



Management's Discussion & Analysis

Fission 3.0 Corp.

**For the Year Ended
June 30, 2021**

Fission 3.0 Corp.

Management's Discussion and Analysis
For the year ended June 30, 2021
(Expressed in Canadian dollars, unless otherwise noted)



Introduction

The following Management's Discussion and Analysis ("MD&A"), prepared as of October 27, 2021, should be read in conjunction audited consolidated financial statements and accompanying notes of Fission 3.0 Corp. (the "Company" or "Fission 3.0") for the year ended June 30, 2021.

The Company's 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, 2021.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com. Further information including news releases and property maps are available on the Company's website at www.fission3corp.com, or by requesting further information from the Company's head office located at 700 – 1620 Dickson Ave., Kelowna, BC, Canada, V1Y 9Y2.

Forward looking statements

Statements in this report that are forward looking could involve known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Should one or more of these unknown risks and uncertainties, or those described under the headings "Cautionary notes regarding forward-looking statements" and "Risks and uncertainties" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

Scientific and technical disclosure

Scientific and technical information in this MD&A was reviewed and approved by Raymond Ashley, P. Geo., Vice President, Exploration of Fission 3.0. Raymond Ashley is a "Qualified Person" as defined by Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Description of business

The Company 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 is a junior resource issuer engaged in the acquisition, exploration, and development of uranium resource properties in Alberta, and in the Saskatchewan's Athabasca Basin. The Company's primary objective is to locate, evaluate and acquire properties with the potential to host high grade uranium. The preference is to evaluate early stage properties with the potential to host high grade uranium at shallow depths and to finance their exploration and potential development by way of equity financing, joint ventures, option agreements or other means. Therefore, the Company engages in early stage land acquisitions and is a "Project Generator".

The Company has approximately 194,755 ha of exploration properties with uranium potential in Saskatchewan and Alberta in Canada.

The Company's award-winning management and technical team have a track record of acquiring highly prospective uranium properties, and successfully exploring and developing them for potential sale. By embracing the Project Generator model, the Company, through property option and joint venture agreements and technical expertise as operator, has the ability to attract financial partners.

Fission 3.0's common shares are listed on the TSX Venture Exchange under the symbol "FUU", the OTCQB marketplace in the U.S. under the symbol "FISOF" and the Frankfurt Stock Exchange under the symbol "2F3".

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Corporate goals

The Company's goals are to discover an economic uranium deposit through exploration and to develop it. In addition, the Company will use its award-winning technical team to continually identify, evaluate and stake mineral claims in the Athabasca Basin that are prospective for high-grade uranium for exploration at a later stage. The Company's properties are located primarily in and around Saskatchewan's Athabasca Basin, home of the richest uranium deposits in the world.

The Company's intent is to utilize specialized exploration surveys and interpretations that led to the successful discovery of Fission Uranium's shallow, high-grade uranium discovery at Patterson Lake South ("PLS") to advance its properties. These include its innovative approach to radon surveys, underwater spectrometer analysis and radiometric airborne survey; the same technology used to identify the high-grade boulder field at PLS.

Management continues to believe that long-term world-wide uranium demand and the corresponding nuclear power plant build-out will require new uranium supply to meet this expected new demand. As such, management is highly optimistic about the long-term prospects for the uranium market and the Company remains committed to advancing its exploration plans in the Athabasca Basin to emulate the success of its predecessor companies, Fission Uranium and Fission Energy Corp. In addition, the Company will continue to examine joint venture, property acquisition, and other strategic corporate opportunities to enhance shareholder value.

Summary of significant accomplishments and corporate developments for the year ended June 30, 2021 and subsequent:

The Company is monitoring the rapidly changing and unpredictable environment caused by the global COVID-19 pandemic and continues to reduce general and administrative costs across its business.

On September 29, 2021, the Company completed an \$8,000,026 financing which will be used to move several projects forward in 2022.

Currently planning the 2022 exploration programs; please see news releases to come.

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Exploration properties

A list of the Company's uranium exploration properties, their current project status and their carrying value as at June 30, 2021 is shown below:

Property	Location	Ownership	Claims	Hectares	Stage	Carrying value
<i>PLS Area</i>						
Clearwater West	Athabasca Basin Region, SK	100%	3	11,786	3	92,378
Patterson Lake North	Athabasca Basin Region, SK	100%	38	39,946	3	5,820,772
Wales Lake	Athabasca Basin Region, SK	100%	31	40,986	3	1,237,748
<i>Total: PLS Area</i>			72	92,718		7,150,898
<i>Key Lake Area</i>						
Bird Lake	Athabasca Basin Region, SK	100%	1	1,803	1	4,279
Hobo Lake	Athabasca Basin Region, SK	100%	56	33,958	3	936,601
Lazy Edward Bay	Athabasca Basin Region, SK	100%	11	1,828	1	13,495
Seahorse Lake	Athabasca Basin Region, SK	100%	3	7,519	1	8,576
<i>Total: Key Lake Area</i>			71	45,108		962,951
<i>Beaverlodge/Uranium City Area</i>						
Beaver River	Athabasca Basin Region, SK	100%	21	19,474	2	284,134
Hearty Bay	Athabasca Basin Region, SK	100%	7	11,173	2	1,253,792
Midas	Athabasca Basin Region, SK	100%	21	10,330	2	444,052
North Shore	Athabasca Basin, AB	100%	1	560	2	538,351
<i>Total: Beaverlodge/Uranium City Area</i>			50	41,537		2,520,329
<i>Northeast Athabasca Basin Area</i>						
Cree Bay	Athabasca Basin Region, SK	100%	16	14,080	3	932,704
Eagle	Athabasca Basin Region, SK	100%	8	703	1	8,158
Murphy Lake	Athabasca Basin Region, SK	100%	8	609	1	23,035
<i>Total: Northeast Athabasca Basin Area</i>			32	15,392		963,897
Totals			225	194,755		11,598,075

Exploration Stage:

1. Prospecting
2. Geophysical Exploration, Sampling, Line Cutting, IP Surveys
3. Drilling

Within the Athabasca Basin Region, the Company's properties are all located in areas that are prospective for near surface uranium mineralization in both basement and unconformity hosted models. The emphasis for land selection has been on identifying shallow hosted mineralization potential in conjunction with underlying structural and alteration features associated with appropriate lithologic units, with a focus on being near historic mining districts (such as Beaverlodge / Uranium City in north-western Athabasca Basin region and Key Lake area in the eastern Athabasca Basin region) or emerging major mining districts (such as the south-western Athabasca Basin region). As such, property locations tend to be proximal to the Athabasca Basin margins. Three geographic areas represent a key focus area and these include:

1. PLS Area: Includes 92,718 ha in 3 properties;
2. Key Lake Area: Includes 45,108 ha in 4 properties; and
3. Beaverlodge/Uranium City Area: Includes 41,537 ha in 4 properties.

There are 3 other highly prospective properties within the Athabasca Basin Region in Saskatchewan which fall outside these 3 geographical areas, all situated in geologically attractive settings that indicate the potential to host uranium mineralization.

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Exploration properties (continued)

PLS Area, Canada

The PLS area has been the focus of two of the most significant, recently discovered deposits in the Athabasca Basin; Fission Uranium's Triple R and NexGen Energy's Arrow deposits and the area is considered an important, major emerging uranium mining district of the Athabasca Basin. The PLS Area portfolio consists of 72 claims and 92,718 ha on 3 properties. The PLN property is considered the most advanced and is located immediately to the north of Fission Uranium's Triple R deposit.

Clearwater West Property

The Clearwater West property ("CWW") consists of 3 contiguous claims covering 11,786 ha. The uranium mineralization model that is envisioned on the CWW property is analogous to the structurally controlled Athabasca Basin unconformity deposits, which are generally associated with hydrothermally altered, structurally controlled metasedimentary lithology which appear as magnetic lows on geophysical surveys.

Patterson Lake North Property

The PLN property consists of 38 claims covering 39,946 ha and is located immediately adjacent and to the north of Fission Uranium's PLS high grade Triple R uranium deposit.

A brief summary of exploration activity on the PLN property is as follows:

A 2013 VTEM MAX survey, carried out over the north portion of the Patterson Lake North Property, revealed a strong 'late time' EM conductor with significant offsets indicating cross structure. This sinuous feature, known as the 'N' conductor, is believed to extend onto the Patterson Lake North Property in two locations. Ground follow up geophysical surveys of this feature indicated a wide complex conductor system, which may consist of individual conductors that are not yet uniquely resolved.

Prior to the winter 2019 season, the last drilling done on the property was in 2014 when a total of 10 holes were completed in 4,118m of drilling. The most significant result was returned from drill hole PLN14-019 which tested the A1 electromagnetic conductor and encountered anomalous radioactivity which was confirmed with geochemical analysis and assayed 0.047% U₃O₈ over 0.5m. These results raised the potential of the A1 conductor to host high-grade uranium mineralization.

In February 2019, the Company completed a winter drill program. A total of 2,051m were drilled in six completed holes and two holes that were abandoned due to poor ground conditions. Drilling focused on the north-south trending A1 basement hosted electromagnetic "EM" conductor, where previous drilling in 2014, including hole PLN14-019 (6.0m @ 0.012% U₃O₈), indicated the conductive corridor to be prospective for mineralization. All six holes encountered strong hydrothermal alteration over variable widths and a number of narrow radiometric anomalies, including a downhole radiometric peak of 1,382cps (PLN19-026), often a key signature of mineralized systems. The A1 conductive corridor remains prospective to the south and PLN hosts multiple drill targets that remain untested on the property and will be the subject of future exploration.

Wales Lake Property

The Wales Lake Property comprises 31 claims in 3 main geographic blocks totaling 40,986 ha. Located outside the margin of the southwest Athabasca Basin, Wales Lake east (Block C) is situated approximately 25km southwest of Fission Uranium's flagship Triple R uranium deposit and occupies the same stratigraphic position within the Clearwater Domain. Wales Lake west (Block A & Block B) is located approximately 25km west of the Triple R deposit. The Wales Lake project represents relatively shallow depth target areas outside of the margin of the Athabasca Basin.

During summer 2017, the Company contracted Geotech Ltd. to use their helicopter-borne VTEM system to survey a total of 1,546 line-km at 200m line spacing over the Wales Lake claims within Blocks A & C.

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Exploration properties (continued)

PLS Area, Canada (continued)

Wales Lake Property (continued)

A ground geophysical small moving loop electromagnetic survey was carried out by Discovery Geophysics Inc. during November 2018 within the Block C area. Nine grid lines were surveyed for a total of 21.5 km. Survey lines were targeted on prospective anomalies interpreted from the 2017 airborne VTEM survey. As a result of analysis of both surveys, a 5,547 ha claim was staked in December 2018 to capture prospective ground on the southwest corner of Block C.

Follow-up drilling within Block C during December 2018 targeted anomalies interpreted from the ground electromagnetic survey. Two drill holes were completed for a total of 586 metres. Gneissic lithologies with intervals of moderate to strong hematite and chlorite alteration were intersected. A 0.5m interval of anomalous radioactivity associated with a pegmatite vein was encountered in hole WL18-002.

In June 2019, 3.2km of small moving loop TEM survey was performed on a single line in the northwest claim block (Block A) to better delineate VTEM conductors. Subsequently in July-August 2019, a VTEM survey was flown within two separate claims blocks (Blocks B & C) totalling 1,096 km. The survey was successful in defining several conductive packages. Complex conductors and P-type responses will require ground follow-up to establish drill targets.

Key Lake Area, Canada

The Key Lake area is an important historic mining district. The Key Lake operations are co-owned by Cameco Corp. and Orano Canada Inc. and once hosted the former Key Lake mine, which produced 208 million pounds of uranium between 1975 to 1997. One of the largest mills in the world, the Key Lake mill processed ore from the McArthur River uranium deposit until Cameco announced that McArthur River mining would be suspended indefinitely in 2018 due to low uranium prices. The area is considered highly prospective to discover significant new uranium occurrences.

The Company's Key Lake Area portfolio consists of the Bird Lake, Hobo Lake, Lazy Edward Bay and Seahorse Lake properties which total 71 claims and 45,108 ha on 4 separate, non-contiguous properties. This area lies within the Key Lake Shear Zone which is characterized as a broad northeast-southwest trending primarily metasedimentary corridor and is expressed as a magnetic low in geophysical surveys. Within this corridor, numerous basement EM conductors are present.

Such EM conductors in metasedimentary corridors represent the classic setting for structurally controlled Athabasca-style high-grade uranium deposits. The Company believes its Key Lake area properties have the potential to host near surface high-grade uranium mineralization similar to the nearby historic Key Lake deposits. All of the properties have had significant historic exploration which has identified various features of interest including geophysical and geochemical anomalies, thus upgrading the merits overall.

In March 2019, the Company announced results from the first pass drill program at its Key Lake South properties. A total of ~1,300m was drilled in eight completed holes, all of which encountered variably intense hydrothermal alteration and six holes with anomalous radioactivity. Of note, holes KL19-005, KL19-006 and KL19-007, drilled in the northern part of the extensive land package, encountered the most significant hydrothermal alteration and paleoweathering, which are considered important factors for hosting high-grade uranium mineralization and will be prioritized for follow up. The most recent developments on the Key Lake Area properties are as follows:

Bird Lake Property

The Bird Lake Property was acquired by staking in February 2020 and comprises 1 mineral claim with an area of 1,803 ha. It is located 13 km to the northeast of the McArthur River Uranium Mine. The property overlies a northeast trending regional magnetic low that occurs within favourable Wollaston domain lithologies and is associated with the prospective Bird Lake fault system, a large scale thrust fault with offset of up to 50 metres and overlain by appx. 150 metres of Athabasca sediments.

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Exploration properties (continued)

Key Lake Area, Canada (continued)

Hobo Lake Property

The Hobo Lake Property comprises 56 mineral claims with an area of 33,958 ha. Located approximately 80km south of the margin of the southeast Athabasca Basin, Hobo Lake is the southern-most property of the Key Lake area and is likewise situated along the Wollaston-Mudjatik Transition Zone ("WMTZ"), host to the most important major deposits of the eastern Athabasca Basin. The Key Lake road, provincial highway 914, runs alongside the east boundary of the property and continues to the Key Lake uranium mill. The Key Lake Shear Zone hosts several uranium occurrences proximal to the Hobo Lake property.

Previous exploration included a VTEM airborne survey, to map out magnetic and conductive features, and a high resolution airborne magnetic and radiometric dataset purchased from Special Projects Inc.

Lazy Edward Bay Property

The Lazy Edward Bay Property was acquired by staking in April 2020 and comprises 11 mineral claims with an area of 1,828 ha. This property is located over shallow sandstone cover along the highly prospective Wollaston-Mudjatik lithologic trend of the eastern Athabasca Basin. The west portion of the property captures most of the Ponderosa conductive trend, along with historic drill holes LE-072 and LE-073 that respectively encountered 170 ppm uranium in brecciated and sheared gneiss, and 40 ppm uranium along with 550 ppm boron within sandstone fault gouge. Claims in the eastern portion of the property cover part of the Liberty conductive trend, with nearby historic drill hole LE-001 intersecting 224 ppm U₃O₈ over 0.5 metres.

Seahorse Lake Property

The Seahorse Lake Property was acquired by staking in April 2020 and comprises 3 mineral claims with an area of 7,519 ha. This property is located over shallow sandstone cover along the highly prospective Wollaston-Mudjatik lithologic trend of the eastern Athabasca Basin. Historic drill-hole 4679-1-81 targeted a resistivity low anomaly and encountered fractured broken core from 53 metres depth past the Athabasca unconformity to 139 metres depth.

Beaverlodge/Uranium City Area, Canada

The Beaverlodge/Uranium City region is a major historic uranium mining district and home to the first uranium mining operations in Saskatchewan. Prior to the discovery of high-grade uranium mineralization in the Athabasca Basin, the Beaverlodge area was the most important uranium mining district in Saskatchewan. Throughout the 1950's and 1960's, 52 mines were operated.

The Beaverlodge/Uranium City Area portfolio consists of 50 claims and 41,537 ha on 4 properties.

The most recent developments on the Beaverlodge/Uranium City Area properties are as follows:

Beaver River Property

The Beaver River Property consists of 21 claims totaling 19,474 ha located on the north central edge of the Athabasca Basin in Saskatchewan, approximately 44km east of Uranium City, Saskatchewan. The property includes numerous confirmed EM basement conductors and several uranium showings providing surface outcrop sample assays of up to 3.66% U₃O₈.

In May 2016, the Company completed an 880 line-km airborne VTEM survey at 200m line spacing over the eastern portion of the property - an area with several identified historic in-situ uranium anomalies. The survey was instrumental in defining conductive packages over the entire project area. In excess of 258km of conductors were defined by the VTEM survey. The interpreted results indicate complex conductor swarms which will require ground follow-up to establish drill targets. There are numerous areas of enhanced conductivity, as well as many areas of trend widening evidenced by increase in parallel multiple conductors and many offsets and termination points indicative of cross structure.

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Exploration properties (continued)

Beaver River Property (continued)

In July and August 2019, the Company carried out a field program that prospected historic showings, airborne radiometric anomalies, and VTEM anomalies near zones of structural complexity, in the south-central and north area of the property. Significant results from historic showings included Coin Canyon with assays of 2.55% U₃O₈ & 0.41% Ni, Kisiwak Lake running 2.04% U₃O₈ & 0.26 g/t Au, and the VIC showing with up to 1.1% U₃O₈, 0.98% Cu & 0.14% Ni. New discoveries in the north area of the property included the Trigger Zone, a 0.3m wide radioactive vein hosted in a quartz-feldspar gneiss and running up to 13.9% U₃O₈ & 2.27 g/t Au.

Hearty Bay Property

The Hearty Bay Property consists of 7 mineral claims totalling 11,173 ha. The property is located on the north edge of the Athabasca Basin, 20km west of the Fond-du-Lac uranium deposit and 60km east of the Beaver Lodge uranium district.

The Property surrounds the historic Isle Brochet radioactive sandstone boulder trains, 1 kilometre long dispersal trains trending along the main ice direction and containing up to 3% uranium. Approximately 600 metres to the northeast several more radioactive boulders of both sandstone and basement origin were discovered. Historic drilling proximal to these boulders did not intersect any significant radioactivity, the source remains undetermined. Strong airborne EM conductors within the property were identified by historic surveys up-ice of the radioactive boulder trains.

During July-August 2019, the Company carried out a field program that examined glaciology characteristics of the radioactive boulder train area and prospected conductors and radiometric anomalies on the north mainland. Results of boulder prospecting on Isle Brochet exceeded historic findings with uranium content up to 8.23% U₃O₈ in new sampling. In addition, 271 km of detailed marine acoustic data was collected from northeast of the Isle Brochet and up-ice of the radioactive boulder trains, revealing structural lineaments and possible sandstone outliers that may be associated with the source of the radioactive boulders on Isle Brochet and represent possible drill targets. A marine spectrometer survey collected 1,161 measurements of the lake bottom in areas interpreted from the acoustic survey as prospective for sandstone outliers, reaffirming an area of submarine radioactive boulders found by Eldorado Nuclear/DNR in 1977 and locating groupings of anomalous results further up-ice from the island boulder trains. A radon soil gas survey sampled 148 sites across the strike of the radioactive boulder trains however, results from this survey were inconclusive.

Midas Property

The Midas property consists of 21 mineral claims totaling 10,330 ha located near the north-west edge of the Athabasca Basin.

In September 2017, a geological prospecting program collected 103 rock samples to evaluate historic uranium occurrences and radiometric anomalies. Geochemical assays ranged from below detection limit up to 95,000 ppm (U partial). Thirty-one samples yielded anomalous results >500 ppm U, with values ranging from 0.06% to 11.9% U₃O₈. The highest assay results were obtained from samples around and within the St. Michael mine area, where high-grade boulders returned assays up to 11.9% U₃O₈.

A modified induced polarization-resistivity ground geophysical survey was performed by Patterson Geophysics Inc. during September 2017. The survey was intended to delineate basement resistivity zones in areas of intense conductivity bright spots. A very highly conductive subsurface layer was encountered but a modified survey configuration allowed for successful imaging of the basement. Data processing and interpretation is in progress. A short test of a horizontal loop (slingram type) electromagnetic survey confirmed that it was not the appropriate survey method.

In July 2019, the Company carried out a field program that prospected historic radioactive showings and priority VTEM conductor anomalies.

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Exploration properties (continued)

Beaverlodge/Uranium City Area, Canada (continued)

North Shore Property

The North Shore property consists of 1 metallic and industrial minerals agreements totaling 560 ha situated along the northwest margin of the Athabasca Basin.

In August and September 2013, a 12,257 line-km high resolution airborne magnetic and radiometric survey was completed, revealing two significant and strongly radioactive uranium source anomalous regions. A prospecting program followed up on information gleaned from the survey. Highlights were the discovery of previously unknown areas of Athabasca sandstone outcrop, and many locations where the Athabasca Basin margin has been faulted and hydrothermally active.

In September 2019, an 80.3 line-km ground gravity survey consisting of 1,596 stations successfully identified two gravity lows that are coincident with known surface uranium showings that are presently untested by drilling. The structural setting of these gravity targets is similar to those that host uranium mineralization at the Maurice Bay uranium deposit 7 km to the northeast.

Northeast Athabasca Basin Area, Canada

The Company holds 32 claims totaling 15,392 ha in 3 other uranium properties located around in and around the Northeast Athabasca Basin area of Saskatchewan. All properties are prospective for shallow targets in basement and/or unconformity hosted settings.

The most recent developments on the Northeast Athabasca Basin Area properties are follows:

Cree Bay Property

The Cree Bay property consists of 16 claims totaling 14,080 ha located on the inside edge of the northern Athabasca Basin. The town of Stony Rapids is 20km to the north and the historic Nisto uranium mine is 13km to the northeast.

In August 2015, a 4,214 line-km high resolution airborne magnetic and radiometric survey at 50m line spacing over the property was completed.

A DC Resistivity Induced Polarization ground geophysical survey conducted in September 2017 covered 24km on two separate grids, centered on sections of strong conductivity interpreted from a historic airborne Geotem electromagnetic survey. Basement conductive features and some sandstone resistivity low (alteration) features were detected. Some difficulties were encountered with surveying on Black Lake. The survey confirmed anomalous conditions that are indicative of alteration halos in the lower sandstone.

In April 2019, a nine line, 27km DCIP Resistivity and moving loop TEM survey was conducted by Discovery Geophysics Inc. over the most prospective area identified by the historic GEOTEM electromagnetic survey. Results of the TEM survey returned weak conductor responses while the DC/IP resolved a strong resistivity anomaly on L2700 and a weaker resistivity on L2100.

In June 2019, the Company completed a first pass drill program on the property. A total of 1,045m were drilled in two holes which encountered significant faulting, strong hydrothermal alteration and elevated concentrations of pathfinder elements in both holes. In addition, the depth to the basement unconformity was intersected deeper than expected by ~200m. This indicates possible major offset in the vicinity, which can be a favorable setting for hosting high-grade uranium, such as at the MacArthur River deposit.

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**Exploration properties (continued)***Northeast Athabasca Basin Area, Canada (continued)**Eagle Property*

The Eagle Property comprises 8 mineral claims with an area of 703 ha. This property is located along the inferred northeastern extension of the Collins Bay trend, less than seven km northeast of the Rabbit Lake uranium mine. The property covers portions of a complicated zone of conductors that suggests a high degree of structural complexity, indicating the optimal setting for basement hosted uranium mineralization.

Murphy Lake Property

The Murphy Lake Property comprises 8 mineral claims with an area of 609 ha.

This Property is located in the eastern Athabasca Basin, on the west edge of the favourable Wollaston-Mudjatik lithologic trend.

The Property covers a curvilinear EM conductor that is a splay to the east off of a regional conductive trend that is host to the La Rocque Uranium Zone, 4.5km to the west, where intersections along a 400m drill defined strike length have returned up to 18.6% uranium over 2.7m, along with high values of associated base metals and gold.

Historic drilling by Areva along the conductor within the Property intersected a graphitic and sulphide rich basement conductive unit, with assays up to 199 ppm uranium at 350m depth, just above the unconformity.

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Uranium outlook

Management believes that the exploration and development of uranium properties presents an opportunity to increase shareholder value based on the following categories, including but not limited to supply / demand fundamentals, geopolitics and clean, baseload power generation.

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

Global nuclear energy demand and the associated nuclear power plant build-out is projected to increase significantly in the years ahead, which will require new uranium supply to meet this increasing demand. According to the International Atomic Energy Agency ("IAEA") global electricity demand is forecast to grow by nearly 60% from 2018 to 2040 and over 90% by 2050.

The World Nuclear Association ("WNA") states that there are 442 nuclear power reactors in operation supplying 30 countries around the world, with 53 under construction, another 104 planned and 325 proposed. Reactor builds continue to be near multi-decade highs as more than twice as many reactors are under construction now than before the Fukushima event in 2011. Many analysts continue to forecast a long-term global uranium demand/supply imbalance, which suggests the potential for materially higher uranium prices. The following is a list of selected countries with nuclear reactors that are either under construction, planned or proposed:

Country	In Operation	Under construction	Planned	Proposed
China	48	14	42	168
India	22	7	14	28
Russia	39	3	24	22
USA	94	2	3	18
Canada	19	-	-	2
Japan	33	2	1	8
Saudi-Arabia	-	-	-	16
South Korea	24	4	-	2
Ukraine	15	2	-	2
Others	148	19	20	59
Total	442	53	104	325

Source: World Nuclear Association (World Nuclear Reactors & Uranium Requirements - www.world-nuclear.org - Updated November 2020)

- *Uranium demand/supply fundamentals*

A global uranium demand/primary supply imbalance has existed for many decades, due to the way utilities procure supply and the negative impact on demand stemming from the Fukushima event. Primary uranium supply from uranium producers (mining) has consistently failed to keep pace with demand. This shortfall has been filled from secondary supply, which includes the sale of government stockpiles, spent fuel reprocessing, extending conversion processes, and the highly enriched uranium ("HEU") agreement (which ended late 2013). Meanwhile, global inventory stockpiles have and continue to be drawn down. While the total inventory figure is difficult to ascertain due to the fact that a significant amount is held in national strategic stockpiles of various governments or stored in the inventories of non-public utilities and other entities, it is important to note that not all inventory is mobile. Sovereign nations will keep their strategic stockpiles for energy security while other material classified as inventory may either be of low grade that will require reprocessing or be in the form of a prefabricated fuel that will require disassembly and reprocessing to be usable for others. It is notable that there has been a change this past year in that the supply from inventories appears to have diminished substantially and that the majority of spot market supply comes from uncommitted production. This signals the possibility that the amount of mobile supply from inventories is nearing a point where it is not mobile at current prices. Add to this the fact that there are a few mines that will be exhausted in the near future and this points to the possibility that there will be significantly less supply available going forward.

Uranium outlook (continued)

- *Uranium demand/supply fundamentals (continued)*

U₃O₈ prices have risen from the mid US\$20/lb level due to the suspension of large mines such as Cameco's Cigar Lake and the production reduction by NAC Kazatomprom JSC – the world's largest producer of uranium. Although Cameco has restarted Cigar Lake in September of 2021, a potential outbreak of COVID-19 could possibly cause another interruption in operations. Indeed, the emergence of the global COVID-19 pandemic has caused the closure of many businesses around the world and mines of all commodities have not been an exception. As a result, there may be additional mine closures or curtailments that may further impact global uranium supply if the virus impacts other uranium operations. This further reduces supply that was already declining due to the ongoing shutdown at McArthur River, and the winding down of the Cominak and Ranger mines.

According to the UxC, mine production peaked in 2016 at 162mm lbs. It fell to 154mm lbs in 2017 and in 2019 production was 142mm lbs. Meanwhile, 2020 reactor demand was 177mm lbs, which generated a gap or shortfall of roughly 35mm in 2020. This supply demand imbalance can be perceived as a positive development for the long-term outlook for uranium prices. In addition, roughly 85% of the current producers are uneconomic at today's uranium prices. A significant issue in the uranium market is that state-owned entities supply over half of the market, further exacerbating pressure on commercial producers. The UxC suggests that uranium producers need roughly US\$45 to \$50 per lb uranium to meet their cost of capital. While Tradetech has begun presenting a Production Cost Indicator, which attempts to capture the cost of production (US\$43.15/lb as of October 31, 2020). While other industry analysts, including RBC Capital (Canada), Raymond James Canada, and Resource Capital Research (Australia), suggest that a healthy, sustainable global uranium mining sector, requires a uranium price of US\$70-\$80/lb to stimulate new exploration and mine development worldwide.

An additional under-reported issue related to uranium demand, is the disruption of the traditional utility buying cycle. Most uranium is bought and sold via long-term contracts (historically five to ten years in duration) and typically, utilities ensure their fuel requirements are covered between three and five years out. Since the Fukushima event, most utilities have been allowing their contracts with suppliers to get closer to expiry and are relying on their stockpiles or are buying on the secondary market. In fact, the "carry trade" (the act of uranium traders to borrow money in the global low interest rate environment, buying spot or near-term uranium at low prices, and then selling for future delivery to utilities at low prices in order to capture the spread) has been prevalent for years. Since uranium prices have been at historically low levels, many producers have been hesitant to sign long term contracts with utilities that are seeking to renew since they cannot meet their cost of capital at those depressed, unsustainable prices. The result is that the amount of uranium fuel required over the next five years that is currently uncovered by long term contracts is rapidly increasing. It is worth noting that when new reactors are connecting to the electricity grid, they require frontloading of as much as three times annual uranium stock. This is bullish for the demand picture. Many experts in the industry expect that this will inevitably force utilities into the market, leading to strong upward pressure on uranium spot prices which in turn will increase the longer-term contract price. It is also worth noting that the recent rise in the uranium spot price has limited the viability of the carry trade, which reduces the availability of this patchwork form of uranium supply for utilities – thus forcing them to pay more attention to traditional sources of supply, which may result in increased demand and further price strengthening. Indeed, market participants are noticing uncovered production, which was the primary source of supply to fuel traders for the carry trade, has made up a reduced portion of the supply as there is simply less being produced. This is evidenced by the fact that fuel traders are increasingly borrowing material from uranium funds.

Additionally, with its ongoing shutdown of McArthur River and prior suspension of Cigar Lake, Cameco will continue to have to buy significant pounds in the spot market. As of its most recent quarterly update, Cameco claims that it is the world's largest purchaser in the spot market and has acquired over 50mm lbs from the spot market to date.

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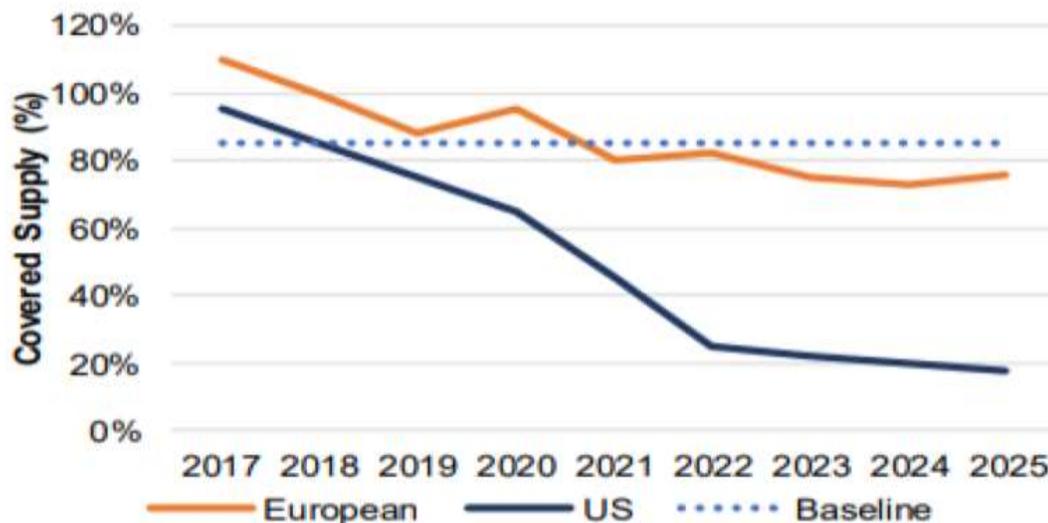
For the year ended June 30, 2021

(Expressed in Canadian dollars, unless otherwise noted)



Uranium outlook (continued)

- *Uranium demand/supply fundamentals (continued)*



(Source: EIA, Euratom - Future contract coverage rates)

- *Emerging Demand – Small Modular Reactors*

An emerging source of demand is the rising prominence of Small Modular Reactors ("SMR"). These relatively pint-sized reactors provide less than 300 MWe and are designed to be implemented quickly, require a small footprint, and can be deployed in areas that required power without much infrastructure such as in the Arctic, and other remote locations. In the United Kingdom, Rolls-Royce has announced that it is building up to 16 SMRs aided by a £200mm investment by the country. In Canada, there are 12 different models before Canadian regulators seeking approval.

- *China – driver of demand*

China has the most aggressive growth plans for nuclear. With only 4.9% of power generation currently met by nuclear power and a target of 20% non-fossil fuel generation by 2030, there is a significant reactor build required of approximately 500% of current capacity. According to research by the Chinese Ministry of Education and Tianjin University, China, within the 2018 Optimal Power Paper, nuclear energy is now the lowest cost source of electricity generation in China. Consequently, there are currently 14 nuclear power plants under construction in China, all scheduled for completion between 2020 and 2021, in addition to the 48 in operation.

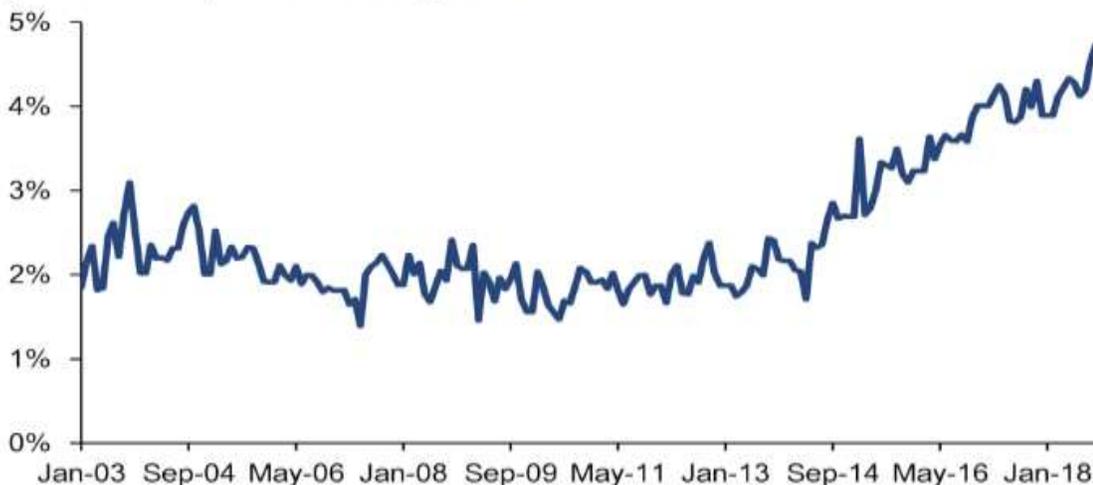
China's current domestic uranium production accounts for less than 25% of its annual requirements resulting in increased imports and stockpiling as it does not sell its domestic supply to the market but, rather consumes it in its reactors. In 2010, Cameco signed the first of two long-term contracts with Chinese-owned utilities for the delivery of uranium. Additional long-term demand is anticipated from other Asian countries, most notably India and South Korea as they expand their planned nuclear build-out. In 2015, Cameco signed its first contract with India to supply 7.1 million lbs of uranium concentrate through to 2020. CGN Mining's offtake agreement with Fission Uranium is also highly significant as it highlights that China is moving to further secure its long-term uranium supply chain.

China's commitment to combatting air pollution is evident with nuclear energy benefitting as a zero carbon emissions power generation source. As the below chart depicts, at its lowest point nuclear represented 2% share of Chinese power generation, however that figure has been rising and in the last few months in 2018 it spiked to 5%. This production is coming at the expense of carbon emitting coal fired generation.

Uranium outlook (continued)

- *China – driver of demand (continued)*

Figure 1. Share of nuclear power in China's electricity generation mix



(Source: Citi Research - China's power generation)

- *Japanese nuclear reactor fleet and uranium stockpiles*

Following the Fukushima event in March 2011, Japan shut down all of its nuclear reactors, pending new safety regulations, legislation, and inspections. A new nuclear regulator was established, and after considerable delay, Japan's nuclear operators were given permission to apply to restart its reactors. This has been among the biggest drags on prices and sentiment in the uranium market. Market participants, specifically producers and issuers, have been adversely affected from this uncertainty as well as the delay in getting reactors restarted.

However, we continue to see improvements. Japan is currently operating a total of nine reactors, of which two were first restarted in 2015 and seven more have restarted since. A further 18 reactors are currently in the restart approval process with 16 of them already clearing government requirements for restart. This is in addition to the two reactors under construction and nine new reactors being planned or proposed. With reactors coming back online and plans to develop new ones, we view this as a positive development to the psyche of the market and the long-term outlook for nuclear power.

To provide context, Japanese nuclear power generation in 2010 represented 25% of the country's total grid. By 2016 that number was reduced to 2% due to Fukushima. However, plans are to increase nuclear back to 20-22% by 2030.

While the first wave of reactor restarts in Japan is not expected to immediately increase uranium demand as they would likely draw from existing inventory, it should increase confidence that Japan's utility companies most likely will not sell their uranium fuel stockpiles into the market. The potential for this estimated 90 million lbs of uranium to enter the spot market has been viewed as a significant threat to uranium prices since 2011 and analysts believe it has been a major factor in suppressing the buying cycle, utilities procuring supply contracts, and ultimately the price of uranium. However, it should be noted that at least some of this inventory is in the form of fabricated fuel assemblies. Fuel assemblies are generally reactor-specific and can not be simply purchased and plugged into another reactor that it was not designed for. As such, any purchaser of these assemblies would need to also factor in the cost and time of disassembling and refabricating these assemblies. With uranium prices continuing to be below the marginal cost of production for many producers, it may be better for utilities to acquire uranium through the primary supply chain as opposed to acquiring another utility's inventory.

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Uranium outlook (continued)

- *Supply deficits*

As a direct result of low uranium prices, Cameco, the largest commercial producer of uranium announced in April 2016 that it was suspending production at its Rabbit Lake uranium mine in Saskatchewan and placing the facility into "care and maintenance". It was estimated by Cantor Fitzgerald that this removed 3% of the uranium available to the spot market and showed a strong trend that producers are acting to limit production worldwide. In November 2017, Cameco announced the temporary closure of the McArthur River mine and Key Lake processing facility. The McArthur River mine was the largest uranium mine in the world and its closure removed an estimated 7% of primary production for 2018.

In July 2018, Cameco announced it would layoff approximately 700 employees and shut down production at its McArthur River and Key Lake mine sites indefinitely due to a weak uranium market. This material announcement from an industry leader likely aided in the subsequent increase in uranium spot prices during the latter half of 2018. In 2020, Cameco announced the suspension of its Cigar Lake mine due to concerns over COVID-19. This removed about 18mm lbs. of U3O8 or approximately 13% of 2019 production. The Cigar Lake mine was restarted in September 2020 as the company navigates operating the mine during the era of COVID.

In addition to Cameco's production curtailments, Kazatomprom has also cut its production guidance. This follows a period in which several new projects have been categorized as uneconomic. Worldwide projects cancelled or deferred since 2012 include: Yeelirrie and Kintyre in Australia (Cameco), Trekkopje in Namibia (AREVA), Imouraren in Niger (AREVA) and the Olympic Dam expansion in Australia (BHP). In 2020, due to measures to combat the COVID-19 pandemic, Kazatomprom announced reduced production guidance that was 10.4 mm lbs. of U3O8 (or roughly 18%) less than its prior outlook. In its Q3/20 market update, Kazatomprom estimated that total global production would be approximately 14% lower than 2019 due to the uncertainty caused by the pandemic and low uranium price environment.

In May 2019, Orano Canada confirmed the closure of its Cominak mine in Niger and cited "very low price conditions" as the reason. It also announced the suspension of production from its McClean Lake Mill in March 2020 in response to the COVID-19 pandemic. Energy Resources of Australia's Ranger mine closed in January 2021.

Increasing the pressure on medium to long term supply is the lengthy period (approximately ten years on average) and capital costs required to take a uranium project from discovery to production. At the October 2019 NEI Conference, a prominent uranium hedge fund illustrated that the total capital costs of nine greenfield projects will require US\$4.6 billion dollars of capital to build their respected mines. COVID-19 related issues have led to planned future production reductions such as Kazatomprom's earlier announcement that it would produce 20% less than original forecast in 2022 (approximately 14.3 mm lbs). With many projects stalled or abandoned, analysts believe that a growing supply/demand imbalance may be difficult to deal with once secondary supplies can no longer meet rising demand which started to happen in 2018. This increases the attractiveness of assets that have the potential to be taken into production in stable political jurisdictions and at a lower operating cost. Such projects have similar characteristics to Fission Uranium's Triple R deposit: high-grade, shallow, in basement rock and in a stable jurisdiction.

It is also notable to highlight that both Kazatomprom and Cameco have become active as buyers in the uranium spot market as both move to obtain enough material to fulfill contracts that are no longer being met by their respective mines. In its Q3/20 Operations and Trading Update, Kazatomprom noted that its 2020 and 2021 inventory levels are expected to fall below target levels of six to seven months and that it, "will not be possible to compensate for production losses in these periods". Similarly, Cameco has been an active purchaser in the spot market for quite some time now. This flipping of roles of the world's two largest producers from adding to global inventory levels to being buyers in the spot market may have a significant impact to the overall supply and demand environment for uranium.

Uranium outlook (continued)

- *Supply disruption concerns*

Recently, conflict between the United States and Iran has resulted in accusations of Iran breaking the 2015 agreement that limited its nuclear program, taking the first step toward re-imposing United Nations sanctions. The European countries started the clock on what is anticipated to be 60 days of negotiations with Iran about coming back into full compliance with the nuclear deal. If they cannot resolve their dispute under the agreement, the United Nations could revive sanctions on Iran that had been suspended, including an arms embargo.

- *United States of America*

In July 2018, the U.S. Government announced a probe into whether U.S. uranium imports are a threat to national security. The U.S. Government was also threatening to issue tariffs on U.S. uranium imports, similar to what it has already done in other industries such as steel. U.S. nuclear power generators urged the federal government against acting in a dispute against imported uranium, arguing tariffs or quotas would increase costs for the struggling industry and possibly cause some reactors to shut. The U.S. Department of Commerce subsequently launched a "Section 232" investigation into uranium imports following complaints by two U.S. uranium mining companies, Ur-Energy Inc and Energy Fuels Inc, that subsidized foreign competitors have caused them to cut capacity and lay off workers.

In July 2019, U.S. President Trump announced that additional study was necessary beyond the Secretary of Commerce's findings that uranium imports threaten to impair the national security of the United States as defined under Section 232 of the Act. Although he did agree that the Secretary's findings raise significant concerns regarding the impact of uranium imports on the national security with respect to domestic mining. Thus, the President established a Nuclear Fuel Working Group ("NFWG") to examine the current state of domestic nuclear fuel production to reinvigorate the entire nuclear fuel supply chain in July 2019. The Nuclear Fuel Working Group had 90 days to submit its recommendations however, on October 11th, 2019, the U.S. President delayed the report a further 30 days. In April 2020, the NFWG issued a report that included recommendations such as the establishment of a US\$150mm budget to build a domestic uranium reserve, to leverage American technological innovation, R&D, etc. to regain American nuclear energy leadership; and to move into markets currently dominated by Russian and Chinese State Owned Enterprises and recover its position as the world leader in exporting best-in-class nuclear energy technology. Notably, the uranium reserve has recently garnered bipartisan support and has been included in the Senate's Appropriations committee for the 2020-2021 fiscal year. We view the report as a positive for the global uranium industry as it does not close the world's largest consumer of uranium from non-domestic sources. More importantly, it removes the uncertainty connected to this report as market participants were unclear on what direction it would take and whether it would have negative consequences.

The U.S. and Russia also recently agreed on a revised Russian Suspension Agreement ("RSA") that further removed uncertainty with respect to the amount of uranium and conversion product can be imported from Russia into the U.S. While the agreement does grandfather in a substantial amount of material into the U.S. in the near-term, it has created certainty and some control on the amount of material that can be imported through 2040. Demand for uranium beginning in 2022 and onwards can be seen in the market as the result of this agreement.

Currently in the U.S., there are 94 operating reactors and, it is important to note, nuclear reactors supply about 20 percent of U.S. base load electricity, according to the Nuclear Energy Institute. Despite the headlines of reactors shutting down, it is notable that there are two reactors currently under construction and 21 more in the planned or proposed stage. The Department of Energy is also pushing for a change in Federal Energy Regulatory Commission rules to properly compensate nuclear power for its reliability and resilience, thereby protecting the stability of the U.S. grid. Uranium is also used in the U.S. nuclear arsenal and powers the Navy's nuclear aircraft carriers and submarines. The nuclear industry said a diverse uranium supply is essential to keep that power flowing.

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Uranium outlook (continued)

- *Security of Supply*

It should be noted that utilities do not view all sources of uranium supply equally. Since uranium for reactor operation is not a substitutable, it is imperative for utilities to have a secure source of material. As such, utilities do not view the spot market as a primary source of supply of uranium but instead more as an augmentative source. Extrapolating this concept further, material sourced from high cost operations in unstable jurisdictions would also be low on the security of supply totem pole. Fission's Triple R deposit is a world-class, high grade deposit with low estimated operating costs, located in the safest uranium producing jurisdiction in the world.

Moreover, a by-product of the Section 232/NFWG and RSA processes, the source of the material is now an increasingly important consideration for many utilities as state rules may prohibit the procurement of uranium from embargoed or restricted countries. Triple R's location in Canada places material sourced from it in the most widely accepted category of material.

- *Summary*

The uranium market is showing signs of emerging from what has been a multi-year trough period as some of the world's largest miners have suspended or reduced production due to the COVID-19 pandemic and the removal of the uncertainty overhang caused by the NFWG. Inventories continue to be drawn down, conversion and SWU prices have increased, at a time when major players are cutting primary production. All this amongst a backdrop of geopolitical tensions including possible government intervention. The backdrop is bullish for the uranium sector, for those situated in safe mining jurisdictions that host high grade, shallow uranium deposits.

- *Uranium market*

Ux U3O8 Price® - 2 Year History (Spot vs. Long-Term)



(Source: UxC LLC, www.uxc.com: November 2020)

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Selected annual information

The financial information presented below for the current and comparative periods was derived from financial statements prepared in accordance with IFRS and is expressed in Canadian dollars.

	2021	2020	2019
	\$	\$	\$
Net loss	(828,642)	(4,594,507)	(2,471,547)
Total assets	13,435,587	11,659,256	16,347,771
Current liabilities	73,284	92,118	481,696
Deferred income tax liability	-	-	18,301
Shareholders' equity	13,362,303	11,567,138	15,847,774
Basic and diluted loss per common share	(0.00)	(0.03)	(0.02)

Summary of quarterly results

The financial information presented below for the current and comparative periods was derived from annual financial statements prepared in accordance with IFRS or interim financial statements prepared in accordance with IFRS applicable to the preparation of interim financial statements, *IAS 34, Interim Financial Reporting*.

	June 30 2021	March 31 2021	December 31 2020	September 30 2020
	\$	\$	\$	\$
Exploration and evaluation assets	11,598,075	11,584,975	11,569,620	11,548,156
Working capital	1,764,228	811,372	511,322	739,001
Net loss	(209,569)	(158,704)	(215,712)	(244,657)
Net loss per share basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
	June 30 2020	March 31 2020	December 31 2019	September 30 2019
	\$	\$	\$	\$
Exploration and evaluation assets	11,517,457	14,875,891	14,528,754	14,193,388
Working capital (deficiency)	46,588	177,523	637,547	1,331,489
Net loss	(3,382,015)	(361,822)	(450,806)	(399,864)
Net loss per share basic and diluted	(0.02)	(0.00)	(0.01)	(0.00)

Net loss in the current period decreased from the prior periods due to a cut-back in overhead expenditures. Net loss for future periods will increase with ramp up of operations through 2021 and 2022.

Results of operations

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

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Results of operations (continued)

Comparison of the three months ended June 30, 2021 and June 30, 2020

The Company had a net loss of \$209,569 (\$0.00 basic and diluted loss per share) compared to a net loss of \$3,382,015 (\$0.02 basic and diluted loss per share). The change in net loss is primarily attributable to the following factors:

- Consulting and directors' fees and wages and benefits decreased due to corporate overhead restructuring.
- Share-based compensation decreased due to differing levels of stock option grants year over year.
- Exploration and evaluation asset impairment in the comparable quarter reflecting the Company's discontinuance of all Peru operations and claims.

Comparison of the twelve months ended June 30, 2021 and June 30, 2020

The Company had a net loss of \$828,642 (\$0.00 basic and diluted loss per share) compared to a net loss of \$4,594,507 (\$0.03 basic and diluted loss per share). The change in net loss is primarily attributable to the following factors:

- Consulting and directors fees and wages and benefits decreased due to corporate overhead restructuring.
- Share-based compensation decreased due to differing levels of stock option grants year over year.

Liquidity and capital resources

Fission 3.0 is an exploration and evaluation stage company and has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. Recoverability of amounts shown for exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability to fund its operations through equity financing, joint ventures, option agreements or other means. As at June 30, 2021 the Company had cash and cash equivalents of \$1,694,948 and a working capital balance of \$1,764,228. Management estimates that the Company has sufficient funds to maintain its operations and activities for the upcoming year. The Company has no exploration agreements that require it to meet certain expenditures.

Private placement

On June 24, 2021, the Company completed a non-brokered private placement of 11,954,831 units at a price of \$0.10 per unit for gross proceeds of \$1,195,483. Each unit consists of one common share and one-half common share purchase warrant. Each share purchase warrant is exercisable into one common share at \$0.15 per warrant for a period of 24 months from the date of issuance. The gross proceeds from the private placement were allocated between the common shares and warrants based on their relative fair value. The Company paid finders' fees of \$33,600 in connection with this private placement.

The fair value of the common shares was determined based on the closing trading price on June 24, 2021 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of \$914,868 was recorded in share capital in relation to the common shares and \$280,615 was recorded in other capital reserves in relation to the warrants. The fair value of the warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 108.99%; risk-free interest rate of 0.42%; expected life of 2 years; and a dividend rate of 0%. A total of \$7,886 was reclassified from unit issuance costs to other capital reserves for the proportionate share of warrants in

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the units issued. As at June 30, 2021, there was \$46,275 in subscriptions receivable which were collected subsequent to year end.

On August 18, 2020, the Company completed a non-brokered private placement of 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common share at \$0.06 per warrant for a period of 24 months from the date of issuance. The gross proceeds from the private placement were allocated between the common shares and warrants based on their relative fair value. The Company paid finder's fees of \$19,450 plus \$30,622 expenses.

The fair value of the common shares was determined based on the closing trading price on August 18, 2020 and the fair value of warrants was determined using the Black-Scholes pricing model. A total of \$611,083 was recorded in share capital in relation to the common shares and \$388,917 was recorded in other capital reserves in relation to the warrants. The fair value of the warrants was determined using the Black-Scholes pricing model using the following assumptions: a volatility of 113.02%; risk-free interest rate of 0.28%; expected life of 2 years; and a dividend rate of 0%. A total of \$19,473 was reclassified from issuance costs to other capital reserves for the proportionate share of financing costs related to the unit warrants issued.

The Company issued 8,535,000 common shares for the exercise of warrants at a price of \$0.06 per share for gross proceeds of \$512,100. The fair value of warrants exercised \$165,971 was reclassified to share capital from reserves.

On September 29, 2021, the Company closed a private placement for gross proceeds of \$8,000,026 comprising:

- 24,690,038 Units ("Unit") at a price \$0.13 per Unit for gross proceeds of \$3,209,705;
- 20,113,619 Flow-Through Units ("FT Unit") at a price \$0.145 per FT Unit for gross proceeds of \$2,916,475; and
- 10,769,232 Flow-Through Units sold to a charitable buyer ("Charity FT Unit") at a price of \$0.174 for gross proceeds of \$1,873,846.

Each Unit issued pursuant to the offering is comprised of one common share of the Company and one half of one common share purchase warrant. Each FT Unit and Charity FT Unit is comprised of one common share of the Company to be issued as a "flow-through share" and one half of one warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 at any time on or before September 29, 2023. The Company paid cash finders fees of \$450,850 plus \$71,000 expenses in connection with this private placement. The Company also issued 3,106,853 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.13 at any time on or before September 29, 2023.

On June 30, 2021, the Company had working capital of \$1,764,228 compared to working capital of \$46,588 at June 30, 2020. The increase in working capital was primarily a result of net proceeds from the issuance of common shares related to the non-brokered private placement.

Cash flow for the twelve month period ended June 30, 2021:

Cash and cash equivalents for the year ended June 30, 2021 increased from \$96,672 to \$1,694,948 primarily as a result of:

- Net proceeds related to the non-brokered private placement of \$2,065,536.
- Net proceeds from warrants exercised was \$512,100.
- Cash outflows from operating activities was \$870,258.

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Related party transactions

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

	Year Ended	
	June 30, 2021	June 30, 2020
	\$	\$
<i>Compensation costs</i>		
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	272,984	667,269
Office rent paid to a Company with common directors and officers	20,500	-
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	19,733	168,806
	313,217	836,075
Exploration and evaluation expenditure (capitalized) and administrative services paid or accrued to Fission Uranium, a Company with common directors and management	6,011	395,379
Total	319,228	1,231,454

Included in accounts payable at June 30, 2021 is \$39,709 (June 30, 2020 - \$29,228) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in accounts payable and accrued liabilities as at June 30, 2021 was \$nil (June 30, 2020 - \$19,046) for exploration and evaluation expenditures and administrative services due to Fission Uranium.

These transactions were in the normal course of operations.

On August 18, 2020, management and board members participated in anon-brokered private placement financing of units for gross proceeds of \$107,000 at a price of \$0.05 per unit. Each unit consists of one common share and one warrant, with each warrant entitling the holder thereof to purchase one common share in the capital of the Company at a price of \$0.06 per share for a period of two years from closing.

On June 24, 2021, management and board members participated in anon-brokered private placement financing of units for gross proceeds of \$280,746 at a price of \$0.10 per unit. Each unit consists of one common share and one-half warrant, with each whole warrant entitling the holder thereof to purchase one common share in the capital of the Company at a price of \$0.15 per share for a period of two years from closing.

Outstanding share data

As at the date of this document, the Company has 244,781,091 common shares issued and outstanding, 23,997,500 incentive stock options outstanding with exercise prices ranging from \$0.12 to \$0.19 per share, and 111,041,232 warrants outstanding with exercise prices ranging from \$0.06 to \$0.25 per share.

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Subsequent Events

The Company issued 6,590,000 common shares for the exercise of warrants at \$0.06-\$0.15 per share for gross proceeds of \$609,150.

The Company issued 275,000 common shares for the exercise of options at \$0.12 per share for gross proceeds of \$33,000.

On September 2, 2021, the Company granted 7,000,000 options to directors, officers and consultants of the Company exercisable at \$0.12 per share expiring September 2, 2026. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

On September 10, 2021, the Company extended the expiry date of the following warrants:

- Tranche 1: For Warrants issued on September 28, 2018, the new expiration date of those Warrants will be March 28, 2022.
- Tranche 2: For Warrants issued on October 2, 2018, the new expiration date for those Warrants will be April 2, 2022.
- Tranche 3: For Warrants issued on October 12, 2018, the new expiration date for those Warrants will be April 12, 2022.

All the warrants extended have an exercise price of \$0.15 per share which remain unchanged.

On September 29, 2021, the Company closed a private placement for gross proceeds of \$8,000,026 comprising of:

- 24,690,038 Units ("Unit") at a price \$0.13 per Unit for gross proceeds of \$3,209,705;
- 20,113,619 Flow-Through Units ("FT Unit") at a price \$0.145 per FT Unit for gross proceeds of \$2,916,475; and
- 10,769,232 Flow-Through Units sold to a charitable buyer ("Charity FT Unit") at a price of \$0.174 for gross proceeds of \$1,873,846.

Each Unit issued pursuant to the offering is comprised of one common share of the Company and one half of one common share purchase warrant. Each FT Unit and Charity FT Unit is comprised of one common share of the Company to be issued as a "flow-through share" and one half of one warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 at any time on or before September 29, 2023. The Company paid cash finders fees of \$450,850 plus \$71,000 expenses in connection with this private placement. The Company also issued 3,106,853 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.13 at any time on or before September 29, 2023.

On October 12, 2021, the Company granted 7,000,000 options to directors, officers and consultants of the Company exercisable at \$0.16 per share expiring October 12, 2026. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

On October 18, 2021, the Company granted 600,000 to an investor relations provider of the Company exercisable at \$0.19 per share expiring October 18, 2026. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

On October 18, 2021, the Company granted 600,000 to an investor relations provider of the Company exercisable at \$0.19 per share expiring October 18, 2024. The option shall vest one-third immediately and the remaining shall vest one-sixth every six months from after the date of grant.

In October 2021, 1,734,167 options were cancelled upon employees leaving the Company and expiring of consulting agreements.

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Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise.

Selected investments in equity instruments at FVTOCI are initially recorded at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Key estimates and judgments

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

Judgements

- the recoverability of mineral properties and exploration and evaluation expenditures incurred on its projects; the Company capitalizes acquisition, exploration and evaluation expenditures on its statement of financial position, and evaluates these amounts at least annually for indicators of impairment; and
- the functional currency and reporting currency of the parent company, Fission 3.0 Corp., is the Canadian Dollar. The functional currency Fission Energy Peru S.A.C. is the Peruvian Sol. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

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Key estimates and judgments (continued)

Estimates

- the estimated useful lives and residual value of property, plant and equipment which are included in the statement of financial position and the related amortization included in the statement of loss and comprehensive loss;
- the inputs in accounting for share-based payment transactions in the statement of loss and comprehensive loss (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate; and
- the determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Significant accounting policies

A summary of the Company's significant accounting policies is included in Note 3 of the audited financial statements for the year ended June 30, 2021.

Cautionary notes regarding forward-looking statements

Certain information contained in this MD&A constitutes "forward-looking statements" and "forward-looking information" within the meaning of Canadian legislation.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved" or "has the potential to".

Forward looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The Company believes that the expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon.

This information speaks only as of the date of this MD&A. In particular, this MD&A may contain forward-looking information pertaining to the following: the likelihood of completing and benefits to be derived from corporate transactions; estimated exploration and development expenditures; expectations of market prices and costs; supply and demand for uranium; possible impacts of litigation and regulatory actions on the Company; the ability for the Company to identify suitable joint venture partners; exploration, development and expansion plans and objectives; and receipt of regulatory approvals, permits and licences under governmental regulatory regimes.

There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed below in this MD&A under the heading "Risks and uncertainties".

Accordingly, readers should not place undue reliance on forward-looking statements. These factors are not, and should not be construed as being exhaustive. Statements relating to "mineral resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described can be profitably produced in the future. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A or to conform such information to actual results or to changes in the Company's expectations except as otherwise required by applicable legislation.

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**Risks and uncertainties**

The Company is subject to a number of risks and uncertainties, including: uncertainties related to exploration and development; uncertainties related to the nuclear power industry; the ability to raise sufficient capital to fund exploration and development; changes in economic conditions or financial markets; increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities, labour relations matters, and economic issues that could materially affect uranium exploration and mining. The cost of conducting and continuing mineral exploration and development is significant, and there is no assurance that such activities will result in the discovery of new mineralization or that the discovery of a mineral deposit will be developed and advanced to commercial production. The Company continually seeks to minimize its exposure to these adverse risks and uncertainties, but by the nature of its business and exploration activities, it will always have some degree of risk.