value of the common shares was determined based on the closing trading price on April 21, 2017 and the fair value of Warrants was determined using the Black-Scholes pricing model. A total of $1,375,126 was recorded in share capital in relation to the common shares and $317,662 was recorded in other capital reserves in relation to the Warrants. The Company paid finders' fees of $54,023 plus $77,817 of expenses and issued 192,938 finders' warrants with a fair value of $38,418 based on the Black-Scholes pricing model which was included in other capital reserves. Each finder's warrant is exercisable into one common share at a price of $0.28 per warrant until April 21, 2019. The fair value of the Warrants and finders' warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 92.18%; risk-free interest rate of 0.71%; expected life of 2 years; and a dividend rate of 0%. All warrants vested immediately on the date of issue. A total of $31,950 was reclassified from unit issuance costs to other capital reserves for the proportionate share of Warrants in the units issued.

(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 on a Post-Consolidation basis:

	Stock options		**Warrants**	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		$		$
Balance July 1, 2016	3,407,475	0.6200	-	-
Issued	-	-	5,547,680	0.3931
Outstanding, June 30, 2017	3,407,475	0.6200	5,547,680	0.3931
Expired	(517,500)	0.6200	-	-
Outstanding, June 30, 2018	**2,889,975**	**0.6200**	**5,547,680**	**0.3931**

(Expressed in Canadian dollars)

7. Share capital and other capital reserves (continued)

(c) *Stock options and warrants (continued)*

As at June 30, 2018, incentive stock options and warrants were outstanding as follows:

Stock Options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	$		
2,889,975	0.6200	2,889,975	January 31, 2019
2,889,975		**2,889,975**	

Warrants			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	$		
123,948	0.2800	123,948	March 31, 2019
2,207,962	0.4000	2,207,962	March 31, 2019
192,938	0.2800	192,938	April 21, 2019
3,022,832	0.4000	3,022,832	April 21, 2019
5,547,680		**5,547,680**	

(d) *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 years ended June 30, 2018 or June 30, 2017.

8. Supplemental disclosure with respect to cash flows

	June 30 2018	June 30 2017
	$	$
Cash and cash equivalents		
Cash	**77,976**	77,434
Redeemable term deposits	**40,000**	1,859,000
	117,976	1,936,434

There were no cash payments for interest and income taxes during the years ended June 30, 2018 or June 30, 2017. During the year ended June 30, 2018 the Company received $15,280 (June 30, 2017 - $6,159) in interest income.

Significant non-cash transactions for the year ended June 30, 2018 included:

(a) Incurring $202,143 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and

(b) Reclassifying $204,474 of deficiency deposits to exploration and evaluation assets.

(Expressed in Canadian dollars)

8. Supplemental disclosure with respect to cash flows (continued)

Significant non-cash transactions for the year ended June 30, 2017 included:

(a) Incurring $35,367 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Reclassifying a $78,711 deficiency deposit (relating to the Hobo Lake property which was posted by the Company in the prior year) to exploration and evaluation assets;

(c) Reclassifying $542,631 from share capital to other capital reserves for Warrants that have been included as part of the units issued;

(d) Reclassifying $53,029 from unit issuance costs to other capital reserves for the proportionate share related to the Warrants included in the units issued;

(e) Recording the $59,614 fair value of finders' warrants in other capital reserves and unit issuance costs;

(f) Reclassifying $47,979 from unit issuance costs to deferred income tax liability to record the impact of deferred income taxes on unit issuance costs; and

(g) Reclassifying $10,910 from other capital reserves to deferred income tax liability to record the impact of deferred income taxes on unit issuance costs.

9. Related party transactions

The Company has identified the CEO, COO, President, CFO, VP Exploration, and the Company's directors as its key management personnel.

	Year ended June 30	
	2018	2017
	$	$
Compensation costs		
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	**454,667**	470,000
Exploration and evaluation expenditures (capitalized) and administrative services paid or accrued to Fission Uranium, a company which has significant influence over Fission 3.0	**180,788**	156,891
Total	**635,455**	626,891

Included in accounts payable at June 30, 2018 is $2,538 (June 30, 2017 - $2,538) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable at June 30, 2018 is $43,988 (June 30, 2017 - $14,208) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

The Company received proceeds of $50,000 plus accrued interest from an officer of the Company. The proceeds were pursuant to a note payable to the Company from a third party which was assumed by the officer during the year.

These transactions were in the normal course of operations.

(Expressed in Canadian dollars)

10. Income taxes

A reconciliation of current income taxes at statutory rates (June 30, 2018 – 26.5%, June 30, 2017 – 26%,) with the reported taxes is as follows:

	June 30 2018	June 30 2017
	$	$
Loss before income taxes	**(1,492,721)**	(2,788,250)
Expected income tax recovery	**(395,571)**	(724,943)
Tax impact of rate change	**141**	(44)
Permanent differences	**27,267**	13,348
Net change in benefits of tax attributes previously not recognized	**59,283**	13,219
Deferred income tax recovery	**(308,880)**	(698,420)

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	June 30 2018	June 30 2017
	$	$
Deferred income tax assets (liabilities)		
Equipment	**61**	(821)
Exploration and evaluation assets	**(868,680)**	(918,446)
Non-capital losses	**830,273**	560,091
Share issuance costs	**38,346**	50,296
Net deferred income tax liability	**-**	(308,880)

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The Company has available approximately $3,075,086 of recognized non-capital losses which if unutilized expire between 2034 and 2038.

At June 30, 2018, the Company did not recognize approximately $836,385 (June 30, 2017 - $831,164) of deductible temporary differences in exploration and evaluation assets and property and equipment located in Peru. At June 30, 2018, the Company did not recognize a deferred tax asset in respect of non-capital losses of $98,507 (June 30, 2017 - $Nil) which, if unutilized, will expire in 2038. At June 30, 2018, the Company did not recognize a deferred tax asset in respect of capital losses of $1,155,978 (June 30, 2017 - $951,504) because it does not anticipate future capital gains to utilize these assets. At June 30, 2018, the Company did not recognize $426 (June 30, 2017 - $426) of unused investment tax credits which will expire in 2034.

(Expressed in Canadian dollars)

11. Segmented information

The Company primarily operates in one reportable operating segment being the exploration and development of exploration and evaluation assets. Long-lived assets by geographic area are as follows:

	June 30, 2018		June 30, 2017	
	Canada	**Peru**	Canada	Peru
	$	**$**	$	$
Property and equipment	**8,536**	**12,257**	17,212	13,337
Exploration & evaluation assets	**6,155,201**	**2,700,193**	5,463,313	2,277,466
	6,163,737	**2,712,450**	5,480,525	2,290,803

12. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and warrants.

Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. The issuance of common shares requires approval of the Board of Directors.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets and updates them as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets and the use of joint ventures to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

13. Financial instruments and risk management

International Financial Reporting Standards 13, Fair Value Measurement, 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, 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.

(Expressed in Canadian dollars)

13. Financial instruments and risk management (continued)

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

(a) Credit risk

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

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

(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 June 30, 2018, the Company has no significant financial assets that are past due or impaired due to credit risk defaults.

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

	June 30 2018	June 30 2017
	$	$
Cash and cash equivalents	**117,976**	1,936,434
Amounts receivable	**7,398**	80,551
	125,374	2,016,985

(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 (see note 1). 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.

(Expressed in Canadian dollars)

13. Financial instruments and risk management (continued)

(b) Liquidity risk (continued)

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

	Maturity Dates	**June 30 2018**	June 30 2017
		$	$
Accounts payable and accrued liabilities	< 6 months	**7,398**	51,718

14. Subsequent Events

Subsequent to June 30, 2018, the Company:

(a) Granted 2,600,000 stock options to directors, officers, employees and consultants exercisable at $0.12 per share expiring on August 14, 2023.

(b) The Company completed the first tranche of a non-brokered private placement of 9,800,000 flow-through common shares at a price of $0.10 per share and 52,050,000 units at a price of $0.10 per unit for gross proceeds of $6,185,000. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common share at $0.15 per warrant until September 28, 2021. The Company paid finders' fees of $396,400 in connection with this placement.

(c) Entered into a binding letter of intent with Rhyolite Lithium Corp. ("Rhyolite") pursuant to which Rhyolite can earn up to 80% interest in the Company's mining concession located in Peru (the "Peruvian Assets") by spending approximately $22 million over a five-year period (the "Earn-In").

Subject to the completion of due diligence by Rhyolite and the settlement of definitive documentation in respect of the Earn-In, Rhyolite is required to spend a minimum of $5.6 million over the next two years to earn a 50% interest in the Peruvian Assets, and has the option to spend a further $16.5 million over the following three years to earn an additional 30% interest in the Peruvian Assets.