THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CGN Mining Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01164)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 19.99% EQUITY INTEREST IN FISSION

Sole Financial Adviser to the Company

CICC
中金香港证券

A letter from the Board is set out on pages 8 to 16 of this circular.

* *For identification purposes only*

7 March 2016

CONTENTS

In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Acquisition"	the acquisition of the Equity under the Share Subscription Agreement
"associate(s)"	has the same meaning as ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Business Day(s)"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CDN$"	Canada dollars, the lawful currency of Canada
"Chapter 18 Valuation"	an independent valuation on Fission's mineral assets as at 30 November 2015 undertaken by HF Appraisal & Advisory Limited in compliance with Chapter 18 of the Listing Rules
"China Uranium Development"	China Uranium Development Company Limited (中國鈾業發展有限公司*), the controlling shareholder of the Company, holding approximately 64.15% equity interest in the Company as of the Latest Practicable Date
"CGNPC"	China General Nuclear Power Holding Corporation* (中國廣核集團有限公司, formerly known as 中國廣東核電集團有限公司 China Guangdong Nuclear Power Holding Corporation, Ltd.*), the sole shareholder of CGNPC-URC and the ultimate controlling shareholder of the Company
"CGNPC-URC"	CGNPC Uranium Resources Co., Ltd.* (中廣核鈾業發展有限公司), a company established in the PRC with limited liability and the sole shareholder of China Uranium Development
"Company"	CGN Mining Company Limited (中廣核礦業有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 01164)
"Competent Evaluator"	has the meaning ascribed to it under Chapter 18 of the Listing Rules

"Competent Person's Report"	has the meaning ascribed to it under Chapter 18 of the Listing Rules, the competent person's report prepared by RPM, which is set out in "Appendix IV – Competent Person's Report" to this circular
"Completion"	the completion of the issuance and subscription of the Equity pursuant to the Share Subscription Agreement
"connected person"	has the same meaning as ascribed to it under the Listing Rules
"controlling shareholder"	has the same meaning as ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Acquisition immediately after the Completion
"Equity"	the 96,736,540 common shares of Fission issued by way of a private placement at a price of CDN$0.85 per share pursuant to the Share Subscription Agreement
"Escrow Agreement"	the agreement for the escrow arrangement of the deposits as described in the LOI entered into among the Company, Fission and their respective legal counsels as of the date of the LOI
"Fission"	Fission Uranium Corp., a Canadian-based resource company of which common shares are listed on the TSX under the symbol "FCU", the OTCQX marketplace in the U.S. under the symbol "FCUUF" and on the Frankfurt Stock Exchange under the symbol "2FU"
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IFRSs"	International Financial Reporting Standards

"Independent Third Party"	third party independent of the Company and connected persons of the Company
"Latest Practicable Date"	1 March 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LOI"	the letter of intent entered into between the Company and Fission on 21 December 2015
"Off-take Agreement"	the agreement entered into concurrently with the Share Subscription Agreement between the Company and Fission on the basic principles of marketing (sale) policy with respect to the products of Fission pursuant to which the Company shall be entitled to acquire the Off-take Quantity from Fission
"Off-take Quantity"	20% of Fission's total annual triuranium octoxide (U_3O_8) production and, at the Company's option, an additional 15% of the U_3O_8 production which the Company is entitled to acquire pursuant to the Off-take Agreement
"Outside Date"	being the date 29 February 2016 (Vancouver, BC Time)
"percentage ratio"	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
"PLS Property"	Patterson Lake South project, Fission's primary and wholly-owned asset
"PRC"	the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"RPM"	RungePincockMinarco, the competent person appointed by the Company for the preparation of the Competent Person's Report
"Share Subscription Agreement"	the agreement for the issuance and subscription of the Equity entered into between the Company (as subscriber) and Fission (as issuer) on 11 January 2016

"Share Subscription"	the subscription of the Equity by the Company pursuant to the Share Subscription Agreement
"Shareholder(s)"	the shareholder(s) of the Company
"Share(s)"	the ordinary share(s) of the Company with a par value of HK$0.01 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	CDN$82,266,059 (equivalent to approximately HK$450,598,803), being the consideration payable by the Company for the subscription of the Equity under the Share Subscription Agreement
"subsidiaries"	has the same meaning as ascribed to it under the Listing Rules
"Transaction Agreements"	the Share Subscription Agreement and the Off-take Agreement
"TSX"	Toronto Stock Exchange
"TT"	TradeTech (or its successor), who publishes the month-end spot U_3O_8 price indicator as Exchange Value of Spot Price Indicators in its Nuclear Market Review
"UxC"	Ux Consulting Company (or its successor), who publishes the month-end spot price indicator as Month-end U_3O_8 Spot in its Ux Weekly
"Valuation Report"	has the meaning ascribed to it under the Chapter 18 of the Listing Rules, the valuation report prepared by HF Appraisal & Advisory Limited, which is set out in "Appendix V – Valuation Report" to this circular
"%"	per cent

In this circular, for the purpose of illustration only, unless otherwise specified, conversion of CDN$ into HK$ is based on the exchange rate of CDN$1.00 = HK$5.48. No representation is made and there is no assurance that CDN$ or HK$ can be purchased or sold at such rate.

This glossary of technical terms contains terms used in this circular in connection with the Enlarged Group. As such, these terms and their meanings may not correspond to standard industry meaning or usage of these terms:

"kg"	kilogram(s)
"km"	kilometre(s)
"kt"	thousand tonnes
"lb"	pound
"m"	meter(s)
"t"	tonne(s)
"NI 43-101"	National Instrument 43-101, the (Canadian) Standards of Disclosure for Mineral Projects, including Companion Policy 43-101 as amended from time to time
"U_3O_8"	triuranium octoxide having a U-235 (the isotope of uranium with the atomic weight of 235) assay of 0.711 weight percent as it occurs in nature and which has not been altered (i.e. neither previously enriched, depleted nor irradiated)
"Claims"	A claim grants to the holder the exclusive right to explore for any Crown minerals that are subject to relevant regulations within the claim lands. A holder of a claim is entitled to convert the claim to a lease once the hold submits an application pursuant to the mineral tenure registry regulations of Saskatchewan with registration fee and the claim is in good standing A lease grants to the holder the exclusive right to explore for, mine, work, recover, procure, remove, carry away and dispose of any Crown minerals that are subject to relevant regulations within the lease lands

"Legacy Claims"	Saskatchewan and the rest of Canada currently uses a web based acquisition system of mineral tenure based the mineral ownership cadastral (surveyed) or the SaskGrid (unsurveyed) map grids. This relies on GIS data files to determine mineral land availability. To acquire mineral lands requires simply marking corners on a map and submitting it to the government. This does not require placing stakes on the ground to mark the claim corners. Legacy claims are claims that were located prior to the initiation of the web based acquisition system. The location of these claims involved placing stakes at the corners of the claims. The location of these claims is based on the location of these stakes and not on the web based location. These are valid claims and are referred to as legacy claims
"Anniversary Dates"	the date on which the claim was granted by the government. Every year on the anniversary date proof of assessment work must be filed to maintain the validity of the claim. The term of a claim: (a) commences on the date on which the claim is issued; and (b) is one year. Subject to the holder complying with the relevant regulations, a claim is continued from year to year after the initial term
"Good Standing Date"	the date in which the accumulated expenditures for that claim will be exhausted or are no longer valid. The claim holder's right under the mineral tenure regulations of Saskatchewan will exist until the good standing date. The claim holder could not invest expenditures in that claim and his relative rights will be no longer valid after the Good Standing Date
"Assessment Credits"	The holder of a claim shall satisfy the expenditure requirements for a claim during each assessment work period. The expenditures that are not used to satisfy the expenditure requirements of the assessment work period is excess accumulated expenditures, or "assessment credits" The excess accumulated expenditures, or Assessment Credits must be carried forward and may be used to satisfy the expenditure requirements for any subsequent assessment work period for: (a) the original mineral disposition; or (b) any subsequent mineral disposition converted from the original mineral disposition

	If a holder has accumulated more than 21 years of approved expenditures, calculated on the basis of the then current status of the mineral disposition, any amounts in excess of the 21 years of approved expenditures:(a) are deemed to be excess accumulated expenditures; and (b) are not eligible to be applied to satisfy any subsequent expenditure requirements pursuant to relevant regulations
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition, which is used to determine resources and reserves, and is published by JORC of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia
"Mineral Resource"	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling
"Ore Reserve"	the economically mineable part of a Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified

中广核礦業有限公司*
CGN Mining Company Limited

Executive Directors:	*Registered Office:*
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Mr. Xing Jianhua	Hutchins Drive, P.O. Box 2681
	Grand Cayman
Non-executive Directors:	KYI-1111
Mr. Zhou Zhenxing *(Chairman)*	Cayman Islands
Mr. Chen Qiming	
Mr. Yin Engang	*Head Office and Principal Place of Business in Hong Kong:*
Independent Non-executive Directors:	Room 1903, 19/F
Mr. Qiu Xianhong	China Resources Building
Mr. Gao Pei Ji	No. 26 Harbour Road
Mr. Lee Kwok Tung Louis	Wanchai, Hong Kong

To the Shareholders, and holders of options, for information only.

7 March 2016

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 19.99% EQUITY INTEREST IN FISSION

1. INTRODUCTION

References are made to the announcements of the Company dated 21 December 2015, 11 January 2016, 14 January 2016 and 27 January 2016 in relation to the Acquisition.

Since the highest applicable percentage ratio in respect of the Subscription Agreement of the Listing Rules is more than 25% but less than 100%, the Acquisition constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, shareholders' written approval to approve the Acquisition has been obtained on 14 January 2016 from China Uranium Development, the controlling shareholder of the Company, holding 2,974,347,826 Shares, which represented approximately 64.15% of the issued share capital of the Company as of the Latest Practicable Date.

The Acquisition was completed on 27 January 2016 and, accordingly, the Company now has an approximately 19.99% effective equity interest in Fission.

* *For identification purpose only*

The purpose of this circular is to provide you (i) further details of the Acquisition and the Share Subscription Agreement; (ii) financial information of the Group and Fission; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) the Competent Person's Report and the Valuation Report as required under Chapter 18 of the Listing Rules; and (v) other information required under the Listing Rules.

2. THE SHARE SUBSCRIPTION AGREEMENT

The major terms of the Share Subscription Agreement are set out as follows:

2.1 Date

11 January 2016

2.2 Parties

Issuer:	Fission
Subscriber:	the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Fission and its ultimate beneficial owners are Independent Third Parties as of the date of the Share Subscription Agreement.

2.3 Assets to be acquired

Pursuant to the Share Subscription Agreement, Fission has agreed to issue and the Company has agreed to subscribe for, on a private placement basis, an aggregate of 96,736,540 common shares of Fission at a price of CDN$0.85 (equivalent to approximately HK$4.66) for a total consideration of CDN$82,226,059 (equivalent to approximately HK$450,598,803).

The Equity will be listed on the TSX upon its acceptance while it may not be traded for a period of four months plus one day from the Completion.

Please refer to the section headed "3. Information on Fission" below in this circular for further information.

Prior to the Completion of the Acquisition, Fission had an aggregate of 387,188,121 outstanding common shares. The outstanding convertible securities of Fission consisted of 31,628,333 options and 898,439 share purchase warrants. Following the Completion of the Acquisition, the Company now holds approximately 19.99% of the equity interest in Fission, and becomes the single largest shareholder of Fission. Subject to certain conditions provided in the Share Subscription Agreement (including the Company maintaining a certain significant share ownership in Fission), the Company will be entitled to nominate up to two directors to the Fission's board of directors and will have anti-dilution rights in future equity financings of Fission. As of the Latest Practicable Date, Fission is not a subsidiary of the Company and its financial statements are not consolidated into those of the Group.

2.4 Subscription Price

The Subscription Price for the Acquisition is CDN$82,226,059 (equivalent to approximately HK$450,598,803), representing CDN$0.85 (equivalent to approximately HK$4.66) per share. The Subscription Price was determined upon arm's length negotiations between the Company and Fission with reference to the market price of the shares of Fission, being approximately CDN$0.60 per share, which is the volume weighted average price of Fission's shares for the 30 business days prior to the date of LOI, as lower limit and the value of the shares of Fission calculated according to the Chapter 18 Valuation, being approximately CDN$1.68 per share, as upper limit. For the purpose of determining the Subscription Price, the Company has (i) engaged competent person to review the major technology parameters of Fission; The Chapter 18 Valuation was prepared based on the technology assumptions and parameters reviewed by the competent person; (ii) engaged independent financial adviser to appraise the value of Fission based on the parameters reviewed by the competent person; (iii) reviewed and estimated the major technology and financial parameters of Fission based on the Company's own proficiency; and (iv) evaluated the value of Fission based on the estimated supplies and demands, as well as the developing trend of the global natural uranium market.

In determining the aggregate consideration for the Acquisition, the Company considers the fact that Fission is an exploration company and PLS Project is at a very early stage. The Company is positive about the future development of Fission and the increasing trend of global uranium price. Please refer to section "5. Overview of the uranium industry in Canada and pricing trending of the uranium products for the recent years" in "Further Information about Fission" of this circular for details. Besides the net asset value of Fission, the Company also takes into account its long-term business cooperation under the Off-take Agreement with Fission after the Acquisition to determine the valuation of the Equity.

Considering the above (including the premium of the Subscription Price (i.e. CDN$82.23million) to the net asset value of the Equity of approximately CDN$52.95million), the Directors are of the view that the Subscription Price is fair and reasonable.

2.5 Payment

The Company has paid an amount of CDN$3,000,000 (equivalent to approximately HK$16,440,000) to Fission's legal counsel to be held pursuant to the Escrow Agreement which will be released to Fission pursuant to the Escrow Agreement and Fission shall apply such deposit as partial satisfaction of the Subscription Price to be paid upon Completion.

The Subscription Price, less the deposit stated above, shall be paid by the Company at Completion to a separate and designated account of Fission by wire transfer or in any other manner agreed upon by the parties.

All of the Subscription Price has been settled by 27 January 2016 and such consideration was funded by the Company through its internal resources taking into account the sufficiency of its working capital.

2.6 Conditions precedent

Completion is subject to the satisfaction or waiver by the Company and Fission of certain conditions precedent, including, among others:

(i) each of the representations and warranties of Fission contained in the Share Subscription Agreement being accurate in all material respects, and all covenants and agreements of Fission contained in the Share Subscription Agreement to be completed prior to the Completion having been performed or completed in all material respects;

(ii) all applicable shareholder approval from the Company and Fission in accordance with applicable laws having been obtained;

(iii) all approvals and consents from the competent authorities in the PRC, Hong Kong and Canada with respect to the Share Subscription under the Share Subscription Agreement having been obtained;

(iv) conditional acceptance of the issuance and listing of the Equity on the TSX having been provided by Fission on terms and evidence satisfactory to the Company, acting reasonably;

(v) no governmental order in effect that temporarily or permanently prohibits the completion of the transactions contemplated by any Transaction Agreements; and

(vi) other customary conditions for transaction of a similar kind, including the provision by legal counsel to Fission, of a favourable legal opinion, in form and substance satisfactory to the Company.

All the above conditions had been fulfilled by 27 January 2016 and the Acquisition was completed on the same day. Please refer to the announcement of the Company dated 27 January 2016 for details.

3. INFORMATION ON FISSION

Fission is a junior resource company incorporated on 13 February 2013 under the laws of Canada specializing in uranium exploration and development in Saskatchewan's Athabasca Basin in Western Canada. Fission's common shares are listed on the TSX under the symbol "FCU", the OTCQX marketplace in the U.S. under the symbol "FCUUF" and on the Frankfurt Stock Exchange under the symbol "2FU".

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Fission and its ultimate beneficial owners are Independent Third Parties as of the date of the Share Subscription Agreement.

3.1 Mineral assets of Fission

Fission's only mineral asset is the PLS Property, in which Fission owns 100% interest. PLS Property hosts the Triple R deposit – the largest undeveloped uranium deposit in Canada's Athabasca Basin District. The PLS Property comprises 17 contiguous claims totaling 31,039 hectares and is located in the south west margin of Saskatchewan's Athabasca Basin, home of the richest producing uranium mines in the world.

Please refer to "Further Information about Fission" of this circular for details.

3.2 Financial information of Fission

According to the audited consolidated financial statements of Fission for the year ended 30 June 2015 prepared in accordance with IFRSs, the net asset value of Fission as at 30 June 2015 was approximately CDN$264.86 million (equivalent to approximately HK$1,472.62 million).

The net profit/(loss) before and after tax of Fission for the three financial years ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 is summarized as below:

	For the year ended 30 June			For the three months ended 30 September
	2013	**2014**	**2015**	**2015**
	(audited)	*(audited)*	*(audited)*	*(unaudited)*
	(CDN$ million)	*(CDN$ million)*	*(CDN$ million)*	*(CDN$ million)*
Net profit/(loss) before taxation	(6.10) (equivalent to approximately HK$(33.43) million)	(4.09) (equivalent to approximately HK$(22.41) million)	(8.37) (equivalent to approximately HK$(45.87) million)	(3.57) (equivalent to approximately HK$(19.56) million)
Net profit/(loss) after taxation	(6.45) (equivalent to approximately HK$(35.35) million)	(4.75) (equivalent to approximately HK$(26.03) million)	(9.87) (equivalent to approximately HK$(54.09) million)	(2.81) (equivalent to approximately HK$(15.40) million)

3.3 Off-take arrangement and undertaking given by Fission

The Company has entered into the Off-take Agreement with Fission concurrently with the Share Subscription Agreement. Pursuant to the Off-take Agreement, the Company is entitled to acquire Off-take Quantity from Fission under the terms and conditions in the Off-take Agreement, details of which are as below:

(i) Product: U_3O_8

(ii) Volume: 20% of the annual production from Fission, and, at the Company's option, an additional 15% of the production from Fission

(iii) Price: at 5% discount on average of TT and UxC spot price indexes at the time of delivery

Pursuant to the Off-take Agreement, Fission undertook to the Company that it would use commercially reasonable efforts to obtain any and all licenses or other authorizations that may be lawfully required by any agency of any government in order that Fission can legally sell and deliver the U_3O_8 to the Company as provided in the Off-take Agreement.

4. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board primarily considers the following reasons and benefits in determining the Acquisition:

4.1 Long-term demand of natural uranium market

The global increasing demands for clean energy in large scale will promote more and more countries to develop nuclear energy. Natural uranium is a key element to nuclear power production. In the long run, it is expected that the increase in nuclear power plants in the world will further instigating the natural uranium demands.

4.2 Favourable market opportunity for the Acquisition

Fission has seen continuous breakthrough in its exploration businesses and high quality resources (high in quality and shallowly buried) explored by it have been increasing. While ever since the Fukushima event in Japan, the stagnancy in building nuclear power plants resulted in a continuing decrease in natural uranium price, affected by which, the stock price of Fission is currently at a relatively low point. The current market value of Fission is far lower than the net present value ("NPV") estimated for its mineral assets in the Preliminary Economic Assessment ("PEA") published by it in September 2015. Therefore, the Board believes that the estimated value of Fission is appealing for the Acquisition as compared with other comparable companies in the market.

4.3 Joint willingness in cooperation

Both of the Company and Fission have strong wills to cooperate because the cooperation is complementary for both sides and can achieve synergy between the two companies. From the perspective of Fission, the Acquisition will enable it to introduce its first strategic investor, to lay a solid foundation for the development and financing of its future projects, and to acquire a stable sales channel according to the Off-take Agreement. From the perspective of the Company, the Acquisition will enable the Company to share the benefits of future development of Fission, and to acquire 20% of its annual production, and, at the Company's option, an additional 15% of the production from Fission at a discount price, which provides the Company a stable product supply channel.

4.4 Facilitating the Company's sustainable development

Fission's primary asset – the PLS Property, is the world third largest high quality uranium deposit and the world largest undeveloped uranium deposit, the discovery of which is one of the most significant findings in the global uranium resources field. As of the Latest Practicable Date, the Company only owns one uranium deposit under production – the Semizbay Mine in the Republic of Kazakhstan. It is expected that the Company will benefit from another uranium deposit at the exploration stage under the Off-take Agreement after the Acquisition, which can help the Company to build a consummate project-developing team, and lay a more solid foundation for the Company's sustainable development.

4.5 Investments in Canada

Canada is one of four biggest uranium-rich region, through the Acquisition, the Company will get involved in high quality uranium project in Canada.

Considering the above, the Directors are of the view that the terms of the Share Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. EFFECTS OF THE ACQUISITION ON THE COMPANY

Following completion of the Acquisition, the Company holds approximately 19.99% of the equity interest in Fission, as the single largest shareholder of Fission. Fission has been equity accounted for as an associate in the consolidated financial statements of the Company.

As set out in Appendix III to this circular, assuming the Acquisition has been completed on 30 June 2015, the net assets of the Group would be increased from approximately HK$585 million to approximately HK$819 million. The current liabilities of the Group would be increased from approximately HK$28 million to approximately HK$38 million. The increase represents the estimated transaction costs of the Acquisition.

Unaudited pro forma financial information of the Enlarged Group is set out in Appendix III – Unaudited Pro Forma Financial Information of the Enlarged Group to this circular.

6. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the transaction contemplated under the Share Subscription Agreement constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Share Subscription Agreement. As such, the Share Subscription Agreement may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Company has obtained the written Shareholders' approval on 14 January 2016 from China Uranium Development who holds 2,974,347,826 Shares, representing approximately 64.15% of the issued share capital of the Company as at 14 January 2016, approving the Acquisition. Accordingly, no general meeting for the Shareholders' approval of the Acquisition will be held.

7. GENERAL INFORMATION OF THE GROUP

The Group's original principal business used to be selling, distributing and manufacturing of pharmaceutical and food products and property investment. The Group has repositioned itself as a platform for uranium resources investment and trading since 2011.

Upon completion of the disposal of the entire interest in Yugofoil Holdings Limited and the acquisition of Beijing Sino-Kazakh Uranium Resources Investment Company Limited in 2015, the Group has completed the exit plan for its investment in the pharmaceutical and food businesses and transformed into a group of resources development with high-quality assets and a clear direction in its major businesses.

8. RECOMMENDATION

The Board considers that the terms of the Share Subscription Agreement are fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of a resolution approving the Share Subscription Agreement and the transactions contemplated thereunder if the Company were to convene a general meeting to approve such resolution.

9. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board of
CGN Mining Company Limited
Zhou Zhenxing
Chairman

1. MINERAL ASSETS

(i) Introduction

Fission's only mineral asset is the PLS Property, which hosts the Triple R Deposit (the "Deposit") – the largest undeveloped uranium deposit in Canada's Athabasca Basin District. The PLS Property is a basement-hosted high-grade uranium deposit located in northern Saskatchewan Canada.

Previously Fission shared ownership interest in the PLS Property with Alpha Minerals Inc. ("Alpha") 50/50 through an exploration joint venture agreement ("PLS Joint Venture"). On 6 December 2013, Fission consolidated 100% ownership of the PLS Property by acquiring all of the issued and outstanding shares of Alpha and its 50% interest in the PLS Joint Venture.

The PLS Property claims were ground staked and are considered to be legacy claims. As of the Latest Practicable Date, all claims are in good standing and are registered in the name of Fission. Assessment credits are available for multiple annual renewals.

With the exception of an all-weather gravel road which traverses the PLS Property, there is no permanent infrastructure on the PSL Property.

Extensive exploration has been conducted on the PSL Property, including radon and ground radiometric surveys, MEGATEM magnetic and electromagnetic airborne surveys, trenching and boulder surveys as well as lake-bottom spectrometer surveys have been completed. Although remote surveys were first conducted in 1969, it was not until 1977 that ground electro-magnetic ("EM") surveys delineated the Patterson Lake Conductor Corridor that traverses the centre of the PLS Property on claim S-111376, and extends onto claim S-111375.

Significant exploration and resource drilling campaigns were completed from 2007 onwards. As of 1 December 2015 the Company and its predecessors have completed 166,700 m of drilling in 528 holes on the PLS Property, among which, 341 holes for 113,192m are located within the Deposit area and the remaining are exploration holes within the PSL Property boundary but outside of the Deposit.

Exploration work has delineated mineralisation within the Deposit that extends approximately 350 m below the surface of Patterson Lake, which has an average depth of 20 m. The mineralisation occurs in three distinct areas along the strike described from west-to-east as R600W, R00E and the Main Zone (R780E). The Main Zone ("MZ") extends from station 240E to 1140E of the North-South discovery line at 597,800East.

The MZ portion of the mineralised zone is dominated by a continuous low grade domain with subsidiary separate low-grade domains. A discontinuous High Grade ("HG") core of mineralisation with a low-end grade cut-off of 5% U3O8 is encompassed within the Main Zone. This high-grade core also occurs in the R600W_HG deposit.

The PSL Property is an advanced exploration project with recent drilling in the summer of 2015 resulted in the completion of 41 drill holes within the Deposit. The drilling increased the footprint of the known mineralisation and additional drilling planned for winter 2016 aimed at extending the currently defined mineralisation to potentially add additional resources.

(ii) Competent Person's Report

The Competent Person's Report on mineral assets of Fission was prepared by RPM in accordance with the recommended guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code (2012 Edition). Please refer to Appendix IV to this circular for details.

(iii) Chapter 18 Valuation

The Chapter 18 Valuation was prepared by the Competent Evaluator in compliance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports – The VALMIN Code 2005 Edition. According to the Chapter 18 Valuation, the value for the 19.99% of the PLS Property is USD120 million based on comparable market transactions.

The Competent Evaluator has considered the cost approach, market approach, rule of thumb and income approach for this valuation and weighted them as considered appropriate (by reason of relevance or applicability) to conclude the fair market value of the PLS Property. Please refer to Appendix V to this circular for details.

2. NO MATERIAL ADVERSE CHANGE

No material adverse changes have occurred from the effective date of the Competent Person's Report being 1 December 2015 up to the Latest Practicable Date.

3. NO LEGAL CLAIMS OR PROCEEDINGS

As at the Latest Practicable Date, no legal claims or proceedings that may have an material influence on the mining and exploration rights of the mineral assets owned by Fission and/or the business operations and financial positions of Fission are known to the Directors to be present, on-going, pending or threatened by any third party against Fission or vice versa.

In addition, there are no land claims of material importance that may exist over the land on which exploration or mining activity of the mines owned by Fission is being carried out.

4. OTHER MATTERS CONCERNING FISSION

(i) Mining rights and other licenses/permits required under the laws of the Canada

(a) mineral claims

In Saskatchewan of Canada, the Ministry of Economy will review mineral claims on an annual basis to determine if the claim holder has spent the requisite amount of funds per claim and has otherwise complied with the terms of the claim. As of the Latest Practicable Date, Fission has 100% interest in the 17 Mineral Claims (the "Mineral Claims"; each a "Mineral Claim") of the PLS Property as listed in the table below. There are no notices of dispute recorded against the Mineral Claims and no record of any builders' liens filed.

Claim	Effective Date	Anniversary Date	Good Standing Date
S-110707	28-Mar-07	27-Mar-16	25-Jun-36
S-110955	31-May-07	30-May-16	28-Aug-36
S-111375	13-Jun-08	12-Jun-16	10-Sep-36
S-111376	13-Jun-08	12-Jun-16	10-Sep-36
S-111377	13-Jun-08	12-Jun-16	10-Sep-36
S-111783	30-Apr-10	29-Apr-16	28-Jul-36
S-112217	13-Dec-11	12-Dec-15	12-Mar-22
S-112218	13-Dec-11	12-Dec-15	12-Mar-22
S-112219	13-Dec-11	12-Dec-15	12-Mar-22
S-112220	13-Dec-11	12-Dec-15	12-Mar-22
S-112221	13-Dec-11	12-Dec-15	12-Mar-23
S-112222	13-Dec-11	12-Dec-15	12-Mar-22
S-112282	22-Jun-11	21-Jun-16	19-Sep-35
S-112283	22-Jun-11	21-Jun-16	19-Sep-23
S-112284	22-Jun-11	21-Jun-16	19-Sep-35
S-112285	22-Jun-11	21-Jun-16	19-Sep-22
S-112370	23-Nov-11	22-Nov-16	20-Feb-36

As of 30 June 2015, assessment credits totalling CDN$8,900,780.90 were available for claim renewal. Assessment credits totalling CDN$465,585 are required to renew the property claims upon their respective annual anniversary dates.

(b) other operational licenses/permits

Mineral Claims do not grant any surface or access rights to Fission. Fission currently does not have any surface rights associated with the PLS Property, which will not have any material adverse impact to the operation and the value of Fission. Permits, leases and easements to enter upon and/or access the land are typically granted by the Saskatchewan Ministry of Environment (except in the case of water bodies which may require permits from the Saskatchewan Water Security Agency or the Department of Fisheries and Oceans Canada). Fission holds the following permits through the Saskatchewan Ministry of Environment:

Permit #	**Permit Type**	**Description**	**Expiry Date**
14ML261	Work Authorization Permit	Conduct on-land Radon Surveys	1 May 2016
14ML261	Miscellaneous Use Permit	Store drilling barges	31 August 2016
14ML261	Temporary Work Camp Permit	Maintain a Temporary Work Camp on Crown Resource Lands (UTM Zone 12, 596707E 6380196N)	31 December 2015
14ML261	Aquatic Habitat Protection Permit	Authorizes Mineral Exploration on Certain Conditions as outlined in Permit	31 May 2016
0459I	Forest Product Permit	Authorizes Mineral Exploration on Certain Conditions as outlined in Permit	31 May 2016
14ML261/0459I	Amendment – Feb 9, 2015	Addition of 1km long access trail	N/A
14ML261/0459I	Amendment – Mar 6, 2015	Addition of 400m long access trail	N/A
603385	Crown Resource Land Permit	Maintain land for a weather station	31 March 2019
603317	Miscellaneous Use Permit	Private Crib Dock	31 March 2018
App. No. 63215 Op. ID: 59228	Approval pursuant to *The Hazardous Substances and Waste Dangerous Goods Regulations*	Approval to Construct Storage Facility and Store Hazardous Substances (Bulk Fuel)	N/A
303394	Industrial Land Lease	Lease of Patterson Lake Property	31 March 2048

The permits listed above grant Fission the ability to access and use the Patterson Lake lands for the specific purposes in each permit, including mineral exploration, as outlined in the description column in the table above. The Industrial Land Lease was issued pursuant to The Crown Resource Land Regulations and authorizes Fission to use the 6.56 hectares of land near Patterson Lake to build and use core storage compounds and storage sheds.

Fission also holds an unexpired permit through the Saskatchewan Water Security Agency (File: E3/5031) to conduct ground water exploration on lands located at Section 33-99-21 W3 until 24 June 2016.

Fission also holds various Temporary Water Rights Licenses to Use Surface Water until 31 November 2015. The licences authorize Fission to divert and use water for drilling purposes up to a certain volume of water from nearby water bodies. The Temporary Work Camp Permit expires on 31 December 2015. If the work camp is required for ongoing work in 2016 or beyond, Fission must reapply for the license through the Ministry of Environment. Fission has informed the Company that new licenses will be obtained for the winter 2016 drill program and that the fact that there are permits that have expired or expiring will not materially hinder Fission's exploration or development of the PLS Property.

Fission has confirmed that it has all the permits necessary to carry on all exploration activities on the PLS Property and will be able to renew all the relevant permits upon/before the expiry of such permits.

(ii) Environmental, social, health and safety issues

Uranium exploration, mining, and milling activities in Canada are subject to both federal and provincial regulation. Activities related to exploration generally fall under provincial jurisdiction, and activities related to mining and milling generally fall under federal jurisdiction. While prospecting activities can occur without a licence, activities related to exploration (including conducting ground water exploration, testing, drilling activities, and wildlife control matters) require various provincial permits, approvals or registrations.

The Company is not aware of any non-compliance with applicable regulations governing exploration, drilling and land use, and Fission staff and contractors are aware of their duties with respect to environmental and radiation protection. The PLS Property is visited frequently by Saskatchewan conservation officers to ensure compliance. Locally, this is a high profile project that gets a lot of scrutiny.

Fission has been forward looking by starting environmental baseline and monitoring work to facilitate the environmental assessment process in due cause.

The main physical danger to the operation is forest fire and Fission has maintained close relationships with the local wildfire management base in Buffalo Narrows.

Fission has developed a centrifuge system for effectively removing potentially radioactive cuttings and fines from drilling fluids. This material is effectively handled and disposed of at an operating uranium mine. Fission also has a radiation protection program in place to follow.

The potential environmental issues for the PSL Property identified by the Competent Person, RPM, are as follows:

(a) An important requirement of the PSL Property is to discharge regulatory compliant water from this project into the surrounding water resources (surface and groundwater). It is likely that water collected or pumped from various sources associated with the PSL Property will require treatment prior to discharge. This will include dewatering the open pit and underground mines, water accumulated in the waste rock and tailings storage facilities, and storm water collected from various disturbed areas associated with the PSL Property. A management plan based on a good water balance model should be developed that includes management of wastes generated during the treatment process.

(b) Protection of fish and associated habitats will be a primary focus of the EA and will likely be an important topic during engagement with First Nations Groups.

(c) Biodiversity issues primarily related to woodland caribou and other protected species will require significant study using appropriate baseline studies and mitigations.

(d) Critical habitats related to species such as the woodland caribou and the existence of protected river systems downstream of the PSL Property will require significant consideration. Mitigation efforts such as the establishment of off-sets may be required.

The potential social issues for the PSL Property identified by the Competent Person, RPM, are as follows:

(a) There are some First Nation Groups that may be potentially affected by the exploration of PLS Property. As such, the engagement with First Nation Groups should be accomplished in the near future. Agreements with these groups will be required to support the successful initiation of the PSL Property. Key issues likely to be of interest to the First Nations Groups are: wildlife activities in the area including the Woodland Caribou and fisheries; traditional use activity (sustenance activities, village sites, spiritual sites and related; archaeology sites; and socio-economic impacts such as availability of jobs.

(b) The Canadian and Saskatchewan governments should be engaged and made aware of the PLS project. Once the regulatory agencies gain an understanding of the PSL Property including the proposed timeline, interactions will occur that allow the Company to understand how to deal with potential issues and associated mitigations.

Saved as disclosed in the circular, so far as the Directors are aware, there are no environmental, social, health and safety issues which may have material adverse impact on the operations and mining activities of Fission and mines owned by it.

(iii) Non-compliance incidents with the Canada laws, regulations and permits which may have a material adverse impact

So far as the Directors are aware, there were no non-compliance incidents with the Canada laws, regulations and permits which may have a material adverse impact on the operations and mining activities of Fission as at the Latest Practicable Date.

(iv) Key risks identified to the PSL Property

In accordance with Chapter 18 of the Listing Rules, RPM identified in its Competent Person's Report certain risks relating to the operation of Fission. Such risks are ranked as high, medium or low based on Guidance Note 7 issued by the Stock Exchange. Please refer to the section "13 Project Risks and Opportunity Assessment" of the Competent Person's Report in Appendix IV to this circular for details. Set out below are the risks which are considered material to the operation of Fission.

Project Development: the PSL Property development timeline may be significantly delayed should permitting and approval delays occur.

Pit Slope Design: slope stability for the open pit requires further test-work to determine reasonable slope angles. This is especially important given the depressurisation environment following de-watering of the open pit area. Currently geotechnical test work is limited and an assumption used for inter-ramp slopes is based on unconfined compressive strength testing of 54 rock samples and rock mass classification from one drill hole. This test work is considered to be at a conceptual level at this time.

Hydrological and Geo-technical Assessment: further assessments are required to support the design and costing of the proposed dyke and slurry walls, the development and operation of the open pit and underground mines and critical surface infrastructure. These further assessments will be critical in determining the project development time frame, operating cost, capital costs and the life of mine design and schedule which may be materially different to those outlined in the current PEA.

Availability of a Suitable Mining Contractor: engaging a suitable mining contractor for the first two years of the mining schedule to excavate a significant amount of over-burden is critical to reducing Project capital costs and to minimise the development time required to access the ore. However, it may be challenging to identify a suitable mining contactor willing to work in northern Canada.

Water In-Rush: there is a risk of slurry wall or dyke failure. Depending on the cause and nature of the failure, this may have a significant impact on the overall viability of the project as well as present a major safety hazard to the workforce. Access to the underground mine will be via the open cut area, as such, there is a risk of flooding the underground workings in the event of a slurry wall and/or dyke failure.

Water Quality: Ability to maintain regulatory compliant water quality of discharge. Discharged water must meet effluent criteria. Poor quality discharge could significantly impact the progress of the Project and delay development timelines and operating schedules.

Fauna Protection: Biodiversity management primarily related to woodland caribou, several bird species, etc.. Woodland caribou is a protected species and will require significant consideration from the biodiversity perspective. Several birds and likely other unknown species are also considered imported and will require consideration that will impact operations, etc..

Community: development of strong relationship with the relevant stakeholders will be required to ensure agreement on land management and subsequent approval to mine.

(v) Non-governmental organisation impact, significant payments and historical experiences of dealing with local government

Up to the Latest Practical Date, there haven't been any payments made to Canada governments in respect of tax, royalties and other significant payments by Fission. Fission has not received any negative statements on the PLS Property by local government. Fission has had no correspondence or contact with any non-governmental organisation that has impact on the sustainability of PLS Property.

5. OVERVIEW OF THE URANIUM INDUSTRY IN CANADA AND PRICING TRENDING OF THE URANIUM PRODUCTS FOR THE RECENT YEARS

(i) Industry Overview

According to the public information from Word Nuclear Association updated in December 2015:

(a) Canada was the world's largest uranium producer for many years, accounting for about 22% of world total output. In recent years, Canada's share of world uranium production has dropped to about 15%.

(b) The production comes mainly from the McArhur River mine in northern Saskatchewan province, which is the largest in the word. Production is expected to increase significantly from 2015 as the new Cigar Lake mine comes into full operation. With known uranium resources of 572,000 tonnes of U_3O_8 (485,000 tU), as well as continuing exploration, Canada has a significant role in meeting future world demand.

Active exploration involving more than 40 companies continues in many parts of Canada. While exploration has concentrated on northern Saskatchewan, new prospects extend to Labrador and Nova Scotia in the Atlantic provinces, Quebec province, Nunavut Territory in the far north, and Ontario's Elliott Lade area.

(ii) Pricing Trend

According to the Uranium Market Outlook published in the 4th quarter 2015 by UxC, one of the nuclear industry's leading consulting companies: For a long time, the uranium market was dominated by the liquidation of inventories, both commercial and military in origin. As a result, price was depressed and production and exploration efforts were cut back. Over the same period that production was stagnant, reactor requirements were increasing as utilities were able to increase their capacity factors and uprate their reactors. More recently, new demand is emerging from China, India, and Russia, as these countries seek to dramatically increase their nuclear power capabilities.

As a result of these changes, the excesses of the past market have disappeared. As demand increased and supply disruptions appeared, inventories were consumed at a faster rate. Higher prices and higher demand have changed market attitudes from complacency about future supply to concern. In addition to this transition from an inventory-driven market to a production-driven one, the U.S. dollar has depreciated against producer currencies, meaning the price has to push even higher to find an equilibrium level.

1. INTRODUCTION

The financial information of the Group for each of the three years ended 31 December 2012, 2013, 2014 and the six months ended 30 June 2015 together with the relevant notes to the financial statements has been included in the annual and interim reports of the Company published with the title "Annual Report 2012" dated 26 March 2013 from pages 76 to 179, "Annual Report 2013" dated 25 March 2014 from pages 84 to 187, "Annual Report 2014" dated 27 March 2015 from pages 84 to 195 and "Interim Report 2015" dated 28 August 2015 from pages 32 to 76, all of which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.irasia.com/listco/hk/cgnmining/index.htm).

2. INDEBTEDNESS

At the close of business on 31 January 2016, the Enlarged Group had unsecured and unguaranteed zero coupon convertible bonds in principal amount of HK$300.00 million due on 17 August 2016 with an initial conversion price of HK$0.23 per convertible share. As at 31 January 2016, no bank balances or cash is pledged as collateral.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Enlarged Group did not have any loan capital issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 January 2016. Foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 31 January 2016.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into account the business prospects, the internal resources of the Group and the effect of the Acquisition, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

Ever since China Uranium Development became the Company's controlling shareholder, the Company has been devoted to completing its business transition. On 25 March 2015, the Company disposed of its entire equity interests in Yugofoil Holdings Limited and its subsidiaries and exited the food and pharmaceutical business. On 15 April 2015, the Company completed the acquisition of 49% equity interests in Semizbay-U Limited Liability Partnership ("Semizbay-U") and 49% selling rights of its products through acquiring 100% equity interests in Beijing Sino-Kazakh Uranium Resources Investment Company Limited ("Beijing Sino-Kazakh"). Semizbay-U currently owns and operates two quality and low-cost mines: Irkol Mine and Semizbay Mine. Since then, the Company has successfully realized transition and adjustment of its principal business to that of a natural resources mining and energy service company, mainly engaging in uranium mining and trading, with a clear asset structure. The operating costs and capital expenses of the Irkol Mine incurred during the first half of 2015 were KZT (the Kazakhstan currency unit) 3,942.3 million and KZT 32.7 million, respectively; and the operating costs and capital expenses of the Semibay Mine incurred during the Period were KZT 3,591.9 million and KZT 12.0 million, respectively. The Irkol Mine and the Semibay Mine did not undertake any exploration or development activity during the first half of 2015. The mineral ore mined out from the Irkol Mine and the Semibay Mine during the first half of 2015 were approximately 1,871.3 kilotons and 351.9 kilotons, respectively. For details, please refer to the Interim Report 2015 of the Company published on the website of the Stock Exchange on 21 September 2015.

Concurrently with proactively promoting its business transition, the Company took advantage of the opportunity arising from low uranium price and further enhanced our tracking, selection, due diligence and analysis on the global uranium resources projects, through which we aggressively sought investment opportunity in those uranium mines with outstanding economics. In the first half of 2015, the Company focused on the preliminary due diligence of its potential investment projects, including low cost in-situ leachable sandstone-type uranium mine projects in middle Asia and the scattered-type high grade uranium mine projects in Canada. In the future, the Company will gradually enlarge its assets scale by acquiring superior assets through various channels.

1. FINANCIAL INFORMATION OF FISSION

The Company has applied for and the Stock Exchange has granted a waiver from strict compliance with the requirements of Listing Rules 14.67(6)(a)(i) in this circular. In absence of an accountant's report on Fission, the following alternative disclosure is prepared for the Shareholders to assess Fission's financial performance:

(i) Fission's published audited financial statements for the preceding three financial years ended 30 June 2013, 2014 and 2015;

(ii) Fission's unaudited results for a stub period of the three months ended 30 September 2015 reviewed by PricewaterhouseCoopers LLP ("PwC"), Fission's auditors;

(iii) SHINEWING (HK) CPA Limited ("SHINEWING"), the Company's auditors confirm that there would be no material change to the published financial statements of Fission if the same accounting policies adopted by the Company were applied to prepare such financial statements of Fission, and that there is no material difference between the accounting standards adopted by the Company and Fission.

2. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF FISSION

The following is the management discussion and analysis of results of Fission for each of the three years ended 30 June 2013, 2014, 2015 and a stub period of the three months ended 30 September 2015, respectively, based on the financial information of Fission as set out in sections 3-6 of Appendix II to this circular.

OPERATING RESULTS

The following table set forth certain loss and expense items for the periods indicated:

	Year Ended 30 June			Three Months ended 30 September 2015	Three Months ended 30 September 2014
	2013	2014	2015		
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
	CDN$	*CDN$*	*CDN$*	*CDN$*	*CDN$*
Expenses					
Business development	408,023	924,111	951,652	250,030	253,347
Consulting and directors fees	1,538,223	1,503,045	1,728,012	757,520	253,964
Depreciation	65,288	86,430	87,884	21,518	23,377
Flow – through share tax	–	13,709	3,893	–	–
Office and administration	597,053	953,772	951,223	247,291	185,316
Professional fees	972,461	1,468,938	471,805	1,018,094	178,941
Public relations and communications	558,111	1,301,674	1,093,073	481,987	320,597
Share-based compensation	924,087	9,666,837	6,127,880	592,753	2,068,068
Trade shows and conferences	176,769	338,515	178,203	27,992	12,534
Wages and benefits	1,383,438	1,747,758	1,375,909	208,691	196,919
Total	**6,623,448**	**18,004,789**	**12,969,534**	**3,605,876**	**3,475,063**
Loss before income taxes	(6,102,405)	(4,088,248)	(8,372,716)	(3,573,510)	(3,392,936)
Deferred income tax recovery	(345,718)	(662,312)	(1,501,864)	759,794	–
Net loss and comprehensive loss for the period	**(6,448,123)**	**(4,750,560)**	**(9,874,580)**	**(2,813,716)**	**(3,392,936)**

Revenue

As a junior exploration and development company, Fission does not have any significant revenues other than interest and miscellaneous income.

Expenses

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

1. Business development expenses

Business development expenses for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$0.41 million, CDN$0.92 million, CDN$0.96 million and CDN$0.25 million, respectively. The significant increase in business development expenses form 2013 to 2014 was primarily due to increased efforts by Fission to enhance shareholder value.

2. Consulting and directors fees

Consulting and directors fees for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$1.54 million, CDN$1.50 million, CDN$1.73 million and CDN$0.76 million, respectively. The increase in consulting and directors fees form 2014 to 2015 was primarily due to an increase in directors fees. The increase in consulting and directors fees for the three months ended 30 September 2015 as compared with the three months ended 30 September 2014 was primarily due to consulting fees associated with the Preliminary Economic Assessment for the PLS Property and an increase in directors fees.

3. Office and administration expenses

Office and administration expenses for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$0.60 million, CDN$0.95 million, CDN$0.95 million and CDN$0.25 million, respectively. The significant increase in office and administration expenses from 2013 to 2014 was primarily due to the increase in computer costs; transfer agent fees, and other costs associated with the acquisition of Alpha Minerals Inc. and spin-out of Fission 3.0 Corp..

4. Professional fees

Professional fees for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$0.97 million, CDN$1.47 million, CDN$0.47 million, and CDN$1.02 million, respectively. The significant increase in professional fees from 2013 to 2014 was primarily a result of legal costs associated with the acquisition of Alpha Minerals Inc. and spin-out of Fission 3.0 Corp.. Please refer to pages 7 to 8 of this appendix for details. The significant decrease in professional fees from 2014 to 2015 was primarily a result of non-recurring accounting and legal fees incurred during the prior year.

On 27 July 2015, Fission entered into a definitive arrangement agreement with Denison Mines Corp. ("Denison") to combine their businesses by way of a court-approved plan of arrangement (the "2015 Denison Arrangement"). The significant increase in professional fees for the three months ended 30 September 2015 as compared with the three months ended 30 September 2014 was primarily due to increased legal fees associated with the 2015 Denison Arrangement.

5. Public relations and communications expenses

Public relations and communications expenses for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$0.56 million, CDN$1.30 million, CDN$1.09 million, and CDN$0.48 million, respectively. The significant increase in public relations and communications expenses from 2013 to 2014 was primarily a result of shareholder dissemination costs associated with the acquisition of Alpha Minerals Inc. and spin-out of Fission 3.0 Corp.. Please refer to pages 7 and 8 of this appendix for details. The decrease in public relations and communications expenses from 2014 to 2015 was primarily a result of non-recurring shareholder dissemination costs incurred during the prior year, which were partly offset by increased investor relations travel costs. The increase in public relations and communications expenses for the three months ended 30 September 2015 as compared with the three months ended 30 September 2014 was primarily as due to increased legal fees associated with the 2015 Denison Arrangement.

6. Share-based compensation

Share-based compensation for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$0.92 million, CDN$9.67 million, CDN$6.13 million and CDN$0.59 million, respectively. The significant increase in share-based compensation from 2013 to 2014 was primarily due to the recognition of expenses pursuant to the granting and vesting of stock options and accelerated vesting of all stock options outstanding on 6 December 2013. The decrease in share-based compensation from 2014 to 2015 and for the three months ended 30 September 2015 as compared with the three months ended 30 September 2014 was a result of a lower number of stock options vesting.

7. Wages and benefits

Wages and benefits expenses for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were approximately CDN$1.38 million, CDN$1.75 million, CDN$1.38 million, and CDN$0.21 million, respectively. The increase in wages and benefits from 2013 to 2014 was primarily a result of bonus payments to employees.

Profit/loss for the year

As a result of the foregoing, Fission had a net loss and comprehensive loss of approximately CDN$6.45 million, CDN$4.75 million, CDN$9.87 million and CDN$2.81 million for the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015, respectively. The year ended 30 June 2014 included an approximately CDN$8.96 million gain on the spin-off transaction as a result of the net assets transferred to Fission 3.0. Corp..

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Assets/Liabilities

Set forth below is a summary of the assets/liabilities for the periods indicated:

	Year Ended 30 June			Three Months ended 30 September
	2013	**2014**	**2015**	**2015**
	CDN$	*CDN$*	*CDN$*	*CDN$*
Total Assets	28,609,859	240,027,324	272,093,019	270,175,769
Total Liabilities	4,002,317	3,312,827	7,228,403	7,410,828
Net Assets	24,607,542	236,714,497	264,864,616	262,764,941
*Gearing Ratio	16.3%	1.38%	2.66%	2.74%

* Gearing ratio is defined as total liabilities over total assets other than goodwill.

Liquidity and financial resources

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

Fission's ability to meet its obligations and its ability to fund exploration programs depends on its ability to raise funds. Fission anticipates being able to raise funds, as necessary, primarily through equity financings. To the Latest Practical Date Fission has been successful in raising funds through equity private placements, however there are no assurances that Fission will be successful in raising funds in the future. On an ongoing basis, Fission monitors and adjusts, when required, exploration programs as well as ongoing general and administrative costs to ensure that adequate levels of working capital are maintained.

Fission has no exploration and evaluation asset agreements that require it to meet certain expenditures.

1. Loans and borrowings

Fission raised funds primarily through equity financings. As of 30 June 2013, 2014, 2015 and 30 September 2015, Fission had no bank or other borrowings.

2. ***Financing and private placements***

- *9 December 2013 flow-through private placement*

Fission completed a private placement of 8,581,700 flow-through common shares at CDN$1.50 per share for aggregate gross proceeds of CDN$12,872,550. Fission paid agents' commissions of CDN$723,148 plus CDN$217,695 of expenses and issued 482,099 broker warrants with an attributed fair value of CDN$230,700 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of Fission for a period of 2 years at a price of CDN$1.50 per share with an expiry date of 9 December 2015. The assumptions used in the Black-Scholes pricing model include a volatility of 104.55%, risk free interest rate of 1.08%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. A flow-through share premium liability of CDN$3,947,582 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into income when the renunciation documents were filed.

- *1 April 2014 private placement*

Fission completed a private placement of 17,968,750 special warrants ("Special Warrants"), at a price of CDN$1.60 per Special Warrant, for gross proceeds of CDN$28,750,000. Fission paid agents' commissions of CDN$1,437,500 plus CDN$354,412 of expenses and issued 898,439 broker warrants with an attributed fair value of CDN$824,624 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of Fission for a period of 2 years at a price of CDN$1.60 per share with an expiry date of 1 April 2016. The assumptions used in the Black Scholes pricing model include a volatility of 104.39%, risk free interest rate of 1.07%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. On 25 April 2014 Fission received approval for the final short form prospectus. On 28 April 2014 the 17,968,750 Special Warrants were automatically exercised into 17,968,750 common shares of Fission.

- *23 September 2014 flow-through private placement*

Fission completed a private placement of 9,602,500 flow-through common shares at a price of CDN$1.50 per share, for gross proceeds of CDN$14,403,750. Fission paid agents' commissions of CDN$714,109 plus CDN$203,765 of expenses. A flow-through share premium liability of CDN$4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

- *29 April 2015 flow-through private placement*

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

SIGNIFICANT INVESTMENT HELD

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

As of 30 June 2015 and 30 September 2015, Fission held a 12.36% interest in Fission 3.0, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties in Canada and Peru. Fission, through a combination of this shareholding and its common directors and management, exercises significant influence over Fission 3.0 and accounts for the investment using the equity method.

The balance of the investment in Fission 3.0 as of 30 June 2015 and 30 September 2015 was CDN$3,040,535 and CDN$3,004,966, respectively.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the Latest Practicable Date, Fission had no plans for material investments or capital assets in the year 2016.

ACQUISITION AND DISPOSAL

1. Acquisition of Alpha and spin-out of Fission 3.0

On 6 December 2013, Fission completed an Arrangement Agreement and acquired all of the issued and outstanding shares of Alpha Minerals Inc. ("Alpha") and its interest in the PLS Joint Venture (the "Alpha Arrangement"). Under the terms of the Alpha Arrangement, Fission offered shareholders of Alpha 5.725 shares of Fission and a cash payment of CDN$0.0001 for each Alpha share held. Based on 27,927,276 Alpha shares outstanding, Fission issued 159,883,655 of its common shares to complete the transaction, representing approximately 51.11% of Fission's issued and outstanding common shares on 6 December 2013. The 2,142,100 outstanding Alpha options were replaced by options to purchase 12,263,523 common shares of Fission with exercise prices ranging from CDN$0.1146 to CDN$0.6387 and expiring between 17 February 2014 and 12 April 2018. The 1,301,600 outstanding Alpha warrants were replaced by warrants to purchase 7,451,657 common shares of Fission with exercise prices ranging from CDN$0.1496 to CDN$0.8133 and expiring between 17 February 2014 and 25 April 2015.

Additionally, Alpha shareholders received all of the common shares of Alpha Exploration Inc. ("Alpha Exploration") which was spun-out from Alpha and holds all of Alpha's exploration and evaluation assets (other than Alpha's interest in the PLS Joint Venture), marketable securities, and property and equipment located in Alpha's office in Vancouver, BC.

Similarly, the shareholders of Fission received all of the common shares of Fission 3.0 which was spun-out from Fission and holds all of Fission's exploration and evaluation assets (other than Fission's interest in the PLS Joint Venture), short-term investments, and property and equipment located in Peru (the "Fission Uranium Arrangement").

Under the terms of the Alpha Arrangement and Fission Uranium Arrangement, each of Alpha Exploration and Fission 3.0 received CDN$3 million in cash to fund future operations. The transaction took place by way of a court approved plan of arrangement.

Alpha is in the early stage of exploration and does not yet have any processes or outputs, therefore Alpha is not considered a business under IFRS 3 Business Combinations. As a result the acquisition was accounted for as a purchase of assets. The purchase price has been allocated to the various assets and liabilities acquired through the Alpha Arrangement, including various working capital amounts and exploration and evaluation assets.

Fission 3.0 was a wholly owned subsidiary of Fission up to 5 December 2013. Fission recognized a CDN$99,579 gain on the de-consolidation of Fission 3.0 on 5 December 2013.

2. Acquisition of equity interest in Fission 3.0

On 23 February 2015 Fission acquired 22,000,000 common shares of Fission 3.0 by way of private placement at a price of CDN$0.14 per common share and with a total consideration of CDN$3,080,000, which represents approximately 12.36% ownership of Fission 3.0's issued and outstanding share capital. Please refer to "SIGNIFICANT INVESTMENT HELD" in this Appendix for details.

SEGMENTAL INFORMATION

As Fission is a junior resource company specializing in uranium exploration and development in Saskatchewan's Athabasca Basin in Western Canada, the performance assessment should be based on the results of Fission as a whole. Accordingly, there is no segmental information of Fission during the year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015.

CHARGES ON ASSETS

As of 30 June 2013, 2014, 2015 and 30 September 2015, Fission had no charges on assets.

FOREIGN CURRENCY RISKS

The businesses conducted of Fission during the three year ended 30 June 2013, 2014, 2015 and the three months ended 30 September 2015 were denominated in CDN$. As at 30 June 2013, 2014, 2015 and 30 September 2015, all of the cash and bank balances of Fission were made in CDN$. Therefore, the exposure in currency risks of Fission was considered by the management to be minimal and it had not used any financial instrument for hedging purposes during the aforesaid period.

CONTINGENT LIABILITIES

As of 30 June 2013, 2014, 2015 and 30 September 2015, Fission had no contingent liabilities.

EMPLOYEES, REMUNERATION POLICY, SHARE OPTION SCHEMES AND TRAINING SCHEMES

As of 30 June 2013, 2014, 2015 and 30 September 2015, Fission has a total number of 42, 38, 39, and 39 employees. The remuneration and bonus earned by employees of Fission for the year ended June 30, 2013, 2014, 2015 and the three months ended 30 September 2015 was approximately CDN$1.12 million, CDN$3.64 million, CDN$3.73 million, and CDN$0.98 million, respectively.

Fission has a stock option plan which allows the board of directors to grant stock options to employees, directors, officers, and consultants. The exercise price of each option is based on the market price of Fission's common stock at the date of grant. The options can be granted for a maximum term of five years and vesting terms are determined by the board of directors at the date of grant. Under the stock option plan, the maximum number of shares issuable cannot exceed 10% of the issued and outstanding share capital of Fission at the time of the grant. Fission provides permission courses the professionals need and all field staff attend mandatory safety meetings.

RISKS AND UNCERTAINTIES

Fission 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. Fission 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.

OTHERS

Fission was incorporated in February 2013 in contemplation of the arrangement between Fission Energy Corp. ("Fission Energy") and Denison Mines Corp. ("Denison") which was completed in April 2013. Under this arrangement, certain assets of Fission Energy were spun out into Fission prior to Fission Energy being acquired by Denison. The Fission Energy shareholders acquired shares in both Denison and Fission as a result of this transaction. After this arrangement, there was no continuing relationship between Fission and Fission Energy (as a subsidiary of Denison).

Although Fission did not exist as a separate legal entity prior to February 2013, it was formed as part of a corporate reorganisation whereby the shareholders immediately before and after the transaction were the same. Therefore, the financial statements of Fission for the year ended 30 June 2013 were prepared using the continuity of interest accounting method. Accordingly, the comparative information was prepared on the assumption that Fission had always existed with the assets spun out as part of the aforesaid arrangement. When preparing the comparative information, assumptions were made when allocating the assets, liabilities, income and expenses of Fission Energy to Fission as detailed in note 3(b) to the consolidated financial statements of Fission for the year ended 30 June 2013 on page II-19 of this circular.

3. FISSION'S PUBLISHED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

pwc

October 25, 2013

Independent Auditor's Report

To the Shareholders of Fission Uranium Corp.

We have audited the accompanying consolidated financial statements of Fission Uranium Corp. and its subsidiaries which comprise the consolidated statements of financial position as at June 30, 2013, 2012 and 2011 and the consolidated statements of 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 audits 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fission Uranium Corp. and its subsidiaries as at June 30, 2013, 2012 and 2011 and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention the fact that, as described in note 3(b) to the consolidated financial statements, Fission Uranium Corp. did not operate as a separate entity prior to the reorganization on April 26, 2013. The carve-out financial statements for the period up to April 26, 2013 are, therefore, not necessarily indicative of results that would have occurred if Fission Uranium Corp. had been a separate stand-alone entity during the years presented or of future results of Fission Uranium Corp.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

Fission Uranium Corp.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	June 30 2013 $	June 30 2012 $	June 30 2011 $
Assets				
Current assets				
Cash and cash equivalents		15,068,354	–	–
Short-term investments	5	601,800	–	–
Amounts receivable	6	2,550,144	68,784	1,844
Prepaid expenses		101,415	–	–
		18,321,713	68,784	1,844
Property and equipment	7	246,308	211,002	97,303
Exploration and evaluation assets	8	10,041,838	5,273,726	7,424,942
Total Assets		28,609,859	5,553,512	7,524,089
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	9	2,338,172	170,924	54,490
Deferred tax liability	13	1,664,145	1,318,427	1,856,231
Total Liabilities		4,002,317	1,489,351	1,910,721
Shareholders' Equity				
Share capital	10	79,315,530	–	–
Other capital reserves	10	487,206	14,074,664	11,466,710
Deficit		(55,195,194)	(10,010,503)	(5,853,342)
		24,607,542	4,064,161	5,613,368
Total Liabilities and Shareholders' Equity		28,609,859	5,553,512	7,524,089

Subsequent Events (Note 17)

Approved by the board and authorized for issue on October 25, 2013.

"Dev Randhawa"
Director

"Frank Estergaard"
Director

Fission Uranium Corp.
Consolidated statements of comprehensive loss
(Expressed in Canadian dollars)

	Note	Year Ended June 30 2013 $	Year Ended June 30 2012 $	Year Ended June 30 2011 $
Expenses				
Business development		408,023	110,908	7,007
Consulting and directors fees		1,538,223	153,208	13,695
Depreciation	7	65,288	51,293	29,649
Office and administration		597,053	86,491	7,037
Professional fees		972,461	48,152	3,442
Public relations and communications		558,111	115,499	6,712
Share-based compensation	10(c)	924,087	161,632	25,200
Trade shows and conferences		176,764	40,704	5,122
Wages and benefits		1,383,438	117,143	8,102
		6,623,448	885,030	105,966
Other items – income/(expense)				
Exploration management fee income		400,247	85,635	–
Expense recovery		166,757	–	–
Foreign exchange loss		(8,821)	(821)	(157)
Gain on disposal of property and equipment		–	2,612	–
Interest and miscellaneous income		46,893	–	–
Rental income		13,597	–	–
Unrealized gain on investments		177,311	–	–
Exploration and evaluation write-down	8	(274,941)	(3,897,361)	(173,789)
		521,043	(3,809,935)	(173,946)
Loss before income taxes		(6,102,405)	(4,694,965)	(279,912)
Deferred income tax (expense) recovery	13	(345,718)	537,804	(2,863)
Net loss and comprehensive loss for the year		(6,448,123)	(4,157,161)	(282,775)
Basic and diluted loss per common share		(0.04)	(0.03)	(0.00)
Weighted average number of common shares outstanding		149,469,474	149,445,871	149,445,871

Fission Uranium Corp.
Consolidated statements of changes in equity
(Expressed in Canadian dollars)

		Share capital		Other capital		Total shareholders'
		Shares	Amount	reserves	Deficit	equity
	Note		*$*	*$*	*$*	*$*
Balance, July 1, 2010		–	–	11,211,260	(5,570,567)	5,640,693
Funding and expenses paid by Fission Energy		–	–	230,250	–	230,250
Share-based compensation		–	–	25,200	–	25,200
Net loss and comprehensive loss		–	–	–	(282,775)	(282,775)
Balance, June 30, 2011		–	–	11,466,710	(5,853,342)	5,613,368
Funding and expenses paid by Fission Energy		–	–	2,446,322	–	2,446,322
Share-based compensation		–	–	161,632	–	161,632
Net loss and comprehensive loss		–	–	–	(4,157,161)	(4,157,161)
Balance, June 30, 2012		–	–	14,074,664	(10,010,503)	4,064,161
Funding and expenses paid by Fission Energy		–	–	7,543,276	–	7,543,276
Assets contributed by Fission Energy pursuant to the Arrangement Agreement	*2*	–	–	18,779,700	–	18,779,700
Adjustment for shares issued in connection with the Fission Energy Arrangement	*2 & 10(a)*	–	–	38,736,568	(38,736,568)	–
Shares issued pursuant to the Fission Energy Arrangement	*2 & 10(a)*	149,445,871	79,134,208	(79,134,208)	–	–
Exercise of stock options/warrants		448,715	181,322	–	–	181,322
Share-based compensation	*10(c)*	–	–	487,206	–	487,206
Net loss and comprehensive loss		–	–	–	(6,448,123)	(6,448,123)
Balance, June 30, 2013		149,894,586	79,315,530	487,206	(55,195,194)	24,607,542

The accompanying notes form an integral part of these financial statements

Fission Uranium Corp.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year Ended June 30 2013 $	Year Ended June 30 2012 $	Year Ended June 30 2011 $
Operating activities			
Net loss and comprehensive loss	(6,448,123)	(4,157,161)	(282,775)
Items not involving cash:			
Depreciation	65,288	51,293	29,649
Share-based compensation	924,087	161,632	25,200
Unrealized gain on investments	(177,311)	–	–
Gain on disposal of property and equipment	–	(2,612)	–
Exploration and evaluation write-down	274,941	3,897,361	173,789
Deferred income tax expense (recovery)	345,718	(537,804)	2,863
	(5,015,400)	(587,291)	(51,274)
Changes in non-cash working capital items:			
Increase in amounts receivable	(2,424,299)	(66,940)	(428)
Increase in prepaid expenses	(46,783)	–	–
Increase in accounts payable and accrued liabilities	727,531	–	–
Cash flow used in operating activities	(6,758,951)	(654,231)	(51,702)
Investing activities			
Property and equipment additions	(100,593)	(167,380)	(46,096)
Property and equipment disposals	–	5,000	–
Exploration and evaluation asset additions	(9,470,009)	(2,571,693)	(193,333)
Exploration and evaluation asset cost recoveries	5,403,894	941,982	60,881
Cash flow used in investing activities	(4,166,708)	(1,792,091)	(178,548)
Financing activities			
Proceeds from exercise of stock options/warrants	181,322	–	–
Funding received from Fission Energy for operations	8,294,546	2,446,322	230,250
Cash received pursuant to the Fission Energy Arrangement	17,518,145	–	–
Cash flow from financing activities	25,994,013	2,446,322	230,250
Increase in cash and cash equivalents during the year	15,068,354	–	–
Cash and cash equivalents, beginning of year	–	–	–
Cash and cash equivalents, end of year	15,068,354	–	–

Supplemental disclosure with respect to cash flows (Note 11)

The accompanying notes form an integral part of these financial statements

Fission Uranium Corp.
Notes to the consolidated financial statements
For the year ended June 30, 2013
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

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

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

2. FISSION ENERGY ARRANGEMENT AGREEMENT

On April 26, 2013, Fission Energy and Denison Mines Corp. ("Denison") completed an Arrangement Agreement (the "Agreement") pursuant to which Denison acquired all of the issued and outstanding shares of Fission Energy with Fission Energy spinning out certain assets into Fission Uranium by way of a court approved plan of Arrangement (the "Fission Energy Arrangement").

Pursuant to the Agreement, Denison acquired a portfolio of uranium exploration projects including Fission Energy's 60% interest in the Waterbury Lake uranium project, as well as Fission Energy's exploration interests in all other properties in the eastern part of the Athabasca Basin, its interest in two joint ventures in Namibia plus its assets in Quebec and Nunavut (together, the "Assets"). Assets spun out to Fission Uranium primarily consisted of the Patterson Lake North ("PLN"), Patterson Lake South ("PLS"), Clearwater West, North Shore, and Peru properties (together "the Property") and $17,518,145 in cash.

The consideration received by the shareholders of Fission Energy consisted of 0.355 of a common share of Denison, a nominal cash payment of $0.0001 and 1 common share of Fission Uranium for each common share of Fission Energy held. Fission Energy's outstanding options and warrants were adjusted in accordance with their terms such that the number of Denison shares and Fission Uranium shares received upon exercise and their respective exercise prices reflect the exchange ratio described above.

These financial statements have been prepared on a continuity of interest basis after the spin out. Prior to the spin out, these financial statements have been prepared on a carve out basis in accordance with a financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for carve-out financial statements.

The carrying value of the net assets contributed (note 3(b)) pursuant to the Fission Energy Arrangement consisted of the following:

	$
Assets	
Cash	17,518,145
Short-term investments	24,489
Amounts receivable	1,628,690
Prepaid expenses	54,632
Property and equipment	174,129
Exploration and evaluation assets	10,047,622
Total Assets	29,447,707
Liabilities	
Accounts payable and accrued liabilities	(38,293)
Deferred tax liability	(2,406,224)
Total Liabilities	(2,444,517)
Carrying value	27,003,190
Shares issued pursuant to the Fission Energy Arrangement	(79,134,208)
Accumulated losses (see below)	13,394,450
Adjustment for shares issued in connection with the Fission Energy Arrangment	(38,736,568)

An adjustment of $38,736,568 was made through accumulated deficit to reconcile i) the allocated Fission Energy income and expenses which cumulatively amounted to $13,394,450 up to the close of the Arrangement Agreement; and ii) the carrying values of the net assets contributed and recorded under the continuity of interest accounting, to the common shares issued in connection with the closing of the Fission Energy Arrangement on April 26, 2013.

The consolidated statement of changes in equity includes an amount of $18,779,700 which represents the assets contributed on April 26, 2013 by Fission Energy pursuant to the Arrangement Agreement. The amount mainly includes the cash and working capital items transferred to Fission Uranium as part of the spin out. Other assets have been reflected in these financial statements at earlier dates in accordance with the continuity of interest basis of accounting.

3. 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") and interpretations of the International Financial Reporting Interpretations Committee ("IFRICs") and the former Standing Interpretations Committee ("SICSs") as at June 30, 2013.

These are the Company's first consolidated financial statements prepared in accordance with IFRS. The comparative figures presented in these financial statements are in accordance with IFRS.

(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.

As the shareholders of Fission Energy continued to hold their respective interests in Fission Uranium; there was no resultant change of control in either the Company, or the assets and business acquired. The Fission Energy Arrangement has thus been determined to be a common control transaction (capital reorganization), and is excluded from the scope of *IFRS 3 (R), Business Combinations*.

Prior to the date of the spin out, these consolidated financial statements reflect the assets, liabilities, operations and cash flows of the assets and liabilities of Fission Uranium, other than the assets described in note 2 on a 'carve out' basis from the financial statements and accounting records of Fission Energy.

Under the continuity of interest accounting the assets and liabilities transferred are recorded at their pre-combination carrying values adjusted for any tax elections. The statements of comprehensive loss include the allocated income and expenses from the acquired business. The income and expenses, where possible, have been allocated directly from Fission Energy and all remaining income and expenses have been allocated on a pro-rata basis based on the level of exploration and evaluation activities for the period up to April 26, 2013. The carve-out entity did not operate as a separate legal entity and as such, the financial statements may not be indicative of the financial performance of the carved out entity on a standalone basis and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the carve out entity operated as an independent entity during the years presented.

The cash and other working capital balances of Fission Energy prior to the Fission Energy Arrangement have not been allocated to the historical carved-out financial statements of Fission Uranium as these amounts were managed centrally by Fission Energy. Accordingly it was not practicable to allocate these amounts between the Property spun out to Fission Uranium and the assets retained by Fission Energy until the date of the Agreement.

At the date of the spin out, assets and liabilities transferred are recorded at their carrying values without fair value uplift.

(c) Basis of Consolidation

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

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

The Company consolidates the wholly owned subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies.

(d) Financial Assets

All financial assets are initially recorded at fair value and designated upon initial recognition into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets are recognized as FVTPL if the Company manages such investments and makes sure purchase and sale decisions are based on the fair value in accordance with the Company's risk management strategy or when the financial assets are acquired principally for resale in the short term. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company has classified its short-term investments as FVTPL. Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's cash and cash equivalents and amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. At June 30, 2013, and June 30, 2012, the Company has not classified any financial assets as available for sale.

(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) Short-term Investments

Marketable securities are recorded at their fair market value on the date of acquisition and are classified as FVTPL. The carrying value of the securities is adjusted at each subsequent reporting period to the fair value (based upon the market price and the Bank of Canada quoted exchange rate if applicable) with the resulting unrealized gains or losses included in profit or loss for the period. Transaction costs relating to the purchase of marketable securities are expensed directly to profit or loss.

(g) Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars. The financial statements for each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). Each entity in the Company 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 subsidiaries are as follows:

(i) Fission Uranium Corp. – Canadian Dollar

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

(iii) Minera Peruran 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 dates of the transaction. 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.

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 dates of transactions. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

(h) 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.

(i) Exploration and Evaluation Assets

The Company records exploration and evaluation assets which consists 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 exploration and evaluation assets to which they relate are placed into production, disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation property interest is abandoned, both the acquisition costs and the exploration and evaluation cost will be written off to operations in the period of abandonment.

On an ongoing basis, exploration and evaluation assets are reviewed on a propertyby – property basis to consider if there are any indicators of impairment. If any indication of impairment exists, an estimate of the exploration and evaluation assets' recoverable amount is calculated. The recoverable amount is determined as higher of the fair value less costs to sell for the exploration and evaluation property interest and their value in use. The fair value less costs to sell and the value in use is 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.

The Company's determination for impairment is also based on:

(i) Whether the exploration on the exploration and evaluation assets have 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.

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.

(j) Financial Liabilities

All financial liabilities are initially recorded at fair market value and designated upon initial recognition as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value. After initial recognition, other financial liabilities are 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 classified as other financial liabilities.

Derivatives, including separate embedded derivatives are also classified as FVTPL and recognized at fair value with changes in fair value recognized in profit and loss unless they are designated as effective hedging instruments. The Company has no liabilities or derivatives classified as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

(k) 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 flowthrough 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 expenses 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 a financial expense until paid.

(l) 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) 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 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 costs 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. Management uses the dynamic model to calculate the estimated forfeitures.

(m) Income Taxes

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

(n) 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.

(o) 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.

(p) New Standards, Amendments and Interpretations Not Yet Effective

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2013.

Accounting standards effective July 1, 2013

IFRS 7, Financial Instruments: Disclosures

The amendments to disclosure requirements in IFRS 7 emphasize the interaction between quantitative and qualitative disclosures and the nature and extent of risks and amends credit risk disclosures. The Company is currently evaluating the impact to its consolidated financial statements.

IFRS 10, Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation-Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IAS 28, Investments in Associates

The standard was amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 12. The Company does not anticipate the application of IAS 28 to have a significant impact on its consolidated financial statements.

IFRS 11, Joint Arrangements

In May 2011, the IASB issued IFRS 11, Joint Arrangements, which supersedes IAS 31, Interests in Joint Ventures and SIC 13, Jointly Controlled Entities – Non-Monetary Contributions by Venturers. The standard requires the Company to classify its interest in a joint arrangement as a joint venture or joint operation. This standard will eliminate the use of proportionate consolidation when accounting for joint ventures, as they will be accounted for using the equity method, whereas joint operations will be accounted for by recognizing the venturer's share of the assets, liabilities, revenue and expenses. The Company is currently evaluating the impact IFRS 11 is expected to have on its consolidated financial statements.

IFRS 12, Disclosure of Interests in Other Entities

The IASB has issued IFRS 12 Disclosure of Interests in Other Entities, which includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. The Company is currently analyzing the possible impact of this standard on its consolidated financial statements.

IFRS 13, Fair Value Measurement

IFRS 13, Fair Value Measurement: effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, sets out in a single IFRS a framework for measuring fair value and new required disclosures about fair value measurements. Management has not yet considered the potential impact of the adoption of IFRS 13.

Accounting standards effective July 1, 2014

IAS 32, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

In December 2011, the IASB issued an amendment to IAS 32. The amendment clarifies the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Company does not anticipate a significant impact to its financial statements.

IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

In May 2013, the IASB issued an amendment to IAS 36. The amendment clarifies the disclosure requirements in respect of fair value less costs of disposal. The amendments require the disclosure of the recoverable amount of an asset or cash generating unit at the time an impairment loss has been recognized or reversed and detailed disclosure of how the associated fair value less costs of disposal has been determined. The Company does not anticipate a significant impact to its financial statements.

Accounting standards effective July 1, 2015

IFRS 9, Financial Instruments

IFRS 9 Financial Instruments: Classification and Measurement will replace *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the impairment of financial assets measured at amortized cost and classification and measurement of financial instruments. Management has not yet considered the potential impact of the adoption of IFRS 9.

4. 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.

(a) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recovered by future exploitation or sale where the activities have not reached a stage which permits a reasonable assessment of existence of reserves. This policy requires management to make certain judgements and assumptions as to future events and circumstance, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that the recovery of the expenditure is unlikely, the relevant capitalized amount will be written off in the statement of comprehensive loss in the period when the new information becomes available.

5. SHORT-TERM INVESTMENTS

Short-term investments are recorded at fair value and are comprised of the following:

	Number of Shares	Fair Market Value June 30 2013	June 30 2012	June 30 2011
		$	*$*	*$*
Azincourt Uranium Inc.	2,666,666	586,667	–	–
Great Bear Resources Ltd.	400,000	8,000	–	–
Iron Tank Resources Corp.	8,888	533	–	–
Stratton Resources Inc.	60,000	6,600	–	–
		601,800	–	–

The Company has determined the fair value of its investments based on the level 1 quoted market prices at June 30, 2013.

6. AMOUNTS RECEIVABLE

	June 30 2013	June 30 2012	June 30 2011
	$	*$*	*$*
HST receivable	795,495	68,571	1,844
Due from provincial governments	642,448	–	–
Due from joint venture participants	57,061	–	–
Loans receivable	784,099	–	–
Other receivables	271,041	213	–
	2,550,144	68,784	1,844

The Company does not have any significant balances that are past due. Significant amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of amounts receivable approximates their carrying value. The loans receivable bear interest at the Canada Revenue Agency's prescribed interest rate published quarterly, 1% at June 30, 2013, and are repayable within one year.

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Cost	Geological Equipment	Vehicles	Office Equipment	Computer Hardware	Computer Software	Building	Total
	$	$	$	$	$	$	$
As at July 1, 2010	63,856	–	26,480	33,313	4,484	20,190	148,323
Additions	–	30,780	–	6,077	9,239	–	46,096
As at June 30, 2011	63,856	30,780	26,480	39,390	13,723	20,190	194,419
Additions	60,349	–	80,170	16,106	10,755	–	167,380
Disposals	–	–	–	(13,871)	–	–	(13,871)
As at June 30, 2012	124,205	30,780	106,650	41,625	24,478	20,190	347,928
Additions	65,446	1,712	–	33,436	–	–	100,594
Disposals	(30,493)	–	–	–	–	–	(30,493)
As at June 30, 2013	159,158	32,492	106,650	75,061	24,478	20,190	418,029
Accumulated Depreciation							
As at July 1, 2010	35,969	–	11,836	13,364	4,484	1,814	67,467
Depreciation	12,780	770	5,304	9,606	385	804	29,649
As at June 30, 2011	48,749	770	17,140	22,970	4,869	2,618	97,116
Depreciation	17,339	9,240	7,465	11,086	5,359	804	51,293
Disposals	–	–	–	(11,483)	–	–	(11,483)
As at June 30, 2012	66,088	10,010	24,605	22,573	10,228	3,422	136,926
Depreciation	14,550	9,244	18,422	12,638	9,620	814	65,288
Disposals	(30,493)	–	–	–	–	–	(30,493)
As at June 30, 2013	50,145	19,254	43,027	35,211	19,848	4,236	171,721
Net Book Value							
As at June 30, 2011	15,107	30,010	9,340	16,420	8,854	17,572	97,303
As at June 30, 2012	58,117	20,770	82,045	19,052	14,250	16,768	211,002
As at June 30, 2013	109,013	13,238	63,623	39,850	4,630	15,954	246,308

8. EXPLORATION AND EVALUATION ASSETS

Year Ended June 30, 2013

	North Shore Property $	Beaver River Property $	Clearwater West Property $	Manitou Falls Property $	Patterson Lake North Property $	Patterson Lake South Property $	Thompson Lake Property $	Peru Properties $	Total $
Acquisition costs									
Balance, beginning of year	–	–	–	–	177,702	69,796	–	–	247,498
Additions	–	11,154	9,517	3,410	–	–	1,742	–	25,823
Cost recoveries	–	–	–	–	(177,702)	–	–	–	(177,702)
Balance, end of year	–	11,154	9,517	3,410	–	69,796	1,742	–	95,619
Exploration costs									
Balance, beginning of year	–	–	–	–	3,570,394	1,455,834	–	–	5,026,228
Incurred during the year									
Geology mapping/sampling	1,312	150	4,299	200	109,505	218,950	350	18,609	353,375
Geophysics airborne	61	–	2,014	–	305,501	294,183	–	-	601,759
Geophysics ground	27	–	3,355	–	597,782	361,441	–	1,353	963,958
Drilling	–	–	–	–	195,982	6,832,796	–	16,032	7,044,810
Land retention and permitting	1,950	298	598	247	13,775	41,573	247	105,406	164,094
Reporting	–	52	650	–	23,370	35,091	–	567	59,730
Environmental	–	–	–	–	–	41,680	–	410	42,090
Safety	–	–	–	–	162	49,877	–	–	50,039
Community relations	–	–	–	–	–	1,233	–	41,152	42,385
General	–	–	–	–	5,880	405,837	–	77,558	489,275
Share-based compensation	114	–	4,096	434	15,952	73,982	–	13,854	108,432
Additions	3,464	500	15,012	881	1,267,909	8,356,643	597	274,941	9,919,947
Cost recoveries	–	–	–	–	(379,358)	(4,345,657)	–	–	(4,725,015)
Write-down	–	–	–	–	–	–	–	(274,941)	(274,941)
Balance, end of year	3,464	500	15,012	881	4,458,945	5,466,820	597	–	9,946,219
Total costs	3,464	11,654	24,529	4,291	4,458,945	5,536,616	2,339	–	10,041,838

Year Ended
June 30, 2012

	North Shore Property	Beaver River Property	Clearwater West Property	Manitou Falls Property	Patterson Lake North Property	Patterson Lake South Property	Thompson Lake Property	Peru Properties	Total
	$	$	$	$	$	$	$	$	$
Acquisition costs									
Balance, beginning of year	460,422	–	–	–	149,882	18,752	–	–	629,056
Additions	–	–	–	–	27,820	53,020	–	–	80,840
Write-down	(460,422)	–	–	–	–	(1,976)	–	–	(462,398)
Balance, end of year	–	–	–	–	177,702	69,796	–	–	247,498
Exploration costs									
Balance, beginning of year	3,130,056	–	–	–	3,550,445	115,385	–	–	6,795,886
Incurred during the year									
Geology mapping/sampling	328	–	–	–	7,068	54,840	–	58,680	120,916
Geophysics airborne	–	–	–	–	272	299,780	–	300	300,352
Geophysics ground	–	–	–	–	7,602	481,548	–	–	489,150
Drilling	–	–	–	–	375	1,268,135	–	6,766	1,275,276
Land retention and permitting	3,147	–	–	–	2,272	19,819	–	58,112	83,350
Reporting	–	–	–	–	404	6,436	–	386	7,226
Environmental	–	–	–	–	–	–	–	16,782	16,782
Safety	–	–	–	–	59	56	–	–	115
Community relations	–	–	–	–	–	–	–	42,824	42,824
General	–	–	–	–	187	129,152	–	99,208	228,547
Share-based compensation	560	–	–	–	1,710	34,827	–	5,652	42,749
Additions	4,035	–	–	–	19,949	2,294,593	–	288,710	2,607,287
Cost recoveries	–	–	–	–	–	(941,982)	–	–	(941,982)
Write-down	(3,134,091)	–	–	–	–	(12,162)	–	(288,710)	(3,434,963)
Balance, end of year	–	–	–	–	3,570,394	1,455,834	–	–	5,026,228
Total costs	–	–	–	–	3,748,096	1,525,630	–	–	5,273,726

Year Ended
June 30, 2011

	North Shore Property $	Beaver River Property $	Clearwater West Property $	Manitou Falls Property $	Patterson Lake North Property $	Patterson Lake South Property $	Thompson Lake Property $	Peru Properties $	Total $
Acquisition costs									
Balance, beginning of year	460,422	–	–	–	149,882	17,620	–	–	627,924
Additions	–	–	–	–	–	4,926	–	–	4,926
Write-down	–	–	–	–	–	(3,794)	–	–	(3,794)
Balance, end of year	460,422	–	–	–	149,882	18,752	–	–	629,056
Exploration costs									
Balance, beginning of year	3,105,323	–	–	–	3,577,830	102,411	–	–	6,785,564
Incurred during the year									
Geology mapping/sampling	–	–	–	–	172	15,555	–	20,003	35,730
Geophysics airborne	–	–	–	–	–	218	–	–	218
Geophysics ground	–	–	–	–	218	34,163	–	–	34,381
Drilling	–	–	–	–	8,405	–	–	1,881	10,286
Land retention and permitting	16,763	–	–	–	514	992	–	30,312	48,581
Reporting	558	–	–	–	110	124	–	1,297	2,089
Environmental	5	–	–	–	–	–	–	–	5
Safety	–	–	–	–	–	–	–	–	–
Community relations	–	–	–	–	–	–	–	16,497	16,497
General	–	–	–	–	6,171	–	–	70,778	76,949
Share-based compensation	7,407	–	–	–	306	1,572	–	7,177	16,462
Additions	24,733	–	–	–	15,896	52,624	–	147,945	241,198
Cost recoveries	–	–	–	–	(43,281)	(17,600)	–	–	(60,881)
Write-down	–	–	–	–	–	(22,050)	–	(147,945)	(169,995)
Balance, end of year	3,130,056	–	–	–	3,550,445	115,385	–	–	6,795,886
Total costs	3,590,478	–	–	–	3,700,327	134,137	–	–	7,424,942

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

(a) North Shore Property, Canada

The Company acquired a 100% interest in a property located in Alberta as part of the Fission Energy Arrangement (note 2). The property is subject to a 0.75% net smelter returns royalty on certain mineral production and 4% gross overriding royalty on any diamond production from the property.

The Government of Alberta drafted the Lower Athabasca Regional Plan ("LARP") to conserve land, which has resulted in some metallic and industrial mineral claims to be under temporary restricted status, which includes some claims held by Fission Uranium. On August 22, 2012 the Government of Alberta approved the LARP, and the Company will not be permitted to continue exploration on claims within the zoned land. Accordingly the Company recorded a write-down of $3,594,513 for the year ended June 30, 2012 to the property as the recoverable amount was determined to be nil. The Company is approaching the Government of Alberta for compensation of all expenditures incurred plus loss of future opportunities. The Company has commenced new work programs on the claims which are not restricted and is capitalising these costs.

(b) Beaver River Property, Canada

In May 2013, the Company staked 6 claims at Beaver River, Saskatchewan.

(c) Clearwater West Property, Canada

The Company acquired a 100% interest in various claims in Saskatchewan as part of the Fission Energy Arrangement (note 2).

(d) Manitou Falls Property, Canada

In May 2013, the Company staked 1 claim at Manitou Falls, Saskatchewan.

(e) Patterson Lake Properties, Canada

The Patterson Lake Properties, located in Saskatchewan, comprise both Patterson Lake North ("PLN") and Patterson Lake South ("PLS") Properties.

(i) Patterson Lake North

The Company acquired a 100% interest in various claims as part of the Fission Energy Arrangement (note 2).

On April 29, 2013 the Company entered into a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt").

Azincourt has the option to earn up to a 50% interest in the property by making the following payments;

Interest Earned	Consideration	Work Obligation	Cumulative Consideration	Cumulative Work Obligation	Option Expiry
	$	$	$	$	
10%	500,000	1,500,000	500,000	1,500,000	June 19, 2014
20%	750,000	3,000,000	1,250,000	4,500,000	June 19, 2015
35%	1,000,000	3,000,000	2,250,000	7,500,000	June 19, 2016
50%	2,500,000	4,500,000	4,750,000	12,000,000	June 19, 2017

The Company is the operator and is entitled to a management fee equal to 10% of expenditures for operator services. The Company retains a royalty interest in the property of 2% of the net smelter returns after Azincourt acquires any interest in the property. Azincourt has 90 days after each option term to either continue earning an additional interest in the property or to form a joint venture agreement with Fission Uranium. If Azincourt elects not to earn more than the initial 10% interest in PLN the Company will have a right to buy out Azincourt's interest for $500,000, payable by returning the consideration paid by Azincourt.

The Company has received $100,000 in cash, and 2,666,666 common shares of Azincourt, valued at $586,667, representing the remaining $400,000 of the total $500,000 consideration required for the initial 10% interest in PLN with the difference recorded in the statement of comprehensive loss. At June 30, 2013, $57,061 of expenditures are recoverable from Azincourt.

(ii) Patterson Lake South

The Company acquired an interest in various claims as part of the Fission Energy Arrangement (note 2). The property is subject to a joint venture with Alpha Minerals Inc. ("Alpha"). The joint venture participants share costs in proportion to their interest in the joint venture. This is presently a 50%-50% basis. Fission Uranium is currently the operator and is entitled to a management fee equal to 10% of expenditures for operator services. During the year ended June 30, 2012, Fission Energy allowed two claims to lapse. As a result of the two claims lapsing, Fission Energy recorded a $1,976 write-down of acquisition costs and $12,162 write-down of exploration costs. During the year ended June 30, 2011 Fission Energy allowed four claims to lapse. As a result of the four claims lapsing Fission Energy recorded a $3,794 write-down of acquisition costs and a $22,050 write-down of exploration costs.

(f) Thompson Lake Property, Canada

In May 2013, the Company staked 1 claim at Thompson Lake, Saskatchewan.

(g) Macusani Properties, Peru

The Company acquired a 100% interest in certain properties located in Peru as part of the Fission Energy Arrangement (note 2). Ongoing administrative and claim maintenance costs for these properties incurred during the period were not deemed recoverable which resulted in a write-down of $274,941 for the year ended June 30, 2013 (June 30, 2012 – $288,710, June 30, 2011 – $147,945).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Maturity dates < 6 months	**June 30 2013**	**June 30 2012**	**June 30 2011**
	$	*$*	*$*
Trade payables	887,067	58,353	19,731
Due to joint venture participants	1,068,645	110,568	–
Accrued liabilities	382,460	2,003	34,759
	2,338,172	170,924	54,490

10. SHARE CAPITAL AND OTHER CAPITAL RESERVES

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

(a) Fission Energy Arrangement

Pursuant to the Fission Energy Arrangement (see note 2), on April 25, 2013, the Company issued 149,445,871 shares in exchange for the net assets received from Fission Energy. The balance of share capital immediately following the close of the Fission Energy Arrangement was $79,134,208. This amount was determined to be the value attributed to the net assets calculated in accordance with the Arrangement Agreement. Loss per share information in these consolidated financial statements has been presented as if the common shares issued in connection with the closing of the Fission Energy Arrangement had been issued and outstanding from the start of all periods presented.

(b) Stock options and warrants

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

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

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		$		$
Balance July 1, 2010	–	–	–	–
Granted	–	–	–	–
Exercised	–	–	–	–
Expired	–	–	–	–
Forfeited	–	–	–	–
Outstanding, June 30, 2011	–	–	–	–
Granted	–	–	–	–
Exercised	–	–	–	–
Expired	–	–	–	–
Forfeited	–	–	–	–
Outstanding, June 30, 2012	–	–	–	–
Issued through Fission Energy Arrangement (note 2)	5,591,726	0.43	4,227,763	0.35
Granted	9,265,000	0.73	–	–
Exercised	(248,715)	0.45	(200,000)	0.35
Expired	–	–	–	–
Forfeited	–	–	–	–
Outstanding, June 30, 2013	14,608,011	0.62	4,027,763	0.35

As at June 30, 2013, incentive stock options and share purchase warrants were outstanding as follows:

Stock Options

Number outstanding	Exercise price $	Number of vested options	Expiry date
66,667	0.1628	66,667	January 13, 2014
38,000	0.1683	38,000	August 6, 2014
95,000	0.2985	95,000	February 3, 2015
266,666	0.2985	266,666	April 25, 2014
1,840,000	0.2985	1,840,000	December 31, 2017
30,030	0.3799	30,030	July 5, 2013
241,667	0.4342	241,667	April 25, 2014
1,200,000	0.4342	1,200,000	December 30, 2015
14,166	0.4342	14,166	April 18, 2014
13,750	0.4342	13,750	August 6, 2014
27,500	0.4342	27,500	January 12, 2015
661,666	0.4342	661,666	January 12, 2017
450,000	0.5427	450,000	January 27, 2016
23,595	0.5807	23,595	July 5, 2013
9,265,000	0.7300	–	June 1, 2016
21,450	0.7598	21,450	July 5, 2013
6,435	0.8629	6,435	August 31, 2013
171,600	1.0094	171,600	July 5, 2013
3,218	1.0637	3,218	July 5, 2013
9,653	1.0854	9,653	August 31, 2013
161,948	1.0854	161,948	July 5, 2013
14,608,011		5,343,011	

Warrants

Number outstanding	Exercise price $	Number of vested warrants	Expiry date
600,060	0.3256	600,060	December 21, 2014
3,225,000	0.3528	3,225,000	January 21, 2015
202,703	0.4613	202,703	November 17, 2013
4,027,763		4,027,763	

(c) Share-based compensation

During the year ended June 30, 2013, the Company granted 9,265,000 options (June 30, 2012 – Nil, June 30, 2011 – Nil). Pursuant to the granting and vesting of options issued, share-based compensation of $454,630 during the year ended June 30, 2013 was recognized in profit or loss and share-based compensation of $32,576 was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves on the statement of financial position. All options are recorded at fair value using the Black-Scholes option pricing model.

Share-based compensation for the year ended June 30, 2013 also includes allocated Fission Energy stock based compensation of $469,457 recognized in profit or loss and $75,856 recognized in exploration and evaluation assets pursuant to the continuity interest accounting.

Share-based compensation for the year ended June 30, 2012 includes allocated Fission Energy share-based compensation of $161,632 recognized in profit or loss and $42,749 recognized in exploration and evaluation assets pursuant to the continuity of interest accounting.

Share-based compensation for the year ended June 30, 2011 includes allocated Fission Energy share-based compensation of $25,200 recognized in profit or loss and $16,462 recognized in exploration and evaluation assets pursuant to the continuity of interest accounting.

The following assumptions were used for the valuation of stock options:

	June 30 2013	**June 30 2012**	**June 30 2011**
Risk Free Interest Rate	1.09%	–	–
Expected Life – Years	2.00	–	–
Annualised Volatility	107.22%	–	–
Dividend Rate	0%	–	–

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	June 30 2013 *$*	**June 30 2012** *$*	**June 30 2011** *$*
Cash and cash equivalents			
Cash	4,748,354	–	–
Redeemable Term Deposits	10,320,000	–	–
	15,068,354	–	–

There were no cash payments for interest and income taxes during the year ended June 30, 2013, June 30, 2012, and June 30, 2011. During the year ended June 30, 2013 the Company received $22,022 (June 30, 2012 – $Nil, June 30, 2011 – $Nil) in interest income on its redeemable term deposits and loans receivable.

Significant non-cash transactions for the year ended June 30, 2013 included:

(a) Incurring $1,461,780 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $57,061 of exploration and evaluation cost recoveries through amounts receivable;

(c) Receiving 2,666,666 shares of Azincourt, valued at $586,667, representing the remaining $400,000 of the total $500,000 consideration required for the initial 10% interest in PLN with the difference recorded in the statement of comprehensive loss;

(d) Recognizing $108,432 of share-based payments in exploration and evaluation assets;

(e) Recognizing $487,206 of share-based payments in other capital reserves; and

(f) Issuance of 115,442,620 common shares with a fair market value of $61,654,356 for the net assets transferred pursuant to the Fission Energy Arrangement.

Significant non-cash transactions for the year ended June 30, 2012 included:

(a) Incurring $60,356 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Incurring $110,568 of exploration and evaluation related expenditures through amounts due to joint venture participants;

(c) Recognizing $42,749 of share-based payments in exploration and evaluation assets; and

(d) Recognizing $161,632 of share-based payments in other capital reserves.

Significant non-cash transactions for the year ended June 30, 2011 included:

(a) Incurring $52,771 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $16,462 of share-based payments in exploration and evaluation assets; and

(c) Recognizing $25,200 of share-based payments in other capital reserves.

12. RELATED PARTY TRANSACTIONS

The Company identified its directors and certain senior management as its key management personnel. The compensation costs for key management personnel are as follows:

Compensation Costs	June 30 2013 $	June 30 2012 $	June 30 2011 $
Wages and consulting fees paid to key management personnel	1,346,159	–	–
Share-based payments for options granted to key management personnel	285,540	–	–
	1,631,699	–	–

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

Due to the fact that Fission Uranium was not incorporated until February 13, 2013, and the Fission Energy Arrangement was not completed until April 26, 2013, there were no officers or directors included in key management personnel prior to that date. The compensation costs reported for key management personnel therefore only reflects compensation costs after April 26, 2013.

Included in accounts payable at June 30, 2013 is $25,747 (June 30, 2012 – $Nil, June 30, 2011 – $Nil) for consulting fees owing to companies controlled by key management personnel.

Included in amounts receivable at June 30, 2013 is $457,560 (June 30, 2012 – $Nil, June 30, 2011 – $Nil) for loans advanced to key management personnel.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. INCOME TAXES

A reconciliation of current income taxes at statutory rates (June 30, 2013 – 25.25%, June 30, 2012 – 25%, June 30, 2011 – 27.50%) with the period income taxes is as follows:

	June 30 2013 $	June 30 2012 $	June 30 2011 $
Loss before income taxes	6,102,405	4,694,965	279,912
Expected income tax recovery	(1,540,857)	(1,173,741)	(76,976)
Tax impact of rate change	63,109	–	–
Permanent differences	101,133	40,408	6,930
Benefit of tax attributes not attributable	–	1,133,333	70,046
Allocation of expenditures on the carve-out	1,718,924	–	–
Exploration expenditures capitalized for accounting	–	(537,804)	2,863
Other	3,409	–	–
Deferred income tax expense (recovery)	345,718	(537,804)	2,863

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

	June 30 2013	June 30 2012	June 30 2011
	$	$	$
Deferred income tax assets (liabilities)			
Equipment	2,572	–	–
Exporation and evaluation assets	(2,371,439)	(1,318,427)	(1,856,231)
Short-term investments	(22,164)	–	–
Non-capital losses	726,886	–	–
Net deferred income tax liabilities	(1,664,145)	(1,318,427)	(1,856,231)

The deferred tax liability relating to the exploration and evaluation assets arose due to the fact that these assets were deemed to have a lower tax basis as a result of tax elections when transferred on completion of the Fission Energy Arrangement.

Deferred tax assets are recognized to the extent that it is probable that taxable profit 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 $2,900,000 of recognized non-capital losses which, if unutilized, will expire in 2033. These losses were incurred subsequent to the Fission Energy Arrangement. The tax benefits of any losses related to the periods prior to the Fission Energy Arrangement have not been recognized as these were not transferred to the Company. In addition, at June 30, 2013, the Company did not recognize approximately $766,000 (June 30, 2012 – $821,000, June 30, 2011 – $816,000) of deductible temporary differences in exploration and evaluation assets located in Peru.

14. 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, 2013		June 30, 2012		June 30, 2011	
	Canada	Peru	Canada	Peru	Canada	Peru
	$	$	$	$	$	$
Property and equipment	230,287	16,021	192,808	18,194	74,019	23,284
Exploration & evaluation	10,041,838	–	5,273,726	–	7,424,942	–
	10,272,125	16,021	5,466,534	18,194	7,498,961	23,284

15. 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 and 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 share purchase warrants.

Changes in the equity accounts of the Company are disclosed in the statement 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, acquire or dispose of assets or adjust the amount of cash, cash equivalents, and short-term investments. 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, which are approved by the Board of Directors and updated 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.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

Short-term investments are designated as held for trading and therefore carried at fair value, with the unrealized gain or loss recorded on the statement of comprehensive loss.

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

(ii) Short-term investments; and

(iii) 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, 2013, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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

	Level	**June 30 2013** *$*	**June 30 2012** *$*	**June 30 2011** *$*
Cash and cash equivalents	N/A	15,068,354	–	–
Short-term investments	1	601,800	–	–
Amounts receivable	N/A	2,550,144	68,784	1,844
		18,220,298	68,784	1,844

(b) Liquidity risk

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

The Company's financial liabilities, consisting of accounts payable and accrued liabilities, arose as a result of exploration and development of its exploration and evaluation interests and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest. The following table summarizes the remaining contractual maturities of the Company's financial liabilities.

	Maturity Dates	**June 30 2013** *$*	**June 30 2012** *$*	**June 30 2011** *$*
Accounts payable and accrued liabilities	< 6 months	2,338,172	170,924	54,490

(c) Market risk

Market risk is the risk that the fair value for assets classified as held-for-trading and available-for-sale or future cash flows for assets or liabilities considered to be held-to maturity, other financial liabilities and loans or receivables of a financial instrument will fluctuate because of changes in market conditions. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. The Company is not exposed to interest rate risk, as it does not hold debt balances and is not charged interest on its accounts payable balances.

(d) Foreign exchange risk

The Company has foreign subsidiaries and therefore foreign exchange risk exposures arise from transactions denominated in foreign currencies. Although the functional currency of the Company is Canadian dollars, the Company also conducts business in US Dollars ("USD") and Peruvian New Soles ("PEN"). The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. However, although the Company's costs are incurred primarily in Canadian dollars, any change in the value of PEN and USD against the Canadian dollar can affect the costs of operations and capital expenditures. The Company maintains its cash balances in Canadian dollars and exchanges currency to meet its PEN and USD obligations on an as needed basis, thereby reducing the exchange risk on cash balances.

The Company is exposed to currency risk through the following Canadian dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars:

	June 30, 2013		June 30, 2012		June 30, 2011	
	PEN	USD	PEN	USD	PEN	USD
Cash and cash equivalents	2,897	48,069	–	–	–	–
Accounts payable and accrued liabilities	–	2,646	–	–	–	–
	2,897	50,715	–	–	–	–

Based on the above net exposures at June 30, 2013, a 10% change in USD against the Canadian dollar would result in a $5,072 (June 30, 2012 – $Nil, June 30, 2011 – $Nil) change in the Company's net income or loss; similarly a 10% change in the PEN against the Canadian dollar would result in a $290 (June 30, 2012 – $Nil, June 30, 2011 – $Nil) change in the Company's net income or loss.

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2013:

(a) The Company granted 450,000 options exercisable at $1.34 per share which expire on August 15, 2016 to employees and consultants;

(b) 694,921 stock options were exercised, 387,174 stock options expired, and 450,000 stock options were forfeited;

912,763 warrants were exercised;

(d) Fission Uranium entered into a definitive arrangement agreement (the "Arrangement Agreement") with Alpha Minerals Inc. ("Alpha") dated September 17, 2013, which is expected to be completed on or about December 4, 2013, pursuant to which Fission Uranium will acquire Alpha and its primary asset, a 50% interest in the Patterson Lake South joint venture (the "PLS Joint Venture") the other 50% of which is held by Fission Uranium. Under the terms of the Arrangement Agreement, Fission has agreed to offer shareholders of Alpha 5.725 shares of Fission Uranium and a cash payment of $0.0001 for each Alpha share held.

Additionally, Alpha shareholders will receive all of the common shares of a new company ("Alpha Spinco") which will be spun out from Alpha and hold all of Alpha's exploration and evaluation assets other than Alpha's interest in the PLS Joint Venture, marketable securities, and property and equipment located in Alpha's office in Vancouver, BC (together the "Alpha Spinco Assets").

Similarly, the current shareholders of Fission Uranium will receive all of the common shares of Fission 3.0 Corp. ("Fission Spinco") which will be spun out from Fission Uranium and hold all of Fission Uranium's exploration and evaluation assets other than Fission Uranium's interest in the PLS Joint Venture, marketable securities, and property and equipment located in Peru (together the "Fission Uranium Spinco Assets").

Under the terms of the Arrangement Agreement, each of Alpha Spinco and Fission Spinco will receive $3 million in cash to fund future operations. The transaction will take place by way of a plan of arrangement. The transaction will be subject to regulatory and Alpha and Fission Uranium shareholder approvals. In certain circumstances a $6 million break fee may be payable;

(e) Completed a brokered private placement with Dundee Securities Ltd. (the "Lead Underwriter"), on behalf of a syndicate of underwriters including Raymond James Ltd., Cantor Fitzgerald Canada Corporation, Canaccord Genuity Corp. and Macquarie Capital Markets Canada Ltd. (collectively and together with the Lead Underwriter, the "Underwriters") under which the Underwriters have purchased 7,500,000, plus an exercised over-allotment of 1,081,700, for a total of 8,581,700 subscription receipts, exchangeable into flow-through common shares of the Company (the "Subscription Receipts"), at a price per Subscription Receipt of $1.50, for total gross proceeds of $12,872,550 (the "Offering").

The gross proceeds of the Offering were deposited in escrow and will be released from escrow to the Company immediately following the closing of the Arrangement Agreement and after the spinout of the Company's non-Patterson Lake South assets and receipts of all required third party and regulatory approvals (the "Escrow Release Conditions"). Consequently, the subscribers will not receive shares in Fission Spinco.

In the event that the Escrow Release Conditions are not satisfied on or before December 10, 2013, the gross proceeds of the Offering, together with accrued interest earned thereon will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

In connection with the Offering, the Underwriters, upon satisfaction of the Escrow Release Conditions, will receive, i) in respect of the first 7,670,500 Subscription Receipts distributed, a cash commission of 6.0% of the gross proceeds raised under the Offering and that number of non-transferable broker warrants equal to 6% of the number of Subscription Receipts sold and, ii) in respect of the 911,200 remaining Subscription Receipts distributed, a cash commission equal to 6% of 40% of the gross proceeds from the sale of such Subscription Receipts payable to the Underwriters and issue that number of non-transferable broker warrants equal to 6% of 40% of such Subscription Receipts to the Underwriters. Each broker warrant will be exercisable into one common share of the Company for a period of 24 months from the Closing Date at a price of $1.50 per common share; and

(f) Entered into a letter of intent ("LOI") with Brades Resource Corp. ("Brades") which sets out the basic terms upon which Fission Uranium would be prepared to enter into a property option agreement.

Under the terms of the LOI, Brades will have the option to earn up to a 50% interest in the Clearwater West property by issuing to Fission Uranium that number of common shares in the capital stock of Brades on closing that comprises 9.9% of the then issued common shares of Brades, and by incurring a total of $5,000,000 in expenditures on the property in accordance with the following schedule;

Interest Earned	Work Obligation	Cumulative Work Obligation	Term
	$	*$*	
Nil	700,000	700,000	12 months
20%	2,000,000	2,700,000	24 months
50%	2,300,000	5,000,000	36 months

Under the terms of the LOI, Fission Uranium will retain a royalty interest in the property of 2% of the net smelter returns on any uranium extracted from the property. Fission Uranium will be the operator and will be entitled to a management fee equal to 10% of expenditures for operator services. The Clearwater West property will be included in the assets spun out from Fission Uranium to Fission Spinco.

4. FISSION'S PUBLISHED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

pwc

October 20, 2014

Independent Auditor's Report

To the Shareholders of Fission Uranium Corp.

We have audited the accompanying consolidated financial statements of Fission Uranium Corp., which comprise the consolidated statements of financial position as at June 30, 2014 and June 30, 2013 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended June 30, 2014 and June 30, 2013, 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fission Uranium Corp. as at June 30, 2014 and June 30, 2013 and its financial performance and cash flows for the years ended June 30, 2014 and June 30, 2013 in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	June 30 2014 $	June 30 2013 $
Assets			
Current assets			
Cash and cash equivalents		28,908,384	15,068,354
Short-term investments	6	15,000	601,800
Amounts receivable	7	658,244	2,550,144
Prepaid expenses		182,555	101,415
		29,764,183	18,321,713
Property and equipment	8	242,682	246,308
Exploration and evaluation assets	9	210,020,459	10,041,838
Total Assets		240,027,324	28,609,859
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	3,312,827	2,338,172
Deferred tax liability	14	–	1,664,145
Total Liabilities		3,312,827	4,002,317
Shareholders' Equity			
Share capital	11	297,123,549	79,315,530
Other capital reserves	11	16,990,702	487,206
Deficit		(77,399,754)	(55,195,194)
		236,714,497	24,607,542
Total Liabilities and Shareholders' Equity		240,027,324	28,609,859

Contingencies (Note 18)
Subsequent events (Note 19)

Approved by the board and authorized for issue on October 20, 2014.

"Frank Estergaard"
Director

"William Marsh"
Director

Consolidated statements of comprehensive loss
(Expressed in Canadian dollars)

	Note	Year Ended June 30 2014 $	Year Ended June 30 2013 $
Expenses			
Business development		924,111	408,023
Consulting and directors fees		1,503,045	1,538,223
Depreciation	8	86,430	65,288
Flow-through share tax		13,709	–
Office and administration		953,772	597,053
Professional fees		1,468,938	972,461
Public relations and communications		1,301,674	558,111
Share-based compensation	11(e)	9,666,837	924,087
Trade shows and conferences		338,515	176,764
Wages and benefits		1,747,758	1,383,438
		18,004,789	6,623,448
Other items – income/(expense)			
Exploration management fee income		437,200	400,247
Expense recovery		–	166,757
Flow-through premium recovery		3,947,582	–
Foreign exchange loss		(11,889)	(8,821)
Interest and miscellaneous income		389,077	46,893
Rental income		71,106	13,597
Gain on investments		164,267	177,311
Exploration and evaluation write-down	9	(143,882)	(274,941)
Gain on spin-off transaction	3	8,963,501	–
Gain on de-consolidation of subsidiary	3	99,579	–
		13,916,541	521,043
Loss before income taxes		(4,088,248)	(6,102,405)
Deferred income tax expense	14	(662,312)	(345,718)
Net loss and comprehensive loss for the year		(4,750,560)	(6,448,123)
Basic and diluted loss per common share		(0.02)	(0.04)
Weighted average number of common shares outstanding		254,509,813	149,469,474

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

	Note	Share capital Shares	Share capital Amount $	Other capital reserves $	Deficit $	Total shareholders' equity $
Balance, July 1, 2012		–	–	14,074,664	(10,010,503)	4,064,161
Funding and expenses paid by Fission Energy		–	–	7,543,276	–	7,543,276
Assets contributed by Fission Energy pursuant to the Fission Energy Arrangement	*2*	–	–	18,779,700	–	18,779,700
Adjustment for shares issued in connection with the Fission Energy Arrangement	*2*	–	–	38,736,568	(38,736,568)	–
Shares issued pursuant to the Fission Energy Arrangement	*2 & 11(a)*	149,445,871	79,134,208	(79,134,208)	–	–
Exercise of stock options/warrants		448,715	181,322	–	–	181,322
Share-based compensation	*11(e)*	–	–	487,206	–	487,206
Net loss and comprehensive loss		–	–	–	(6,448,123)	(6,448,123)
Balance, June 30, 2013		149,894,586	79,315,530	487,206	(55,195,194)	24,607,542
Common shares issued for the acquisition of Alpha Minerals Inc.	*3 & 11(b)*	159,883,655	169,476,674	–	–	169,476,674
Stock options issued for the acquisition of Alpha	*3 & 11(e)*	–	–	8,972,659	–	8,972,659
Warrants issued for the acquisition of Alpha	*3*	–	–	5,098,376	–	5,098,376
Flow-through common shares issued for cash	*11(c)*	8,581,700	12,872,550	–	–	12,872,550
Flow-through share premium		–	(3,947,582)	–	–	(3,947,582)
Common shares issued for cash	*11(c)*	17,968,750	28,750,000	–	–	28,750,000
Share issuance costs		–	(3,788,079)	1,055,324	–	(2,732,755)
Transfer of net assets to Fission 3.0 Corp. pursuant to the Fission Uranium Arrangement	*3*	–	–	–	(17,454,000)	(17,454,000)
Deferred income tax impact on share issuance costs		–	710,516	–	–	710,516
Exercise of stock options/warrants		15,980,769	13,733,940	(8,794,925)	–	4,939,015
Share-based compensation	*11(e)*	–	–	10,172,062	–	10,172,062
Net loss and comprehensive loss		–	–	–	(4,750,560)	(4,750,560)
Balance, June 30, 2014		352,309,460	297,123,549	16,990,702	(77,399,754)	236,714,497

Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year Ended June 30 2014 $	Year Ended June 30 2013 $
Operating activities		
Net loss and comprehensive loss	(4,750,560)	(6,448,123)
Items not involving cash:		
Depreciation	86,430	65,288
Share-based compensation	9,666,837	924,087
Flow-through premium recovery	(3,947,582)	–
Gain on investments	(164,267)	(177,311)
Exploration and evaluation write-down	143,882	274,941
Gain on spin-off transaction	(8,963,501)	–
Gain on de-consolidation of subsidiary	(99,579)	–
Deferred income tax expense	662,312	345,718
	(7,366,028)	(5,015,400)
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	1,983,584	(2,424,299)
Increase in prepaid expenses	(81,140)	(46,783)
(Decrease) increase in accounts payable and accrued liabilities	(599,156)	727,531
Cash flow used in operating activities	(6,062,740)	(6,758,951)
Investing activities		
Property and equipment additions	(98,423)	(100,593)
Exploration and evaluation asset additions	(32,597,497)	(9,470,009)
Exploration and evaluation asset cost recoveries	3,430,591	5,403,894
Increase in short-term investments	(15,000)	–
Cash acquired on acquisition of Alpha Minerals Corp.	8,435,812	–
Cash flow used in investing activities	(20,844,517)	(4,166,708)
Financing activities		
Proceeds from the issuance of common shares and flow-through common shares net of share issuance costs	38,889,795	–
Proceeds from exercise of stock options/warrants	4,939,015	181,322
Funding received from Fission Energy for operations	–	8,294,546
Cash received pursuant to the Fission Energy Arrangement	–	17,518,145
Cash paid to Fission 3.0 pursuant to the Fission Uranium Arrangement	(3,081,523)	–
Cash flow provided by financing activities	40,747,287	25,994,013
Increase in cash and cash equivalents during the year	13,840,030	15,068,354
Cash and cash equivalents, beginning of year	15,068,354	–
Cash and cash equivalents, end of year	28,908,384	15,068,354

Supplemental disclosure with respect to cash flows (Note 12)

Notes to the consolidated financial statements
For the year ended June 30, 2014
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

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

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

2. FISSION ENERGY ARRANGEMENT AGREEMENT

On April 26, 2013, Fission Energy and Denison Mines Corp. ("Denison") completed an Arrangement Agreement (the "Fission Energy Agreement") pursuant to which Denison acquired all of the issued and outstanding shares of Fission Energy with Fission Energy spinning out certain assets into Fission Uranium by way of a court approved plan of arrangement (the "Fission Energy Arrangement").

Pursuant to the Fission Energy Agreement, Denison acquired a portfolio of uranium exploration projects including Fission Energy's 60% interest in the Waterbury Lake uranium project, as well as Fission Energy's exploration interests in all other properties in the eastern part of the Athabasca Basin, its interest in two joint ventures in Namibia plus its assets in Quebec and Nunavut (together, the "Assets"). Assets spun-out to Fission Uranium primarily consisted of the Patterson Lake North ("PLN"), Patterson Lake South ("PLS"), Clearwater West, North Shore, and Peru properties (together "the Property") and $17,518,145 in cash.

The consideration received by the shareholders of Fission Energy consisted of 0.355 of a common share of Denison, a nominal cash payment of $0.0001 per share and 1 common share of Fission Uranium for each common share of Fission Energy held. Fission Energy's outstanding options and warrants were adjusted in accordance with their terms such that the number of Denison shares and Fission Uranium shares received upon exercise and their respective exercise prices reflect the exchange ratio described above.

These financial statements have been prepared on a continuity of interest basis of accounting after the spin-out. Prior to the spin-out, these financial statements have been prepared on a carve-out basis.

The carrying value of the net assets contributed (note 4(b)) pursuant to the Fission Energy Arrangement consisted of the following:

	$
Assets	
Cash	17,518,145
Short-term investments	24,489
Amounts receivable	1,628,690
Prepaid expenses	54,632
Property and equipment	174,129
Exploration and evaluation assets	10,047,622
Total Assets	29,447,707
Liabilities	
Accounts payable and accrued liabilities	(38,293)
Deferred tax liability	(2,406,224)
Total Liabilities	(2,444,517)
Carrying Value	27,003,190
Accumulated losses (see below)	13,394,450
Subtotal	40,397,640
Shares issued pursuant to the Fission Energy Arrangement	(79,134,208)
Adjustment for shares issued in connection with the Fission Energy Arrangement	(38,736,568)

An adjustment of $38,736,568 was made through accumulated deficit to reconcile i) the allocated Fission Energy income and expenses which cumulatively amounted to $13,394,450 up to the close of the Fission Energy Arrangement; and ii) the carrying values of the net assets contributed and recorded under the continuity of interest basis of accounting, to the fair value of the common shares issued in connection with the closing of the Fission Energy Arrangement on April 26, 2013.

The consolidated statements of changes in equity includes an amount of $18,779,700 which represents the assets contributed on April 26, 2013 by Fission Energy pursuant to the Fission Energy Arrangement. The amount primarily includes the cash and working capital items transferred to Fission Uranium as part of the spin-out. Other assets have been reflected in these financial statements at earlier dates in accordance with the continuity of interest basis of accounting.

3. ALPHA MINERALS AND FISSION URANIUM ARRANGEMENT AGREEMENT

On December 6, 2013 the Company completed an Arrangement Agreement and acquired all of the issued and outstanding shares of Alpha Minerals Inc. ("Alpha") and its interest in the PLS Joint Venture (the "Alpha Arrangement"). Under the terms of the Alpha Arrangement, Fission Uranium offered shareholders of Alpha 5.725 shares of Fission Uranium and a cash payment of $0.0001 for each Alpha share held. Based on 27,927,276 Alpha shares outstanding, the Company issued 159,883,655 of their common shares to complete the transaction, representing approximately 51.11% of the Company's issued and outstanding common shares on December 6, 2013. The 2,142,100 outstanding Alpha options were replaced by options to purchase 12,263,523 common shares of the Company with exercise prices ranging from $0.1146 to $0.6387 and expiring between February 17, 2014 and April 12, 2018. The 1,301,600 outstanding Alpha warrants were replaced by warrants to purchase 7,451,657 common shares of the Company with exercise prices ranging from $0.1496 to $0.8133 and expiring between February 17, 2014 and April 25, 2015.

Additionally, Alpha shareholders received all of the common shares of Alpha Exploration Inc. ("Alpha Exploration") which was spun-out from Alpha and holds all of Alpha's exploration and evaluation assets (other than Alpha's interest in the PLS Joint Venture), marketable securities, and property and equipment located in Alpha's office in Vancouver, BC.

Similarly, the shareholders of Fission Uranium received all of the common shares of Fission 3.0 Corp. which was spun-out from Fission Uranium and holds all of Fission Uranium's exploration and evaluation assets (other than Fission Uranium's interest in the PLS Joint Venture), short- term investments, and property and equipment located in Peru (the "Fission Uranium Arrangement").

Under the terms of the Alpha Arrangement and Fission Uranium Arrangement, each of Alpha Exploration and Fission 3.0 received $3 million in cash to fund future operations. The transaction took place by way of a court approved plan of arrangement.

Alpha is in the early stage of exploration and does not yet have any processes or outputs, therefore Alpha is not considered a business under IFRS 3 Business Combinations. As a result the acquisition was accounted for as a purchase of assets. The purchase price has been allocated to the various assets and liabilities acquired through the Alpha Arrangement, including various working capital amounts and exploration and evaluation assets.

The total purchase price of the acquisition and the net identifiable assets of Alpha acquired are described below:

Purchase price	*$*
27,927,276 common shares of Alpha by issue of 159,883,655 Fission shares @ $1.06	169,476,674
2,142,100 Alpha options replaced by options to purchase 12,263,523 Fission shares	7,793,252
1,301,600 Alpha warrants replaced by w arrants to purchase 7,451,657 Fission shares	5,098,376
Transaction costs	2,199,836
Total purchase price	184,568,138
Assets acquired	
Net working capital	8,136,076
Exploration and evaluation assets	176,432,062
Net identifiable assets of Alpha	184,568,138

The fair value of the stock options and warrants of Alpha was estimated as of December 6, 2013 using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Stock Options	**Warrants**
Risk Free Interest Rate	1.09%	1.09%
Expected Life – Years	0.79	1.01
Annualised Volatility	65.32%	88.40%
Dividend Rate	0%	0%

Option pricing models require the input of highly subjective assumptions including the estimate of the share price volatility. Changes in the subjective input assumptions can materially affect the fair value of the Company's stock options and warrants.

The carrying value of the net assets transferred to Fission 3.0, pursuant to the Fission Uranium Arrangement, consisted of the following:

	$
Assets	
Cash	3,081,523
Short-term investments	766,066
Amounts receivable	102,518
Property and equipment	15,619
Exploration and evaluation assets	6,186,147
Total Assets	10,151,873
Liabilities	
Accounts payable and accrued liabilities	(45,433)
Deferred tax liability	(1,615,941)
Total Liabilities	(1,661,374)
Carrying Value	8,490,499
Fair value of assets distributed to Fission Uranium shareholders	(17,454,000)
Gain on Fission 3.0 spin-out	(8,963,501)

In accordance with *IFRIC 17*, *Distributions of Non-cash Assets to Owners*, the Company recognized the distribution of assets to Fission Uranium shareholders at fair value with the difference between that value and the carrying amount of the assets recognized in the statement of comprehensive loss.

Fission 3.0 was a wholly owned subsidiary of Fission Uranium up to December 5, 2013. The Company recognized a $99,579 gain on the de-consolidation of Fission 3.0 on December 5, 2013.

4. 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") and interpretations of the International Financial Reporting Interpretations Committee ("IFRICs") and the former Standing Interpretations Committee ("SICSs") as at June 30, 2014. The consolidated financial statements were authorized for issue by the board of directors on October 20, 2014.

(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.

As the shareholders of Fission Energy continued to hold their respective interests in Fission Uranium; there was no resultant change of control in either the Company, or the assets and business acquired. The Fission Energy Arrangement has thus been determined to be a capital reorganization, and is excluded from the scope of *IFRS 3 (R), Business Combinations*.

Prior to the date of the spin-out, these consolidated financial statements reflect the assets, liabilities, operations and cash flows of Fission Uranium on a 'carve-out' basis from the financial statements and accounting records of Fission Energy.

Under the continuity of interest basis of accounting the assets and liabilities transferred are recorded at their pre-combination carrying values adjusted for any tax elections. The statements of comprehensive loss include the allocated income and expenses from the acquired business. The income and expenses, where possible, have been allocated directly from Fission Energy and all remaining income and expenses have been allocated on a pro-rata basis based on the level of exploration and evaluation activities for the period up to April 26, 2013. The carve-out entity did not operate as a separate legal entity and as such, the financial statements may not be indicative of the financial performance of the carved-out entity on a standalone basis and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the carve-out entity operated as an independent entity during the years presented.

The cash and other working capital balances of Fission Energy prior to the Fission Energy Arrangement have not been allocated to the historical carved-out financial statements of Fission Uranium as these amounts were managed centrally by Fission Energy. Accordingly it was not practicable to allocate these amounts between the property spun-out to Fission Uranium and the assets retained by Fission Energy until the date of the Fission Energy Agreement.

At the date of the spin-out, assets and liabilities transferred are recorded at their carrying values.

(c) Basis of consolidation

The Company consolidates subsidiaries on the basis that it controls the subsidiary through its ability to govern its financial and operating policies. All intercompany transactions and balances with the Company's former subsidiaries have been eliminated.

At June 30, 2014 the Company held no subsidiaries.

(d) Financial assets

All financial assets are initially recorded at fair value and designated upon initial recognition into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets are recognized as FVTPL on initial recognition if they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent short-term profit-taking or when the financial assets are acquired principally for resale in the short term. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company has classified its short-term investments as FVTPL. Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. The Company's cash and cash equivalents and amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. At June 30, 2014, and June 30, 2013, the Company has not classified any financial assets as available for sale.

(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) Short-term investments

Marketable securities are recorded at their fair market value on the date of acquisition and are classified as FVTPL. The carrying value of the securities is adjusted at each subsequent reporting period to the fair value (based upon the market price and the Bank of Canada quoted exchange rate if applicable) with the resulting unrealized gains or losses included in profit or loss for the period. Transaction costs relating to the purchase of marketable securities are expensed directly to profit or loss.

(g) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars. The financial statements for each of the Company's subsidiaries were measured using the currency of the primary economic environment in which the subsidiary operated (the "functional currency"). Each entity in the Company determined its own functional currency and items included in the financial statements of each entity were 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 is the Canadian Dollar.

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction. 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.

Foreign operations

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

(h) 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.

(i) Exploration and evaluation assets

The Company records exploration and evaluation assets which consists 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 cost will be written off to operations in the period of abandonment.

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 exploration and evaluation assets 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 assets' recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the exploration and evaluation property interest and their value in use. The fair value less costs to sell and the value in use is 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.

(j) Financial liabilities

All financial liabilities are initially recorded at fair market value and designated upon initial recognition as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value. After initial recognition, other financial liabilities are 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 classified as other financial liabilities.

Derivatives, including separate embedded derivatives are also classified as FVTPL and recognized at fair value with changes in fair value recognized in profit and loss unless they are designated as effective hedging instruments. The Company has no liabilities or derivatives classified as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

(k) 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 expenses 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 a financial expense until paid.

(l) 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 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 costs 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. Management uses the dynamic model to calculate the estimated forfeitures.

(m) Income taxes

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

(n) 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.

(o) 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.

(p) IFRS standards adopted

The Company has adopted the following new and revised IFRS standards effective July 1, 2013.

IFRS 7, Financial Instruments: Disclosures

The amendments to disclosure requirements in IFRS 7 emphasize the interaction between quantitative and qualitative disclosures and the nature and extent of risks and amends credit risk disclosures. There was no impact on the Company's consolidated financial statements as a result of adopting this amendment.

IFRS 10, Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces *SIC-12, Consolidation – Special Purpose Entities* and parts of *IAS 27, Consolidated and Separate Financial Statements*. The Company has reviewed its consolidated subsidiary and determined that no changes in the consolidation status of its subsidiary were required as a result of adopting this standard.

IFRS 11, Joint Arrangements

In May 2011, the IASB issued *IFRS 11, Joint Arrangements*, which supersedes IAS 31, Interests in Joint Ventures and SIC 13, Jointly Controlled Entities – Non-Monetary Contributions by Venturers. The standard requires the Company to classify its interest in a joint arrangement as a joint venture or joint operation. This standard eliminates the use of proportionate consolidation when accounting for joint ventures, as they are accounted for using the equity method, whereas joint operations are accounted for by recognizing the venturer's share of the assets, liabilities, revenue and expenses. The Company has reviewed its joint arrangements and has determined that no changes in the accounting for its joint arrangements were required as a result of adopting this standard.

IFRS 12, Disclosure of Interests in Other Entities

The IASB has issued *IFRS 12 Disclosure of Interests in Other Entities*, which includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. There was no significant impact on the Company's consolidated financial statements as a result of adopting this standard.

IFRS 13, Fair Value Measurement

IFRS 13, Fair Value Measurement sets out in a single IFRS a framework for measuring fair value and new required disclosures about fair value measurements. No changes were required to the valuation techniques used by the Company as a result of adopting this standard.

(q) New Standards, Amendments and Interpretations Not Yet Effective

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2014.

Accounting standards effective July 1, 2014

IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

In May 2013, the IASB issued an amendment to IAS 36. The amendment clarifies the disclosure requirements in respect of fair value less costs of disposal. The amendments require the disclosure of the recoverable amount of an asset or cash generating unit at the time an impairment loss has been recognized or reversed and detailed disclosure of how the associated fair value less costs of disposal has been determined. The Company does not anticipate a significant impact to its financial statements.

Accounting standards effective July 1, 2018

IFRS 9, Financial Instruments

On July 24, 2014 the IASB issued *IFRS 9, Financial Instruments*, which will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company does not anticipate a significant impact to its financial statements.

5. 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 expenditure

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in the following areas:

(i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the PLS property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and

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

6. SHORT-TERM INVESTMENTS

Short-term investments are recorded at fair value and are comprised of the following:

			Fair Market Value	
		Number of Shares	June 30 2014	June 30 2013
			$	*$*
Azincourt Uranium Inc.	*(a)*	–	–	586,667
Great Bear Resources Ltd.	*(b)*	–	–	8,000
Interconnect Ventures Corp.		50,000	15,000	–
Iron Tank Resources Corp.	*(c)*	–	–	533
Stratton Resources Inc.	*(d)*	–	–	6,600
		15,000	601,800	

The Company has determined the fair value of its investments based on the level 1 quoted market prices at June 30, 2014 and June 30, 2013.

(a) 2,666,666 shares of Azincourt Uranium Inc. were spun-out to Fission 3.0 as part of the Fission Uranium Arrangement.

(b) 80,000 shares of Great Bear Resources Ltd. were spun-out to Fission 3.0 as part of the Fission Uranium Arrangement.

(c) 8,888 shares of Iron Tank Resources Corp. were spun-out to Fission 3.0 as part of the Fission Uranium Arrangement.

(d) 60,000 shares of Stratton Resources Corp. were spun-out to Fission 3.0 as part of the Fission Uranium Arrangement.

7. AMOUNTS RECEIVABLE

	June 30 2014 $	June 30 2013 $
GST receivable	396,893	795,495
Due from provincial governments	72,558	642,448
Loans receivable	14,967	841,160
Other receivables	173,826	271,041
	658,244	2,550,144

The Company does not have any significant balances that are past due. Significant amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of amounts receivable approximates their carrying value. Loans receivable with a balance of $14,967 bear interest at 5% and were repaid by July 31, 2014.

8. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Geological Equipment $	Vehicles $	Office Equipment $	Computer Hardware $	Computer Software $	Building $	Total $
Cost							
As at July 1, 2012	124,205	30,780	106,650	41,625	24,478	20,190	347,928
Additions	65,446	1,712	–	33,436	–	–	100,594
Disposals	(30,493)	–	–	–	–	–	(30,493)
As at June 30, 2013	159,158	32,492	106,650	75,061	24,478	20,190	418,029
Additions	27,015	–	10,219	61,189	–	–	98,423
Disposals	(4,447)	–	(15,683)	(6,577)	–	(20,190)	(46,897)
As at June 30, 2014	181,726	32,492	101,186	129,673	24,478	–	469,555
Accumulated Depreciation							
As at July 1, 2012	66,088	10,010	24,605	22,573	10,228	3,422	136,926
Depreciation	14,550	9,244	18,422	12,638	9,620	814	65,288
Disposals	(30,493)	–	–	–	–	–	(30,493)
As at June 30, 2013	50,145	19,254	43,027	35,211	19,848	4,236	171,721
Depreciation	28,376	9,756	19,118	24,215	4,630	335	86,430
Disposals	(4,447)	–	(15,683)	(6,577)	–	(4,571)	(31,278)
As at June 30, 2014	74,074	29,010	46,462	52,849	24,478	–	226,873
Net Book Value							
As at June 30, 2013	109,013	13,238	63,623	39,850	4,630	15,954	246,308
As at June 30, 2014	107,652	3,482	54,724	76,824	–	–	242,682

9. EXPLORATION AND EVALUATION ASSETS

Year Ended June 30, 2014

	North Shore Property	Beaver River Property	C learwater West Property	Manitou Falls Property	Patterson Lake North Property	Patterson Lake South Property	Thompson Lake Property	Peru Properties	Total
	$	$	$	$	$	$	$	$	$
Acquisition costs									
Balance, beginning of year	–	11,154	9,517	3,410	–	69,796	1,742	–	95,619
Acquired through Alpha plan of arrangement	–	–	–	–	–	176,432,062	–	–	176,432,062
Transfer to Fission 3.0 pursuant to Fission Uranium Arrangement	(–)	(11,154)	(9,517)	(3,410)	(–)	–	(1,742)	(–)	(25,823)
Balance, end of year	–	–	–	–	–	176,501,858	–	–	176,501,858
Exploration costs									
Balance, beginning of year	3,464	500	15,012	881	4,458,945	5,466,820	597	–	9,946,219
Incurred during the year									
Geology mapping/ sampling	53,047	–	9,126	–	33,475	668,473	–	6,771	770,892
Geophysics airborne	830,386	206,561	294,563	67,889	114,633	70,491	34,600	–	1,619,123
Geophysics ground	6,374	630	9,493	630	43,592	838,270	630	3,457	903,076
Drilling	27,774	–	–	–	192,207	28,340,434	–	16,537	28,576,952
Land retention and permitting	24,517	75	213	75	9,739	84,944	75	8,317	127,955
Reporting	216	37	38	38	3,666	43,045	38	–	47,078
Environmental	38	–	–	–	–	190,421	–	9,635	200,094
Safety	–	–	–	–	–	231,199	–	–	231,199
Community relations	2,663	–	–	–	–	729	–	13,986	17,378
General	–	–	–	–	40,124	410,425	–	56,865	507,414
Share-based compensation	22,522	–	30,000	–	58,677	1,545,119	–	28,314	1,684,632
Additions	967,537	207,303	343,433	68,632	496,113	32,423,550	35,343	143,882	34,685,793
Cost recoveries	–	–	–	–	(437,436)	(4,371,769)	–	–	(4,809,205)
Write-down	–	–	–	–	–	–	–	(143,882)	(143,882)
Transfer to Fission 3.0 pursuant to Fission Uranium Arrangement	(971,001)	(207,803)	(358,445)	(69,513)	(4,517,622)	–	(35,940)	(–)	(6,160,324)
Balance, end of year	–	–	–	–	–	33,518,601	–	–	33,518,601
Total	–	–	–	–	–	210,020,459	–	–	210,020,459

Year Ended June 30, 2013

	North Shore Property	Beaver River Property	Clearwater West Property	Manitou Falls Property	Patterson Lake North Property	Patterson Lake South Property	Thompson Lake Property	Peru Properties	Total
	$	$	$	$	$	$	$	$	$
Acquisition costs									
Balance, beginning of year	–	–	–	–	177,702	69,796	–	–	247,498
Additions	–	11,154	9,517	3,410	–	–	1,742	–	25,823
Cost recoveries	–	–	–	–	(177,702)	–	–	–	(177,702)
Balance, end of year	–	11,154	9,517	3,410	–	69,796	1,742	–	95,619
Exploration costs									
Balance, beginning of year	–	–	–	–	3,570,394	1,455,834	–	–	5,026,228
Incurred during the year									
Geology mapping/ sampling	1,312	150	4,299	200	109,505	218,950	350	18,609	353,375
Geophysics airborne	61	–	2,014	–	305,501	294,183	–	–	601,759
Geophysics ground	27	–	3,355	–	597,782	361,441	–	1,353	963,958
Drilling	–	–	–	–	195,982	6,832,796	–	16,032	7,044,810
Land retention and permitting	1,950	298	598	247	13,775	41,573	247	105,406	164,094
Reporting	–	52	650	–	23,370	35,091	–	567	59,730
Environmental	–	–	–	–	–	41,680	–	410	42,090
Safety	–	–	–	–	162	49,877	–	–	50,039
Community relations	–	–	–	–	–	1,233	–	41,152	42,385
General	–	–	–	–	5,880	405,837	–	77,558	489,275
Share-based compensation	114	–	4,096	434	15,952	73,982	–	13,854	108,432
Additions	3,464	500	15,012	881	1,267,909	8,356,643	597	274,941	9,919,947
Cost recoveries	–	–	–	–	(379,358)	(4,345,657)	–	–	(4,725,015)
Write-down	–	–	–	–	–	–	–	(274,941)	(274,941)
Balance, end of year	3,464	500	15,012	881	4,458,945	5,466,820	597	–	9,946,219
Total	3,464	11,654	24,529	4,291	4,458,945	5,536,616	2,339	–	10,041,838

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

(a) North Shore Property, Canada

The Company acquired a 100% interest in a property located in Alberta as part of the Fission Energy Arrangement (note 2).

On December 6, 2013, this property was spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

(b) Beaver River Property, Canada

In May 2013, the Company staked 6 claims at Beaver River, Saskatchewan.

On December 6, 2013, this property was spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

(c) Clearwater West Property, Canada

The Company acquired a 100% interest in various claims in Saskatchewan as part of the Fission Energy Arrangement (note 2).

On December 6, 2013, this property was spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

(d) Manitou Falls Property, Canada

In May 2013, the Company staked 1 claim at Manitou Falls, Saskatchewan.

On December 6, 2013, this property was spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

(e) Patterson Lake North, Canada

The Company acquired a 100% interest in various claims in Saskatchewan as part of the Fission Energy Arrangement (note 2).

On April 29, 2013 the Company entered into a property option and joint venture agreement with Azincourt Uranium Inc. ("Azincourt").

On December 6, 2013, PLN and the property option and joint venture agreement were spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

(f) Patterson Lake South, Canada

The Company acquired an interest in various claims in Saskatchewan as part of the Fission Energy Arrangement (note 2). As a result of the completion of the Alpha Arrangement (note 3), through which the Company acquired all of the issued and outstanding shares of Alpha, Fission Uranium has a 100% interest in the Patterson Lake South property. Prior to the completion of the Alpha Arrangement, the Company recorded cost recoveries from Alpha for their 50% interest in the PLS Joint Venture. The Company was also entitled to a management fee equal to 10% of expenditures for operator services.

(g) Thompson Lake Property, Canada

In May 2013, the Company staked 1 claim at Thompson Lake, Saskatchewan.

On December 6, 2013, this property was spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

(h) Macusani Properties, Peru

The Company acquired a 100% interest in certain properties located in Peru as part of the Fission Energy Arrangement (note 2). Ongoing administrative and claim maintenance costs for these properties were written-down in the amount of $143,882 for the year ended June 30, 2014 (June 30, 2013 – $274,941).

On December 6, 2013, these properties were spun-out to Fission 3.0 through the Fission Uranium Arrangement (note 3).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Maturity dates < 6 months	June 30 2014 $	June 30 2013 $
Trade payables	2,686,827	887,067
Due to joint venture participants	-	1,068,645
Accrued liabilities	626,000	382,460
	3,312,827	2,338,172

11. SHARE CAPITAL AND OTHER CAPITAL RESERVES

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

(a) Fission Energy Arrangement

Pursuant to the Fission Energy Arrangement (see note 2), on April 25, 2013, the Company issued 149,445,871 shares in exchange for the net assets received from Fission Energy. The balance of share capital immediately following the close of the Fission Energy Arrangement was $79,134,208. This amount was determined to be the value attributed to the net assets calculated in accordance with the Arrangement Agreement. Loss per share information in these consolidated financial statements has been presented as if the common shares issued in connection with the closing of the Fission Energy Arrangement had been issued and outstanding from the start of all periods presented.

(b) Alpha Arrangement

The Company completed the acquisition of all of the outstanding shares of Alpha on December 6, 2013. As part of the consideration the Company issued 159,883,655 common shares with a fair value of $169,476,674 (note 3).

(c) Private placements

December 9, 2013

The Company completed a private placement of 8,581,700 flow-through common shares at $1.50 per share for aggregate gross proceeds of $12,872,550. The Company paid agents' commissions of $723,148 plus $217,695 of expenses and issued 482,099 broker warrants with an attributed value of $230,700 based on the Black-Scholes pricing model which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of $1.50 per share with an expiry date of December 9, 2015.

The assumptions used in the Black-Scholes pricing model include a volatility of 104.55%, risk free interest rate of 1.08%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. At the time of financing, a flow-through liability of $3,947,582 was recognized and was reported as a reduction to share capital. The flow-through liability was taken into other income when the renunciation documents were filed.

April 1, 2014

The Company completed a private placement of 17,968,750 special warrants ("Special Warrants"), at a price of $1.60 per Special Warrant, for gross proceeds of $28,750,000. The Company paid agents' commissions of $1,437,500 plus $354,412 of expenses and issued 898,439 broker warrants with an attributed value of $824,624 based on the Black-Scholes pricing model which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of $1.60 per share with an expiry date of April 1, 2016. The assumptions used in the Black Scholes pricing model include a volatility of 104.39%, risk free interest rate of 1.07%, expected life of 2 years and a divided rate of 0%. All warrants vested immediately on the date of the grant. On April 25, 2014 the Company received approval for the final short form prospectus. On April 28, 2014 the 17,968,750 Special Warrants were automatically exercised into 17,968,750 common shares of the Company.

(d) Stock options and warrants

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

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

	Stock options		Warrants	
	Number outstanding	**Weighted average exercise price (1)**	**Number outstanding**	**Weighted average exercise price**
		$		*$*
Balance July 1, 2012	–	–	–	–
Issued through Fission Energy Arrangement (note 2)	5,591,726	0.4250	4,227,763	0.3541
Granted	9,265,000	0.7300	–	–
Exercised (2)	(248,715)	0.4453	(200,000)	0.3528
Outstanding, June 30, 2013	14,608,011	0.6181	4,027,763	0.3542
Granted	17,320,000	1.3816	1,380,538	1.5651
Issued through Alpha Arrangment	12,263,523	0.3611	7,451,657	0.6013
Exercised (2)	(11,607,360)	0.3311	(4,373,409)	0.2388
Expired	(433,841)	0.9310	(34,350)	0.1496
Forfeited	(487,500)	0.7300	–	–
Outstanding, June 30, 2014	31,662,833	1.0155	8,452,199	0.8120

(1) The weighted average exercise prices are before the exercise price adjustment noted on the following pages.

(2) The weighted average share price of the stock options exercised during the year ended June 30, 2014 was $1.2726 (June 30, 2013 – $0.7151). The weighted average share price of the warrants exercised during the year ended June 30, 2014 was $1.2473 (June 30, 2013 – $0.75).

As at June 30, 2014, incentive stock options and share purchase warrants were outstanding as follows:

Stock options

Number outstanding	Exercise price $	Number of vested options	Expiry date
13,000	0.1203 (1)	13,000	August 6, 2014
114,500	0.1496 (2)	114,500	December 6, 2014
150,750	0.1496 (2)	150,750	March 1, 2017
343,500	0.2020 (2)	343,500	December 6, 2014
572,500	0.2020 (2)	572,500	December 14, 2017
35,000	0.2505 (1)	35,000	February 3, 2015
836,667	0.2505 (1)	836,667	December 31, 2017
13,750	0.3862 (1)	13,750	August 6, 2014
27,500	0.3862 (1)	27,500	January 12, 2015
950,000	0.3862 (1)	950,000	December 30, 2015
536,666	0.3862 (1)	536,666	January 12, 2017
463,000	0.6177 (2)	463,000	December 6, 2014
1,059,125	0.6387 (2)	1,059,125	December 6, 2014
1,001,875	0.6387 (2)	1,001,875	April 12, 2018
8,225,000	0.6820 (1)	8,225,000	June 1, 2016
1,000,000	1.1000	250,000	December 15, 2015
8,570,000	1.2000	2,142,500	January 21, 2019
450,000	1.2920 (1)	450,000	August 15, 2016
300,000	1.3100	75,000	February 25, 2019
7,000,000	1.6500	–	April 4, 2019
31,662,833		17,260,333	

(1) Fission Uranium option exercise prices were reduced by $0.048 pursuant to the Fission Uranium Arrangement.

(2) Replacement options for previously issued Alpha options.

Warrants

Number outstanding	Exercise price $	Number of vested warrants	Expiry date
1,985,000	0.3028 (1)	1,985,000	January 21, 2015
337,774	0.7085 (2)	337,774	April 25, 2015
4,748,887	0.8133 (2)	4,748,887	April 25, 2015
482,099	1.5000	482,099	December 9, 2015
898,439	1.6000	898,439	April 1, 2016
8,452,199		8,452,199	

(1) Upon exercise the original Fission Uranium exercise price of $0.3528 will be allocated as follows: i) $0.3028 to Fission Uranium warrants and ii) $0.05 to Fission 3.0 warrants. These warrants must be exercised in conjunction with the exercise of Fission 3.0 warrants.

(2) Alpha warrants issued through the Alpha Arrangement.

(e) Share-based compensation

During the year ended June 30, 2014, the Company issued 12,263,523 options to former option holders of Alpha as part of the Alpha Arrangement. The options have a fair value of $8,972,659 of which $7,793,252 formed part of the acquisition consideration (note 3) and $1,179,407 was recognized in the statements of comprehensive loss representing the excess in fair value of the replacement options which were fully vested on the date of grant. The total amount was also recorded as other capital reserves.

During the year ended June 30, 2014, the Company granted 17,320,000 options (June 30, 2013 – 9,265,000). Pursuant to the granting and vesting of options issued, share-based compensation of $8,487,430 (June 30, 2013 – $454,630) during the year ended June 30, 2014 was recognized in profit or loss and share-based compensation of $1,684,632 (June 30, 2013 – $32,576) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves on the statement of financial position. All options are recorded at fair value using the Black-Scholes option pricing model.

Share-based compensation for the year ended June 30, 2013 includes allocated Fission Energy stock based compensation of $469,457 recognized in profit or loss and $75,856 recognized in exploration and evaluation assets pursuant to the continuity interest accounting.

The following assumptions were used for the valuation of stock options:

	June 30 2014	June 30 2013
Risk Free Interest Rate	1.17%	1.09%
Expected Life – Years	2.01	2.00
Annualised Volatility	85.57%	107.22%
Dividend Rate	0.00%	0.00%

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	June 30 2014 $	June 30 2013 $
Cash and cash equivalents		
Cash	4,128,384	4,748,354
Redeemable Term Deposits	24,780,000	10,320,000
	28,908,384	15,068,354

There were no cash payments for interest and income taxes during the year ended June 30, 2014, and June 30, 2013. During the year ended June 30, 2014 the Company received $208,620 (June 30, 2013 – $22,022) in interest income on its redeemable term deposits and loans receivable.

Significant non-cash transactions for the year ended June 30, 2014 included:

(a) Incurring $2,812,730 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $72,558 of exploration and evaluation cost recoveries through amounts receivable;

(c) Recognizing $1,684,632 of share-based payments in exploration and evaluation assets;

(d) Reclassifying $8,794,925 from other capital reserves to share capital on the exercise of stock options and warrants;

(e) Reclassifying $3,947,582 from share capital to accrued liabilities for the flow-through premium liability recognized;

(f) Reclassifying $1,055,325 from share capital to other capital reserves for warrants issued as finder's fees; and

(g) Reclassifying $710,516 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs.

Significant non-cash transactions for the year ended June 30, 2013 included:

(a) Incurring $1,461,780 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $57,061 of exploration and evaluation cost recoveries through amounts receivable;

(c) Receiving 2,666,666 shares of Azincourt, valued at $586,667, representing the remaining $400,000 of the total $500,000 consideration required for the initial 10% interest in PLN with the difference recorded in the statement of comprehensive loss;

(d) Recognizing $108,432 of share-based payments in exploration and evaluation assets; and

(e) Issuance of 115,442,620 common shares with a fair market value of $61,654,356 for the net assets transferred pursuant to the Fission Energy Arrangement.

13. RELATED PARTY TRANSACTIONS

The Company identified directors and certain senior management as its key management personnel. The compensation costs for key management personnel and directors are as follows:

	Year Ended June 30	
	2014	2013
	$	$
Compensation Costs		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	2,432,455	1,301,825
Directors fees	237,800	44,333
Share-based payments for options granted to certain senior management	2,116,904	96,232
Share-based payments for options granted to directors	3,408,183	189,309
	8,195,342	1,631,699

	Year Ended June 30	
	2014	2013
	$	$
Amounts Received or Receivable		
Exploration and administrative services billed to Fission 3.0 Corp. a company with common directors and management	176,455	–

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

Due to the fact that Fission Uranium was not incorporated until February 13, 2013, and the Fission Energy Arrangement was not completed until April 26, 2013, there were no officers or directors included in key management personnel prior to that date. The compensation costs reported for key management personnel therefore only reflects compensation costs after April 26, 2013.

Included in accounts payable at June 30, 2014 is $191,003 (June 30, 2013 – $25,747) for wages payable and consulting fees owing to companies controlled by key management personnel.

Included in amounts receivable at June 30, 2014 is $Nil (June 30, 2013 – $457,560) for loans advanced to key management personnel. Also included in amounts receivable at June 30, 2014 is $7,371 (June 30, 2013 – $Nil) for exploration and administrative services owing from Fission 3.0.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. INCOME TAXES

A reconciliation of current income taxes at statutory rates (June 30, 2014 – 26%, June 30, 2013 – 25.25%) with the period income taxes is as follows:

	June 30 2014 $	June 30 2013 $
Loss before income taxes	4,088,248	6,102,405
Expected income tax recovery	(1,062,945)	(1,540,857)
Tax impact of rate change	(5,771)	63,109
Permanent differences	(626,604)	101,133
Change in benefits of tax attributes not previously recognized	(1,706,923)	–
Allocation of expenditures on the carve-out	–	1,718,924
Change in estimate	(447,737)	–
Renunciation of flow-through expenditures	5,538,663	–
Flow-through premium recovery	(1,026,371)	–
Other	–	3,409
Deferred income tax expense	662,312	345,718

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

	June 30 2014 $	June 30 2013 $
Deferred income tax assets (liabilites)		
Equipment	3,516	2,572
Exploration and evaluation assets	(6,436,967)	(2,371,439)
Short-term investments	–	(22,164)
Non-capital losses	5,306,027	726,886
Share issuance cost	1,085,860	–
Other	41,564	–
Net deferred income tax liabilities	–	(1,664,145)

The deferred tax liability relating to the exploration and evaluation assets arose as a result of: the Company renounced certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets; and ii) the exploration and evaluation assets were deemed to have a lower tax basis as a result of the tax elections when transferred on completion of the Fission Energy Arrangement.

Deferred tax assets are recognized to the extent that it is probable that taxable profit 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 $20,407,796 of recognized non-capital losses which, if unutilized, will expire between 2025 and 2034. The tax benefits of any losses related to the periods prior to the Fission Energy Arrangement have not been recognized as these were not transferred to the Company.

At June 30, 2014 the Company has deductible temporary differences noted below available to offset future taxable income, but for which no deferred tax asset has been recognized. The Company is not recognizing these deferred tax assets because the Company has a history of losses and there is not yet adequately-convincing evidence that the Company will generate sufficient future taxable income to enable offset.

At June 30, 2014 the Company did not recognize $1,519,136 (June 30, 2013 – $Nil) of unused investment tax credits which will expire between 2023 and 2033. At June 30, 2014 the Company did not recognize $2,176,124 of deductible temporary differences in exploration and evaluation assets. In addition, at June 30, 2014, the Company did not recognize $Nil (June 30, 2013 – $766,000) of deductible temporary differences in exploration and evaluation assets located in Peru.

15. 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, 2014		June 30, 2013	
	Canada	Peru	Canada	Peru
	$	$	$	$
Property and equipment	242,682	–	230,287	16,021
Exploration & evaluation assets	210,020,459	–	10,041,838	–
	210,263,141	–	10,272,125	16,021

16. 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 share purchase warrants.

Changes in the equity accounts of the Company are disclosed in the statement 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, acquire or dispose of assets or adjust the amount of cash, cash equivalents, and short-term investments. 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 to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

Short-term investments are designated as held for trading and therefore carried at fair value, with the unrealized gain or loss recorded on the statements of comprehensive loss.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would 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 activities related to trade and other receivables 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, 2014, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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

	June 30 2014	**June 30 2013**
	$	*$*
Cash and cash equivalents	28,908,384	15,068,354
Amounts receivable	658,244	2,550,144
	29,566,628	17,618,498

(b) Liquidity risk

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

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

	Maturity Dates	June 30 2014	June 30 2013
		$	*$*
Accounts payable and accrued liabilities	< 6 months	3,312,827	2,338,172

(c) Price risk

Price risk is the risk that the fair value for assets classified as held for trading and available for sale or future cash flows for assets or liabilities considered to be held to maturity, other financial liabilities and loans or receivables of a financial instrument will fluctuate because of changes in market conditions. The Company evaluates price risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. The Company is not exposed to interest rate risk, as it does not hold debt balances and is not charged interest on its accounts payable balances.

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

	Level	June 30 2014	June 30 2013
		$	*$*
Short-term investments	1	15,000	601,800

18. CONTINGENCIES

(a) November 8, 2013 Counterclaim

On November 8, 2013, the Company received a counterclaim filed in the Supreme Court of British Columbia wherein it is named as a defendant by way of counterclaim to the Company's civil claim filed against Jody Dahrouge, Debbie Dahrouge, 877384 Alberta Ltd. and Dahrouge Geological Consulting Ltd. on July 29, 2013. The counterclaim alleges, among other things, that the Company slandered title to the properties at issue in the civil claim filed by the Company; and the Company interfered with Dahrouge Geological Consulting Ltd. contractual relations. The Company believes that the counterclaim is without merit and intends to vigorously defend itself. Fission 3.0 Corp. has agreed to indemnify the Company for any losses incurred by the Company arising out of the counterclaim.

No amount has been accrued in these financial statements in respect of the claim or counterclaim as the outcome is not determinable at this time. Any recovery or costs ultimately awarded to or assessed against the Company in respect of this claim and counterclaim will be recorded in the period in which actual determination of the recovery or liability, if any, is made.

(b) February 5, 2014 Notice of Civil Claim

On February 5, 2014, the Company received notice of a civil claim filed in the Supreme Court of British Columbia wherein it is named as a defendant. The claim was made by Mr. Jody Dahrouge, a former director of Fission Energy Corp. with whom the Company is engaged in separate, ongoing litigation (note 18(a) above). The claim alleges that an officer of the Company defamed Mr. Dahrouge in statements made in a magazine interview given in December 2013. The Company believes that the claim is without merit and intends to vigorously defend itself.

No amount has been accrued in these financial statements in respect of the claim as the outcome is not determinable at this time. Any costs ultimately assessed against the Company in respect of this claim will be recorded in the period in which actual determination of the liability, if any, is made.

19. SUBSEQUENT EVENTS

Subsequent to June 30, 2014:

(a) The Company completed a private placement of 9,602,500 flow-through common shares at a price of $1.50 per share, for gross proceeds of $14,403,750. The Company paid agents' commissions of $714,109 plus expenses;

(b) 1,621,750 stock options were exercised with a weighted average exercise price of $0.4163 and a weighted average share price of $1.1077; and

(c) 20,000 warrants were exercised with a weighted average exercise price of $0.3028 and a weighted average share price of $1.10.

5. FISSION'S PUBLISHED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

pwc

September 3, 2015

Independent Auditor's Report

To the Shareholders of Fission Uranium Corp.

We have audited the accompanying consolidated financial statements of Fission Uranium Corp., which comprise the consolidated statements of financial position as at June 30, 2015 and June 30, 2014 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended June 30, 2015 and June 30, 2014, 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 audit. We conducted our audit 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fission Uranium Corp. as at June 30, 2015 and June 30, 2014 and its financial performance and cash flows for the years ended June 30, 2015 and June 30, 2014 in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Fission Uranium Corp.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	June 30 2015 $	June 30 2014 $
Assets			
Current assets			
Cash and cash equivalents		24,773,556	28,908,384
Short-term investments		2,250	15,000
Amounts receivable	5	393,339	658,244
Prepaid expenses		234,602	182,555
		25,403,747	29,764,183
Investment in Fission 3.0 Corp.	6	3,040,535	–
Property and equipment	7	187,248	242,682
Exploration and evaluation assets	8	243,461,489	210,020,459
Total Assets		272,093,019	240,027,324
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	1,911,369	3,312,827
Flow-through share premium liability	10(b)	4,402,200	–
		6,313,569	3,312,827
Deferred tax liability	13	914,834	–
Total Liabilities		7,228,403	3,312,827
Shareholders' Equity			
Share capital	10	333,328,259	297,123,549
Other capital reserves	10	18,810,691	16,990,702
Deficit		(87,274,334)	(77,399,754)
		264,864,616	236,714,497
Total Liabilities and Shareholders' Equity		272,093,019	240,027,324

Subsequent events (Note 16)

Approved by the board and authorized for issue on September 3, 2015.

"Frank Estergaard"
Director

"William Marsh"
Director

Fission Uranium Corp.
Consolidated statements of loss and comprehensive loss
(Expressed in Canadian dollars)

	Note	Year Ended June 30 2015 $	Year Ended June 30 2014 $
Expenses			
Business development		951,652	924,111
Consulting and directors fees		1,728,012	1,503,045
Depreciation	7	87,884	86,430
Flow-through share tax		3,893	13,709
Office and administration		951,223	953,772
Professional fees		471,805	1,468,938
Public relations and communications		1,093,073	1,301,674
Share-based compensation	10(d)	6,127,880	9,666,837
Trade shows and conferences		178,203	338,515
Wages and benefits		1,375,909	1,747,758
		12,969,534	18,004,789
Other items – income/(expense)			
Exploration management fee income		–	437,200
Equipment rental income		21,201	71,106
Flow-through premium recovery		4,321,125	3,947,582
Foreign exchange loss		(2,876)	(11,889)
Gain/(loss) on investments		(12,750)	164,267
Interest and miscellaneous income		309,583	389,077
Exploration and evaluation write-down	8	–	(143,882)
Gain on de-consolidation of subsidiary	2	–	99,579
Gain on spin-off transaction	2	–	8,963,501
Share of loss from equity investment in Fission 3.0 Corp.	6	(39,465)	–
		4,596,818	13,916,541
Loss before income taxes		(8,372,716)	(4,088,248)
Deferred income tax expense	13	(1,501,864)	(662,312)
Net loss and comprehensive loss for the year		(9,874,580)	(4,750,560)
Basic and diluted loss per common share		(0.03)	(0.02)
Weighted average number of common shares outstanding		367,018,059	254,509,813

Fission Uranium Corp.
Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Note	Share capital Shares	Share capital Amount	Other capital reserves	Deficit	Total shareholders' equity
			$	$	$	$
Balance, July 1, 2013		149,894,586	79,315,530	487,206	(55,195,194)	24,607,542
Common shares issued for the acquisition of Alpha Minerals Inc.	2 & 10(a)	159,883,655	169,476,674	–	–	169,476,674
Stock options issued for the acquisition of Alpha	2 & 10(d)	–	–	8,972,659	–	8,972,659
Warrants issued for the acquisition of Alpha	2	–	–	5,098,376	–	5,098,376
Flow-through common shares issued for cash	10(b)	8,581,700	12,872,550	–	–	12,872,550
Flow-through share premium	10(b)	–	(3,947,582)	–	–	(3,947,582)
Common shares issued for cash	10(b)	17,968,750	28,750,000	–	–	28,750,000
Share issuance costs	10(b)	–	(3,788,079)	1,055,324	–	(2,732,755)
Deferred income tax impact on share issuance costs		–	710,516	–	–	710,516
Transfer of net assets to Fission 3.0 Corp. pursuant to plan of arrangement	2	–	–	–	(17,454,000)	(17,454,000)
Exercise of stock options/warrants		15,980,769	13,733,940	(8,794,925)	–	4,939,015
Share-based compensation	10(d)	–	–	10,172,062	–	10,172,062
Net loss and comprehensive loss		–	–	–	(4,750,560)	(4,750,560)
Balance, June 30, 2014		352,309,460	297,123,549	16,990,702	(77,399,754)	236,714,497
Flow-through common shares issued for cash	10(b)	22,942,500	34,413,750	–	–	34,413,750
Flow-through share premium	10(b)	–	(8,723,325)	–	–	(8,723,325)
Share issuance costs	10(b)	–	(2,257,808)	–	–	(2,257,808)
Deferred income tax impact on share issuance costs		–	587,030	–	–	587,030
Exercise of stock options/warrants		10,986,161	12,185,063	(5,490,273)	–	6,694,790
Share-based compensation	10(d)	–	–	7,310,262	–	7,310,262
Net loss and comprehensive loss		–	–	–	(9,874,580)	(9,874,580)
Balance, June 30, 2015		386,238,121	333,328,259	18,810,691	(87,274,334)	264,864,616

Fission Uranium Corp.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year Ended June 30 2015 $	Year Ended June 30 2014 $
Operating activities		
Net loss and comprehensive loss	(9,874,580)	(4,750,560)
Items not involving cash:		
Depreciation	87,884	86,430
Share-based compensation	6,127,880	9,666,837
Flow-through premium recovery	(4,321,125)	(3,947,582)
(Gain)/loss on investments	12,750	(164,267)
Exploration and evaluation write-down	–	143,882
Gain on de-consolidation of subsidiary	–	(99,579)
Gain on spin-off transaction	–	(8,963,501)
Share of equity loss from Fission 3.0 Corp.	39,465	–
Deferred income tax expense	1,501,864	662,312
	(6,425,862)	(7,366,028)
Changes in non-cash working capital items:		
Decrease in amounts receivable	192,347	1,983,584
Increase in prepaid expenses	(52,047)	(81,140)
Decrease in accounts payable and accrued liabilities	(145,634)	(599,156)
Cash flow used in operating activities	(6,431,196)	(6,062,740)
Investing activities		
Property and equipment additions	(32,450)	(98,423)
Exploration and evaluation asset additions	(33,441,914)	(32,597,497)
Exploration and evaluation asset cost recoveries	–	3,430,591
Purchase of investment in Fission 3.0 Corp.	(3,080,000)	–
Increase in short-term investments	–	(15,000)
Cash acquired on acquisition of Alpha Minerals Inc.	–	8,435,812
Cash flow used in investing activities	(36,554,364)	(20,844,517)

	Year Ended June 30 2015 $	Year Ended June 30 2014 $
Financing activities		
Proceeds from the issuance of flow-through common shares net of share issuance costs	32,155,942	38,889,795
Proceeds from exercise of stock options/warrants	6,694,790	4,939,015
Cash paid to Fission 3.0 pursuant to the Fission Uranium Arrangement	–	(3,081,523)
Cash flow provided by financing activities	38,850,732	40,747,287
(Decrease)/increase in cash and cash equivalents during the year	(4,134,828)	13,840,030
Cash and cash equivalents, beginning of year	28,908,384	15,068,354
Cash and cash equivalents, end of year	24,773,556	28,908,384

Supplemental disclosure with respect to cash flows (Note 11)

Fission Uranium Corp.
Notes to the consolidated financial statements
For the year ended June 30, 2015
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

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

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

2. ALPHA MINERALS AND FISSION URANIUM ARRANGEMENT AGREEMENT

On December 6, 2013 the Company completed an Arrangement Agreement and acquired all of the issued and outstanding shares of Alpha Minerals Inc. ("Alpha") and its interest in the Patterson Lake South ("PLS") Joint Venture (the "Alpha Arrangement"). Under the terms of the Alpha Arrangement, Fission Uranium offered shareholders of Alpha 5.725 shares of Fission Uranium and a cash payment of $0.0001 for each Alpha share held. Based on 27,927,276 Alpha shares outstanding, the Company issued 159,883,655 of their common shares to complete the transaction, representing approximately 51.11% of the Company's issued and outstanding common shares on December 6, 2013. The 2,142,100 outstanding Alpha options were replaced by options to purchase 12,263,523 common shares of the Company with exercise prices ranging from $0.1146 to $0.6387 and expiring between February 17, 2014 and April 12, 2018. The 1,301,600 outstanding Alpha warrants were replaced by warrants to purchase 7,451,657 common shares of the Company with exercise prices ranging from $0.1496 to $0.8133 and expiring between February 17, 2014 and April 25, 2015.

Additionally, Alpha shareholders received all of the common shares of Alpha Exploration Inc. ("Alpha Exploration") which was spun-out from Alpha and holds all of Alpha's exploration and evaluation assets (other than Alpha's interest in the PLS Joint Venture), marketable securities, and property and equipment located in Alpha's office in Vancouver, BC.

Similarly, the shareholders of Fission Uranium received all of the common shares of Fission 3.0 Corp. ("Fission 3.0") which was spun-out from Fission Uranium and holds all of Fission Uranium's exploration and evaluation assets (other than Fission Uranium's interest in the PLS Joint Venture), short-term investments, and property and equipment located in Peru (the "Fission Uranium Arrangement").

Under the terms of the Alpha Arrangement and Fission Uranium Arrangement, each of Alpha Exploration and Fission 3.0 received $3 million in cash to fund future operations. The transaction took place by way of a court approved plan of arrangement.

Alpha is in the early stage of exploration and does not yet have any processes or outputs, therefore Alpha is not considered a business under IFRS 3 Business Combinations. As a result the acquisition was accounted for as a purchase of assets. The purchase price has been allocated to the various assets and liabilities acquired through the Alpha Arrangement, including various working capital amounts and exploration and evaluation assets.

The total purchase price of the acquisition and the net identifiable assets of Alpha acquired are described below:

Purchase price	*$*
27,927,276 common shares of Alpha by issue of 159,883,655 Fission Uranium shares @ $1.06	169,476,674
2,142,100 Alpha options replaced by options to purchase 12,263,523 Fission Uranium shares	7,793,252
1,301,600 Alpha warrants replaced by warrants to purchase 7,451,657 Fission Uranium shares	5,098,376
Transaction costs	2,199,836
Total purchase price	184,568,138
Assets acquired	
Net working capital	8,136,076
Exploration and evaluation assets	176,432,062
Net identifiable assets of Alpha	184,568,138

The fair value of the stock options and warrants of Alpha was estimated as of December 6, 2013 using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Stock Options	**Warrants**
Risk Free Interest Rate	1.09%	1.09%
Expected Life – Years	0.79	1.01
Annualised Volatility	65.32%	88.40%
Dividend Rate	0%	0%
Weighted average fair value per option/warrant	$0.73	$0.68

Option pricing models require the input of highly subjective assumptions including the estimate of the share price volatility. Changes in the subjective input assumptions can materially affect the fair value of the Company's stock options and warrants.

The carrying value of the net assets transferred to Fission 3.0, pursuant to the Fission Uranium Arrangement, consisted of the following:

	$
Assets	
Cash	3,081,523
Short-term investments	766,066
Amounts receivable	102,518
Property and equipment	15,619
Exploration and evaluation assets	6,186,147
Total Assets	10,151,873
Liabilities	
Accounts payable and accrued liabilities	(45,433)
Deferred tax liability	(1,615,941)
Total Liabilities	(1,661,374)
Carrying Value	8,490,499
Fair value of assets distributed to Fission Uranium shareholders	(17,454,000)
Gain on Fission 3.0 spin-out	(8,963,501)

In accordance with *IFRIC 17, Distributions of Non-cash Assets to Owners*, the Company recognized the distribution of assets to Fission Uranium shareholders at fair value with the difference between that value and the carrying amount of the assets recognized in the statement of loss and comprehensive loss.

Fission 3.0 was a wholly owned subsidiary of Fission Uranium up to December 5, 2013. The Company recognized a $99,579 gain on the de-consolidation of Fission 3.0 on December 5, 2013.

3. 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, 2015. The consolidated financial statements were authorized for issue by the Board of Directors on September 3, 2015.

(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 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.

Subsequent to the Alpha Arrangement, Alpha was amalgamated with the Company. At June 30, 2015 the Company held no subsidiaries.

(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. All short-term investments are measured at fair value through profit or loss ("FVTPL").

(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) Short-term investments

Marketable securities are recorded at their fair market value on the date of acquisition and are classified as FVTPL. The carrying value of the securities are adjusted at each subsequent reporting period to the fair value (based upon the market price and the Bank of Canada quoted exchange rate if applicable) with the resulting unrealized gains or losses included in profit or loss for the period. Transaction costs relating to the purchase of marketable securities are expensed directly to profit or loss.

(g) Investments in associates

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

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

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

(h) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars. The financial statements for each of the Company's former subsidiaries were measured using the currency of the primary economic environment in which the subsidiary operated (the "functional currency"). Each entity in the Company determined its own functional currency and items included in the financial statements of each entity were 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 is the Canadian Dollar.

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction. 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.

Foreign operations

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

(i) 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%

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.

(j) Exploration and evaluation assets

The Company records exploration and evaluation assets which consists 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 cost will be written off to operations in the period of abandonment.

On an ongoing basis, exploration and evaluation assets are reviewed on a propertyby-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 to sell for the exploration and evaluation property interest and their value in use. The fair value less costs to sell and the value in use is 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.

(k) 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.

(l) 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 flowthrough 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 expenses 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 flowthrough share tax expense until paid.

(m) 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 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. Management uses the dynamic model to calculate the estimated forfeitures.

(n) 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.

(o) 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.

(p) 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.

(q) IFRS standards adopted

The Company has adopted the following new accounting policies and IFRS standards noted below:

IFRS 9, Financial Instruments

On July 24, 2014 the IASB issued *IFRS 9, Financial Instruments*, which will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. For financial liabilities, the standard retains most of the IAS 39 requirements.

Adoption of IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018 however the Company has early adopted IFRS 9 effective July 1, 2014, as well as the related consequential amendments to other IFRS. The Company has assessed the financial assets and financial liabilities held by the Company at the date of initial application of IFRS 9. The main effects resulting from this assessment were:

(i) Short-term investments previously classified as held for trading and measured at fair value through profit and loss continue to be recognized in a consistent manner. The Company has not made any elections to recognize fair value changes on any of its equity instruments through other comprehensive income.

(ii) All other financial instruments including cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities continue to be recognized at fair value on initial recognition and subsequently measured at amortized cost.

There was no difference between the previous carrying amount (under IAS 39) and the revised carrying amount (under IFRS 9) of the financial assets or financial liabilities as at July 1, 2014 to be recognized in opening deficit.

Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

(r) New Standards, Amendments and Interpretations Not Yet Effective

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2015.

No new or revised standards or amendments are expected to have a significant impact to the Company's financial statements.

4. 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 areas:

(i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the PLS property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and

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

5. AMOUNTS RECEIVABLE

	June 30 2015 $	June 30 2014 $
GST receivable	266,638	396,893
Due from provincial governments	–	72,558
Loans receivable	–	14,967
Other receivables	126,701	173,826
	393,339	658,244

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

6. INVESTMENT IN FISSION 3.0

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

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

Due to the fact that Fission 3.0's financial statements for the year ended June 30, 2015 are not yet publically available, the Company recognized its proportionate share of Fission 3.0's loss from the date of acquisition to March 31, 2015 in the Company's year ended June 30, 2015.

Details of the investment in Fission 3.0 are as follows:

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

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

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

Fission 3.0's summary financial information is as follows:

	Date of Acquisition to March 31 2015 $
Comprehensive loss for the period	(314,811)

	March 31 2015 $
Current assets	5,857,401
Property and equipment	15,248
Exploration and evaluation assets	6,027,262
Total Assets	11,899,911
Current liabilities	94,613
Deferred tax liability	1,323,868
Total Liabilities	1,418,481

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Cost	Geological Equipment $	Vehicles $	Office Equipment $	Computer Hardware $	Computer Software $	Building $	Total $
As at July 1, 2013	159,158	32,492	106,650	75,061	24,478	20,190	418,029
Additions	27,015	–	10,219	61,189	–	–	98,423
Disposals	(4,447)	–	(15,683)	(6,577)	–	(20,190)	(46,897)
As at June 30, 2014	181,726	32,492	101,186	129,673	24,478	–	469,555
Additions	11,472	–	–	20,978	–	–	32,450
As at June 30, 2015	193,198	32,492	101,186	150,651	24,478	–	502,005
Accumulated Depreciation							
As at July 1, 2013	50,145	19,254	43,027	35,211	19,848	4,236	171,721
Depreciation	28,376	9,756	19,118	24,215	4,630	335	86,430
Disposals	(4,447)	-	(15,683)	(6,577)	–	(4,571)	(31,278)
As at June 30, 2014	74,074	29,010	46,462	52,849	24,478	–	226,873
Depreciation	30,934	2,807	18,662	35,481	–	–	87,884
As at June 30, 2015	105,008	31,817	65,124	88,330	24,478	–	314,757

Cost	Geological Equipment	Vehicles	Office Equipment	Computer Hardware	Computer Software	Building	Total
	$	$	$	$	$	$	$
Net Book Value							
As at June 30, 2014	107,652	3,482	54,724	76,824	–	–	242,682
As at June 30, 2015	88,190	675	36,062	62,321	–	–	187,248

8. EXPLORATION AND EVALUATION ASSETS

Year ended June 30, 2015

Patterson Lake South Property	Total
	$
Acquisition costs	
Balance, beginning and end of year	176,501,858
Exploration costs	
Balance, beginning of year	33,518,601
Incurred during the year	
Geology mapping/sampling	703,920
Geophysics airborne	25,929
Geophysics ground	1,383,057
Drilling	29,686,455
Land retention and permitting	47,014
Reporting	55,397
Environmental	109,297
Safety	226,348
Community relations	731
General	20,500
Share-based compensation	1,182,382
Additions	33,441,030
Balance, end of year	66,959,631
Total	243,461,489

Year Ended
June 30, 2014

	North Shore Property $	Beaver River Property $	Clearwater West Property $	Manitou Falls Property $	Patterson Lake North Property $	Patterson Lake South Property $	Thompson Lake Property $	Peru Properties $	Total $
Acquisition costs									
Balance, beginning of year	–	11,154	9,517	3,410	–	69,796	1,742	–	95,619
Acquired through Alpha Arrangement	–	–	–	–	–	176,432,062	–	–	176,432,062
Transfer to Fission 3.0 pursuant to Fission Uranium Arrangement	(–)	(11,154)	(9,517)	(3,410)	(–)	–	(1,742)	(–)	(25,823)
Balance, end of year	–	–	–	–	–	176,501,858	–	–	176,501,858
Exploration costs									
Balance, beginning of year	3,464	500	15,012	881	4,458,945	5,466,820	597	–	9,946,219
Incurred during the year									
Geology mapping/sampling	53,047	–	9,126	–	33,475	668,473	–	6,771	770,892
Geophysics airborne	830,386	206,561	294,563	67,889	114,633	70,491	34,600	–	1,619,123
Geophysics ground	6,374	630	9,493	630	43,592	838,270	630	3,457	903,076
Drilling	27,774	–	–	–	192,207	28,340,434	–	16,537	28,576,952
Land retention and permitting	24,517	75	213	75	9,739	84,944	75	8,317	127,955
Reporting	216	37	38	38	3,666	43,045	38	–	47,078
Environmental	38	–	–	–	–	190,421	–	9,635	200,094
Safety	–	–	–	–	–	231,199	–	–	231,199
Community relations	2,663	–	–	–	–	729	–	13,986	17,378
General	–	–	–	–	40,124	410,425	–	56,865	507,414
Share-based compensation	22,522	–	30,000	–	58,677	1,545,119	–	28,314	1,684,632
Additions	967,537	207,303	343,433	68,632	496,113	32,423,550	35,343	143,882	34,685,793
Cost recoveries	–	–	–	–	(437,436)	(4,371,769)	–	–	(4,809,205)
Write-down	–	–	–	–	–	–	–	(143,882)	(143,882)
Transfer to Fission 3.0 pursuant to Fission Uranium Arrangement	(971,001)	(207,803)	(358,445)	(69,513)	(4,517,622)	–	(35,940)	(–)	(6,160,324)
Balance, end of year	–	–	–	–	–	33,518,601	–	–	33,518,601
Total	–	–	–	–	–	210,020,459	–	–	210,020,459

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

Patterson Lake South, Canada

The Company acquired an interest in various claims in Saskatchewan as part of the Fission Energy Arrangement (note 1). As a result of the completion of the Alpha Arrangement (note 2), through which the Company acquired all of the issued and outstanding shares of Alpha, Fission Uranium has a 100% interest in the Patterson Lake South property. Prior to the completion of the Alpha Arrangement, the Company recorded cost recoveries from Alpha for their 50% interest in the PLS Joint Venture. The Company was also entitled to a management fee equal to 10% of expenditures for operator services.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Maturity dates < 6 months	June 30 2015	June 30 2014
	$	*$*
Trade payables	1,562,041	2,686,827
Accrued liabilities	349,328	626,000
	1,911,369	3,312,827

10. SHARE CAPITAL AND OTHER CAPITAL RESERVES

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

(a) Alpha Arrangement

The Company completed the acquisition of all of the outstanding shares of Alpha on December 6, 2013. As part of the consideration the Company issued 159,883,655 common shares with a fair value of $169,476,674 (note 2).

(b) Private Placements

December 9, 2013

The Company completed a private placement of 8,581,700 flow-through common shares at $1.50 per share for aggregate gross proceeds of $12,872,550. The Company paid agents' commissions of $723,148 plus $217,695 of expenses and issued 482,099 broker warrants with an attributed fair value of $230,700 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of $1.50 per share with an expiry date of December 9, 2015. The assumptions used in the Black-Scholes pricing model include a volatility of 104.55%, risk free interest rate of 1.08%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. A flow-through share premium liability of $3,947,582 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

April 1, 2014

The Company completed a private placement of 17,968,750 special warrants ("Special Warrants"), at a price of $1.60 per Special Warrant, for gross proceeds of $28,750,000. The Company paid agents' commissions of $1,437,500 plus $354,412 of expenses and issued 898,439 broker warrants with an attributed fair value of $824,624 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of $1.60 per share with an expiry date of April 1, 2016. The assumptions used in the Black Scholes pricing model include a volatility of 104.39%, risk free interest rate of 1.07%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. On April 25, 2014 the Company received approval for the final short form prospectus. On April 28, 2014 the 17,968,750 Special Warrants were automatically exercised into 17,968,750 common shares of the Company.

September 23, 2014

The Company completed a private placement of 9,602,500 flow-through common shares at a price of $1.50 per share, for gross proceeds of $14,403,750. The Company paid agents' commissions of $714,109 plus $203,765 of expenses. A flow-through share premium liability of $4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

April 29, 2015

The Company completed a private placement of 13,340,000 flow-through common shares at a price of $1.50 per share, for gross proceeds of $20,010,000. The Company paid agents' commissions of $990,435 plus $349,499 of expenses. A flow-through share premium liability of $4,402,200 was recognized and was reported as a reduction to share capital. The flow-through share premium liability will be taken into other income when the renunciation documents are filed.

(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 of each option is based on the market price of the Company's common stock at the date of grant. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

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

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		$		$
Balance July 1, 2013	14,608,011	0.6181	4,027,763	0.3542
Granted	17,320,000	1.3804	1,380,538	1.5651
Issued through Alpha Arrangment	12,263,523	0.3611	7,451,657	0.6013
Exercised [(1)]	(11,607,360)	0.3276	(4,373,409)	0.2388
Expired	(433,841)	0.9310	(34,350)	0.1496
Forfeited	(487,500)	0.6820	–	–
Outstanding, June 30, 2014	31,662,833	1.0155	8,452,199	0.8120
Granted	8,000,000	1.0000	–	–
Exercised [(1)]	(3,914,500)	0.5089	(7,071,661)	0.6650
Expired	(1,042,500)	1.3997	–	–
Forfeited	(1,127,500)	1.3906	–	–
Outstanding, June 30, 2015	33,578,333	1.0464	1,380,538	1.5651

(1) The weighted average share price of the stock options exercised during the year ended June 30, 2015 was $0.9950 (June 30, 2014 – $1.2726). The weighted average share price of the warrants exercised during the year ended June 30, 2015 was $1.1874 (June 30, 2014 – $1.2473).

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

Stock options

Number outstanding	Exercise price $	Number of vested options	Expiry date
836,667	0.2505 (1)	836,667	December 31, 2017
950,000	0.3862 (1)	950,000	December 30, 2015
536,666	0.3862 (1)	536,666	January 12, 2017
8,215,000	0.6820 (1)	8,215,000	June 1, 2016
8,000,000	1.0000	4,000,000	December 15, 2019
1,000,000	1.1000	750,000	December 15, 2015
7,270,000	1.2000	5,452,500	January 21, 2019
400,000	1.2920 (1)	400,000	August 15, 2016
300,000	1.3100	225,000	February 25, 2019
6,070,000	1.6500	3,035,000	April 4, 2019
33,578,333		24,400,833	

(1) Fission Uranium option exercise prices were reduced by $0.048 pursuant to the Fission Uranium Arrangement.

Warrants

Number outstanding	Exercise price $	Number of vested options	Expiry date
482,099	1.5000	482,099	December 9, 2015
898,439	1.6000	898,439	April 1, 2016
1,380,538		1,380,538	

(d) Share-based compensation

During the year ended June 30, 2015, the Company granted 8,000,000 options (June 30, 2014 – 17,320,000). Pursuant to the vesting of options previously granted, during the year ended June 30, 2015 share-based compensation of $6,127,880 (June 30, 2014 – $8,487,430) was recognized in the statements of loss and comprehensive loss and $1,182,382 (June 30, 2014 – $1,684,632) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity. All options are recorded at fair value using the Black-Scholes option pricing model.

During the year ended June 30, 2014, the Company issued 12,263,523 options to former option holders of Alpha as part of the Alpha Arrangement. The options had a fair value of $8,972,659 of which $7,793,252 formed a part of the acquisition consideration (note 2) and $1,179,407 was recognized in the statements of loss and comprehensive loss representing the excess in fair value of the replacement options which were fully vested on the date of grant. The total amount was also recorded as other capital reserves.

The following assumptions were used for the valuation of share-based compensation for options granted during the year:

	June 30 2015	June 30 2014
Risk Free Interest Rate	1.04%	1.23%
Expected Life – Years	2.92	2.80
Estimated Forfeiture Rate	3.45%	8.23%
Annualised Volatility	59.03%	99.88%
Dividend Rate	N/A	N/A
Weighted average fair value per option	$0.26	$0.84

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	June 30 2015 $	June 30 2014 $
Cash and cash equivalents		
Cash	613,556	4,128,384
Redeemable Term Deposits	24,160,000	24,780,000
	24,773,556	28,908,384

There were no cash payments for interest and income taxes during the year ended June 30, 2015, and June 30, 2014. During the year ended June 30, 2015 the Company received $272,580 (June 30, 2014 – $208,620) in interest income.

Significant non-cash transactions for the year ended June 30, 2015 included:

(a) Incurring $1,556,906 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $1,182,382 of share-based payments in exploration and evaluation assets;

(c) Reclassifying $5,490,273 from other capital reserves to share capital on the exercise of stock options and warrants;

(d) Reclassifying $8,723,325 from share capital to flow-through share premium liability for the flow-through share premium liability recognized, 4,321,125 of which was taken into other income when the renunciation documents were filed; and

(e) Reclassifying $587,030 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs.

Significant non-cash transactions for the year ended June 30, 2014 included:

(a) Incurring $2,812,730 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $1,684,632 of share-based payments in exploration and evaluation assets;

(c) Reclassifying $8,794,925 from other capital reserves to share capital on the exercise of stock options and warrants;

(d) Reclassifying $3,947,582 from share capital to flow-through share premium liability for the flow-through premium liability recognized, which was taken into other income when the renunciation documents were filed;

(e) Reclassifying $1,055,324 from share capital to other capital reserves for warrants issued as finder's fees; and

(f) Reclassifying $710,516 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs.

12. RELATED PARTY TRANSACTIONS

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

	2015	**2014**
	$	*$*
Compensation Costs		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	2,365,567	2,670,255
Share-based compensation for vesting of options granted to key management personnel	3,995,752	5,525,087
	6,361,319	8,195,342

	Year Ended June 30	
	2015	**2014**
	$	*$*
Amounts Received or Receivable		
Exploration and administrative services billed to Fission 3.0 Corp. a company with common directors and management	412,787	176,455

Included in accounts payable at June 30, 2015 is $21,797 (June 30, 2014 – $191,003) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at June 30, 2015 is $23,001 (June 30, 2014 – $7,371) for exploration and administrative services and expense recoveries due from Fission 3.0.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. INCOME TAXES

A reconciliation of current income taxes at statutory rates (June 30, 2015 – 26%, June 30, 2014 – 26%) with the reported taxes is as follows:

	June 30 2015 $	June 30 2014 $
Loss before income taxes	(8,372,716)	(4,088,248)
Expected income tax recovery	(2,176,906)	(1,062,945)
Tax impact of rate change	–	(5,771)
Permanent differences	1,633,384	(626,604)
Net change in benefits of tax attributes previously not recognized	(555,999)	(1,706,923)
Change in estimate	(20,097)	(447,737)
Renunciation of flow-through expenditures	3,744,975	5,538,663
Flow-through premium recovery	(1,123,493)	(1,026,371)
Deferred income tax expense	1,501,864	662,312

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

	June 30 2015 $	June 30 2014 $
Deferred income tax assets (liabilities)		
Equipment	2,558	3,516
Exploration and evaluation assets	(9,626,279)	(6,436,967)
Non-capital losses	7,419,662	5,306,027
Share issuance cost	1,289,225	1,085,860
Other	–	41,564
Net deferred income tax liability	(914,834)	–

The deferred tax liability relating to the exploration and evaluation assets arose as a result of: i) the Company renounced certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets; and ii) the exploration and evaluation assets were deemed to have a lower tax basis as a result of the tax elections when transferred on completion of the Fission Energy Arrangement.

Deferred tax assets are recognized to the extent that it is probable that taxable profit 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 $28,537,162 of recognized non-capital losses which, if unutilized, will expire between 2025 and 2035. The tax benefits of any losses related to the periods prior to the Fission Energy Arrangement have not been recognized as these were not transferred to the Company.

At June 30, 2015 the Company has deductible temporary differences noted below available to offset future taxable income, but for which no deferred tax asset has been recognized. The Company is not recognizing these deferred tax assets because the Company has a history of losses and there is not sufficient evidence that the Company will generate sufficient future taxable income to enable offset.

At June 30, 2015 the Company did not recognize $1,512,954 (June 30, 2014 – $1,519,136) of unused investment tax credits which will expire between 2023 and 2033. At June 30, 2015 the Company did not recognize deductible temporary differences in exploration and evaluation assets of $Nil (June 30, 2014 – $2,176,124). In addition, at June 30, 2015 the Company did not recognize deferred tax assets on unrealized capital losses in short-term investments of $12,750 (June 30, 2014 – $Nil) and in investment in Fission 3.0 Corp. of $62,578 (June 30, 2014 – $Nil) because it does not anticipate future capital gains to utilize these assets.

14. 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 share purchase 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, acquire or dispose of assets or adjust the amount of cash, cash equivalents, and short-term investments. 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 to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

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

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

(a) Credit risk

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

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, 2015, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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

	June 30 2015	**June 30 2014**
	$	*$*
Cash and cash equivalents	24,773,556	28,908,384
Amounts receivable	393,339	658,244
	25,166,895	29,566,628

(b) Liquidity risk

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

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

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

	Maturity Dates	**June 30 2015**	**June 30 2014**
		$	*$*
Accounts payable and accrued liabilities	< 6 months	1,911,369	3,312,827

16. SUBSEQUENT EVENTS

Subsequent to June 30, 2015:

(a) On July 27, 2015, Fission Uranium entered into a definitive arrangement agreement with Denison Mines Corp. ("Denison"), pursuant to which, Denison will acquire all of the issued and outstanding common shares of Fission Uranium by way of a court approved plan of arrangement (the "2015 Denison Arrangement").

Under the terms of the 2015 Denison Arrangement, Fission Uranium common shareholders will receive 1.26 common shares of Denison and a cash payment of $0.0001 per share for each common share of Fission Uranium held (the "Exchange Ratio"). Any outstanding Fission Uranium stock options will be exchanged for stock options of Denison adjusted in accordance with the Exchange Ratio. The Fission Uranium warrants will be adjusted in accordance with their terms such that the number of Denison shares received upon exercise and their respective exercise prices reflect the Exchange Ratio.

The 2015 Denison Arrangement, expected to be completed on or about October 19, 2015, will be subject to regulatory and Denison and Fission Uranium shareholder approval. Denison shareholders will also be asked to approve a 2-for-1 share consolidation that will take place shortly after the closing of the 2015 Denison Arrangement and a name change to "Denison Energy Corp." Each company has agreed to pay the other party a termination fee of $14 million in certain circumstances.

6. FISSION'S UNAUDITED FINANCIAL STATEMENTS FOR THE STUB PERIOD OF THE THREE MONTHS ENDED 30 SEPTEMBER 2015 REVIEWED BY ITS AUDITORS

pwc

November 15, 2015

To the Board of Directors of Fission Uranium Corp.

In accordance with our engagement letter dated November 10, 2015, we reviewed the condensed consolidated financial statements (interim financial statements) of Fission Uranium Corp. (the "Company") consisting of:

- the condensed interim statement of financial position as at September 30, 2015;
- the condensed interim statements of loss and comprehensive loss for the three month periods ended September 30, 2015 and September 30, 2014;
- the condensed interim statements of changes in equity for the three month periods ended September 30, 2015 and September 30, 2014;
- the condensed interim statements of cash flows for the three month periods ended September 30, 2015 and September 30, 2014; and
- selected explanatory notes.

These interim financial statements are the responsibility of the Company's management.

We performed our reviews in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the interim financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our reviews, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

We have previously audited, in accordance with Canadian generally accepted auditing standards, the consolidated statement of financial position of the Company as at June 30, 2015 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended (not presented herein) and related notes. In our report dated September 3, 2015, we expressed an unmodified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated interim statement of financial position as at June 30, 2015 is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

This report is solely for the use of the Audit Committee of the company to assist it in discharging its regulatory obligation to review these interim financial statements and should not be used for any other purpose.

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Fission Uranium Corp.
Condensed interim statements of financial position
(Expressed in Canadian dollars)

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

Subsequent events (Note 11)

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

"Frank Estergaard"
Director

"William Marsh"
Director

The accompanying notes form an integral part of these financial statements

Fission Uranium Corp.
Condensed interim statements of loss and comprehensive loss
(Expressed in Canadian dollars)

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

The accompanying notes form an integral part of these financial statements

Fission Uranium Corp.
Condensed interim statements of changes in equity
(Expressed in Canadian dollars)

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

The accompanying notes form an integral part of these financial statements

Fission Uranium Corp.
Condensed interim statements of cash flows
(Expressed in Canadian dollars)

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

Supplemental disclosure with respect to cash flows (Note 8)

The accompanying notes form an integral part of these financial statements

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

1. NATURE OF OPERATIONS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

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

(b) Basis of presentation

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

3. KEY ESTIMATES AND JUDGEMENTS

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

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in the following areas:

(i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the PLS property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and

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

4. AMOUNTS RECEIVABLE

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

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

5. INVESTMENT IN FISSION 3.0

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

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

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

Details of the investment in Fission 3.0 are as follows:

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

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

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

6. EXPLORATION AND EVALUATION ASSETS

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

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

7. SHARE CAPITAL AND OTHER CAPITAL RESERVES

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

(a) Private placements

September 23, 2014

The Company completed a private placement of 9,602,500 flow-through common shares at a price of $1.50 per share, for gross proceeds of $14,403,750. The Company paid agents' commissions of $714,109 plus $203,765 of expenses. A flow-through share premium liability of $4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

April 29, 2015

The Company completed a private placement of 13,340,000 flow-through common shares at a price of $1.50 per share, for gross proceeds of $20,010,000. The Company paid agents' commissions of $990,435 plus $349,499 of expenses. A flow-through share premium liability of $4,402,200 was recognized and was reported as a reduction to share capital. The flow-through share premium liability will be taken into other income when the renunciation documents are filed.

(b) Stock options and warrants

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

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

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

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

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

Stock options

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

Warrants

Number outstanding	Exercise price $	Number of vested warrants	Expiry date
482,099	1.5000	482,099	December 9, 2015
898,439	1.6000	898,439	April 1, 2016
1,380,538		1,380,538	

(c) Share-based compensation

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

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

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

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

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

(a) Incurring $1,990,825 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and

(b) Recognizing $121,288 of share-based payments in exploration and evaluation assets.

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

(a) Incurring $3,679,438 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $395,254 of share-based payments in exploration and evaluation assets;

(c) Reclassifying $659,911 from other capital reserves to share capital on the exercise of stock options and warrants; and

(d) Reclassifying $4,321,125 from share capital to flow-through share premium liability for the flow-through premium liability recognized, which was taken into other income when the renunciation documents were filed.

9. RELATED PARTY TRANSACTIONS

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

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

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

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

Included in amounts receivable at September 30, 2015 is $107,021 (June 30, 2015 – $23,001) for exploration and administrative services and expense recoveries due from Fission 3.0.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

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

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

(a) Credit risk

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

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

(i) Cash and cash equivalents; and

(ii) Amounts receivable.

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

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

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

(b) Liquidity risk

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

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

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

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

11. SUBSEQUENT EVENTS

Subsequent to September 30, 2015:

(a) The Company and Denison Mines Corp. ("Denison") terminated the previously announced arrangement agreement, pursuant to which the Company and Denison were to combine their respective businesses by way of a court approved plan of arrangement. While the majority of Fission Uranium shareholders voted in favour of the merger, the required two-thirds approval was not obtained.

(b) 485,000 stock options were exercised with a weighted average exercise price of $0.3862 and a weighted average share price of $0.6907.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP AS AT 30 JUNE 2015

INTRODUCTION

The following is an illustrative and unaudited pro forma financial information of CGN Mining Company Limited (the "Company") and its subsidiaries (herein collectively referred to as the "Group") and Fission Uranium Corp. (the "Target Company") (together with the Group, hereinafter referred to as the "Enlarged Group") ("Unaudited Pro Forma Financial Information"), which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the acquisition of the 19.99% equity interest in the Target Company (the "Acquisition").

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), for the purpose of illustrating the effect of the Acquisition as if the Acquisition had been completed on 30 June 2015.

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company to provide information of the Group upon completion of the Acquisition. It is prepared for illustrative purpose only and based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition or any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I of the circular, the financial information of the Target Company as set out in Appendix II of the circular and other financial information included elsewhere in the circular.

	The Group as at 30 June 2015	Pro forma adjustments			The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Non-current assets					
Intangible assets	–				–
Property, plant and equipment	4,158				4,158
Investment properties	42,569				42,569
Investment in a joint venture	176,087				176,087
Investment in an associate	–		756,676		756,676
	222,814				979,490
Current assets					
Trade and other receivables	252,873	(183,607)			69,266
Amount due from an immediate holding company	9,510				9,510
Amounts due from fellow subsidiaries	353,912	(329,294)			24,618
Bank balances and cash – unpledged	64,182	512,901	(512,901)		64,182
	680,477				167,576
Current liabilities					
Trade and other payables	6,672			9,720	16,392
Amount due to an intermediate holding company	7,025				7,025
Amount due to a fellow subsidiary	2,821				2,821
Income tax payable	11,767				11,767
	28,285				38,005
Net current assets	652,192				129,571
Total assets less current liabilities	875,006				1,109,061
Non-current liabilities					
Convertible bonds	282,187				282,187
Deferred tax liabilities	7,718				7,718
	289,905				289,905
Net assets	585,101				819,156

	The Group as at 30 June 2015	Pro forma adjustments			The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Capital and reserves					
Share capital	46,369				46,369
Reserves	538,732		243,775	(9,720)	772,787
Equity attributable to owners of the Company	585,101				819,156

Notes:

1) The amounts are extracted from the condensed consolidated statement of financial position of the Group as at 30 June 2015 as set out in Appendix I to this circular.

2) In the opinion of the directors of the Company, the acquisition is financed by internally generated funds by repayment of funds from a fellow subsidiary of approximately HK$329,294,000 and receipts from a trade receivable of approximately HK$183,607,000.

3) In the opinion of the directors of the Company, the Target Company is accounted for as an associate of the Company which exercises significant influence in the Target Company after the Acquisition. Following the completion of the Acquisition, the Company will hold approximately 19.99% of the equity interest in the Target Company, and become the single largest shareholder of the Target Company. In addition, in accordance with the subscription agreement entered into by the Company and the Target Company, if the equity interest of the Company in the Target Company is not less than 17% for any continuous period of at least 24 months, the Company is entitled to designate 2 individuals to be nominated and, if elected, to serve as members of the board of directors of the Target Company for a term expiring not earlier than the Target Company's next annual meeting of shareholders of the Target Company, which the board of directors of the Target Company has 7 members. At all meetings of the board of directors of the Target Company shall be decided by a majority of the votes cast on the question. Upon the completion of the Acquisition, the Company has appointed 2 individuals into the board and the size of the board has increased from 7 to 9 directors.

   The directors of the Company has assessed latest fair value of the 19.99% equity interests in the Target Company as at 30 June 2015 to be approximately USD117,018,000 (equivalent to approximately HK$907,114,000*) by referring to a valuation report provided by HF Appraisal & Advisory Limited ("HF Appraisal"), an independent qualified professional valuer not connected with the Group, which should be net of deferred tax liability in respect of the fair value adjustment on the Patterson Lake South project (the "PLS Property") of approximately USD19,406,000 (equivalent to approximately HK$150,438,000*).

   Included in the latest fair value of the 19.99% equity interests in the Target Company is the fair value of the PLS Property of approximately USD113,594,000 and net fair value of the remaining identifiable assets and liabilities of the Target Company of approximately USD3,424,000 as at 30 June 2015. In the opinion of the directors of the Company and with reference to the valuation report provided by HF Appraisal, the difference between the fair value of the PLS Property as at 30 June 2015 and the fair value of the PLS Property as at 30 November 2015 was mainly due to the change of uranium prices as at 30 June 2015 and 30 November 2015.

   The adjustment represents the total consideration of approximately CDN$82,226,000 (equivalent to approximately HK$512,901,000*) for the acquisition which will be satisfied by cash from the Company's internal sources.

   An excess of the Company's share of the net fair value of the Target Company's identifiable assets and liabilities of approximately HK$756,676,000 over the cost of the investment of approximately HK$512,901,000 is recognised in profit or loss of approximately HK$243,775,000. In the opinion of the directors of the Company, the bargain purchase is because the current value of the Target Company is far lower than the fair values of net identifiable assets and liabilities of the Target Company as estimated by HF Appraisal.

4) The adjustment represents the estimated transaction costs of the Acquisition, including mainly legal and professional fees of approximately HK$9,720,000 to be incurred by the Company and recognised in the profit and loss, upon the completion of the Acquisition.

* *Conversion of CDN$ into HK$ is based on the exchange rate on 30 June 2015 of CDN$1.00 = HK$6.2377 for the purpose of illustration only*

Conversion of USD into HK$ is based on the exchange rate on 30 June 2015 of USD1.00 = HK$7.7519 for the purpose of illustration only

ACCOUNTANT'S REPORT ON PRO FORMA FINANCIAL INFORMATION

信永中和 ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

7 March 2016

The Directors
CGN Mining Company Limited
Room 1903, 19/F, China Resources Building
No. 26 Harbour Road, Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of CGN Mining Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma balance sheet as at 30 June 2015, and related notes as set out on pages III-1 to III-3 of the circular in connection with the acquisition (the "Acquisition") of the 19.99% equity interest in Fission Uranium Corp. (the "Target Company") (together with the Group hereinafter referred to as the "Enlarged Group") issued by the Company dated 7 March 2016 (the "Circular"). The applicable criteria on the basis of which the directors of the Company have compiled the pro forma financial information are described on pages III-1 to III-3 of the Circular.

The pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Acquisition on the Group's financial position as at 30 June 2015 as if the Acquisition had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's financial statements for the six months ended 30 June 2015, on which a review report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors of the Company are responsible for compiling the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certificate Number: P05591
Hong Kong

RungePincockMinarco

Executive Summary

CGN Mining Company Limited
Room 1903, 19 F,
China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong

Runge Asia Limited
trading as
RungePincockMinarco
13/F, 68 Yee Wo Street
Causeway Bay
Hong Kong

7 March 2016

RE: Competent Person Report – Pattersons Lake South

Dear Sirs,

Runge Asia Limited trading as RungePincockMinarco ("RPM") has been engaged by CGN Mining Company Limited (HK Ex. 1164) ("CGN" or the "Client") to undertake an Independent Technical Review ("ITR") and compile a Competent Person Report ("CPR" or the "Report"), as defined under Chapter 18 of the Rules Governing the Listing Rules of the Stock Exchange of Hong Kong (the "Listing Rules"), on the Patterson Lake South Project ("PLS" or the "Project").

The Client has conditionally agreed to acquire a minority shareholding in the Project through the acquisition of the issued share capital of the Company. The process and conclusions of the ITR are presented in the CPR which will be included in the Circular of the Client in relation to the transaction in accordance with Chapter 18 of the Listing Rules.

The Project is owned by Fission Uranium Corp (the "Company") and is a basement-hosted high-grade uranium deposit located in northern Saskatchewan Canada. The Project includes the "Triple R Deposit" (the "Deposit") on which a Mineral Resource has been estimated in July 2015 and a Preliminary Economic Assessment ("PEA") was published in September 2015 by Roscoe Postle Associates Inc. ("RPA"). Both of these studies were prepared under the recommendations of the CIM Standards and Guidelines and Canadian National Instrument 43-101. An additional 61 diamond drill holes, 41 for resource expansion and 20 exploration holes, were completed in the northern hemisphere 'Summer Season' of 2015 and have been incorporated into the independent statement of Mineral Resources prepared by RPM as well as an updated open pit schedule as part of this CPR. To date the Project continues to be under an advanced exploration phase of development with further exploration drilling and studies planned.The statements of Mineral Resources (as defined in **Appendix B**) contained in this CPR have been reported to be in accordance with the recommended guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code (2012 Edition) ("JORC Code 2012").

RPM's technical team ("the Team") consisted of Principal Geologists, Mining Engineers, Metallurgical Engineers and Environmental and Social Specialists. RPM's Competent Person was responsible for compiling or supervising the compilation of the Report and the JORC Statements of Mineral Resources, stated within. The Team's qualifications and experience is detailed in **Appendix A** for reference.

A visit to the Project site was conducted by members of the Team to familiarise themselves with the project characteristics. The site visit was undertaken on the 19th of November 2015 by Mr Richard Kehmeier and Dr Terry Brown. Site visit inspections included the surface locality, drilling operations and current site infrastructure as well as sighting of drilling core, review of surface sites for possible tailings and waste rock facilities and conducted a general question and answer session with Company personnel. During the site visit and over the period of the ITR, the Team had discussions with the Company's personnel, its advisors and other third parties involved with the Project on technical aspects relating to the studies completed to date and relevant issues. The Company's personnel were cooperative and open in facilitating RPM's work.

In addition to the work required to complete an independent JORC Mineral Resources estimates, the CPR relies largely on information provided by the Company, either directly from the sites and other offices, or from reports by other organisations whose work is the property of the Company or its subsidiaries. The data relied upon for RPM's JORC Mineral Resources estimates has been compiled primarily by the Company and reviewed and verified by RPM. The CPR is based on information made available to RPM as at 1 December, 2015. The Client or the Company has not advised RPM of any material change, or event likely to cause material change, to the underlying data, designs or forecasts since the date of asset inspections.

Project Summary

- The Project consists of a number of high-grade uranium deposits located approximately 550 km north-northwest of the city of Prince Albert, Saskatchewan. Prince Albert is serviced by multiple flights daily from Saskatoon, the capital city of Saskatchewan. The PLS Property is accessible by driving northward from Prince Albert along paved Highway 155 for a distance of approximately 300 km to the community of La Loche. At La Loche, the all-weather gravel Highway 955 (Cluff Lake Mine Road) heads northwards and enters the PLS Property at the 144 km marker. Highway 955 bisects the property in a north-south direction. Two four-wheel drive roads branch off from Highway 955 allowing access to the east and west halves of the property.

- The main area of mineralisation at the Project is referred to as the "Triple R Deposit", which is a basement-hosted high-grade uranium deposit. Claims within the PLS Property total 31,039 ha and are in good standing. The Deposit and primary subject of this Report is located entirely within claim S-111376.

- Extensive exploration has been conducted on the property, including radon and ground radiometric surveys, MEGATEM magnetic and electromagnetic airborne surveys, trenching and boulder surveys as well as lake-bottom spectrometer surveys have been completed. Although remote surveys were first conducted in 1969 it was not until 1977 that ground electro-magnetic ("EM") surveys delineated the Patterson Lake Conductor Corridor that traverses the centre of the PLS Property on claim S-111376, and extends onto claim S-111375.

- Significant exploration and resource drilling campaigns were completed from 2007 onwards. As of December 1st, 2015 the Company and its predecessors have completed 166,700 m of drilling in 528 holes on the PLS Property, of these, 341 holes for 113,192m are located within the Triple R deposit area. The remainder of the holes are exploration holes within the Project boundary but outside of the Triple R Deposit area.

- Exploration work has delineated mineralisation within the Deposit that extends approximately 350 m below the surface of Patterson Lake, which has an average depth of 20 m. The mineralisation occurs in three distinct areas along the strike described from west-to-east as R600W, R00E and the Main Zone (R780E). The Main Zone (MZ) extends from station 240E to 1140E of the North-South discovery line at 597,800East.

- The MZ portion of the mineralised zone is dominated by a continuous low grade domain with subsidiary separate low-grade domains. A discontinuous High Grade (HG) core of mineralisation with a low-end grade cut-off of 5% U_3O_8 is encompassed within the Main Zone. This high-grade core also occurs in the R600W_HG deposit.

- The Project is considered to be an advanced exploration project with recent drilling in the summer of 2015 resulted in the completion of 41 drill holes within the Triple R Deposit. The drilling increased the footprint of the known mineralisation and additional drilling planned for winter 2016 aimed at extending the currently defined mineralisation to potentially add additional resources. Until the outer limits of potentially economic mineralisation are defined, any mine study is recommended to be at a preliminary accuracy with the aim to determine the economies of scale for the project beyond that in the PEA current completed. In parallel with the additional drilling, geotechnical studies, metallurgical testing and process design, and environmental baseline studies should be completed to advance critical areas of the Project prior to advanced mining studies being undertaken.

Mineral Resource Estimates

- Drilling and sampling procedures to international standards have generally been employed with no material issues being noted by RPM throughout the ITR. The reported results for the QA/QC program demonstrate the precision and accuracy of the sampling, sample preparation, and assaying indicating the data is suitable for use in the estimation of resources.

- RPM's independent Statement of Mineral Resources (as at 1st December, 2015) is reported within the current exploration licences using variable cut-off grades based on the PEA study completed. Indicated and Inferred Mineral Resources were constrained by topography and reported within an economic pit estimated with and at a 0.2% U_3O_8 cut-off grade, or below the extents of the pit at a 0.25% U_3O_8 cut-off grade to reflect the higher grade underground operation planned. Metallurgical recoveries and costs utilised to generate the pit and support the cut off grades applied were the same as those outlined in ***Section 7*** and ***Section 8*** of this CPR.

- The Statement of Mineral Resources shown in **Table 1** and graphically in **Figure 1** does not include any loss or dilution.

Table 1 – Statement of JORC Mineral Resources as of 1st December 2015

Resource report (does not include 600W)

JORC Class	Type	Cut-off U_3O_8	Resource Tonnes	U_3O_8% Grade	U_3O_8 Pounds	Au ppm	Au Ounces
Indicated	Open Pit	0.2	1,365,000	2.30	69,229,000	0.58	25,600
	Underground	0.25	1,217,000	0.95	25,481,000	0.58	23,200
Total Indicated			***2,582,000***	***1.66***	***94,709,000***	***0.58***	***48,700***
Inferred	Open Pit	0.2	40,000	9.76	8,537,000	1.58	2,000
	Underground	0.25	514,000	0.69	7,858,000	0.43	7,100
Total Inferred			***553,000***	***1.34***	***16,396,000***	***0.51***	***9,100***
Grand Total (Inf+Ind)			***3,135,000***	***1.61***	***111,105,000***	***0.57***	***57,900***

Note: Resources constrained by Open Pit design produced as part of Fission Uranium Corp. PEA dated 14 September, 2015. Underground resource is not constrained by mining shape.

Additional Underground Resources R600W

JORC Class	Type	Cut-off %U_3O_8	Resource Tonnes	U_3O_8% Grade	U_3O_8 Pounds	Au ppm	Au Ounces
Indicated	Underground	0.25	77,000	1.33	2,269,000	0.44	1,100

Note: Resource in 600W is in addition to the resources stated above for open pit and underground. Based on a preliminary review of geometry, grade and depth from surface, it is assumed these resources will be mined through underground methods.

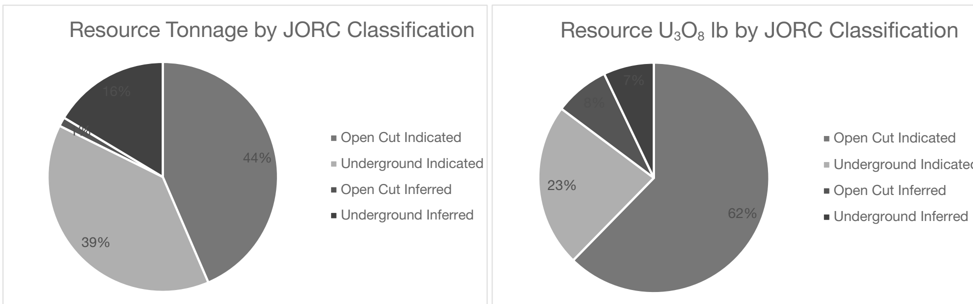
Note:

1. *The Statement of JORC Mineral Resources has been compiled under the supervision of Mr. Richard Kehmeier who is a full-time employee of RPM and a Certified Professonal Geologist (C.P.G.) of the American Institute of Professional Geologists. Mr. Kehmeier has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
2. *All Mineral Resources figures reported in the table above represent estimates at 1st December 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*
3. *Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).*

4 *All grade and tonnages were estimated as dry metric tonnes.*

5. *Table 1 as required for the reporting of Mineral Resources under the JORC Code 2012 is provided in Appendix C to this report.*

Figure 1 – Graphical Representation of JORC Mineral Resource Break Down



- Ore Reserves have not been estimated for the Project, as the highest level of study completed to date is a PEA which is insufficient to support an Ore Reserve estimate under the recommendations of JORC Code 2012. Additional drilling, metallurgy, hydro-geological and geotechnical studies, environmental studies and more-detailed mine design studies and cost estimation are required to complete a Pre-Feasibility Study (PFS) to support the reporting of Ore Reserves.

Exploration Potential

- RPM considers there to be reasonable exploration potential to expand the known zones of mineralisation and to define additional zones west of R600W and on parallel conductors.

- 10,000 m of drilling is planned for winter 2016, to extend the R600W, extend and expand to the east the high grade core of R780E, test for additional high grade in the R1620E zone and follow up favourable exploration results on PLG-1B and PLG-3A.

- Geophysics has defined numerous conductor zones within the property boundaries. Many of these have been tested with a single hole while the discovery of the R00E zone was discovered several holes into the program. Mineralisation along many of these conductors has yet to be tested through drilling and so there remains additional potential within the lease.

Mine and Production

- A mine development plan consisting of both open pit and underground mining was proposed as part of the PEA study (excluding the R600W area). As the Deposit extends under Patterson Lake, a dyke and slurry wall needs to be constructed to isolate the deposit from the lake to mitigate inflow of water. A critical aspect of the PEA was the open pit portion of the plan has been designed to maximise the recovery of the high-grade resources (>4% U_3O_8), whilst minimising the open pit footprint and the extent of the associated dyke and slurry wall. Once the open pit operation is established, underground mining will be used to access the remainder of the deposit. Approximately 70% of the uranium metal mined is via the open pit.

- Based on the production forecast the peak Run of Mine ("ROM") tonnages per year are similar for the open cut and underground mines at approximately 300 ktpa and 350 ktpa respectively as shown in ***Figure 2***. However, due to the reduction in grade from the open cut to the underground, the forecast maximum contained uranium production is 15 M ROM lbs per year for the open cut mine and approximately 3 M ROM lbs per year for the underground mine.

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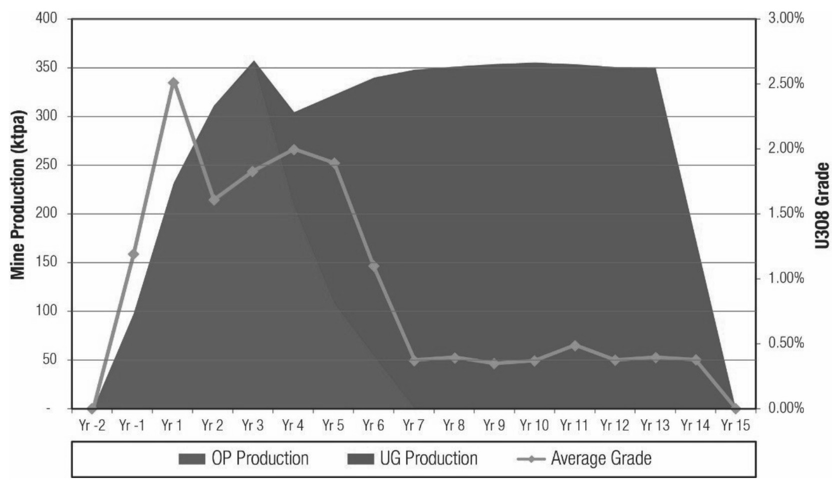
Figure 2 – LOM Production Forecast



- As the Deposit extends under Patterson Lake, a containment ring dyke is required to be constructed to isolate the mining operations from the lake and prevent the risk of potential water inflows. Based on the open pit footprint, preliminary study and designs the dyke is required to be approximately 2,550 m long, with a top berm width of 25 m and slope angles of approximately 30°. The dyke has a forecast height of approximately four to five m above the lake elevation and will require an estimated 1.2 million m^3 of rock to construct.

- The current ring dyke design is conceptual in nature and the final designs and associated costs will be highly dependent on detailed geotechnical investigations which have yet to be undertaken. Key risks associated with the construction of the dyke include thickness of the overburden sediment and glacial till and the subsequent required supporting infill material. There is an estimated 35% accuracy range in the current ring dyke design and associated costs.

- The ring dyke alone is not sufficient to prevent water flowing into the open pit. To effectively isolate the pit from Patterson Lake, a system of slurry walls is proposed to prevent the flow of subsurface water into the operation. Slurry walls have been used effectively in a number of northern Canadian mining projects, notably Diavik diamond mine and Meadowbank gold mine.

- The slurry wall will completely circumnavigate the mining operation (including the shore-based portion), with a total linear length of approximately 3,300 m. The slurry wall is planned to be one metre thick, with average depths of 60.7 m from the working surface.

- After completion of the slurry wall, the enclosed pit will be dewatered. An assumption has been made that the pumped water will be of an equivalent quality to the surrounding lake and as such no allowance has been made for the treatment of this water. The enclosed open pit contains an estimated 17.4 million m3 of water, which, it has been estimated, will take one year to pump out. The development of the dyke and slurry wall as well as the dewatering of the enclosed area is estimated to occur over a three year period.

- Mining of mineralised material and uranium-bearing waste is proposed to be carried out by the owner whilst the overburden stripping and barren waste mining will be done exclusively by contractor. The combination of owner-operated mining and contractor mining will be carried out using conventional open pit methods and is considered reasonable.

- Pit optimization analysis was conducted for the PEA to determine the economics of extraction by open pit methods. The key criteria in selecting the open pit shell were that it captured the high-grade pods and minimised the length of the slurry wall in order to contain capital costs.

The economic viability of mining different pit dimensions is highly dependent upon the input assumptions used and whilst RPM considers the PEA input parameters to be reasonable, reviews and updates will be required at key project decision points as part of various trade off studies including but not limited to underground operating costs and capital requirements of the slurry and dyke system.

- The proposed mining method for the underground mining is longhole retreat with both transverse and longitudinal approaches being applied. Transverse mining makes up the majority of the planned mining on the west and middle areas of the mineralised body whilst longitudinal mining will be conducted in the narrow lenses in the east end of the Deposit.

- Cut-off grades for underground stope design were established using preliminary cost estimates for mining, processing, and general and administration. After completing the cost estimate contained within the PEA, the underground mining cut-off grade, on a break-even basis, was estimated to be approximately 0.25% U_3O_8. In the current mining plan, there are some stopes grading between 0.1% U_3O_8 and 0.25% U_3O_8, which could be considered marginally economic. It is recommended that further stope grade optimization be carried out in future studies. This optimization may result in reduced ROM tonnes at a higher grade.

- RPM considers the metallurgical testwork completed to date to be adequate for a preliminary evaluation of the leaching characteristics of the potential ore. The required grind, the amount of acid and oxidant required and the temperature and retention time for leaching that have been determined, and are considered sufficiently accurate to support the current level of design. Furthermore, the leach conditions proposed fall in line with other uranium operations in the Athabasca Basin. At this point, comminution testwork has not been completed and selection of the crushing and grinding process cannot be defined with sufficient confidence.

- Additional metallurgical testwork will be completed at the next study phase to support the design of the CCD thickeners, the solvent extraction plant, yellowcake precipitation, molybdenum removal, tailings neutralisation and the thickening process. Further leach tests and gold recovery tests should also be performed.

- It is proposed to apply a process system based on unit processes widely used in uranium plants across the world. Latest technology to improve plant performance has been considered but full adoption of these processes and their efficiency gains can only be confirmed at the engineering level design phase.

- The plant is expected to operate at 1,000 tonnes per day or 350 ktpa, with head grades varying from 2.26% U_3O_8 in the first year of operation, to 0.39% U_3O_8 in the last year of operation (Year 14). Annual U_3O_8 production varies from about 14 M lbs per year at the start of the project to about 3 M lbs per year at the end of the life of the mine. Overall processing recovery is estimated to be 95.25%.

- Metallurgical tests established that gold in the feed material would be approximately 1.1 g/t. RPM considers that gold could be recovered and recommends further testing and evaluation to determine if gold recovery would improve the economics of the project. The recovery of gold is not currently included in the process design or economic analysis.

- Over the course of the operation of the mine, 4.8 Mt of material will be treated in the concentrator. All but 1% of this material will be directed to the tailings storage facility (TSF). The precipitate created by the neutralisation of unreacted sulphuric acid, and other precipitates will also report to the TSF. The combined material will probably have a total volume in excess of two million cubic metres.

Costs

- The PEA includes estimates for life of mine capital and operating costs which are considered to have an accuracy range of 35%. The cost estimates were based on a range of sources including comparable projects, subscription based cost services and budgetary quotes from vendors and contractors in additional to RPM internal database.

- Estimated capital to construct the Project and achieve full production at the time of this Report is approximately Canadian Dollar ("C$") 1,173.4 million. In addition to the initial capital outlay the Life of Mine sustaining capital has been estimated at C$ 210.5 million over the 14 years including closure costs. Significant direct capital item include C$ 248 million for the dyke and slurry wall construction, C$ 225.6 million for the process plant (and general process infrastructure) and C$ 140.6 million for associated infrastructure. An owner's contingency of 24% has been allowed for in the capital cost estimate totalling C$ 212.5 million.

- Forecast Total Project Operating Costs (excluding tax, royalties and Amortisation and Depreciation) average C$ 18.73/pound ("lbs") of U_3O_8 over the Life of Mine. These costs include a LOM combined open cut and underground mining operating cost of C$ 8.1/lbs U_3O_8 and a processing cost of C$ 6.7/lbs U_3O_8. The remainder of the operating cost is made up of G & A totalling C$ 4.0/lbs U_3O_8. A detailed breakdown is supplied in **Section 11**.

- Costs associated with furthering the studies on the Project through to Pre Feasibility and ultimately Feasibility study levels have been estimated at C$ 26 million and are not included in the capital estimate presented above.

Environment & Social

- The Project represents a new mining camp in Saskatchewan in a new area, and as such will garner some additional scrutiny as the first new project on the west side of the province since Cluff Lake, which is now decommissioned. The potential impacts from a uranium project in northern Saskatchewan are reasonably well known and with regulatory oversight from both the federal and provincial governments, actual performance of modern uranium mines has been very good. With some exceptions, the regulatory processes will be the same for most of the potential project variations (e.g. the hybrid open pit-underground variation used as the basis for the PEA).

- Work to date has included surface water hydrology, water quality, aquatic environment, terrestrial environment, and a site condition and reclamation report. Hydrologic monitoring stations were established at the inflow and outflow to Patterson Lake, and the 1:100 year high and low flows were predicted to be 2.93 m^3/s to 0.09 m^3/s. Lake water quality is excellent with COCs at or below detection levels, and subsequent monitoring has seen no change in water quality. The lake supports a healthy fish population and many of the areas that would potentially be disturbed have substrates suitable for fish breeding (e.g. rock and gravel).

- Consultation with the community through government and First Nations channels is a critical pathway to obtaining the relevant approvals to progress with the project. To date, two meetings have been held in La Loche: one meeting with First Nations, Métis and Town Council representatives preceded the start of the major drilling, and the second was a public meeting involving the community and other uranium exploration companies. Discussions and consultation will need to be undertaken with First Nations and Metis communities with an ongoing consultation plan in place prior to the submission of the Project proposal required to initiate the EA process.

- Baseline studies must be conducted on the major components of the environmental and social aspects of the project at sufficient detail to support the EA process. The baseline development is required to identify potential impacts and associated mitigations and this must be presented in the EA.

Key Opportunities

RPM considers that there are several opportunities within the Project. These include:

- **Resource expansion**: Within the currently defined resource area there remains reasonable prospect for the further delineation of resource including extensions to the R600W, extend and expand to the east the high grade core of R780E, test for additional high grade in the R1620E zone.

- **Regional Exploration Targets**: Geophysics has defined numerous conductor zones within the property boundaries. Many of these have been tested with only a single hole, many R00E zones were discovered from some of the holes. Mineralisation along many of these conductors has yet to be tested through drilling and so there remains additional potential within the lease.

- **Overburden Mining Costs**: Pumping of sand (dredging) during the dewatering may allow for a reduction in mining costs.

- **Optimize Open Cut Mining Fleet**: Further optimisation of the owner operated and contract mining fleet may reduce mining capital and operating costs.

- **Slurry Wall Costs**: Investigate geotechnical and hydrological parameters as well as trade off optimisation studies to reduce slurry wall construction costs.

- **Underground Mining Schedule**: optimisation of the stope design and scheduling of the underground mine area to better align with resource geometry and economic break even cut off grade is likely to reduce the overall LOM tonnes and increase the mined grade. This will improve the forecast margins for the underground.

- **R600W**: Accessing of the R600W area from the planned PLS underground may result in a significant increase in underground mining tonnes and associated grades due to the higher grade nature of this new resource area further increasing the current life of mine.

Key Risks

The key risks identified to the Project during the review are outlined below:

- **Technical studies for the Project are at a Preliminary Stage**: further studies will be required to confirm the technical characteristics of the project and to enable more detailed engineering design and cost estimation. As these additional technical studies progress, there may be material changes to the proposed mine development to what is currently outlined in the PEA and this CPR.

- **Project Development**: the Project development timeline may be significantly delayed should permitting and approval delays occur. RPM recommends that all required stakeholder engagement and baseline studies be commenced as soon as possible to reduce the impact of any delays.

- **Pit Slope Design**: slope stability for the open pit requires further test-work to determine reasonable slope angles. This is especially important given the depressurisation environment following de-watering of the open pit area. Currently geotechnical test work is limited and an assumption used for inter-ramp slopes is based on unconfined compressive strength testing of 54 rock samples and rock mass classification from one drill hole. This test work is considered to be at a conceptual level at this time.

- **Hydrological and Geo-technical Assessment**: further assessments are required to support the design and costing of the proposed dyke and slurry walls, the development and operation of the open pit and underground mines and critical surface infrastructure. These further assessments will be critical in determining the project development time frame, operating cost, capital costs and the life of mine design and schedule which may be materially different to those outlined in the current PEA.

- **Availability of a Suitable Mining Contractor**: engaging a suitable mining contractor for the first two years of the mining schedule to excavate a significant amount of over-burden is critical to reducing Project capital costs and to minimise the development time required to access the ore. However, it may be challenging to identify a suitable mining contactor willing to work in northern Canada.

- **Water In-Rush**: there is a risk of slurry wall or dyke failure. Depending on the cause and nature of the failure, this may have a significant impact on the overall viability of the project as well as present a major safety hazard to the workforce. Access to the underground mine will be via the open cut area, as such, there is a risk of flooding the underground workings in the event of a slurry wall and/or dyke failure.

- **Water Quality**: Ability to maintain regulatory compliant water quality of discharge. Discharged water must meet effluent criteria. Poor quality discharge could significantly impact the progress of the Project and delay development timelines and operating schedules.
- **Community**: development of strong relationship with the relevant stakeholders will be required to ensure agreement on land management and subsequent approval to mine.

RPM Qualifications and Experience

RPM's advisory division operates as independent technical consultants providing services across the entire mining life cycle including exploration and project feasibility, resource and reserve evaluation, mining engineering and mine valuation services to both the mining and financial services industries.

RPM is a market leader in the innovation of advisory and technology solutions that optimise the economic value of mining assets and operations. RPM has serviced the industry with a full suite of advisory services for over 45 years and is the largest publicly traded independent group of mining technical experts in the world having completed over 11,000 studies across all major commodities and mining methods, and worked in over 118 countries globally. This report was prepared on behalf of RPM by technical specialists, details of whose qualifications and experience are set out in **Appendix A**.

RPM has been paid, and has agreed to be paid, professional fees for its preparation of this report; however, none of RPM or its directors, staff or sub-consultants who contributed to this report has any interest or entitlement, direct or indirect in:

- the Company, securities of the Company or companies associated with the Company; or
- the right or options in the relevant Project.
- The work undertaken is an ITR of the information provided by or on behalf of the Company, as well as information collected during site inspections completed by RPM as part of the ITR process. It specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements/contracts that Company may have entered into.

RPM does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this report.

The title of this report does not pass to the Client until all consideration has been paid in full.

Drafts of this report were provided to the Client, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in the report.

Generally, the data available was sufficient for RPM to complete the scope of work. The quality and quantity of data available, and the cooperative assistance, in RPM's view, clearly demonstrated the Company's assistance in the ITR process. All opinions, findings and conclusions expressed in the report are those of RPM and its specialist advisors.

Yours faithfully,
Insert Signature

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Richard Kehmeier (Hong Kong Competent Person)
Chief Geologist – Consulting Services North America
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1 Introduction

Runge Asia Limited trading as RungePincockMinarco ("RPM") has been engaged by CGN Mining Company Limited (HK Ex. 1164) ("CGN" or the "Client") to undertake an Independent Technical Review ("ITR") and compile a Competent Person Report ("CPR" or the "Report"), as defined under Chapter 18 of the Rules Governing the Listing Rules of the Stock Exchange of Hong Kong (the "Listing Rules"), on the Patterson Lake South Project ("PLS", the "Project" or the "Property").

The Project is owned by Fission Uranium Corp (the "Company") and is a basement-hosted high-grade uranium deposit located in northern Saskatchewan Canada (**Figure 2-1**). The Project includes the "Triple R Deposit" (the "Deposit") on which a Mineral Resource has been estimated in July 2015 and a Preliminary Economic Assessment ("PEA") was published in September 2015 by Roscoe Postle Associates Inc. ("RPA"). Both of these studies were prepared under the recommendations of the CIM Standards and Guidelines and Canadian National Instrument 43-101. An additional 41 drill holes were completed at the Deposit in the northern hemisphere 'Summer Season' of 2015 and have been incorporated into the independent statement of Mineral Resources prepared by RPM as part of this CPR. To date the Project continues to be under an advanced exploration phase of development with further exploration drilling and studies planned.

The Client has conditionally agreed to acquire a minority shareholding in the Project through the acquisition of the issued share capital of the Company. The process and conclusions of the ITR are presented in the CPR which will be included in the Circular of the Client in relation to the transaction in accordance with Chapter 18 of the Listing Rules.

A combination of open pit and underground mining methods is planned to be applied to the Triple R Deposit, with operations commencing via conventional truck and shovel open pit methods which would continue for six years. Underground operations would commence in the final 2 years of open pit operations and continue for ten years resulting in a mine life 14 years (based on Mineable Quantities).

On-site activity is currently confined to exploration and preliminary environmental survey. Claims within the Patterson Lake South property total 31,039 hectares and are in good standing.

1.2 Scope of Work

RPM's scope of work included:

- Gathering of relevant information on the Project including resources and reserves information, LOM production schedules, and operating and capital cost information;
- Reviewing of the resources and reserves, including quantity and quality of drilling, reliability of data, and adequacy of resource and reserve estimation methods;
- Estimation of independent Mineral Resources (as defined in Appendix B) reported in compliance with the recommended guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), prepared by the Joint Ore Reserves Committee ("JORC");
- Estimation of updated schedules based on the Mineral Resource for the open cut portion of the Triple R Deposit. RPM has not updated the underground schedules at this time.
- Reviewing and commenting on forecast operating and capital expenditures in the relevant technical studies;
- Reviewing the Project short term and long term development plans;
- High level review of the environmental, health and safety risks and management plans for the Project; and
- Compilation of a CPR as defined under Chapter 18 of the Listing Rules.

1.3 Relevant Assets

The Project is located in northern Saskatchewan, Canada, approximately 550 km north-northwest of the city of Prince Albert and 150 km north of the community of La Loche. Claims within the Patterson Lake South property total 31,039 hectares and are in good standing. The target mineralised body and subject of this Report is located in claim S-111376 (refer ***Figure 2-1*** and ***Figure 2-2***).

1.4 Review Methodology

RPM's ITR methodology was as follows:

- Review existing reports and data;
- Conduct a Competent Person's site visit;
- Discussions with Project personnel of the Company prior to and following the site visit;
- Independent estimation and reporting of Mineral Resource in accordance with the guidelines of the JORC Code;
- Review of the PEA prepared by Roscoe Postle Associates Inc. ("RPA") in September 2015;
- Independent reporting of the open cut schedule; Preparation of a CPR and provision of drafts of the CPR to Project personnel to ensure factual accuracy and reasonableness of assumptions.

The comments and forecasts in the CPR are based on information compiled by enquiry and verbal comment from the Client and Project personnel from the Company. Where possible this information has been checked with hard copy data or by comment from more than one source. Where there was conflicting information or issues, RPM used its professional judgement to assess the issues.

1.5 Site Visits and Inspections

A visit to the Project site was conducted by members of the RPM team to familiarise themselves with the project characteristics. The site visit was undertaken on 19 November 2015 by Mr Richard Kehmeier and Dr Terry Brown (the "Site Visit Team"). During the site visits the Site Visit Team inspected the surface locality, drilling operations and current site infrastructure. They examined core, reviewed surface site for possible tailings and waste rock facilities, discussed hydrology and conducted a general question and answer session with Company personnel. The site visits were used to gain a better understanding of the Project status.

The Site Visit Team had open discussions with the Company personnel on technical aspects relating to the relevant issues. The Company's personnel were cooperative and open in facilitating RPM's work.

1.6 Information Sources

Several geology studies, project studies, design reports and their associated files were provided for the Project.

A key focus of the study was to review and comment on the Preliminary Economic Assessment ("PEA") completed by Roscoe Postle Associates Inc. ("RPA"), which is dated 14 September 2015.

The geological models associated with the PEA were updated with the latest drilling information from the 2015 exploration program. Mineral Resource estimates were based upon the updated geological models. Pit shells and designs from the PEA were not updated for the RPM assessment but an updated mining schedule, forecast operating and capital costs were applied based on the findings of RPM's review and the updated Mineral Resources.

A detailed list of the reports and information reviewed is outlined in **Annexure D**.

1.7 Competent Person and Responsibilities

The statements of Mineral Resources have been reported in accordance with the recommended guidelines of the JORC Code 2012 and are suitable for inclusion in a CPR as defined by Chapter 18 of the Listing Rules.

1.7.1 Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Richard J. Kehmeier. Mr Kehmeier is a full-time employee of RPM and a Licensed Professional of the American Institute of Professional Geologist (C.P.G 10879), Fellow of the Society of Economic Geologists and Member of the Geological Society of Nevada.

Mr. Kehmeier has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person for Mineral Resources as defined in the JORC Code.

Insert Signature

………………………

Richard J. Kehmeier (Competent Person – Mineral Resources) (C.P.G)

1.7.2 HKEx Competent Person

Richard J. Kehmeier, C.P.G., Chief Geologist for American Operations at RPM, (首席地質師-C.P.G-美國地區) meets the requirements of a Competent Person, as defined by Chapter 18 of the Listing Rules. These requirements include:

- Greater than five years' experience relevant to the type of deposit;
- Licensed Professional of the American Institute of Professional Geologist – C.P.G 10879, Fellow of the Society of Economic Geologists and Member of the Geological Society of Nevada
- Does not have economic or beneficial interest (present or contingent) in any of the reported Relevant Assets;
- Has not received a fee dependent on the findings outlined in the Competent Person's Report;
- Is not an officer, employee or proposed officer for the Client or any group, holding or associated company of the issuer, and
- Assumes overall responsibility for the Competent Person's Report.

Insert Signature

………………………

Richard J. Kehmeier (Hong Kong Exchange Competent Person) (C.P.G)

Mr. Kehmeier is currently RPM's Chief Geologist for Consulting Services for the Americas, He has been employed by RPM for 5 years. During his career he has been in charge and/or involved with uranium and other metaliferrous projects driving exploration concepts through to discovery and feasibility for over 45 years. Specific uranium experience includes close involvement with the discovery, exploration and development of seven sedimentary hosted uranium projects across Utah, Wyoming and New Mexico as well as exploration assessment of iSA Projects and conducting exploration for high grade vein-type uranium deposits in Precambrian rocks in the core of the Rocky Mountains. Sedimentary hosted uranium projects are similar in style to the mineralisation at the Project under review.

Beyond uranium Mr Kehmeier has discovered or caused to be discovered by managed exploration programs over 15 million ounces of gold and over a billion pounds of copper in multiple deposits in varied geologic and political environments. Experience includes feasibility and pre-feasibility studies, numerous preliminary economic evaluations, developing CAPEX and OPEX costs for open pit (large and small) and underground narrow vein mines, and authoring numerous 43-101 reports on gold, copper and uranium properties and acting as the QA/QC reviewer for all RPM NI 43-101 reports. He has achieved positions of progressive responsibility ranging from Mine Geologist to Vice President, Exploration to Chief Geologist.

In preparing the HKEx CPR for the PLS property which includes JORC Resource Statements, Mr. Kehmeier adhered to RPM's internal quality assurance and quality control process for public reports. This ensures that the report was peer reviewed by experts who have extensive experience in reporting to the HKEx requirements and to JORC requirements. RPM's Independent Public Reporting Capability Management has been established by RPM as part of its Capability Leadership Model to serve as both guidelines for and to provide assistance with the preparation of public reports by setting standards and processes for technical risk management, internal compliance and control policies and procedures for Public Reporting. These guidelines also serve to ensure that RPM applies consistency in the approach taken for public reporting globally. RPM have a strong history of successfully preparing JORC and HKEx compliant Competent Persons' Reports (See Annexure A).

Table 1-1 – HKEx CP Experience List

Report Date	Company	Place of listing of Company	Mineral	Reporting Standard	Level of Involvement
January 2011	Yamana Resources	Toronto Stock Exchange	Cu-Mo (porphyry)	NI 43-101	"Qualified Person", as defined under Canadian National Instrument 43-101 and was the lead author of the report, taking overall responsibility.
November 2011	HudBay-Lalor Project	Toronto Stock Exchange	Pd, Zn, Cu, Au (massive sulfide)	NI 43-101	Overall responsibility of providing independent technical project review for lenders
April 2013	Eastern Resources	Vancouver Stock Exchange	Zn, Au (porphyry)	NI 43-101	Overall responsibility of providing independent technical project review for lenders
March 2013	Paladin Mining	Australian Stock Exchange	uranium (calcrete)	JORC	Overall responsibility of providing independent technical project review for potential acquisition
March 2013	Rio Novo	Vancouver Stock Exchange	Gold (High-grade veins)	NI 43-101	Overall responsibility a compliant feasibility study
March 2013	Eurasian Minerals	Toronto Stock Exchange and New York Stock Exchange	Au (epithermal veins)	NI 43-101	Overall responsibility of providing independent technical project review for owner to present to the Haitian government
June 2013	Romarco Minerals	Toronto Stock Exchange	Gold (open pit)	NI 43-101	Overall responsibility of providing independent technical project review for lenders
Sept 2014	Nevada Copper	Toronto Stock Exchange	Copper (Porphyry)	NI 43-101	Overall responsibility of providing independent technical Due Diligence Review for lenders
July 2015	Pretium Resources	Toronto Stock Exchange	Gold (high grade underground)	NI 43-102	Overall responsibility of providing independent technical Due Diligence Review for lenders

1.7.3 Team Responsibility

Team members who have worked to compile this report include the following:

- Mr Richard Kehmeier – Richard was responsible for project management of the technical review team;
- Mr John Zeise – John was responsible for the geological database review and assisting with the preparation of the Independent Mineral Resource Statement;
- Mr Harry Ewaschuk – Harry was responsible for review of the processing aspects of the Project;
- Mr Terry Brown – Terry was responsible for the review of the environmental and social aspects of the Project;
- Mr Joe McDiarmid – Joe was responsible for the review of the underground mining plans and associated cost information; and,
- Mr Paul Gates – Paul was responsible for review of the open pit mining plan and cost information.

1.8 Limitations and Exclusions

RPM's review was based on various reports, plans and tabulations provided by CGN or the Company either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the CGN or the Company. Neither CGN nor the Company have advised RPM of any material change, or event likely to cause material change, to the operations or forecasts since the date of asset inspections.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

RPM has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing producers around the world. RPM strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the Relevant Asset in the market, and the fundamentals of the uranium and gold markets at large.

1.8.1 Limited Liability

This Report has been prepared by RPM for the purposes of CGN for inclusion in its Circular in respect of the proposed acquisition of part of the Project in accordance with the Listing Rules and is not to be used or relied upon for any other purpose. RPM will not be liable for any loss or damage suffered by a third party relying on this report or any references or extracts therefrom contrary to the purpose (regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise) unless and to the extent that RPM has consented to such reliance or use.

1.8.2 Responsibility and Context of this Report

The contents of this Report have been based upon and created using data and information provided by or on behalf of CGN or the Company. RPM accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from CGN, the Company or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by RPM in good faith using information that was available to RPM as at the date stated on the cover page and is to be read in conjunction with the circular which has been prepared and forms part of the referenced transaction.

This report contains forecasts, estimates and findings that may materially change in the event that any of the information supplied to RPM is inaccurate or is materially changed. RPM is under no obligation to update the information contained in the report.

Notwithstanding the above, in RPM's opinion, the data and information provided by or on behalf of CGN or the Company was reasonable and nothing discovered during the preparation of this Report suggests that there was a significant error or misrepresentation of such data or information.

1.8.3 Indemnification

CGN has indemnified and held harmless RPM and its subcontractors, consultants, agents, officers, directors, and employees from and against any and all claims, liabilities, damages, losses, and expenses (including lawyers' fees and other costs of litigation, arbitration or mediation) arising out of or in any way related to:

- RPM's reliance on any information provided by CGN and the Company; or
- RPM's services or materials; or
- Any use of or reliance on these services or material,

save and except in cases of death or personnel injury, property damage, claims by third parties for breach of intellectual property rights, gross negligence, wilful misconduct, fraud, fraudulent misrepresentation or the tort of deceit, or any other matter which be so limited or excluded as a matter of applicable law (including as a Competent Person under the Listing Rules), and regardless of any breach of contract or strict liability by RPM.

1.8.4 Mining Unknown Factors

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of the operator, or any other related business unit, to achieve forward looking production and economic targets is dependent upon numerous factors that are beyond RPM's control and which cannot be fully anticipated by RPM. These factors include site specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

1.8.5 Capability and Independence

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets of the Project by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of RPM and its specialist advisors.

Drafts of this Report were provided to CGN, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. Its remuneration is not dependent upon the findings of this Report or on the outcome of the transaction.

None of RPM or its directors, staff or specialists who contributed to this Report have any economic or beneficial interest (present or contingent), in:

- the Project, securities of the companies associated with the Project or that of CGN; or

- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This CPR was compiled on behalf of RPM by the signatories to this CPR, details of whose qualifications and experience are set out in Annexure A of this CPR. The specialists who contributed to the findings within this CPR have each consented to the matters based on their information in the form and context in which it appears.

2 Project Overview

The Project in contained with multiple claims which have a total area of 31,039 Ha and includes the Triple R Deposit which is a basement-hosted high-grade uranium deposit. The Triple R Deposit and primary focus of this Report is located in claim S-111376 (***Figure 2-2***).

Extensive exploration has been conducted on the Project, including radon and ground radiometric surveys, MEGATEM magnetic and electromagnetic airborne surveys, trenching and boulder surveys. In addition lake-bottom spectrometer surveys have been completed. Although remote surveys were first conducted in 1969 it was not until 1977 that ground electro-magnetic ("EM") surveys delineated the Patterson Lake Conductor Corridor that traverses the centre of Patterson Lake on claim S-111376, and extends onto claim S-111375.

Subsequent exploration work has delineated mineralisation that extends approximately 350 m below the surface of Patterson Lake which averages 20 meters in depth. As shown on ***Figure 2-3*** the mineralisation occurs in three distinct areas along the strike of the mineralised body described from west-to-east as R600W, R00E and the Main body (R780E). The Main body extends from station 240E to 1140E of the North-South discovery line at 597,800East.

The Main body portion of the mineralised zone is dominated by a continuous low grade Main Zone (MZ) domain with subsidiary separate low-grade domains. A discontinuous High Grade (HG) core of mineralisation with a low-end grade cut-off of 5% U_3O_8 is encompassed within the Main Zone. This high-grade core also occurs in the R600W_HG deposit.

2.1 Project Location and Access

The Project consists of a number of high-grade uranium deposits located approximately 550 km north-northwest of the city of Prince Albert, Saskatchewan (**Figure 2-1**). Prince Albert is serviced by multiple flights daily from Saskatoon, the capital city of Saskatchewan. The PLS Property is accessible by driving northward from Prince Albert along paved Highway 155 for a distance of approximately 300 km to the community of La Loche. At La Loche, the all-weather gravel Highway 955 (Cluff Lake Mine Road) heads northwards and enters the PLS Property at the 144 km marker. Highway 955 bisects the property in a north-south direction. Two four-wheel drive roads branch off from Highway 955 allowing access to the east and west halves of the property.

The property is located within 1:50,000 scale NTS map sheets 74F/11 (Forrest Lake) and 74F/12 (Wenger Lake and has the Universal Transverse Mercator (UTM) co-ordinates for the approximate centre of the property of 600,000mE, 6,387,500mN (NAD83 UTM Zone 12N).). The Projects claims are irregularly shaped and extends for approximately 29 km in the east-west direction and for approximately 19 km in the north-south direction (**Figure 2-2**). Triple R Deposit is located in the north central portion of the claims (**Figure 2-2**) and have central UTM coordinates of 598,000mE, 6,390,000mN (NAD83 UTM Zone 12N).

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Figure 2-1 – Location

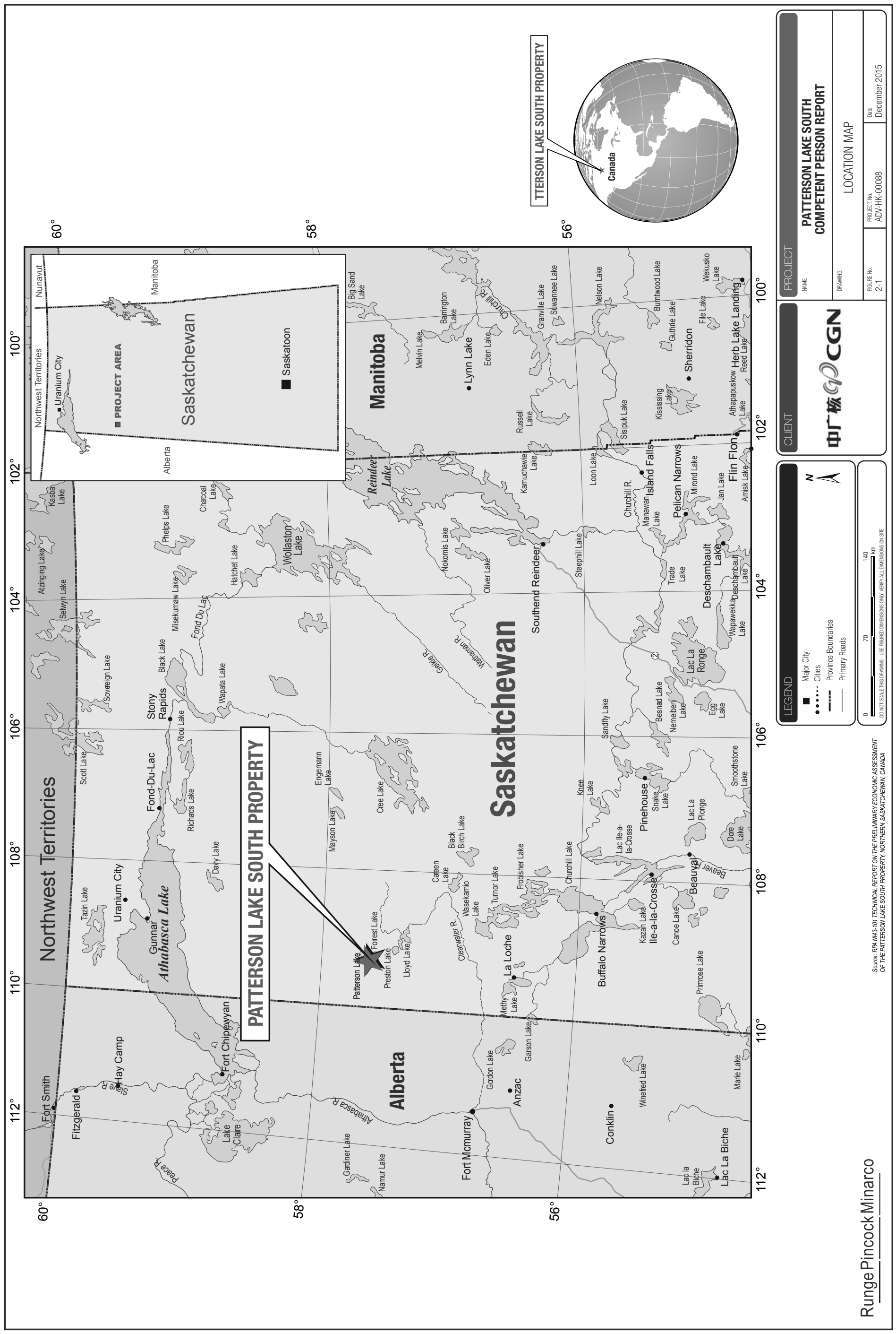

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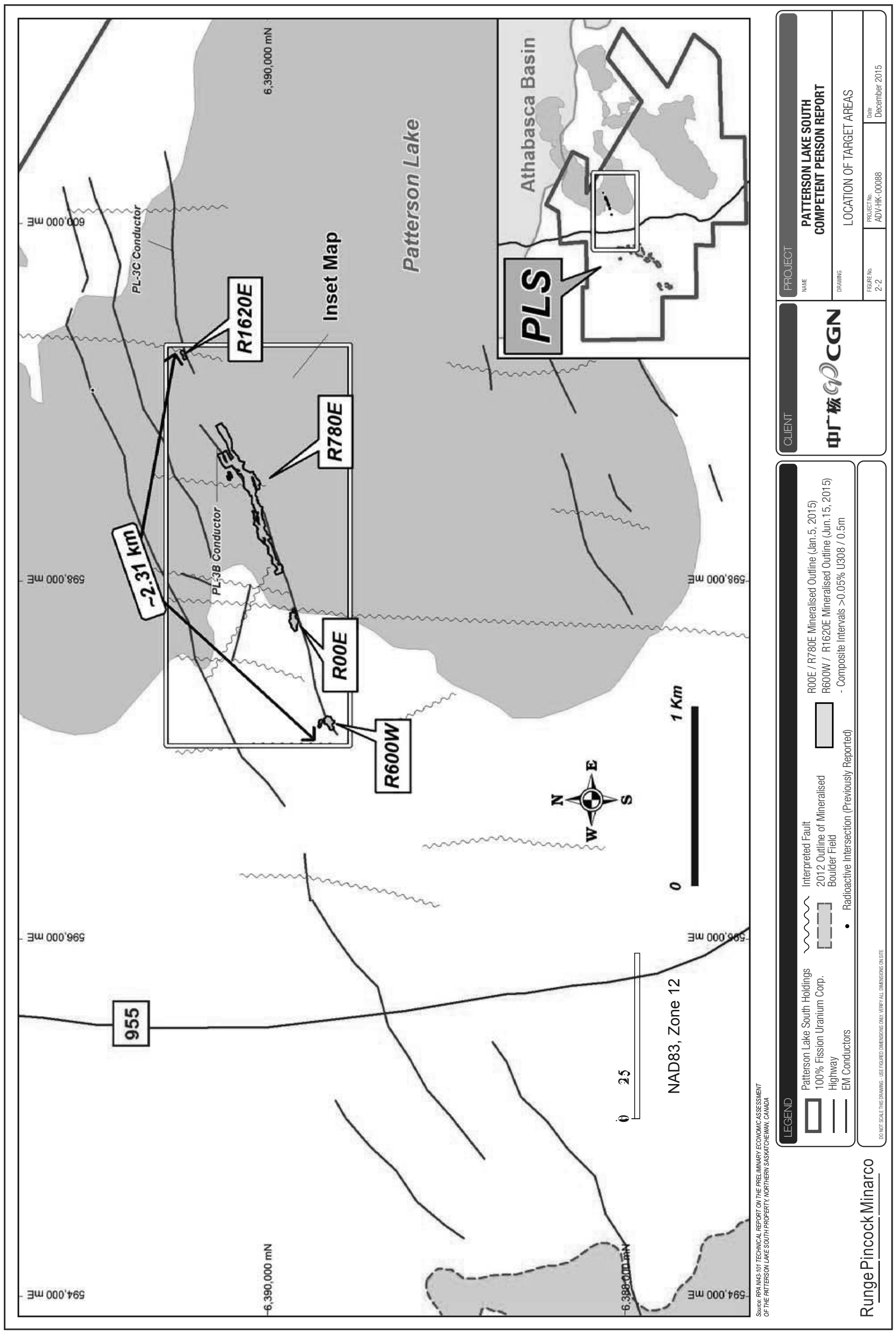
Figure 2-2 – Claim Map



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2.2 Regional Environment

2.2.1 Geography

The topography of northern Saskatchewan is characterized by low hills, ridges, drumlins, and eskers, with lakes and muskeg common in the low-lying areas. Outcrop of the underlying Athabasca sandstone and basement rocks is rare. Numerous lakes and ponds generally show a north-easterly elongation imparted by the most recent glaciation with elevation varying between 500 meters above sea level (masl) and 565 masl.

The typical soil coverage of loamy, grey soils generally produces taller trees which resulting in Aspen, white spruce, jack pine, black spruce, and tamarack being common.

Wildlife consists of moose, woodland caribou, mule deer, white-tailed deer, elk, black bear, timber wolf, and beaver. Birds include white-throated sparrow, American redstart, bufflehead, ovenbird, and hermit thrush. Fish include northern pike, pickerel, whitefish, lake trout, rainbow trout, and perch.

2.2.2 Climate

The PLS Property is located within the Mid-Boreal Upland Ecoregion of the Boreal Shield Ecozone (Marshall and Schutt, 1999). The summers are short and cool and the winters are long and cold resulting in the ground snow coverage for six to eight months of the year. The ecoregion is classified as having a sub-humid high boreal ecoclimate with the climatic data for the two most proximal Environment Canada weather stations summarised in Table 2-1.

Table 2-1 – Climate Data

	Cliff Lake (SK) 58°22'N 109°31'W	**Fort Chipewayan (AB) 58°46'N 111°07'W**
Mean January temperature	-20.4°C	-21.9°C
Mean July temperature	16.9°C	14.1°C
Extreme maximum temperature	36.0°C	34.7°C
Extreme minimum temperature	-49.0°C	-50.0°C
Average annual precipitation	451.0 mm	365.7 mm
Average annual rainfall	N/A	250.4 mm
Average annual snowfall	162.8 cm	116.9 cm

Despite the harsh conditions, drilling and geophysical surveys can be performed year round. Surface geochemical surveys are generally restricted to the snow free months.

2.3 Regional and Local Infrastructure

Various services are available at La Loche including temporary accommodations, fuel, and emergency medical services while a greater range of services is available at Prince Albert. Fixed wing aircraft are available for charter at Fort McMurray in Alberta, and Buffalo Narrows, La Loche, and La Ronge in Saskatchewan. Helicopters are available for charter at Fort McMurray and La Ronge. With the exception of all-weather gravel Highway 955, there is no permanent infrastructure within the Project.

2.4 Exploration History

Extensive exploration has been conducted on the property, including radon and ground radiometric surveys, MEGATEM magnetic and electromagnetic airborne surveys, trenching and boulder surveys. In addition lake-bottom spectrometer surveys have been completed. Numerous conductors have been identified on the property beyond the identified deposits and some drilling has been completed to gain physical information on these features. Drilling has to date identified potential mineralisation on at least two other conductors besides the main mineralisation zone.

The following description of historic exploration work conducted on the PLS Property and its immediate vicinity is taken from Armitage (2013).

The Property was geologically mapped as part of a larger area by W.F. Fahrig for the Geological Survey of Canada (GSC) in 1961 (Hill, 1977). Another geological mapping project completed in 1961 by L.P. Tremblay of the GSC covered the property and Firebag River Area at a scale of four miles to the inch (Hill, 1977).

In 1969, photogeologic mapping and airborne radiometric and magnetic surveys were completed on the property for Wainoco Oil and Chemicals Ltd. The surveys did not detect any notable structures or anomalies (Atamanik, Downes and van Tongeren, 1983).

CanOxy completed extensive exploration on and around the property from 1977 to 1981. Exploration comprised an airborne Questor INPUT electromagnetic (EM) survey; ground horizontal loop EM (HLEM) and magnetic geophysical surveys, geological, geochemical, alphameter (radon), and radiometric surveys; and diamond drilling.

In 1977, CanOxy discovered a very strong six station alphameter (radon) anomaly with dimensions of 1.2 km by 1.7 km on what is now claim S-111375. This anomaly coincides with high uranium in soil values and anomalous scintillometer (radiometric) values. It was suggested that this alphameter anomaly was responding to radioactive exotic boulders within the till of the Cree Lake Moraine, however, no follow-up work was done (Hill, 1977). CanOxy's 1977 ground EM survey delineated the Patterson Lake Conductor Corridor that traverses the centre of Patterson Lake on claim S-111376, and extends onto claim S-111375. Several disrupted conductors and inferred cross cutting features were identified as priority 1, 2, and 3 drill targets on claim S-111376.

CanOxy drill hole CLU-12-79 was positioned based on an airborne EM conductor, which was later refined by ground EM surveys. This drill hole is located on the northernmost conductor of the Patterson Lake conductor corridor, and is on the west shore of Patterson Lake within claim S-111376. Drill hole CLU-12-79 was highlighted by a 6.1 m wide sulphide-graphite "conductor" that contained anomalous uranium, copper, and nickel concentrations. Strong hematite and chlorite alteration was observed in the regolith and fresh basement rock, and two curious spikes in radioactivity occur in the fresh basement lithologies (Robertson, 1979).

Significant exploration and resource drilling campaigns were completed from 2007 onwards. As of December 1st, 2015 the Company and its predecessors have completed 166,700 m of drilling in 528 holes on the PLS Property, of these, 341 holes for 113,192m are located within the Triple R deposit area. The remainder of the holes are exploration holes within the Project boundary but outside of the Triple R Deposit area.

The summer 2015 drill results included 41 new holes for 12,464.5m of drilling within the Triple R Deposit area which extended mineralisation in the R600W zone, in the R780E zone, discovered the R1620E, and defined mineralisation and favourable geology in conductor zone PLG-1B and PLG-3A. 10,000m of drilling is planned for winter 2016 to extend the R600W area, expand the high grade core of R780E to the east, test for additional high grade in the R1520E zone and follow up favourable exploration results on PLG-1B and PLG-3A. Fission Uranium anticipates the winter 2016 program may double depending on results.

2.5 Mining History

There has been no production from the PLS Property as of the effective date of the report.

2.6 Future Studies

A drilling program is planned for the winter of 2016 to follow up on successes identified in the summer drilling program of 2015. The Company plans to drill a minimum of 10,000 m to expand the R600W zone, expand the R780E zone to the east and at depth, further test the R1620E zone and follow up on anomalous mineralisation and favourable geology on the PLG-1B and PLG-3A conductors. If initial drilling is favourable, Fission indicated they may double the metres drilled. Success in this drilling could prove to make major modifications in the mine plan from the PEA to a PFS. There are good prospects that additional exploration can identify additional resources and so sufficient drilling should be completed to define the limits of the known mineralisation prior to completion of a PFS.

In order to complete a Pre-feasibility Study (PFS) and Feasibility Study as required for the reporting of Ore Reserves under the recommendations of the JORC Code 2012, additional drilling, metallurgy, geotechnical studies, environmental studies and more-detailed mine design work will be required. The estimated budget for this work is C$ 26 million.

3 Licences and Permits

3.1 Mineral Concessions and Surface Rights

As shown on ***Table 3-1*** the PLS Property consists of 17 contiguous mineral claims in good standing covering an area of 31,039 ha.

RPM provides this information for reference only and recommends that potential investors refer to the legal due diligence included in the Circular and that land titles and ownership rights be independently reviewed by legal experts.

Table 3-1 – Mineral Claims

Claim No.	Effective Date	Anniversary Date	Good Standing Date
S-110707	28-Mar-07	27-Mar-16	25-Jun-36
S-110956	31-May-07	30-May-16	28-Aug-36
S-111375	13-Jun-08	12-Jun-16	10-Sep-36
S-111376	13-Jun-08	12-Jun-16	10-Sep-36
S-111377	13-Jun-08	12-Jun-16	10-Sep-36
S-111783	30-Apr-04	29-Apr-16	28-Jul-36
S-112217	13-Dec-11	12-Dec-15	12-Mar-22
S-112218	13-Dec-11	12-Dec-15	12-Mar-22
S-112219	13-Dec-11	12-Dec-15	12-Mar-22
S-112220	13-Dec-11	12-Dec-15	12-Mar-22
S-112221	13-Dec-11	12-Dec-15	12-Mar-23
S-112222	13-Dec-11	12-Dec-15	12-Mar-22
S-112282	22-Jun-11	21-Jun-16	19-Sep-35
S-112283	22-Jun-11	21-Jun-16	19-Sep-23
S-112284	22-Jun-11	21-Jun-16	19-Sep-35
S-112285	22-Jun-11	21-Jun-16	19-Sep-22

As of June 30, 2015, assessment credits totalling C$8,900,780.90 were available for claim renewal. Assessment credits totalling C$465,585 are required to renew the property claims upon their respective annual anniversary dates. In the absence of sufficient assessment credits, there is a provision in Saskatchewan to keep the claims in good standing by making a deficiency payment or a deficiency deposit. In Canada, natural resources fall under provincial jurisdiction. In the Province of Saskatchewan, the management of mineral resources and the granting of exploration and mining rights for mineral substances and their use are regulated by the Crown Minerals Act and The Mineral Tenure Registry Regulations, 2012, that are administered by the Saskatchewan Ministry of the Economy. Mineral rights are owned by the Crown and are distinct from surface rights. Fission Uranium does not currently have surface rights associated with the PLS Property. In Saskatchewan, a mineral claim does not grant the holder the right to mine minerals. A Saskatchewan mineral claim in good standing can be converted to a lease upon application. Leases have a term of 10 years and are renewable. A lease proffers the holder with the exclusive right to explore for, mine, work, recover, procure, remove, carry away, and dispose of any Crown minerals within the lease lands which are nonetheless owned by the Province.

Surface facilities and mine workings are therefore located on Provincial lands and the right to use and occupy lands is acquired under a surface lease from the Province of Saskatchewan. A surface lease carries a maximum term of 33 years, and may be extended as necessary, to allow the lessee to develop and operate the mine and plant and thereafter to carry out the reclamation of the lands involved. There are no known royalties or other encumbrances on the property. Fission uranium owns the property 100% subject to Provincial and Federal statutes.

4 Geology

The bulk of the geology information has been summarised from the Preliminary Economic Assessment ("PEA") completed by Roscoe Postle Associates Inc. ("RPA"), which is dated 14 September 2015.

4.1 Geologic Environment

4.1.1 Regional Geology

The Athabasca Basin is the most significant uranium metallogenic district in Canada and covers an area greater than 85,000 sq.km in northern Saskatchewan and north-eastern Alberta, ***Figure 4-1***. The basin itself is a relatively undeformed and unmetamorphosed clastic sequence of Paleoproterozoic to Mesoproterozoic rocks known as the Athabasca Group, lying unconformably on the deformed and metamorphosed rocks of the Western Churchill Province of the Archean Canadian Shield.

Detrital zircon geochronology constrains the age of the basin to between 1,760 and 1,500 Ma (Helikian stage). A maximum depth of 1,500 m has been established through diamond drilling, whereas seismic survey data indicates a maximum depth of approximately 1,700 m. The Athabasca Basin is interpreted to have been filled over a 200 Ma period in four major deposition sequences which coalesced into a single basin. The sediments are dominated by variably hematised, siliciclastic, conglomeratic sandstone.

The east-west elongate Athabasca Basin lies astride two subdivisions of the Western Churchill Province, the Rae Subprovince (Craton) on the west and the Hearne Subprovince (Craton) to the east, ***Figure 4-1***. These are separated by the northeast trending Snowbird Tectonic Zone, which beneath the Athabasca Basin is called the Virgin River-Black Lake shear zone. In the western Athabasca Basin, where the PLS Property is located, lithologies belonging to the Lloyd Domain of the Talston Magmatic Zone (TMZ) underlie the Athabasca Basin. The TMZ is dominated by a variety of plutonic rocks and an older basement complex. The basement complex varies widely in composition from amphibolites to granitic gneisses to high grade pelitic gneisses.

Major fault zones in the basement are generally northeast to east trending and include the Snowbird Tectonic Zone, Grease River shear zone, Black Bay fault, Cable Bay shear zone, Beatty River shear zone and Tabbernor fault zone ***Figure 4-1***.

A paleo-weathered zone exists at the basal unconformity between the Helikian sandstone and the crystalline basement. The zone extends from a few centimetres to over 220 m into the basement particularly in faulted zones. The paleo-weathering displays a gradational sequence with depth of pervasive hematization to chloritization to fresh basement. A thin zone of late stage bleaching occurs locally directly below the unconformity.

4.2 Stratigraphic Sequence

4.2.1 Quaternary

The thickness of Quaternary sediments throughout the Athabasca Basin is highly variable, ranging from 0m around Key Lake to over 100 m at McArthur River. Bedrock is rarely exposed throughout the Athabasca Basin with Quaternary material covering almost the entire land surface.

Drumlins, eskers and other glacial landforms dominate the landscape and generally show a north-easterly orientation.

Pleistocene overburden covers the entire PLS property with thicknesses ranging from 50 to 100 m. Drumlins and glacial striations in the area show a general ice direction of southwest.

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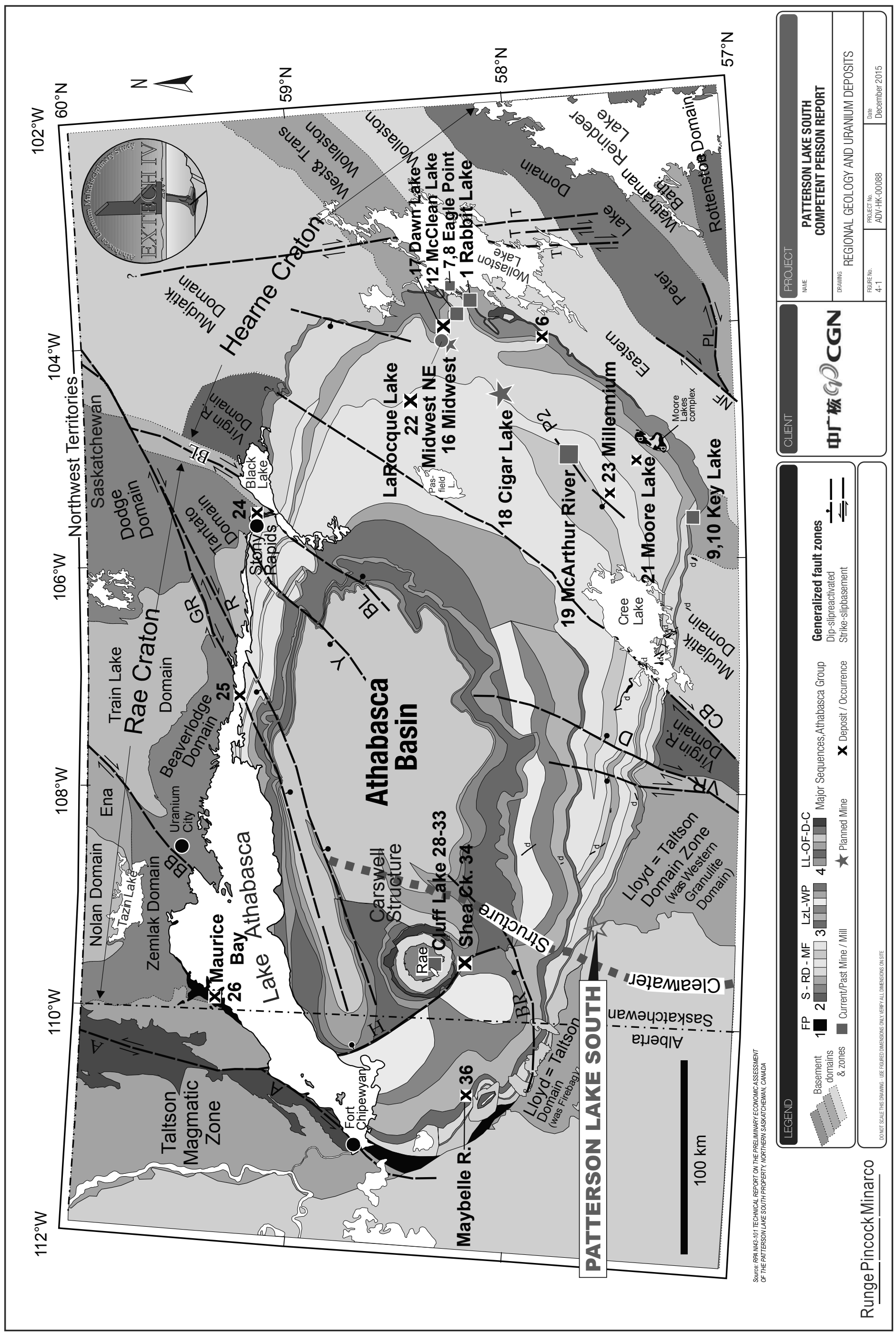
Figure 4-1 – Regional Geology & Uranium Deposits



Regolith underlies and is distributed approximately parallel to the Pleistocene overburden and Cretaceous sediments. Where regolith is strongly developed, the upper 10 m is often strongly hematite stained. A highly altered "green zone" is below the hematized zone, which is mostly chlorite. Composition of the regolith comprises disaggregated quartz grains set in a pale green to red hematite stained, fine-grained chlorite, clay mineral, sericite groundmass.

4.2.2 La Roche Formation Devonian Sandstone

The sandstone is generally medium-grained, brown in colour when fresh, and contains poorly sorted sub-angular basement and Athabasca sandstone clasts. The thickness ranges from tens of centimetres to over 10 m over the PLS Property and is thickest in the R00E and R780E mineralised zones.

4.2.3 The Athabasca Basin Sequence

The Athabasca Basin Sequence ***Figure 4-1*** overlies the basement rocks of the Clearwater Domain, of the Rea province, ***Figure 4-2*** and is briefly described in ascending stratigraphic order in this section.

- The Clearwater Domain is bordered by the Firebag Domain to the West and the Lloyd Domain to the east.
- The lithological units recognized in the Clearwater Domain are: equigranular granite, porphyritic granite and felsic gneisses which are overlain by a younger metasedimentary unit. The domain is characterized by a prominent regional linear magnetic feature that is associated with a gravity low.
- The Fair Point Formation (see FP in legend of ***Figure 4-1***), is the basal formation for much of the western Athabasca Basin, filling much of the Jackfish Basin. The south eastern extent of the formation is bound by the Grease River Fault. The Fair Point Formation consists of conglomeratic quartz-rich sandstone with abundant clay matrix.
- The Manitou Falls Formation (see MF in legend of ***Figure 4-1***), lies unconformably on top of the crystalline basement for most of the Athabasca Basin, and the Fair Point Formation in the northwest. The Manitou Falls Formation consists of sandstone and sandstone with pebble beds and occasionally, thin, well laminated fine sand to mudstone beds.
- The Lazenby Lake Formation (see LZ in legend of ***Figure 4-1***), is a sandy and pebbly unit that overlies the Manitou Falls Formation. It is restricted to the southwest portion of the Athabasca Basin.
- The Wolverine Point Formation (see W in legend of ***Figure 4-1***), lies conformably above the Lazenby Lake Formation and unconformably above the Manitou Falls Formation. The Wolverine Point Formation is distinguished by the presence of mudstones and claystone interbedded within sandstone. Due to the friable nature of the claystone, the Wolverine Point Formation corresponds to topographic lows where it approaches the surface.
- The Locker Lake Formation (see LL in legend of ***Figure 4-1***), unconformably overlies the Wolverine Point Formation. It represents a period where coarser, pebbly material was re-introduced into the basin.

Drilling to date supports that the Athabasca Group is not present on the property; although it may be possible that "outlier islands" of Athabasca sandstone may exist within the northeast extent of the property.

4.2.4 Crystalline Basement Rocks

The PLS Property covers two geological domains;

- The western portion covers the Clearwater Domain, and
- The eastern portion covers the Lloyd Domain.

Exploration drilling has been performed in the Lloyd Domain as the Clearwater Domain is interpreted to be primarily granitic in nature and therefore less prospective to host unconformity style uranium mineralisation.

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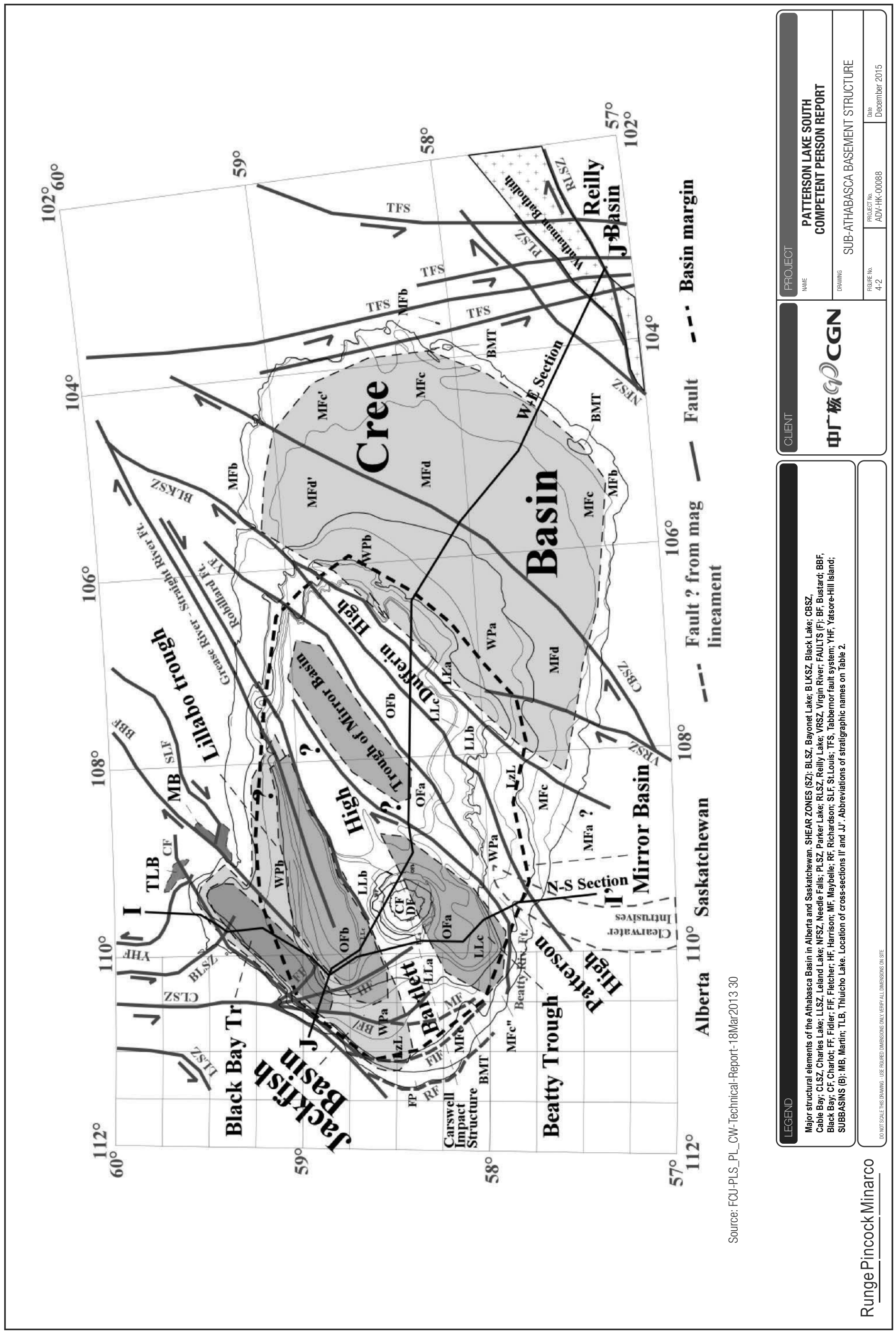
Figure 4-2 – Sub-Athabasca Basement Structure



4.2.5 Graphitic Pelitic Gneiss

The basement rocks in the vicinity of the Triple R Deposit which is located on the east-northeast trending PLG-3B EM anomaly consist of a variably graphitic pelitic gneisses that comprises the core of the ENE trending PLG-3B EM conductor, and dip steeply to the southeast, and which are bounded to the north and south by apparently thick packages of quartzo-feldspathic semi-pelitic gneiss.

Pelitic gneisses are predominantly comprised of an intercalated sequence of fine-grained graphite-sulphide pelite and medium-grained garnet porphyroblast pelite with subordinate garnetite, graphite mylonite, cataclasite. This presents as a sequence of thinly-bedded metamorphosed clay to siltstone grainsize sediments in alternating rock layers with graphite and sulphide that have some shears and faults, with some interlocking garnet crystals.

4.2.6 Semi-pelitic Gneiss

Semi-pelitic gneiss is comprised of 60% quartz and plagioclase, 20% biotite, 15% garnet and traces of pyrite, occurring on the north and south side of the graphitic pelitic gneiss.

4.2.7 Silica Chlorite Tourmaline Alteration Zone

The eastern portion of the R780E zone is a broad zone of intense alteration, where the host rock has been altered to bright green clay minerals, and 'sugary' quartz. The primary lithology has been completely obscured by the intense alteration. The mineralogy is clay minerals, chlorite, tourmaline, and silica, which hosts low grade uranium mineralisation, with a stronger zone of mineralisation along its north side flank.

4.3 Mineralised Zones

As shown in ***Figure 2-2*** the mineralised zones from west to east are referred to as:

- R600W – a small resource area to the southwest with 32 holes, 26 of which have assay data covered by 100m of overburden.
- R00E – a small resource area with 45 drill holes.
- R780E – the main Triple R Deposit resource area containing 259 drill holes, 256 of which have assay data.
- R1620E – located in the far northeast it is poorly understood area with 7 holes on the PLG-3C EM conductor (anomaly), which is thought to be an extension of the PLG-3B EM conductor.

The mineralised zones extend along an east-northeast trend extending for approximately 2.3 km, that coincides with the PLG-3B EM anomaly.

The naming of the mineralised zones is related to a local grid where R00E is close to the easting origin of the grid.

It appears that the fault directions in the basement strata have a similar alignment to the PLG-3B EM conductor and other EM conductors in the PLS Property. It is likely that the younger North – South striking fault structures seen in the Athabasca Basin have displaced (or offset) the EM conductors in the PLS Property

4.3.1 Mineralisation

Uranium mineralisation in the PLS Property is primarily hosted within the metamorphosed basement rocks, and to a lesser extent in the uncomformably overlying sandstone which is thought to be Devonian age.

No significant uranium mineralisation has been intersected in exploration drilling located away from the PLG-3B and 3C EM conductors.

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Figure 4-3 – PLS13-038: Lithology-Downhole Gamma-Scint-Assays

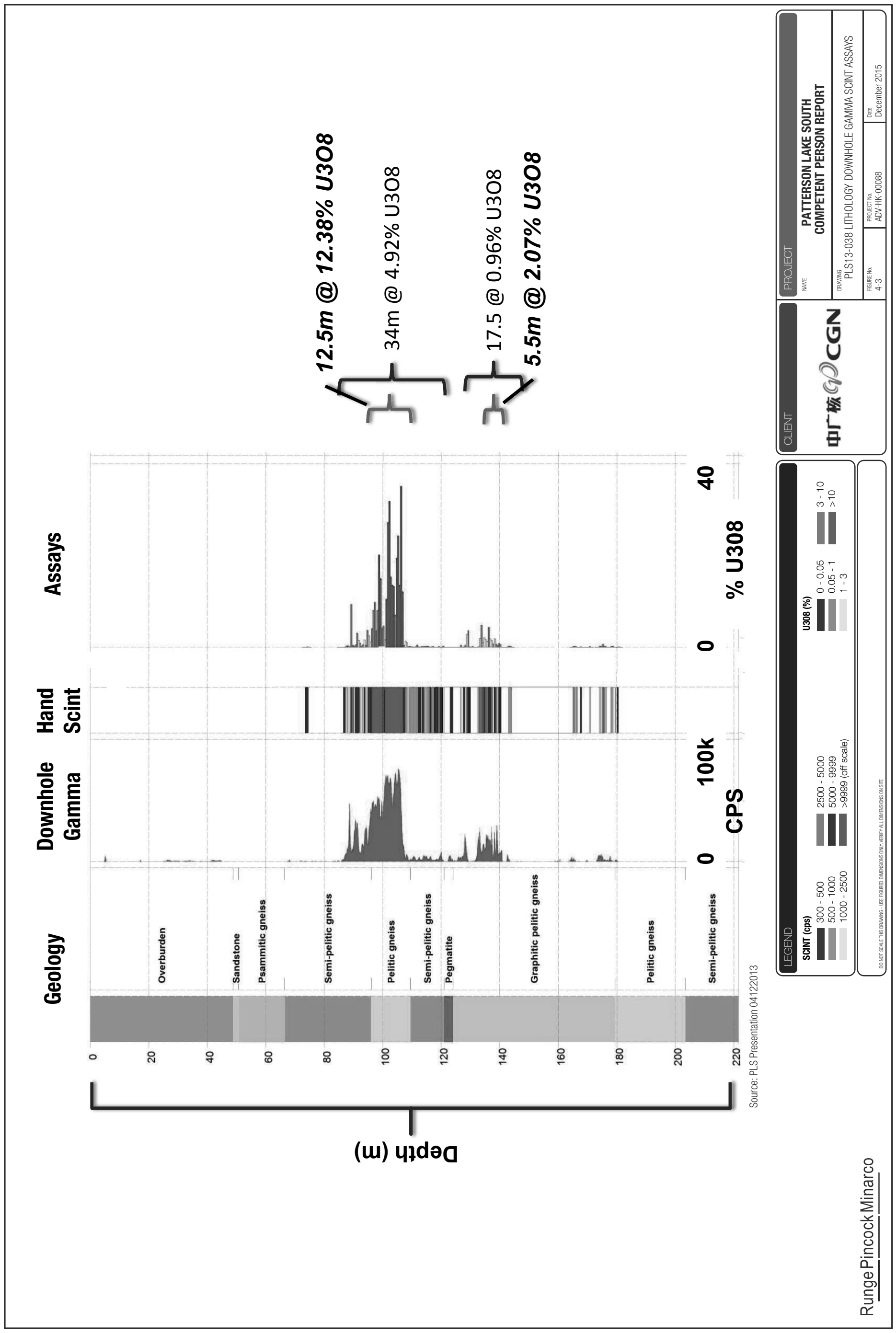

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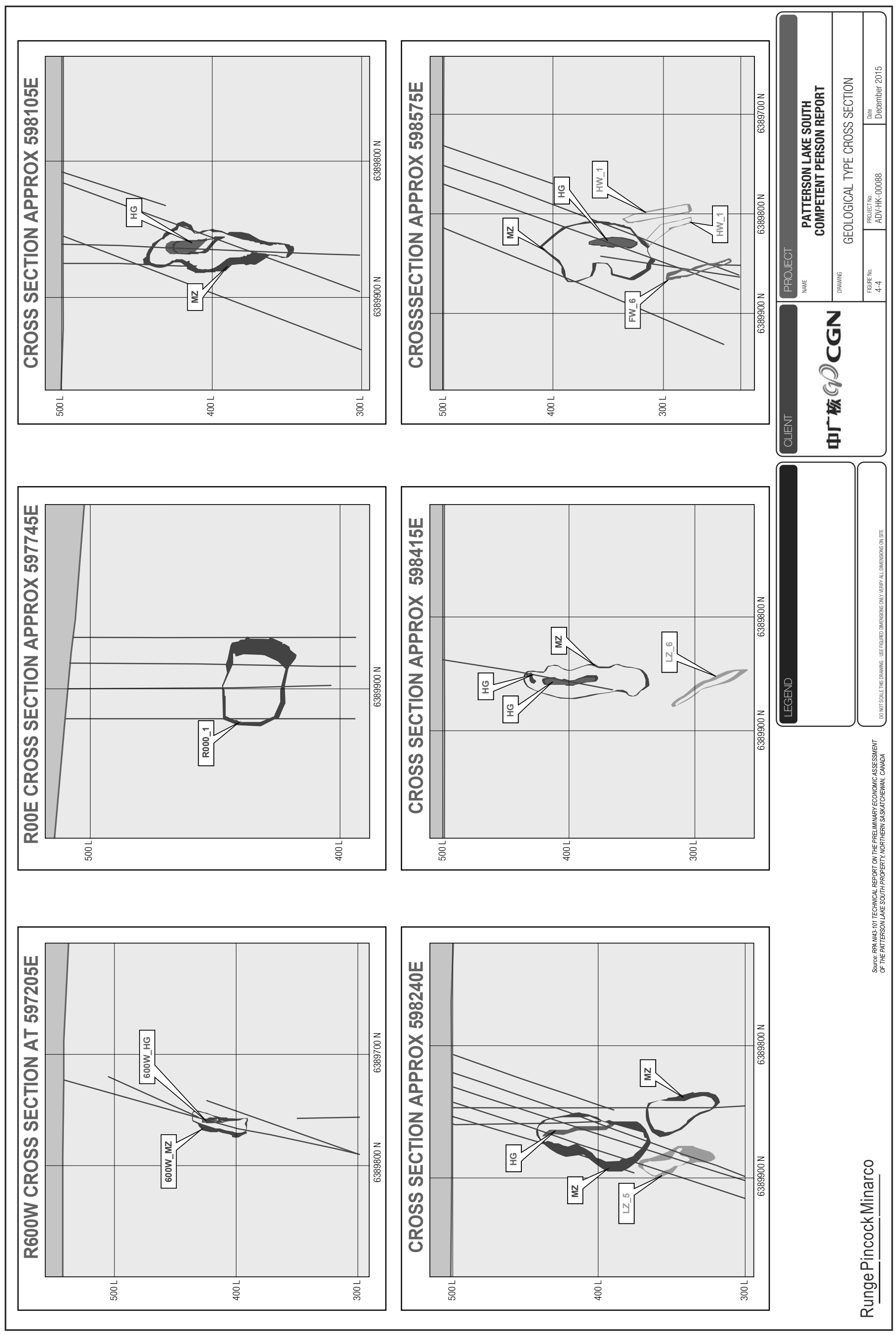
Figure 4-4 – Geological Types Cross Section



4.3.2 Basement Hosted Mineralisation

Uranium mineralisation on the Property is analogous with mono-metallic basement unconformity associated uranium deposits.

Unconformity-associated uranium deposits in the Athabasca Basin are characterized by elongate, pod-shaped uranium mineralisation at the unconformity between the Proterozoic fluvial, conglomeratic sedimentary basin and favourable graphitic metasedimentary basement rocks.

The sedimentary strata are relatively flat lying and unmetamorphosed while the basement rocks often show signs of multiple stages of deformation.

Two end member models of unconformity associated uranium deposits have been identified; monometallic and poly-metallic ***Figure 4-5.***

Mono-metallic deposits occur dominantly as basement hosted uranium mineralisation within fault zones or veins below chloritic or silicified Athabasca sediments. Their disposition is typically narrow and steeply dipping. They are located in the graphite rich metasediments of the crystalline basement rocks near the interface of the crystalline basement rocks with the overlying strata. The MacArthur River deposit is a typical example of a mono-metallic uranium deposit.

Poly-metallic deposits dominantly straddle the unconformity as sub-horizontal clay bounded lenses below quartz corroded sediments. Poly-metallic deposits include Midwest Lake (Denison/Areva) and Cigar Lake (Cameco).

The majority of the Athabasca Basin uranium deposits are poly-metallic, with mineralisation hosted in the Manitou Falls Formation (Mfb to Mfd in ***Figure 7-4***), of the Athabasca Basin sediments.

The PLS Triple R Deposit is similar to the mono-metallic model for unconformity associated uranium deposits with the following characteristics;

- Narrow and steeply dipping mineralised zone associated with graphitic metasediments. (The R00E zone is however, flat lying.
- Mineralisation dominantly hosted in the crystalline basement rocks,
- No overlying Athabasca Basin sediments

4.3.3 Devonian Sandstone

The Devonian sandstone unconformably overlies the steeply dipping basement rocks.

Uranium concentrations in the sandstone are generally low to moderate, however grades of greater than 1% U_3O_8 have been intersected. Mineralised sandstone is typically strongly clay and chlorite altered, and can be locally stained a hematite red.

Only a small amount of sandstone-hosted mineralisation relative to basement-hosted mineralisation has been intersected on the PLS Property.

4.3.4 Silica Chlorite Tourmaline Alteration Zone

This zone commonly hosts low grade uranium mineralisation throughout, with stronger mineralisation along its lower north side flank.

4.3.5 Semi-Pelitic Gneiss

Uranium mineralisation in both the north and south side semi pelites occurs as fine-grained disseminations and often associated with zones of strong alteration (clay and haematite) and ductile deformation. Mineralisation in the semi-pelitic gneiss is interpreted to be stacked structures oriented parallel to the regional strike of the PLG-3B EM conductor.

4.3.6 Mineralogy

The dominant uranium mineral present at Patterson Lake South is uraninite, with subordinate amounts of coffinite, possible brannerite and U-Pb oxide/oxyhydroxide.

Left: quartz corrosion (dissolution) and illite alteration overprinting regional dickite alteration as seen at Midwest and Cigar Lake.

Right: silicification and chlorite-kaolinite rich halos overprinting regional illite and dickite alteration as seen at McArthur River, and believed to be the model for mineralisation at PLS, (from Jefferson et al., 2007).

Uranium minerals occur mainly as anhedral grains and polycrystalline aggregates, irregularly developed veinlets locally showing extremely complex intergrowths with silicates, micrometric inclusions and dendritic intergrowths with silicates, and very fine disseminations intercalated with clays, and as fine-grained inclusions in carbonaceous material (graphite).

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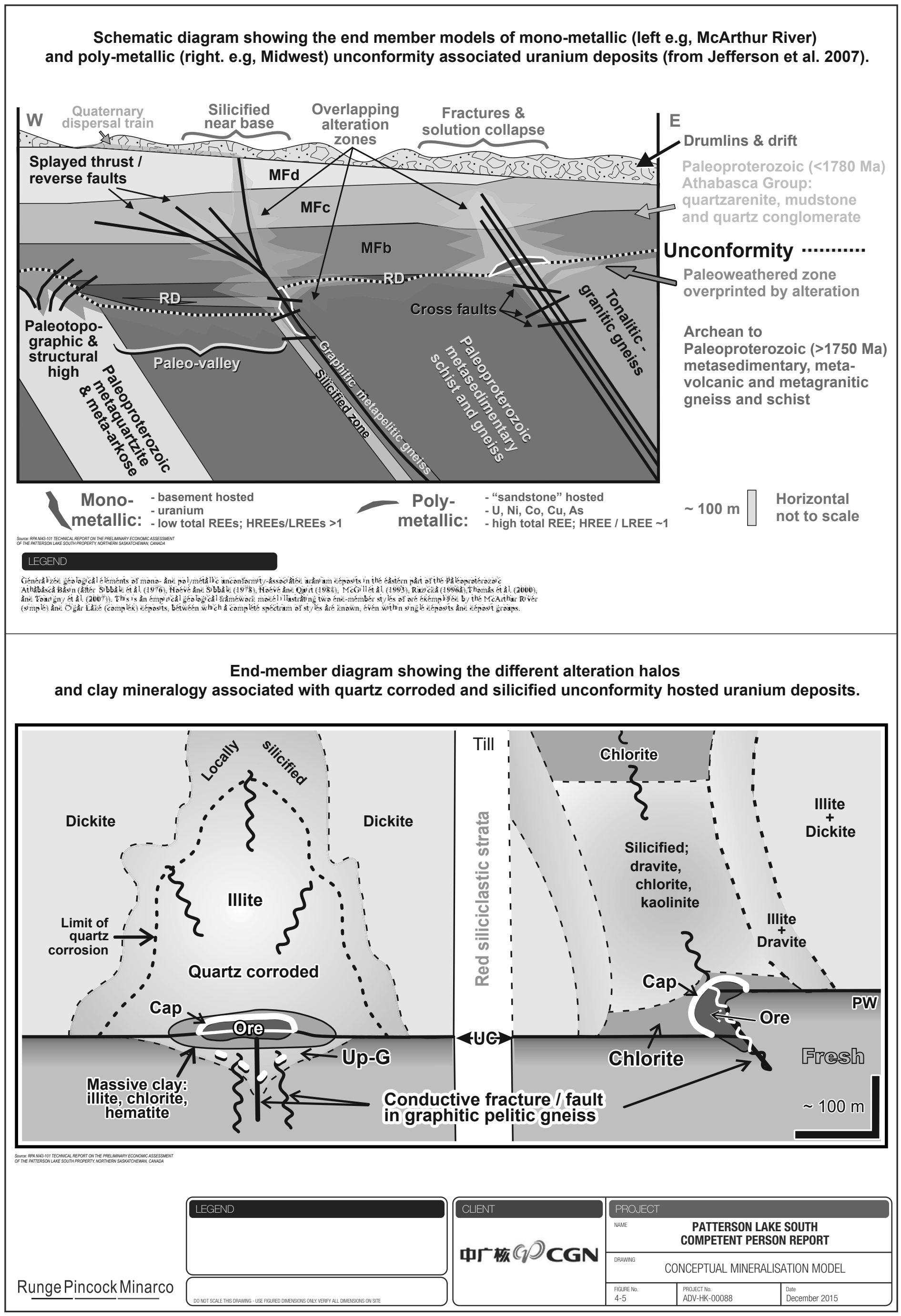
Figure 4-5 – Conceptual Mineralisation Models



5 Data Verification

RPM conducted a review of the geological digital data supplied by the Client and the Company to ensure that no material issues could be identified and that there was no cause to consider the data inaccurate and not representative of the underlying samples. RPM visited the Project in November 2015 and completed a number of checks and held various discussion with the Companies technical personnel. RPM concluded that the data was adequately acquired and validated following industry best practices.

5.1 Drilling Types and Core Recoveries

Three drilling methods were use on the property. Core drilling, dual rotary drilling and reverse circulation drilling (RC). Dual rotary drilling was used as an exploration tool to test for uranium bearing boulders in the overburden (till) and RC drilling was used to predrill the holes through the till to within one to two metres of bedrock. Once the RC holes were completed and casing set, they were deepened using core through the zones of interest. This is common practice when there is deep and often unstable overburden such as glacial till. No data from the RC holes and the dual rotary holes were used in the resource estimate and these drill methods will not be discussed further.

Significant exploration and resource drilling campaigns were completed from 2007 onwards. As of December 1st, 2015 the Company and its predecessors have completed 166,700 m of drilling in 528 holes on the PLS Property, of these, 341 holes for 113,192m are located within the Triple R deposit area. The remainder of the holes are exploration holes within the Project boundary but outside of the Triple R Deposit area.

Unless the hole was pre-cased using an RC drill, the usual procedure was to drill through the overburden with HQ (60.3 mm diameter) equipment and sink HW (117.65 mm) casing until the rods became stuck or bedrock was reached. If the HQ rods became stuck, the hole was deepened using NQ (47.6 mm diameter) equipment until competent bedrock was reached at which time NW (91.95 mm) casing was reamed into bedrock.

Downhole surveys are sufficient and meet industry standards. Holes drilled during the 2011 and winter 2012 drilling programs were tested for dip deviation with acid tests. The autumn 2012 drilling program holes were either acid tested or surveyed with a Reflex EZ-Shot instrument. Upon completion, all holes drilled in 2013 were surveyed using an Icefields gyro survey tool but subsequent to the 2013 drilling, drill holes were also surveyed while drilling was underway using a Reflex EZ-Shot at 50 m intervals.

Core recovery was generally good, averaging 93%, and so representative and accurately located samples could be taken. A total of 5,741 samples have recovery recorded; 80% of the intervals have recoveries greater or equal to 90% and 50% of the intervals have recoveries greater than or equal to 97%. Recoveries for the Summer 2015 program were reported by the Company to be similar to the overall program recoveries. There is no data discussing recoveries through the ore zones but based on overall recoveries, the sampling should be representative of the material drilled. Direct observation of core during the site visit showed recoveries through the mineralised zones approaching 100%.

All holes were systematically probed within the rods using a Mount Sopris total gamma count probe upon completion of the hole. Handheld total count gamma-ray scintillometres were used to measure the radioactivity of the return water and core. The core was later logged split and assayed. The assayed values are used in the resource estimation. The probes were used to determine if the hole was mineralised and what intervals were mineralised.

5.2 Topography and Collar Locations

The Project uses UTM coordinates of NAD83 Zone 12N. The collars of the 2011 and winter 2012 program holes were located using a handheld Garmin instrument whilst for the winter 2013 program; drilled holes were located using a Trimble handheld GPS instrument and a Trimble base station for differential correction. From the summer 2013 drill program onwards, all holes were located using a Trimble real time kinematic (RTK) system. All drill hole positions from the 2012 autumn program onwards were surveyed again upon completion of the hole to account for moving of the drill, due to the either ground conditions or drilling difficulty.

All roads and traverses travelled were located with a handheld Garmin or Trimble instrument noted above. The topography beneath the lake was developed in the Leapfrog package using data from the drilling. With the possible exception of the 2011 and winter 2012, the drill hole locations were determined using industry standards and can be used in a resource estimation.

The locations of holes competed in 2011 and winter of 2012 may not be precise as handheld GPS instruments at these latitudes can have errors of a few metres. Despite this lack of accuracy, given that the mining method is open pit the potential error in location is not viewed by RPM to be material.

5.3 Geological, Geotechnical, and Geomechanical Logging

The preparation of the PEA included a site visit and review of the core and core logging procedures. The PEA validated the core logging protocols and spot checked the presence of mineralisation. No deficiencies were found. As part of the core logging protocols, rock quality designation (RQD) was recorded. The RQD was used to develop the preliminary pit and underground mine parameters. Additional geotechnical work will be required to develop PFS level pit and underground designs

The drill core was placed sequentially in wooden core boxes at the drill by the drillers. Twice daily, the core boxes were transported by Fission personnel to the core logging and sampling facility where depth markers were checked and the core was carefully reconstructed.

The core was logged geotechnically on a run by run basis including the number of naturally occurring fractures, core recovery, RQD, and range of radiometric counts per second. The core was scanned using a total count gamma-ray scintillometre. During the 2015 winter program and onwards clay mineralogy was identified in the field using an ASD Inc. TerraSpec Halo near infrared mineral analyser.

The core was descriptively logged by a Company geologist paying particular attention to major and minor lithologies, alteration, structure, and mineralisation. Logging and sampling information was entered into a spreadsheet based template which was integrated into the Project digital database.

All drill cores were photographed wet with a digital camera, before splitting.

5.4 Bulk Density Determination

The Company has completed over 12,050 density measurements on core. These tests were systematically spaced on the core and included both highly mineralised and barren samples with measurements taken in both sandstone and basement lithologies. A limited thickness of sandstone was intersected on the property but at least one sandstone sample was taken for density measurement per hole, where possible. Density samples in mineralised basement or sandstone giving handheld scintillometre readings greater than 300 cps were taken at 2.5 m intervals. Basement samples for density outside the mineralised zone were taken at 20 m intervals until the winter 2014 drill program, after which no barren basement density samples were taken.

Drill core samples collected for bulk density measurements were sent to SRC. Samples were first weighed as received and then submerged in de-ionized water and re-weighed. The samples were then dried until a constant weight was obtained. The sample was then coated with an impermeable layer of wax and weighed again while submersed in de-ionized water. Weights were entered into a database and the bulk density of each sample was calculated. Water temperature at the time of weighing was also recorded and used in the bulk density calculation.

Typical high grade uranium deposits of the Athabasca Basin have bulk densities that commonly vary with grade due to the very high density of pitchblende/uraninite compared to host lithologies. Bulk density also varies with clay alteration and in situ rock porosity. When modelling high grade uranium deposits, it is common to estimate bulk density values throughout the deposit and to weight uranium grades by density, since small volumes of high grade material contain large quantities of uranium oxide.

RPM reviewed the PEA correlation analyses of the bulk density measurements against uranium grades. Unlike most deposits in the Athabasca Basin, the high grade uranium mineralisation at the PLS deposit has relatively low density values. Uranium grade ranges of 20% U_3O_8 to 60% U_3O_8 within the Athabasca Basin more commonly exhibit density values ranging from 3.0 g/cm^3 to 6.0 g/cm^3 correlated with grade. PLS high-grade mineralisation is often associated with carbon which may account for the lower than expected density values. In general, the average density of mineralisation commonly ranges from 2.2 t/m^3 to 2.4 t/m^3.

While the density is anomalously low in comparison to other Athabasca Basin uranium deposits, the density values are supported by data that is considered representative of the mineralisation and is considered by the JORC Mineral Resource Competent Person to be reasonable.

5.5 Sampling and Sample Preparation

Fission's sampling protocol calls for representative samples to be taken of both sandstone and basement lithologies. At least one representative sample of sandstone was taken when intersected. In thicker zones of sandstone (>5 m), representative samples were taken at 2.5 m intervals. Representative samples of basement lithologies consisting of 50 cm of split core (halved) were taken every 10 m within the basement, starting immediately in bedrock.

All sandstone and basement intervals with handheld scintillometre readings greater than 300 cps, or containing significant faults and associated alteration, were continuously sampled with a series of 50 cm split core samples. In areas of strong to intense alteration, evenly spaced 50 cm split core samples were taken from the start of the alteration. The spacing of the samples varied with the width of the alteration zone as follows: one metre spacing for alteration zones less than or equal to five metres long, two metre spacing for alteration zones between five metres and 30 m long and, five metre spacing for alteration zones more than 30 m long.

Core marked for sampling was split in half using a manual core splitter. Half the core was returned to the core box and the other half was placed in plastic sample bags and secured with an impulse sealer. Split core samples were tracked using three part ticket booklets. One tag was stapled into the core box at the start of the appropriate sample interval; one tag was placed into the sample bag, and the final tag was retained in the sample booklet for future reference. For each sample, the date, drill hole number, project name, and sample interval depths were noted in the sample booklet. The data were transcribed to an Excel spreadsheet and stored on the Company data server. Sample summary files were checked for accuracy against the original sample booklets after the completion of each drill program. The digital sample files also contain alteration and lithology information.

Core trays were marked with aluminium tags. All core from holes drilled on the property is stored on core racks at the Company's core logging facility.

The plastic sample bags were put into five-gallon sample pails and sealed and held in a secure area until they were ready for transportation. The samples were picked up on site by Marsh Expediting and transported by road to La Ronge before transhipment to Saskatchewan Research Council (SRC) in Saskatoon. SRC operates in accordance with ISO/IEC 170:2005 (CAAN-P-4E) General Requirements of Mineral Testing and Calibration Laboratories) and is also compliant with CAN-P-1579, Guidelines for Mineral Analysis Testing Laboratories.

At SRC, sandstone and basement samples were prepared in separate areas of the laboratory to minimize the potential for contamination. Sample preparation in the laboratory involved drying the samples and sorting them according to radioactivity before jaw crushing.

All sampling and sample preparation are reasonable and meet industry standards.

5.6 Drill Core Assay

Drill core samples from mineralised zones were sent to SRC for uranium assay. The laboratory offers an ISO/IEC 17025:2005 accredited method for the determination of U_3O_8 in geological samples. The detection limit is 0.001% U_3O_8. Samples were crushed to 60% -2 mm and a 100 g to 200 g sub-sample was split out using a riffle splitter. The sub-sample was pulverized to 90% -106 μm using a standard puck and ring grinding mill. An aliquot of pulp was digested in a concentrated mixture of HNO3:HCl in a hot water bath for an hour before being diluted by de-ionized water. Samples were then analysed by a Perkin Elmer ICP-OES instrument (models DV4300 or DV5300).

In addition to uranium assaying, all samples from mineralised zones were also assayed by SRC for gold ("Au") and, until mid-summer 2014, platinum group elements (Pt, Pd). Samples were prepared using the same method as described above. An aliquot of sample pulp was mixed with fire assay flux in a clay crucible and a silver inquart was added prior to fusion. The mixture was fused at 1,200°C for 90 minutes. After the mixture had fused, the slag was poured into a form which was cooled. The bead was then parted in diluted HNO3. The precious metals were dissolved in aqua regia and then diluted for analysis by ICP-OES and/or Atomic Absorption Spectrometry (AAS). The analysis has a detection limit of 2 ppb for all three elements.

Core chip samples for clay analysis were sent out for analysis on a PIMA spectrometre using short wave infrared spectroscopy. Samples were air or oven dried prior to analysis in order to remove any excess moisture. Reflective spectra for the various clay minerals present in the sample were compared to the spectral results from Athabasca samples for which the clay mineral proportions have been determined in order to obtain a semi-quantitative clay estimate for each sample.

5.7 Quality Assurance Quality Control

Quality assurance/quality control (QA/QC) programs provide confidence in the geochemical results and help ensure that the database is reliable to estimate Mineral Resources. Fission's program includes the following components:

1. Determination of precision – achieved by regular insertion of duplicates for each stage of the process where a sample is taken or split

2. Determination of accuracy – achieved by regular insertion of standards or materials of known composition (referred to as Certified Reference Material or CRM)

3. Checks for contamination – by insertion of blanks.

Results from the QA/QC program are reviewed on an ongoing basis as received from the laboratory and a formal report was compiled at the end of each drill campaign.

5.7.1 Protocols for Duplicates

Four types of duplicate samples are submitted:

- **Field duplicates**. These are quarter core duplicates split in Fission's core facility. The field duplicate contains all levels of error: core splitting, sample size reduction, sub-sampling of the pulp, and the analytical error. One duplicate was inserted for every 20 regular samples. For mineralised drill holes, at least two field duplicate samples should be taken, one from the mineralised zone and one from unmineralised basement. In thicker mineralised zones (> 20 m), a field duplicate should be taken every 20 samples. For each drill hole, the field duplicates should be retained and inserted into the batch at the end of the hole and assigned sample numbers following on from the last sample in the hole.

- **Preparation duplicates**. These are sample splits taken after the coarse crush but before pulverizing. A preparation duplicate should be inserted for each field duplicate submitted. The preparation duplicates are taken by the laboratory. To facilitate this, during sampling, an empty sample bag with a PLS sample tag was inserted into the batch after each field duplicate with instructions for the laboratory to prepare and insert a preparation duplicate of the previous sample.

- **Pulp duplicate**. This is a split of the pulp material that is weighed and analysed separately. Similar to the preparation duplicate, the pulp duplicates are inserted for each field duplicate by inserting an empty bag with a PLS sample tag and instructions for the laboratory to prepare and insert a duplicate of the pulp from the previous sample.

- **Umpire pulp duplicates**. Umpire pulp duplicates are submitted to a third party laboratory to make an additional assessment of laboratory bias. The Company arranged the consignment of 150 preparation and 150 pulp duplicates from the 2014 summer drill program to be analysed at SGS Minerals in Lakefield, Ontario. The sample preparation and analytical methods were similar to those at SRC.

RPM makes the following comments about the duplicate protocols:

- The insertion rate of 15% generally meets the industry standard

- A percentage of the preparation and pulp duplicates should be taken from original samples and not from field duplicates to better understand the bias that may be introduced in the original sampling.

- RPM would recommend submitting both pulp and preparation duplicates to a third party lab on a regular basis to better understand possible bias of the reduction of volume from preparation duplicate to pulp duplicate.

5.7.2 Protocols for Standards and Blanks

Certified reference materials (CRM) were obtained from Canadian Centre for Mineral and Energy Technology (CANMET). These include UTS-3 (0.060% U_3O_8), DH-1A (0.310% U_3O_8), and BL-5 (8.36% U_3O_8) which represent low, medium and high grade references, respectively. Blank material was sourced from the remaining half split core of previously analysed samples that returned uranium concentrations below detection limits for the 2013 program and massive quartz veins intersected on the property during the 2014 program.

One blank was inserted for each drill hole that intersects mineralisation. Blank reference samples were not submitted for holes that did not intersect mineralisation.

One of each reference sample type was inserted into the sample batch for each drill hole that intersected mineralisation. CRM containers were shaken prior to use to ensure homogeneity and 15 g of material was required per sample. Samples were taken with clearly marked plastic spoons to avoid cross contamination between containers. For holes that did not intersect mineralisation, only the low grade reference sample was inserted.

RPM would recommend inserting a blank sample at the beginning and the end of each hole and blanks after any obvious high grade intercept to ensure there is no contamination from previous sample preparation.

5.7.3 QA/AC Results

The reported results for the QA/QC program demonstrate the precision and accuracy of the sampling, sample preparation, and assaying and are sufficient to validate the data in support of the resource estimation. ***Table 5-2*** summarizes the QA/QC sample insertion by year

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Table 5-1 – Summary of QA/QC Sampling Insertions by Year

Year	2011	2012	2013	2014	2015*	Totals
Drill Holes	7	25	99	174	88	393
Total Samples	49	1048	13849	43777	15039	73762
Blanks	0	0	88	163	64	315
Field Duplicates	0	95	576	2069	660	3400
Preparation Duplicates	0	95	576	2069	660	3400
Pulp Duplicates	0	95	576	2069	660	3400
Fission CRMs	0	0	270	476	201	947
SRC CRMs	3	180	2175	6115	2099	10572
SRC Repeats	2	99	2294	6268	1865	10528
Umpire lab repeats	0	0	0	0	300	300
Total QA/QC	5	564	6555	19229	6509	32862
Percent Insertion	**10.2%**	**53.8%**	**47.3%**	**43.9%**	**43.3%**	**44.6%**
PLS Insertion Rate	**0.0%**	**27.2%**	**15.1%**	**15.6%**	**16.9%**	**15.9%**

**Does not include 2015 Summer Drilling*

While PRM considers the QAQC insertion rate is in line with the industry average, the lack of umpire lab repeats for the years 2011 to 2014 does not meet industry standards, however is likely is not material to the overall QA/QC considering the other QAQC samples performed within acceptable limits.

A failure criterion for blank samples is met when a sample returns >0.005% U_3O_8, which is a concentration five times greater than the detection limit of the instrument (0.001% U_3O_8). Two sample failures occurred with a maximum of 0.022% U_3O_8. The Company chose not to take corrective steps after reviewing the grades, failure rate, and other QA/QC results from these two batches.

A total of 947 CRM samples were submitted by the Company for analysis at SRC. Failure criteria for CRM samples are met when either (a) two consecutive samples return values outside two standard deviations from the mean, on the same side of the mean, or (b) any sample returns a value outside three standard deviations from the mean. For the 306 low grade CRM analyses no failures were noted.

The results for 263 medium grade CRMs showed an even spread above and below the expected value during the summer 2013 drill program, while later samples mostly plotted below the expected values. Many samples returned results less than two standard deviations from the expected mean. The acceptable results from the other two CRMs, the duplicates, and repeats of the medium grade CRMs, all suggest that the lower than expected results are due to an issue with the CRM itself rather than a possible bias with the analytical methods. RPM does not consider this issue material to the QA/QC results but suggests further investigation is warranted.

Results for 257 high grade CRMs showed two consecutive samples outside of two standard deviations and one sample outside three standard deviations. This is a failure rate of approximately 1.1%, well within the acceptance standards of the industry.

5.8 Data Quality Review

5.9 Sample Security

The drill core was placed sequentially in wooden core boxes at the drill by the drillers. Twice daily, the core boxes were transported by Company personnel to the core logging and sampling facility. Once the core was photographed and logged, it was split with a manual core splitter. The split core was placed in plastic sample bags and sealed with an impulse sealer. The plastic sample bags were put into five-gallon sample pails and sealed and were held in a secure area until they were ready for transportation. The samples were picked up on site by Marsh Expediting and transported by road to

La Ronge before transhipment to Saskatchewan Research Council (SRC) in Saskatoon for preparation and assaying.

5.10 Data Verification Statement

A review of the data verification activities was undertaken by reviewing the information in the PEA report written by RPA and within the exploration database provided. The following sections were reviewed and commented on.

- Drilling and drilling types.
- Topography and collar locations.
- Geological, geotechnical and geomechanical logging.
- Bulk density determinations.
- Sampling and sample preparation.
- Drill core assay.
- Quality Assurance/Quality Control processes.
- QA/QC results.
- Sample security.

Core drilling was the only drill method used to sample the mineralisation. Overall core recovery 93% and the Company states that it was better in the high-grade zones and should not cause any issues with estimation of the resource. Although all holes were probed, the resources are based on chemical assays of the core.

Topography was established using LIDAR to create a Digital Elevation Model (DEM). Collar locations for the early drilling were established using handheld GPS which at high latitude may be in error. Later drilling collar locations were surveyed in using a Trimble system and should be very accurate. No discussion was given regarding the measurement of collar locations for drilling on the lake. Overall the survey of collar locations and topography are viewed to be of an acceptable level of accuracy and should not cause any issues with the resource model. The project uses UTM coordinates of NAD83 Zone 12N. No surveyors report was provided to verify the results.

Geological, geotechnical and geomechanical logging was completed on the entire core including lithology, alteration, and mineralisation. Rock Quality Determination (RQD) was recorded and used to develop mining parameters. Logging was done to industry standards and should be of sufficient quality to support development of a geological model.

Bulk density determinations were made on samples taken every 2.5 metres in the mineralised zones and every 20 metres in the basement. Studies done by RPA showed little correlation with grade. This, unlike most Athabasca Basin uranium deposits, is likely related to the fact the uranium is associated with organic carbon. This genetic relationship is similar to uranium deposits in the Western United States where the mineralisation is adsorbed onto the organic carbon and not deposited as discrete uranium minerals. The density is well documented and the measurements were done with industry standard techniques and should be of sufficient quality to support resource estimates.

Sampling and sample preparation is governed by a detailed protocol which meets industry standards. There is little likelihood that sampling or sample preparation has introduced any bias into the data base.

Drill core assay was done by a certified laboratory using industry standard techniques and should produce data sufficient to support resource estimation.

Quality Control/Quality Assurance (QA/QC) protocols met industry standards. The protocols included duplicates; certified reference samples (CRM), and blanks. The duplicates were made from a quarter split of core from which three duplicates were prepared, a field duplicate, a preparation duplicate (coarse duplicate) and a pulp duplicate. Generally one blank and one CRM were inserted for each drill hole that intersected mineralisation. In addition 150 coarse and 150 pulp duplicates were sent a third party lab for umpire assays. RPM would recommend that the coarse and pulps duplicate be taken from the original half of the core to compare with the quarter core duplicate; that a blank be inserted at the beginning and the end of each hole and after any high obvious high grade sample; that at least 2% of the samples be sent to a third party lab for umpire assays. In spite of these differences of opinion, RPM feels the QA/QC program was sufficient to verify the quality of the assays and detect any possible biases.

QA/QC results were reviewed by the company on a regular basis and if a problem was detected, steps were taken to investigate the source of the problems. RPA did a detailed analysis of the QA/QC results and found that failure rates were well within the industry standards. Based on these results, RPM considers the assay data is representative of the material sampled and of sufficient quality to support a resource estimate.

Sample security was within industry standards and was sufficient to protect the integrity of the samples.

6 JORC Mineral Resources

Mineral Resources have been independently reported by RPM in compliance with the recommended guidelines of the JORC Code (2012).

6.1 Mineral Resource Classification system under the JORC Code

A "Mineral Resource" is defined in the JORC Code as *'a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.'*

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.

For a Mineral Resource to be reported, it must be considered by the Competent Person to meet the following criteria under the recommended guidelines of the JORC Code:

- There are reasonable prospects for eventual economic extraction.
- Data collection methodology and record keeping for geology, assay, bulk density and other sampling information is relevant to the style of mineralisation and quality checks have been carried out to ensure confidence in the data.
- Geological interpretation of the resource and its continuity has been well defined.
- Estimation methodology is appropriate to the deposit and reflects internal grade variability, sample spacing and selective mining units.
- Classification of the Mineral Resource has taken into account varying confidence levels and assessment. Appropriate account has been taken for all relevant factors i.e. relative confidence in tonnage/grade, computations, confidence in continuity of geology and grade, quantity and distribution of the data and the results reflect the view of the Competent Person.

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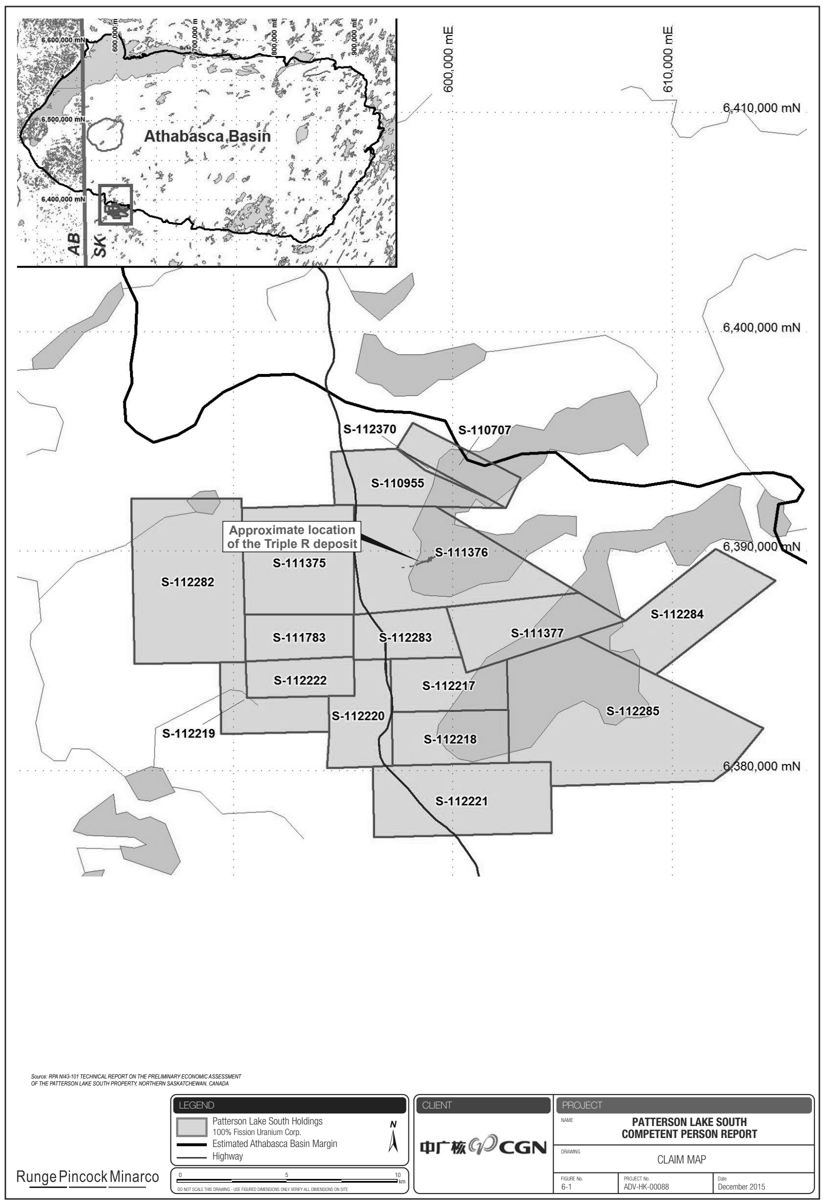
6.2 Area of the Resource Estimation

The Patterson Lake South deposit, which forms part of the Project, is located in northern Saskatchewan, Canada, approximately 550 km north-northwest of the city of Prince Albert and 150 km north of the community of La Loche. The primary area and subject of this Report is located within claim S-111376 which can be seen on ***Figure 6-1***.

Figure 6-1 – Resource Estimate Area



6.3 JORC Statement of Mineral Resources

Results of the independent Mineral Resources estimate for the Project are tabulated in the Statement of Mineral Resources in ***Table 6-1***. The Resources are reported in line with both the requirements of the JORC Code 2012 and the reporting standards of Chapter 18 of the HKEx Listing Rules. The Statement of Mineral Resources is therefore suitable for public reporting.

RPM's independent Statement of Mineral Resources (as at 1st December, 2015) is reported within the current exploration licences using variable cut-off grades based on the PEA study completed. Indicated and Inferred Mineral Resources were constrained by topography and reported within an economic pit estimated with and at a 0.2% U_3O_8 cut-off grade, or below the extents of the pit at a 0.25% U_3O_8 cut-off grade to reflect the higher grade underground operation planned. Metallurgical recoveries and costs utilised to generate the pit and support the cut off grades applied were the same as those outlined in ***Section 7*** and ***Section 8*** of this CPR.

No ore loss or dilution has been included in the Statement of Mineral Resources.

Table 6-1 – Statement of JORC Mineral Resources as of 1st December 2015

Resource report (does not include 600W)

JORC Class	Type	Cut-off U_3O_8	Resource Tonnes	U_3O_8% Grade	U_3O_8 Pounds	Au ppm	Au Ounces
Indicated	Open Pit	0.2	1,365,000	2.30	69,229,000	0.58	25,600
	Underground	0.25	1,217,000	0.95	25,481,000	0.58	23,200
Total Indicated			***2,582,000***	***1.66***	***94,709,000***	***0.58***	***48,700***
Inferred	Open Pit	0.2	40,000	9.76	8,537,000	1.58	2,000
	Underground	0.25	514,000	0.69	7,858,000	0.43	7,100
Total Inferred			***553,000***	***1.34***	***16,396,000***	***0.51***	***9,100***
Grand Total (Inf+Ind)			***3,135,000***	***1.61***	***111,105,000***	***0.57***	***57,900***

Note: Resources constrained by Open Pit design produced as part of Fission Uranium Corp. PEA dated 14 September, 2015. Underground resource is not constrained by mining shape.

Additional Underground Resources R600W

JORC Class	Type	Cut-off %U_3O_8	Resource Tonnes	U_3O_8% Grade	U_3O_8 Pounds	Au ppm	Au Ounces
Indicated	Underground	0.25	77,000	1.33	2,269,000	0.44	1,100

Note: Resource in 600W is in addition to the resources stated above for open pit and underground. Based on a preliminary review of geometry, grade and depth from surface, it is assumed these resources will be mined through underground methods.

Note:

1. *The Statement of JORC Mineral Resources has been compiled under the supervision of Mr. Richard Kehmeier who is a full-time employee of RPM and a Certified Professonal Geologist (C.P.G.) of the American Institute of Professional Geologists. Mr. Kehmeier has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
2. *All Mineral Resources figures reported in the table above represent estimates at 1st December 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*
3. *Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).*
4. *Grades and Tonnages are reported to dry metric tonnes*
5. *Table 1 as required for the reporting of Mineral Resources under the JORC Code 2012 is provided in Appendix C to this report.*

6.4 Estimation Parameters and Methodology

- While '***Table 1***' of the JORC Code 2012 edition is presented in ***Appendix C*** for reference, a summary of the resource estimate parameters is provided below as used when developing the updated block model incorporating the new drill holes from the 2015 summer drill programs: RPM was provided with a drill hole database consisting of 382 drill holes. A total of 330 drill holes were in the deposit area and available for modelling of which 34 were drilled after the last estimate was prepared. There was mix of vertical and angled holes with an average bearing of 333 degrees and an average dip of -70 degrees, drilled on NW-SE oriented, 15m spaced fences. Approximately 99.5 percent of the drill hole sample were divided into 0.5m lengths and grades tested for U_3O_8 and Au. Figure 6-4 shows the Patterson Lake South Drill plan.

- A Light Detection and Ranging (LiDAR) survey was conducted in October 2014 by Eagle mapping Ltd. over an area of 154km^2. The Client provided a 3D wireframe with a 50m x 50m grid modelling surface of topography. From the site visit, RPM noted that the local topography may be more variable than suggested by the topographic wire frame. RPM requested the original LiDAR data however this had not been received at the time of this report. No collar elevation adjustments have been made at the time of this report.

- RPM prepared 3D solid wireframes which encompass a total of 22 deposit domains. Wireframes for 15 domains were reviewed by RPM from the PEA and considered usable for the purposes of the resource estimate. Five of the PEA domain wireframes were extensively adjusted by RPM to factor in 34 new drill holes from the Summer 2015 program and revised understanding of the HG mineralisation. Two new domain wireframes for the R600W zones were created by RPM based on additional drilling.

- The deposit extends approximately 350m below the surface of Patterson Lake. The mineralisation occurs in three distinct areas along the strike of the deposit described from west-to-east as R600W, R00E and the Main Zone (R780E). (As shown in ***Figure 6-2***) The Main Zone (MZ) extends from station 240E to 1140E of the North-South discovery line at 597,800East. The Main portion of the mineralised zone is dominated by a continuous low grade MZ domain with subsidiary separate low-grade domains divided as follows:

  – 8 Lower Zones (LZ 1-8)

  – 6 Foot Wall zones (FW 1-6)

  – 1 Hanging Wall zone (HW)

  – 1 East zone (East 1)

- A discontinuous High Grade (HG) core of mineralisation with a low-end grade cut-off of 5% U_3O_8 is encompassed within the Main Zone. This high-grade core also occurs in the R600W_HG mineralised body. All mineralised bodies with the exception of the Main Zone HG and the R600W_HG were domained at a low-end grade cut off of 0.05% U_3O_8.

- RPM independently reviewed the high grade cuts for each domain through the use of probability plots and histograms. RPM concurs with the high grade cuts set in the PEA. High grade cuts are shown by domain in ***Table 6-2***.

Table 6-2 – High Grade Cut by Domain

Domain	U_3O_8% High Grade Cut	Domain	U_3O_8% High Grade Cut
HG	55	LZ_1	10
MZ	10	LZ_2	10
R600W_HG	35	LZ_3	10
R600W_MZ	10	LZ_4	none
R00_1	10	LZ_5	none
R00_2	10	LZ_6	none
FW_1	none	LZ_7	none
FW_2	none	LZ_8	10
FW_3	none	EAST_1	10
FW_4	none	HW_1	none
FW_5	10	HALO	10
FW_6	10		

- The drill hole database was composited at 2m length composites. RPM chose this composite to reduce the variability within the data and to provide better support for the block dimensions. Both U_3O_8 and Au cut values were composited using solid mineralisation boundaries as breaks for the composites. Composite lengths less than 2m were used in the estimation but were weighted by length.

- A rotated, sub-blocked model was constructed with an origin at 597,000E, 6,389,000N, and 0m elevation. The model was rotated -23.8 degrees from true north to match the strike of the deposit. Parent and sub-block sizes are shown in ***Table 6-3***. Sub-blocking was set to occur only along the boundaries of mineralised body domains.

Table 6-3-Block Model Dimensions

Direction	Origin	Parent block size	Sub-block size	Columns-Rows-Levels
East	597,000	5	1	488
North	6,389,000	2	1	420
Elevation	0	5	1	108

Note: Block model has a-23.8 degree rotation from true north

The spatial grade variability was modelled in Vulcan 9.1.4 software using semi-variograms which were created using the capped U_3O_8% composited data. Only the HG domain and the MZ domains produced continuous semi-variograms. Low-grade zones lacked sufficient drilling to produce reliable variograms. These zones adjacent to MZ were grouped together with the MZ domain and a variogram of similar continuity and orientation was produced. The high-grade and low-grade mineralisation located at 600W were thought to have similar mineralisation styles based on grade observations in the drill holes and were therefore grouped with the respective HG and MZ domains for variography. Directional variography were based on 2 m composites for capped U_3O_8 values. RPM noted a nugget effect of 26% for the HG domain and 14% for the MZ domain grouped with subsidiary domains. The interpreted Variogram models are summarized in ***Table 6-4*** and graphically in ***Figure 6-3***.

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Table 6-4 – Semi-variogram Parameters

Domain	Block Code	C_0	C_1	Bearing	Plunge	Dip	Major	Semi-major	Minor
R600W_HG	7001	30.5	85.9	74	-30	-90	70	25	20.48
R600W_MZ	701	0.214	1.280	75	0	-70	12.53	18	13
HG	1001	30.5	85.9	74	-30	-90	70	25	20.48
MZ	101	0.214	1.280	75	0	-70	12.53	18	13
All other Domain	601	0.214	1.280	75	0	-70	12.53	18	13

Note: Rotation scheme is as follows:
Bearing – 1st rotation about the z axis (positive rotation is clockwise)
Plunge – 2nd rotation about the x axis (positive rotation is up)
Dip – 3rd rotation about the y axis (positive rotation is up)

- Block grades were estimated in Vulcan 9.1.4 using Ordinary Kriging (OK) and Inverse Distance Cubed (as a check) in two passes for each mineralised body. The first pass was estimated at approximately one variogram range using a minimum 4 samples and a maximum of 9 samples. A maximum of 3 samples per hole restriction was placed on the estimation to ensure that any block estimate in the first pass would be informed by a minimum of 2 drill holes. The second pass used a search ellipsoid approximately 1.5 times the variogram range for the HG and R600W_HG domains and 3 times the variogram range for all other domains. The second estimation required a minimum of 2 samples and a maximum of 9 samples. The maximum number of 3 samples per drill hole was still in place however, a block may be estimated by only one drill in this pass. The maximum of 3 samples per drill hole requirement was selected to ensure proper support for a block and to inform the block from other drill holes along the continuity of mineralisation.

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Figure 6-2 – Resource Domains

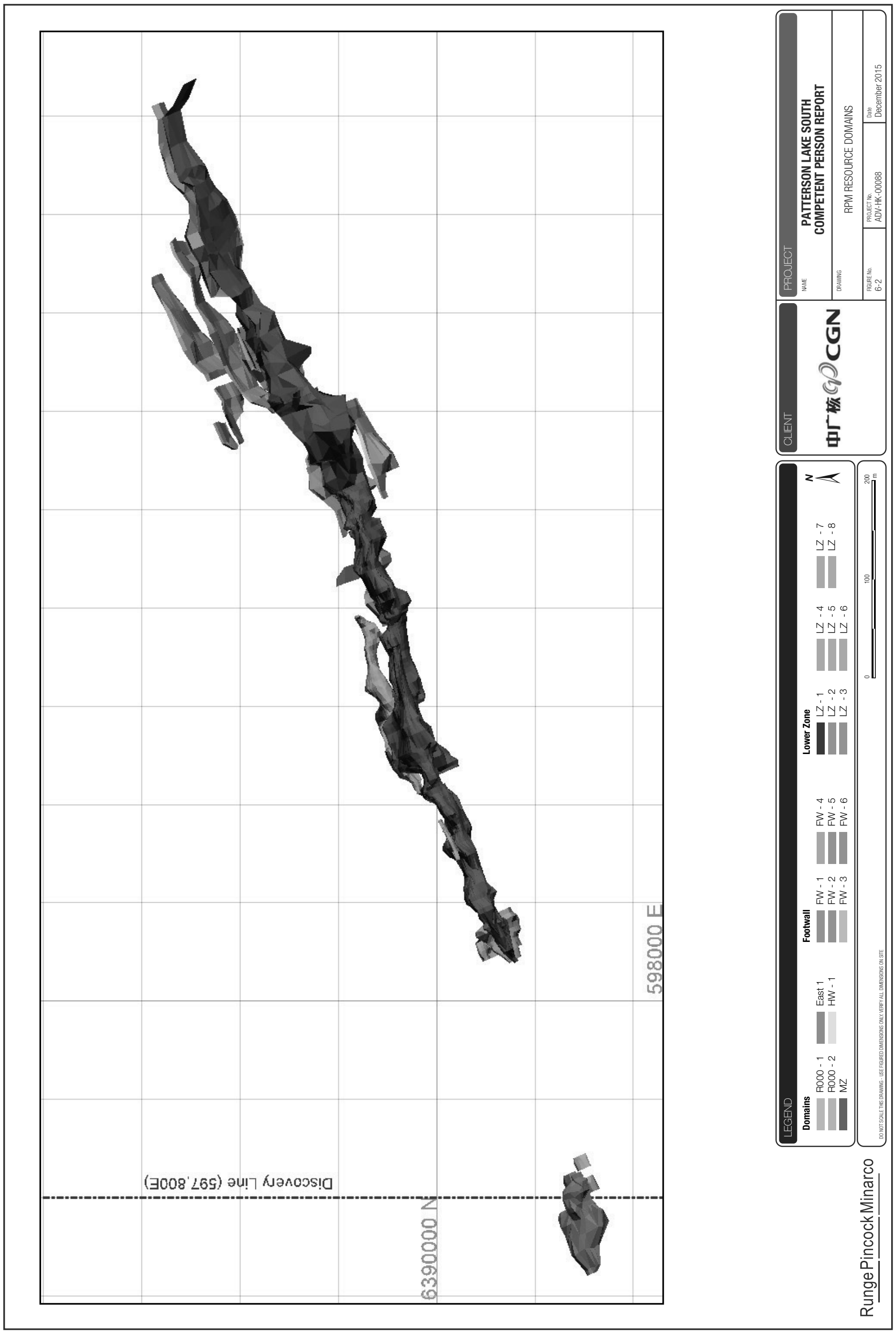

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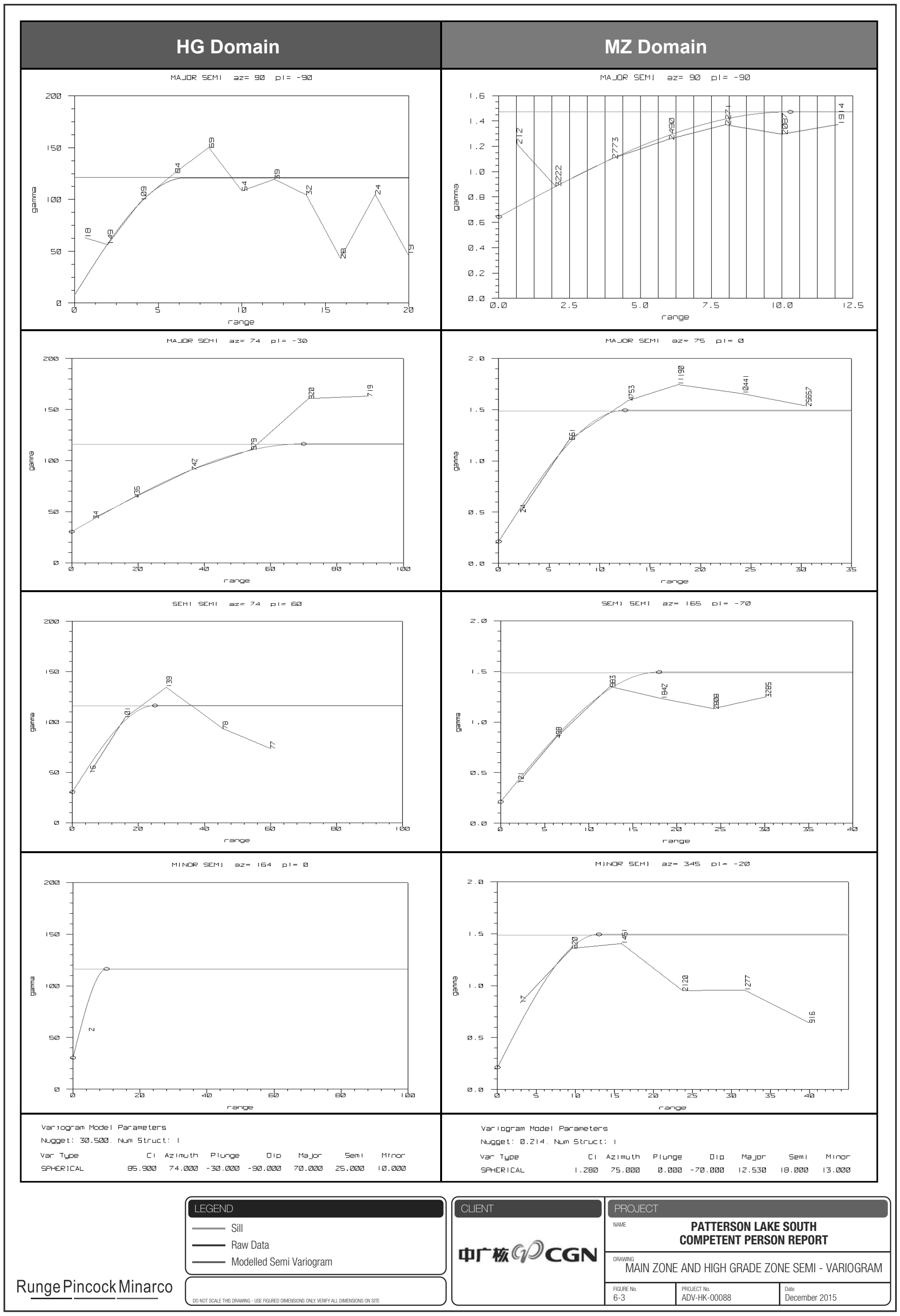
Figure 6-3 – Main Zone and High Grade Zone Semi-variogram



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- A hard boundary was used for estimating all mineralised bodies with the exception of the HG and the R600W_HG domains. RPM analysed the contact profile in Vulcan 9.1.4 between the composites from the HG and MZ domains. The result suggested that there was a gradational relationship between the two domains although inspection of the core in the western portion of the deposit appeared more distinct. A soft boundary using a limited short-range search ellipsoid of 4m x 4m x 3m in the same orientation of the HG domain parent ellipsoid, was employed to allow samples in the MZ domain along the MZ/HG boundary to inform blocks in the HG. This provides a short range transitional gradation from the HG to the MZ.

- Additional U_3O_8 mineralisation found outside of the mineralised domains was estimated using Inverse Distance cubed (ID^3) in a single pass using a 10m x 4m x 10m search ellipsoid. A minimum of 2 and a maximum of 9 samples were used with a maximum of 3 samples per drill hole.

- Ellipsoid orientations applied to the above searches are summarized in ***Table 6-5***.

Table 6-5 – Ellipsoid Orientations

		Orientation			1st Search Range			2nd Search Range		
Domain	Block Code	Bearing	Plunge	Dip	Major	Semi-major	Minor	Major	Semi-major	Minor
R600W_HG	7001	74	-30	-90	70	25	10	105	48	20
R600W_MZ	701	75	0	-70	13	18	13	39	54	39
HG	1001	74	-30	-90	70	25	10	105	48	20
MZ	101	75	0	-70	13	18	13	39	54	39
Halo	901	-23.8	0	0	10	4	10	–	–	–
All other domains	601	75	0	-70	13	18	13	39	54	39

Note: Rotation scheme is as follows:
Bearing – 1st rotation about the z axis (positive rotation is clockwise)
Plunge – 2nd rotation about the x axis (positive rotation is up)
Dip – 3rd rotation about the y axis (positive rotation is up)

- Gold grade in the database was estimated alongside the U_3O_8 using the same estimation method and parameters. No independent variography was performed for the gold mineralisation as it is considered a minor constituent in the deposit.

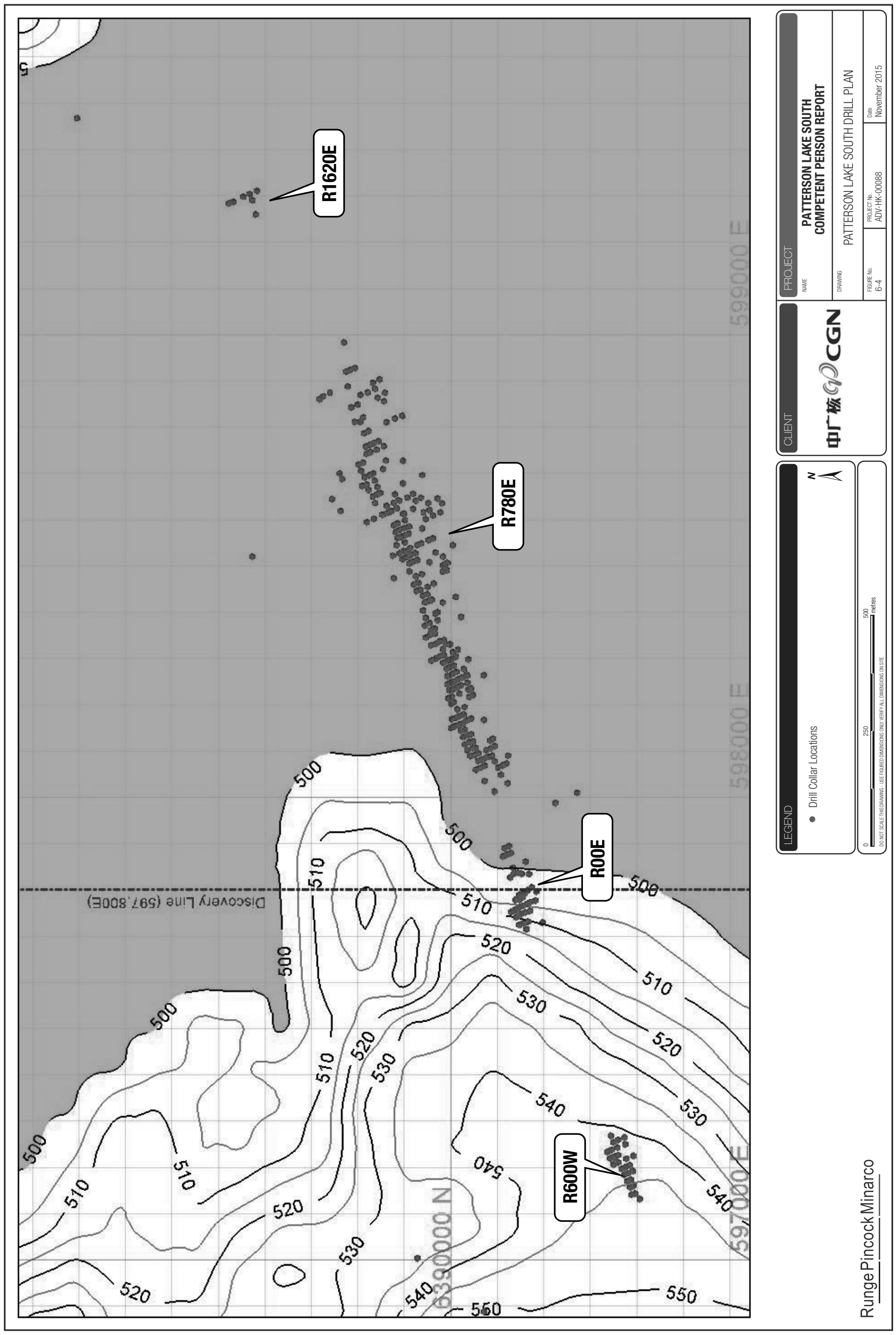
- Bulk densities were determined from wax-coating determinations on representative core samples. A total of 12,769 density samples were available for estimation. Unlike other deposits in the Athabasca Basin the uranium grade does not correlate well with density and so uranium grades were not weighted by density as in other heavier metal deposits. Waste material below the overburden till was assigned a bulk density of 2.65 t/m^3 whilst the till overburden material was assigned a density of 2.0 t/m^3

- The mineralised domains block densities were estimated from the density measurements using ID3 and a similar search strategy as used for uranium grade. Hard boundaries were used between domains. ***Table 6-6*** compares the average densities of the blocks with the mineralised zones to the average densities of measurements associated with grades greater than 0.1% U_3O_8.

Table 6-6-Bulk Density, Block Estimates V.S. Measurements

Zone	Blocks (t/m^3)	Measurements (t/m^3)
HG	2.37	2.37
MZ	2.34	2.32
R00E	2.26	2.26
Halo	2.42	2.38
Other	2.26	2.33
Average	**2.35**	**2.33**

Figure 6-4 – Patterson Lake South Drill Plan



6.4.1 Validation

From visual comparison, RPM observed a high coincidence between the estimated and composite grades. RPM also undertook swath plots for the HG and MZ domains (***Figure 6-5***) comparing the estimated U_3O_8 grade resulting from OK and ID^3 estimations with the Cartesian nearest neighbour and anisotropic nearest neighbour sample grades. RPM concluded that the comparison between the block estimates and composites were within the acceptable range and the estimations have an appropriate level of error-smoothing for the style of mineralisation.

RPM considers that the sample configuration estimations are appropriate for the drilling and sampling at this stage of project development. The results are unbiased with respect to the composites (nearest neighbour) and incorporate minimal smoothing.

6.4.2 Classification

To report the Mineral Resources and be consistent with the JORC requirement of 'Reasonable Prospects for Eventual Economic Extraction' RPM constrained the Indicated and Inferred classified block estimates using the economic pit provided by Fission that was created by RPA using a U_3O_8 price of $65 per pound and a cut-off grade of 0.2% U_3O_8 for the open pit portion of the Mineral Resource. Resources below the pit were considered to be recoverable through underground mining methods as outlined in the PEA, at a break even cut-off grade of 0.25% U_3O_8.

The previous classification scheme used in the PEA was based on nominal drill spacing. RPM employed a mathematical scheme of resource classification where the average distance between single samples from 2 drill holes was used. Resource blocks with average sample distances of less than 16 m were designated as Indicated whilst blocks with average drill hole spacing greater than this, were designated as Inferred. RPM noted that some mineralised domains extend beyond the influence of drill hole samples and therefore the classification scheme placed these areas in the Inferred category. These locations may be considered drilling targets to increase Indicated Resources. Estimates made in the unconstrained Halo area of the deposit were classified as Inferred.

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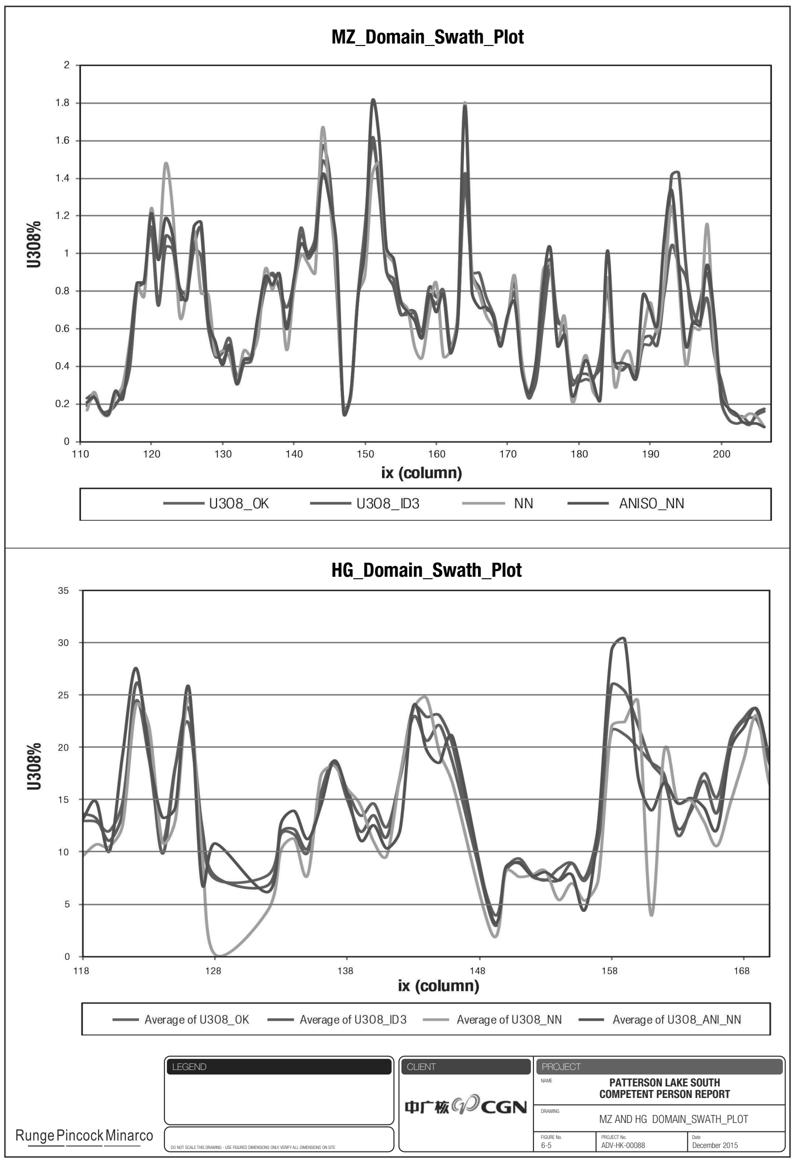
RPM in its estimate has included the new R600W area which was further delineated in the Summer 2015 drill program. RPM utilised the above scheme when assigning the resource classification for this area and considers that due to the depth of the deposit (>100m from surface), higher grade nature, general geometry, and distance from the proposed underground infrastructure, it has reasonable prospects for eventual extraction through underground mining methods. RPM reported this portion of the Mineral Resource using a 0.25% U_3O_8 cut off grade.

RPM visually confirmed the classification scheme.

Figure 6-5 – RPM Mineral Estimate SWOTH Plots



6.5 Exploration Potential

The PLS property is an advanced property containing 341 holes that define the resource plus an additional 187 exploration holes. Exploration potential is considered excellent to continue to expand the known zones of mineralisation and define new ones west of R600W and on parallel conductors.

The summer 2015 drill results extended mineralisation in the R600W zone, in the R780E zone, the R1620E, and defined mineralisation and favourable geology along the conductor zones PLG-1B and PLG-3A. This drilling expanded the mineral zone at R600W from 65 metres in length to 135 metres. High-grade mineralisation was identified as an extension to the east on the R780E zone, and high grade mineralisation was identified in the R1620E zone. In addition, drilling intersected favourable geology and mineralisation west of R600W on what is projected to be an extension of the same conductor zone that hosts R600W, R00 and R780.

Drilling planned for winter 2016 is 10,000 metres to extend the R600W, extend and expand to the east the high grade core of R780E, test for additional high grade in the R1620E zone and follow up favourable exploration results on PLG-1B and PLG-3A. Fission anticipates that the winter 2016 drill program may double the amount drilled following up positive results from the initial 10,000 m.

Geophysics has defined numerous conductor zones within the property boundaries. Many of these have been tested with a single hole. The discovery of the R00E zone was several holes into the program. The potential for mineralisation along many of these conductors has yet to be eliminated through drilling and so there remains additional potential within the lease.

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7 Mining

The Project hosts the Triple R deposit, a structurally controlled east-west trending sub-vertical high grade uranium deposit. The deposit is overlain by 50 m to 100 m of sandy overburden, with the high grade mineralisation located near the bedrock-overburden contact. The deposit extends under Patterson Lake, and will require a ring dyke and slurry wall to effectively isolate it from the lake and water in flows.

As part of the PEA, an Open Pit vs. Underground mine trade-off study was conducted to determine the optimum mining method for developing the mineralised body. Factors for consideration in determining the optimum extraction method include:

- Regulatory and permitting considerations
- Environmental footprint and impact on biological and aquatic wildlife
- Radiological considerations, and impacts of radiation exposure to site personnel
- Safety implications with respect to water inflow and geotechnical considerations
- Overall extraction factor of the mineralised body with respect to crown pillar considerations
- Extraction factor of specific high-grade mineralised pods, with respect to worker safety
- Review of constructability and project complexity for each of the options
- Empirical trade-off of capital and operating costs for each of the selected options

Upon evaluation of these factors, a preferred mine development plan consisting of both open pit and underground mining was proposed as the basis of the PEA. The open pit portion of the plan has been designed to maximise the recovery of the high-grade resources (>4% U_3O_8), whilst minimising the open footprint. Once the open pit operation is established underground mining will be used to access the remainder of the deposit.

Ore Reserves have not been declared for the Project as the highest level of study is a PEA which cannot be used to declare reserves. In order to complete a Pre-feasibility Study (PFS) (and sub sequent Feasibility Study) as required for the declaration of reserves, additional drilling, metallurgy, geotechnical studies, environmental studies and more detailed mine design work will be required. It is estimated that the cost of work required to complete a PFS will be no less than C$26 million.

7.1 Mining Method

7.1.1 Open Pit

Mining of mineralised material and uranium-bearing waste is proposed to be carried out by the owner whilst the overburden stripping and barren waste mining will be done exclusively by contractor. The combination of owner-operated mining and contractor mining will be carried out using conventional open pit methods consisting of the following activities:

- Drilling performed by conventional production drills.
- Blasting using an emulsion explosive and a down-hole delay initiation system.
- Loading and hauling operations performed with hydraulic shovels, front-end loaders, and underground haulage trucks (mineralised material and some waste) and rigid frame trucks (overburden and remainder of waste).

The production equipment will be supported by bulldozers, a grader, and a water truck. Support fleets will be separated into contractor and owner fleets in order to minimize the amount of contractor equipment that is in contact with radioactive material.

7.1.2 Underground

The mining method for the underground will be longhole retreat mining in both transverse and longitudinal methods based on current block model information. The mining will retreat from the Exhaust Air Raises (EAR) towards the Fresh Air Raises (FAR), and will be mined in blocks ranging from three to four levels for transverse mining. In the longitudinal areas of mining, the lenses will be mined from the bottom up.

The ventilation system will be a push-pull system with two FARs and three EARs. The ventilation in the underground workings will be used once in the ROM production areas. The air will be force-ventilated with a positive flow in the transverse and longitudinal headings (air will be pumped into the headings). Push-pull ventilation systems have been used extensively in uranium mines in the Athabasca Basin.

7.2 Mine Design and Concept

7.2.1 Dyke and Slurry Wall

Ring Dyke

As the Deposit extends under Patterson Lake, a dyke needs to be constructed to isolate the deposit from the lake. The dyke will be approximately 2,550 m long, with a top berm width of 25 m and slope angles of approximately 30°. The dyke will be built to a height of approximately four to five metres above the lake elevation and will require an estimated 1.2 million m^3 of rock to construct.

To build the dyke, fill material must be brought in from a borrow pit located approximately 30 km away from the site. Trucks would bring the material to the dyke location and continually advance the structure into Patterson Lake. The dyke would be initiated from both north and south shore locations, and meet at a central point towards the eastern extent of the dyke. Bulldozers and other equipment would continually pack and shape the fill material as it extends into the lake. The dyke core would then be vibro-compacted using specialised equipment. It is likely that fine-grained, soft lacustrine sediments are present at the lakebed surface which, if extensive, may require removal by dredging as part of foundation preparation activities. Rapid-loading of lakebed sediments during dyke fill placement could result in slope instability from undrained shear failure. The potential for construction-induced failure, including the potential for static liquefaction of underlying silts and fine sands will need to be investigated at the next project stage. The thickness of soft lakebed sediments (if present) is currently unknown and will require confirmation at the next phase of study. A schematic of the dyke is shown in ***Figure 7-1***.

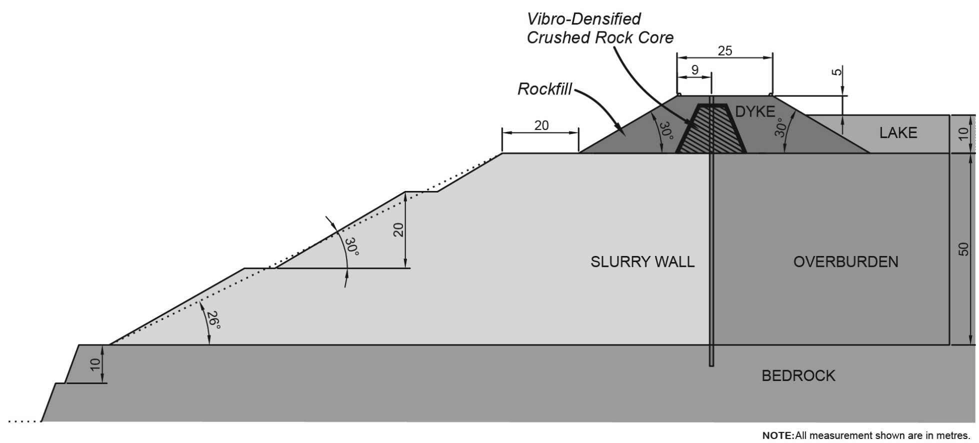
Based on a meeting between RPM and Bauer Foundations Canada Inc, ("Bauer") who are the proposed contractor for this construction with recent experience in Canada on another mining project, the ring dyke design is conceptual in nature and will be highly dependent on detailed geotechnical investigations which are yet to be undertaken. Key risks associated with the construction of the dyke include thickness of the overburden sediment and glacial till and their impact on costs and designs. The level of accuracy of the ring dyke design and associated costs are in the order of 35% accuracy.

Slurry Wall

The ring dyke alone is not sufficient to prevent water flowing into the open pit. To effectively isolate the pit from Patterson Lake, a system of slurry walls is proposed. Slurry walls have been used effectively in a number of northern Canadian mining projects, notably Diavik diamond mine and Meadowbank gold mine. The slurry wall concept was based on discussions between BGC and Bauer, the contractor responsible for cut-off wall construction at Diavik and the lead contractor responsible for the construction of the proposed new Diavik dyke cut-off. Bauer has experience constructing diaphragm walls to depths of more than 100 m in coarse, bouldery overburden deposits. The trench excavation for that project was completed by means of a combination of clamshell and hydromill technology. The former was used to remove particles up to cobble and small boulders, while the latter was used to advance through boulders that were too large to remove by clamshell.

Bauer expects that similar equipment could be used to construct a diaphragm wall to bedrock at PLS, including a socket into the bedrock surface. They caution that the time for construction (and cost) will be heavily dependent on the frequency and size of boulders in the overburden. For example, the time required to remove boulders by grinding with the hydromill is in the order of 20 to 30 times greater than advancing an equivalent distance in material that can be more easily excavated. The greatest concern is with respect to boulders that are larger than the width of the trench, which is expected to range from 1.0 m to 1.5 m.

Figure 7-1 – Dyke Wall Schematic



From the 2012 diamond drill hole logs, the estimated maximum size of boulders encountered in each drill hole ranges from 11 cm (cobble size) up to 46 cm in thickness. These thicknesses, suggest that cut-off wall construction may require little grinding, however these observations must be viewed with caution since they were inferred from drill performance and the nature of the drill cuttings. The 2012 dual rotary drill holes would have allowed for a more representative assessment of the overburden soils compared to the diamond drill holes and these records did not report any boulders within the glaciofluvial sand. These holes were however, drilled more than 1 km west of the proposed pit and may not be representative of the conditions around the pit where the wall would be constructed. Since 2013, the drill hole casing was advanced directly to bedrock and the overburden was not sampled. The records from these drill holes did report the presence of boulders, although the frequency and size of boulders was not provided.

For the purposes of estimating the time and cost of constructing the wall, BGC assumed that one percent of the volume of overburden would comprise boulders of a size that would require grinding by hydromill. This assumption was based on a review of the number and size of boulders reported on the exploration drill hole logs however, it should be considered as approximate given the uncertainty with respect to the overburden sampling methods. As this assumption may have a significant impact on the construction costs, the potential frequency, size and nature of the boulders along the proposed cut-off wall alignment will need to be evaluated at future stages of the Project.

Determination of the required socket depth into bedrock will require characterization of the rock mass, measurements of the hydraulic conductivity of the bedrock and seepage analyses to estimate the volume of water that could potentially flow into the pit. For the purposes of this assessment, it has been assumed that the total depth of required cut-off in bedrock is 2.5 m. A bedrock cut-off that is deeper than 2.5 m would likely involve installation of a pressure grout curtain.

RPM note that no geotechnical information is available on ground fracturing or faults within the open pit. Additional grouting and slurry wall thickness would be needed in areas of poor rock quality to improve sealing and prevent water seepage into the pit.

The slurry wall will completely circumnavigate the mining operations (including the shore-based portion), with a total linear length of approximately 3,300 m. The slurry wall is planned to be one metre thick, with average depths of 60.7 m from the working surface. A summary of the slurry wall system is shown in ***Figure 7-2***.

Figure 7-2 – Slurry Wall System

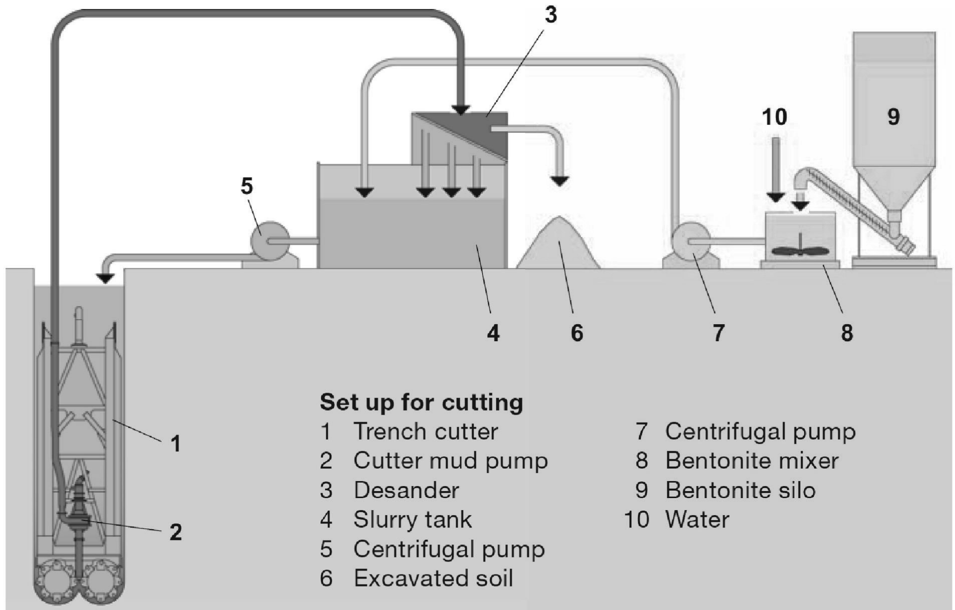


Photo Credit: Bauer Maschinen GmbH, 1/2015

The sequence of developing the slurry wall follows a primary-secondary method, and is shown in ***Figure 7-3***.

Figure 7-3 – Slurry Wall Construction Sequence

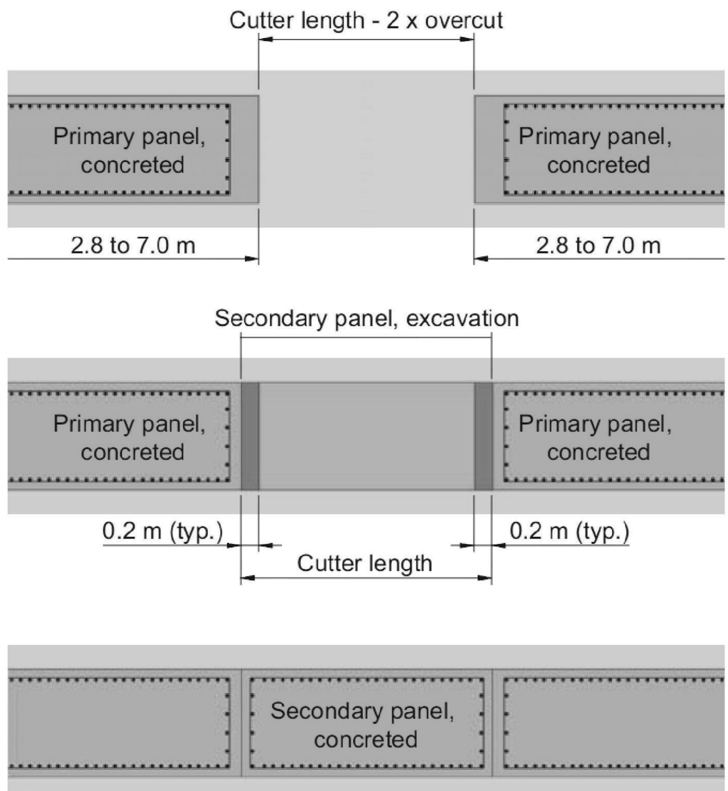


Photo Credit: Bauer Maschinen GmbH, 1/2015

An example of dyke and slurry wall under construction is shown in ***Figure 7-4***. This photo shows slurry wall construction at the Diavik diamond mine, located in Northwest Territories, Canada.

RPM notes that from discussions with Bauer, the guaranteed service life of a Slurry Wall is 10 years. Bauer believes that with careful monitoring this service life can be extended well beyond this period.

Figure 7-4 – Example of Slurry Wall Construction-Diavik Diamond Mine

Dewatering

After completion of the slurry wall, the enclosed pit will be dewatered. An assumption has been made that the pumped water will be of an equivalent quality to the surrounding lake and as such no allowance has been made for the treatment of this water. This assumption will need to be verified and if necessary a level of water treatment implemented at additional cost to the project. The enclosed pit contains an estimated 17.4 million m^3 of water, which would be pumped out of the pit over the course of Year -1. To accomplish this, six 12 in. diameter pumps would be sourced from an equipment rental company. Hydro-seeding would then take place on the exposed overburden over approximately 400,000 m^2, to assist in preventing erosion.

The concept of overburden removal by pumping should be considered in future studies, as the pumps that were evaluated to perform the initial dewatering are capable of pumping solids up to 75 mm in diameter. This concept may provide an opportunity to both lower capital costs and improve construction timelines.

It should be noted that the estimated cost to construct the slurry wall is not based on documented hydrogeological studies. The depth of the water table in the overburden and the amount of water flowing into the pit is highly variable. Pumping and dewatering cost may be higher and delay mining start up if pit dewatering is not dewatered on time.

7.2.2 Open Pit

Pit optimization analysis was conducted on the PEA Mineral Resource to determine the economics of extraction by open pit methods. The parameters used in the pit optimization process for the PEA are presented in ***Table 7-1***. RPM considers these parameters to be reasonable for the project characteristics.

Table 7-1 – Whittle Pit Optimisation Parameters

Parameter	Unit	Input
Pit Slopes (OVB)	degrees	30
Pit Slopes (Rock)	degrees	45
Ore Mining Cost	US$/tonne	15.00
Waste Mining Cost	US$/tonne	3.00
Process Cost	US$/tonne	62.51
Tailings Cost	US$/tonne	0.98
G&A Cost	US$/tonne	7.00
Process and G&A Cost	US$/tonne	70.49
Mining Extraction	%	100
Mining Dilution	%	0
Met. Recovery	%	95
Raised COG	%	0.1
U_3O_8 Price	$/lb U_3O_8	65.00
Shipping	$/lb U_3O_8	0.65
Contingencies	$/lb U_3O_9	3.77
Royalties	$/lb U_3O_8	9.10
Total Charges	$/lb U_3O_8	13.52
Block Size	m	5x2x5

Due to the high value of the mineralised material, economic pits at high strip ratios approximately 40 to 50:1 (waste:ore) were achieved.

The selection of pit size is critical as once it is set, no further pit expansions can be developed without a significant capital expense to expand the slurry wall. The pit size and extraction volumes from the underground should be optimized.

Preliminary slope design angles were utilised in the pit design based upon geological observation of the waste and mineralised rock characteristics. The overburden is expected to consist primarily of glaciofluvial sand and boulders which would be loose with low fines content, and a corresponding high permeability. The onshore stratigraphic profile at the western edge of the pit is comprised of glaciofluvial sand with boulders above clayey lodgement till. The total thickness of overburden is approximately 80 m at the western edge of the pit.

The stratigraphy at the eastern edge of the pit (i.e. beneath the lake) is less complex and generally comprises glaciofluvial sand with boulders directly above the basement bedrock. The basement bedrock beneath the lake slopes from elevation 450 masl at the western shoreline to approximately 435 masl at the eastern side of the pit. The corresponding overburden thickness ranges from 45 m to 55 m.

Geotechnical work for pit wall slope stability is limited and an assumption used for inter-ramp slopes is based on unconfined compressive strength testing of 54 rock samples and rock mass classification from one drill hole. This test work is considered to be at a conceptual level at this time. Assumptions used to estimate inter-ramp slopes are based on a drill holes that is near to the southern pit wall of the proposed R780E pit. This data is not representative of the geotechnical conditions for the final pit wall that is planned.

Stability analysis was performed using the limit equilibrium software package Slope/W by Geo-Slope International Limited, assuming 30 m bench heights with a 30° bench face angle and 8 m bench width in the overburden slopes above the proposed pit. Additional geotechnical investigation will be required during subsequent levels of study to better characterize the overburden materials, and their properties.

Analysis was carried out for the proposed overall pit slopes using upper and lower bound rock mass strength criterion for the rock mass. The impact of the water table on the slope stability was also assessed. A minimum FoS of 1.3 was used as the acceptance criteria. Based on this assessment, all slopes met the required FoS assuming a moderately de-watered state.

For waste dumps of overburden material consisting of glaciofluvial bouldery sand, for the current stage of design, a 26° (2H:1V) overall slope angle is recommended. This assumes 30 m lifts, a 30° bench face angle and an eight metre berm between lifts. A maximum of two lifts is assumed.

For waste dumps of good quality blasted rock, a dump face angle of 38° is recommended, assuming the rock is free draining. These should be constructed in 50 m lifts, with an 11 m berm in between for a maximum of two lifts. This results in an overall dump slope angle of 1.5H:1V, or 34°.

The open pits were staged in three pushbacks and the final pit design is presented in ***Figure 7-5***. The ramp design uses a series of switchbacks to minimise the ramps in the north and south walls in order to reduce the overall footprint of the open pit and to reduce length of slurry wall. The ramps are designed at 22 m for two way traffic of 100 t trucks for the removal of waste and overburden. As the pit deepens, the stripping ratio decreases significantly and the ramps are reduced to an 11 m width to accommodate smaller equipment used to mine the mineralised material.

Equipment

There will be two sets of equipment for the open pit operation, an owner's fleet and a contractor fleet. The owner's fleet will operate exclusively in bedrock, and is designed to move approximately 2,000 tpd of total material. This fleet will be used to mine mineralised material (to be sent to the stockpile) as well as some waste, whilst the contractor fleet will mine all other waste and overburden material.

The owner fleet will utilise 5m^3 front hydraulic excavators and 40 t underground haul trucks. The decision to use the underground trucks is based on the relatively short life and small daily tonnage of the open pit. Once the open pit life ceases, trucks can be moved to the underground operation with relative ease. The use of one single type of truck for open pit and underground makes maintenance, scheduling, and operator training easier for the mine.

Mineable Quantities and Schedule

The Mineable Quantity has been defined and reported in the Report to be the economically mineable portion of the Indicated Resource following application of modifying factors considered suitable based on the data available. It includes mining in-situ dilution and material loss factors in addition economic considerations. The definition of the modifying factors is not supported by a mining study to a Pre-Feasibility accuracy as such are not Ore Reserves as per the JORC Code.

RPM has created an updated open pit mining schedule based on the 1st December, 2015 Mineral Resource Model. The schedule has followed the same operating philosophy as that proposed in the PEA and is reported within the PEA interim and final pit designs. RPM's updated open pit mining schedule is shown in ***Table 7-2***.

The open pit mine production excludes all Inferred Mineral Resources which is assumed to be waste material with a grade of 0%. For a Pre-feasibility study or Feasibility study, additional drilling will be needed to convert the inferred material into the indicated material class to be included as reserves.

The waste stripping schedule is aggressive for a contract miner. The contract period for pre-production and waste mining is only six years with the bulk of the work being completed in the first two years of the mine startup. It may be difficult to identify a mining contractor to work in the northern Saskatchewan climate.

The mine pre-production and start up schedule will be dependent on the completion of the slurry wall and pit dewatering. Any delays in ring dyke or slurry wall construction will delay the mine development and increase owners startup costs.

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Table 7-2 – Open Pit Production Schedule

Open Pit Mining Schedule	Units	Total	Yr -2	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6
Total Mined	kt	48,690		19,405	19,108	5,646	3,271	918	242	101
Total ROM Feed	kt	1,365		97	232	312	355	208	108	53
Total Waste Bedrock	kt	17,019		467	7,430	5,316	2,916	711	134	47
Total Waste OVB	kt	30,306		18,841	11,446	18	0	0	0	0
Owner OP ROM	kt	1,365		97	232	312	355	208	108	53
Contractor OVB	kt	30,306		18,841	11,446	18	0	0	0	0
Owner Mining Waste % of Total Waste	%	19%		100%	13%	6%	11%	68%	100%	100%
Owner OP Waste	kt	2,677		467	929	303	318	480	134	47
Contractor Waste	kt	14,342		0	6,501	5,013	2,598	231	0	0
Total Moved by Owner	kt	4,042		564	1,161	615	673	687	242	101
	tpd			1,612	3,317	1,756	1,922	1,964	691	288
Total Moved by Contractor	kt	44,648		18,841	17,947	5,031	2,598	231	0	0
	tpd			53,832	51,277	14,374	7,423	660	0	0

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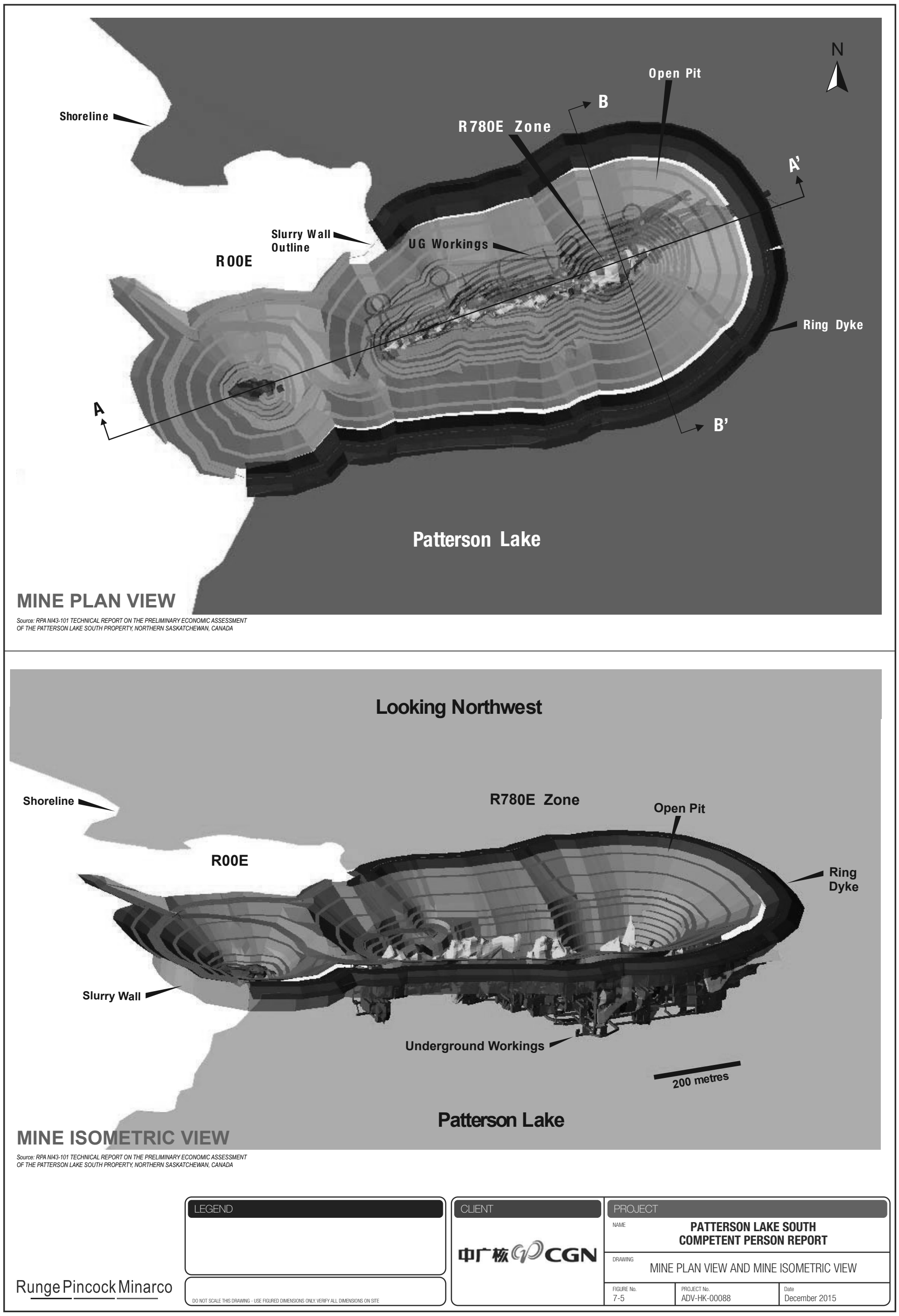
Figure 7-5 – Mine Plan View and Mine Isometric View



7.2.3 Underground

The mining method for the underground mining is planned to be longhole retreat. Both transverse and longitudinal mining will be done. Transverse mining makes up the majority of the mining on the west and middle areas of the mineralised body as shown in ***Figure 7-6***. Longitudinal mining is planned for the eastern end of the mineralised body where there are multiple narrow lenses. Retreat mining is done from the EAR towards the FAR so that crews are always in the best ground.

Underground stopes are planned on 20 m sub-levels. Stope lengths are 15 m in strike and 10 m in width (hangingwall to footwall). Ased on the preliminary geotechnical analysis for depths 200 m or less the height can increase up to 33 m (stopes under the pit and upper levels). ***Table 7-3*** provides the parameters implemented in the optimiser software to create the stopes.

Table 7-3 – Design Criteria

Parameter	Value
Height (m)	20
Strike Length (m)	15
Minimum Mining Width (m)	2
Maximum Mining Width (m)	100
Cut-off Value	0.1% Uranium
% Dilution Allowable	65%

Cut-off grades for stope design were established using preliminary cost estimates for mining, processing, and general and administration. After completing the cost estimate contained within the PEA, the underground mining cut-off grade, on a break-even basis, is approximately 0.25% U_3O_8. In the current life-of-mine plan, there are some stopes grading between 0.1% U_3O_8 and 0.25% U_3O_8, which could be considered incremental. RPM recommends that further stope grade optimization be carried out in future studies. This optimization would likely result in lower tonnes, higher grades, and improved economics.

The development mining cycle includes the following items:

- Development drilling.
- Blasting.
- Mucking.
- Mechanical scaling.
- Shotcrete – used for immediate support and shielding.
- Bolting and screening.

The production mining cycle includes the following items:

- Cablebolting – Action takes place as soon as a drift is completed. Item is done for the entire stoping area.
- Production Drilling/Blasting – Action takes place after cablebolting. Item is done for the entire stoping area.
- Mucking.
- Backfill.
- Cure time.

Mucking of the next adjacent stope does not take place until backfilling is completed.

The underground fleet will include standard hard-rock mining equipment such as boom jumbos, LHD's, 40t haul trucks and rock bolters and will be entirely owned by the operator.

Ventilation Raises will either be drop raises or alimak raises between levels. Alimak or raisebore raises will be driven to surface and breakthrough into the bedrock of the pit. The ventilation system for the mine is a push pull system with two fresh air raises and three exhaust raises. A total of 310 m^3/s will be required at peak production with all zones active. The exhaust fans will expel 255 m^3/s out the vent raises, while the remaining air will exhaust the portal, as shown in ***Figure 7-6***. The air exhausting the portal is fresh air that does not go through production areas. The central FAR will contain a ladder system for secondary means of egress. The ventilation is designed to be a single pass use through a production heading. Once the air has been contaminated in a production heading it goes immediately to exhaust. Therefore only one production heading can be mined at a time in a ventilation branch between the FAR and EAR. The ventilation system is design to allow multiple levels to be open in the mine so that up to four stopes can be in various stages of production during mining.

Mining of the mineralisation of the underground commences as phase two of the open pit is near completion. A portal will access the underground workings from the pit ramp on the 420 masl in phase two of the pit. Underground production will start as the last benches are mined in phase three.

Ground Support

Ground support for the underground mine portion of the Project is designed both for radiological protection, and traditional ground support. It is envisaged that in waste drifts, ground support will include screen and grouted rebar across the back and shoulders of the drift, and split sets installed in the lower walls. In ore headings, shotcrete will be installed in addition to the previously mentioned ground support requirements. Shotcrete provides a radiological shielding to underground mine personnel. The thickness of shotcrete will vary according to the production grade, with a minimum of 50 mm to be applied. Ground support for stope excavations will include the installation of cable bolts into the hanging-wall of the stope undercut and overcut. Installing cable bolts has the added benefit of reducing dilution.

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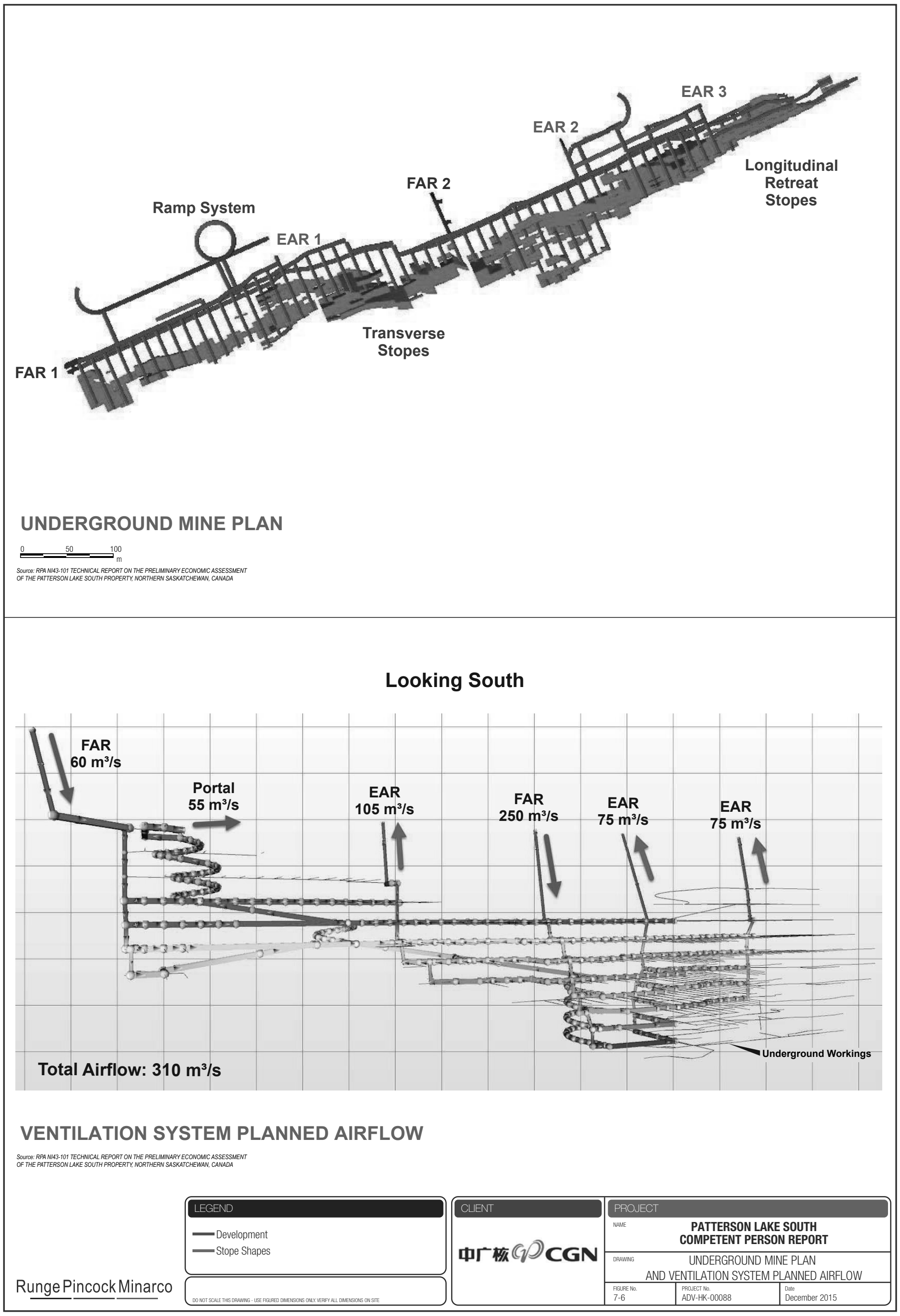
Figure 7-6 – Underground Mine Plan Ventilation System Planned Airflow



7.3 Forecast Production

The PEA has envisaged a life of mine plan that incorporates high grade material being mined from an open pit from Year-1 to Year 6. Underground mining begins with capital development in Year 3 and continues to Year 14. The material movement from the RPM schedule for the open pit is shown in ***Figure 7-7*** and is based on Indicated Mineral Resources only. The deposit is situated under 50 m to 100 m of sand overburden, which will be moved by a contractor whom will also assist during peak waste movement periods.

The Life of Mine production schedule is shown in ***Figure 7-8*** based on RPM's open cut schedule and the original PEA underground schedule. RPM has not updated the underground schedule for the latest Mineral Resource. The open cut schedule drives 70% of the recovered uranium metal of the Project, and RPM considers that a variation of 4% in the contained metal of the underground resource area is immaterial to a PEA level study.

RPM notes that the underground schedule has significantly higher tonnes and lower grade than the reported mineral resource as per ***Table 6-1***, this is due in part to the running of the stope optimisation process at 0.1% U_3O_8, which is below the break even cut off operating stope grade of 0.25% U_3O_8. RPM considers that further optimisation of the underground schedule will potentially result in a schedule which will have lower tonnes and higher grade. This will potentially have a positive impact on the underground operating margins.

Figure 7-7 – RPM Open Pit Material Movement

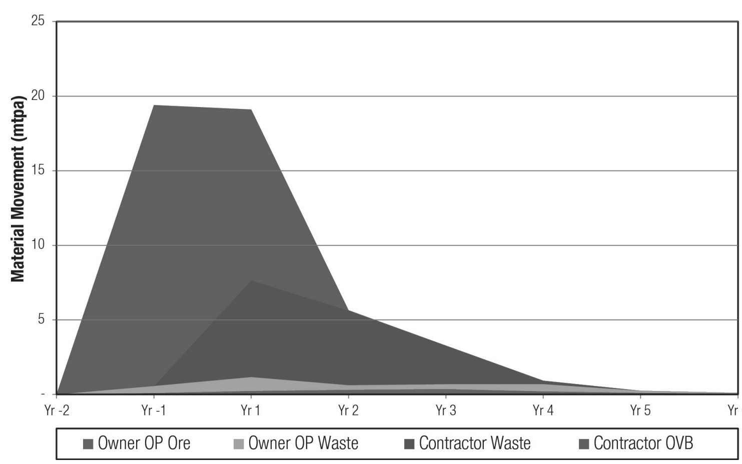


Figure 7-8 – RPM Life of Mine Production Schedule

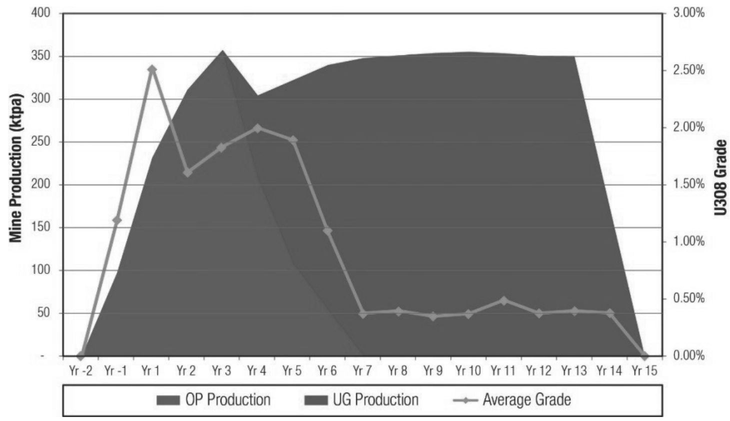


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Table 7-4 – Open Pit and Underground Mining Schedules

Mine Production	Units	Total	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14
Open Pit Mining																	
Waste Overburden	kt	30,306	18,841	11,446	18	–	–	–	–	–	–	–	–	–	–	–	–
Waste Bedrock	kt	17,019	467	7,430	5,316	2,916	711	134	47	–	–	–	–	–	–	–	–
Production	kt	1,365	97	232	312	355	208	108	53	–	–	–	–	–	–	–	–
Production Grade	%	2.30	1.19	2.54	1.61	1.85	2.68	4.88	3.63	–	–	–	–	–	–	–	–
Contained Pounds U_3O_8	klbs	69,221	2,551	12,971	11,073	14,472	12,269	11,622	4,262	–	–	–	–	–	–	–	–
Strip Ratio (inc. OVB)	w:o	34.7	198.7	81.3	17.1	8.2	3.4	1.2	0.9	–	–	–	–	–	–	–	–
Strip Ration (excl OVB)	w:o	12.5	4.8	32.0	17.1	8.2	3.4	1.2	0.9	–	–	–	–	–	–	–	–
Underground Mining																	
UG Production	t	3,246	–	–	–	4	97	215	287	349	352	355	356	354	351	351	175
UG Production Grade	%	0.42%	–	–	–	0.64	0.56	0.40	0.61	0.37	0.40	0.35	0.37	0.49	0.37	0.40	0.38
Contained Pounds U_3O_8	klbs	29,806	–	–	–	50	1,197	1,876	3,872	2,880	3,067	2,711	2,908	3,829	2,895	3,064	1,457
Total Production																	
Production	kt	4,611	97	232	312	358	305	323	341	349	352	355	356	354	351	351	175
Production Grade	%	0.97	1.19	2.53	1.61	1.84	2.00	1.90	1.08	0.37	0.40	0.35	0.37	0.49	0.37	0.40	0.38
Contained Pounds U_3O_8	klbs	99,026	2,551	12,971	11,073	14,522	13,467	13,498	8,134	2,880	3,067	2,711	2,908	3,829	2,895	3,064	1,457

7.4 Mine Construction Works

A three-year pre-production period is envisaged for the Project. The critical path for completing construction revolves around completing the dyke and slurry wall, dewatering of the enclosed pit, and removal of overburden. In Year -3, the dyke will be completed by starting at both the north and south terminal points and linking the two at the eastern extent of the dyke. Rock material will be sourced from a location within Fission's claim boundaries, approximately 30 km south and east of the deposit. Concurrently in Year -3, the shore-portion of the slurry wall will commence. Slurry wall construction is weather dependent, and can only be accomplished during the period of April to October. In Year -2, the remaining portion of the slurry wall will be completed, as well as some surface buildings and other infrastructure. The process plant will begin construction in Year -2. Year -1 will see the enclosed pit being dewatered, overburden being removed, and all remaining surface and infrastructure facilities completed. Overburden removal will carry over into Year 1.

7.5 Comments and Recommendations

RPM notes that the overburden and waste stripping for the open cut in the first 2 years as outlined in the schedule is very aggressive. To achieve this schedule a high waste mining rate is necessary in the first two years of mining to pre-strip and begin production. RPM recommends that future studies review the approach to this stage of the schedule to ensure it can be achieved.

Due to the updated Mineral Resource and poorly optimised underground design, RPM recommends that an updated underground schedule and optimisation should be completed in future studies along with inclusion of the R600W area and better optimisation of the underground stope shapes.

8 Metallurgy and Ore Processing

DRA completed design and costing for the process plant and related infrastructure facilities for the PEA. The process system underpinning the initial design and estimation work is based on unit processes widely used in uranium process plants across the world. Latest technology to improve plant performance has been considered but full adoption of these processes and their efficiency gains can only be confirmed at the engineering level design phase.

The plant is expected to operate at 1,000 tonnes per day or 350 ktpa, with head grades varying from 2.26% U_3O_8 in the first year of operation, to 0.39% in the last year of operation (Year 14). Annual U_3O_8 production varies from about 14 million pounds per year at the start of the project to about 3 million pounds at the end of the life of the mine. Overall recovery is estimated to be 95.25%.

Metallurgical tests established that gold in the feed material would be approximately 1.1 gram per tonne. RPM believes that gold could be recovered and recommends further testing and evaluation to determine if gold recovery would improve the economics of the project. The recovery of gold is not currently included in the process design.

8.1 Metallurgical Testwork

Five composite samples representative of different areas of the mineralised body were prepared, each from eight or nine core samples that had been prepared for assay. The portions of the core sample not required for assay (minus about 50 grams used for mineralogy analysis) were used in the preparation of the composite samples. One master composite was prepared from the five composite samples. RPM believes that the composite samples reasonably represent the various sections of the mineralised body as it is presently defined.

RPM considers the metallurgical testwork completed to date to be adequate for a preliminary evaluation of the leaching characteristics of the mineralisation. The required grind, the amount of acid and oxidant required and the temperature and retention time for leaching that have been determined, are sufficiently accurate to support the current level of design. Furthermore, the leach conditions proposed fall in line with other uranium operations in the Athabasca Basin. At this point, comminution testwork has not been completed. The grinding circuit normally used in northern Saskatchewan consists of a SAG mill and a ball mill. Until comminution tests are performed, the conservative approach would be to use a two-stage grinding circuit. Other testwork will be completed at the next study phase to support the design of the CCD thickeners, the solvent extraction plant, yellowcake precipitation, molybdenum removal, tailings neutralisation and the thickening process. Further leach tests and gold recovery tests should also be performed.

8.1.1 Leach Testing

The leach tests indicated that acceptable recovery levels could be obtained. ***Table 8-1*** shows the leach-process variables tested, the outcomes and any comments and observations.

Table 8-1 – Optimum Leach Condition Results

Variable	Value	Comments
P85 Grind size	250 micron	Fairly coarse, but typical
Temperature	45 – 55 °C	Also typical
Free acid level	25 g/l	Acid addition of 54 kg of sulphuric acid per ton of ore is required to achieve this free acid level
Oxid/Red Potential	450 – 550 mV	Addition of 7.2 kg of sodium chlorate required to achieve this ORP. Other oxidants were tested.

A summary of the leach test results is provided in ***Table 8-2***.

Table 8-2 – Leach Test Results

Sample	%U_3O_8	Proportion in Master Comp	Gold ppm	Leach recovery
1	2.76	1	0.044	98.7
2	0.733	1	0.017	98.5
3	2.36	2	1.840	99.4
4	3.42	1	2.330	95.0*
5	1.24	1	0.609	99.1
Master Comp	2.09		1.100	98.4

* *The lower recovery is attributed to presence of carbon, which encloses finer uranium minerals, and possibly the presence of brannerite, which leaches slower than the other main uranium mineral, uraninite.*

RPM finds the leach results to be in line with other uranium mines in the province and suitable to support the current level of design. Further leach testwork will however, be required to validate these results, and identify an opportunities for improved recovery. The leach tests were carried out at 50-55% solids. An increase in solids concentration may be possible, with the potential to reduce sulphuric acid and oxidant consumption. An additional benefit of this approach would be to reduce the amount of lime required to neutralize tailings. RPM recommends that future tests include solids concentration levels of 60%, 70% and 75% to assess the feasibility of including filters (such as disc filters) prior to leaching to further improve efficiency.

Leach tests also need to be carried out on lower grade material of around 0.4% U_3O_8 to replicate the expected feed from Year 7 of the plan. This will help to identify any process changes that may be required at that point to ensure satisfactory uranium recovery can be maintained.

Some of the core samples contain significant amounts of hydrocarbon which may impede the recovery process although RPM is not aware of this being an issue in Saskatchewan uranium mines in recent years. The composition of the hydrocarbon will need to be determined in order to better understand if there is a potential issue.

8.2 Ore Processing Facility

The primary steps in the proposed ore-treatment process are as follows:

- Grind the ore.
- Dissolve the uranium in a sulphuric acid leaching circuit.
- Separate the uranium-bearing solution from the waste solids.
- Concentrate the uranium in a solvent extraction plant.
- Precipitate the uranium.
- Yellowcake thickening, drying and packing.

The conceptual uranium recovery flowsheet is provided on ***Figure 8-1***.

8.2.1 Ore Receiving

The mined ore will be delivered to the ore stockpile by truck. The ore stockpile pad will be located in near proximity to the mill and the ore will be stored in separate piles according to its uranium content. The day-to-day feed blend will be managed by grade control personnel who will be charged with optimising plant performance. The ore will be fed to a stationary grizzly over a dump hopper, using a front end loader with oversize material on the grizzly broken with a hydraulic rock breaker. Ore from the dump hopper will be fed to the SAG mill feed chute at a controlled rate using an apron feeder.

8.2.2 Grinding and Classification

The proposed grinding circuit consists of a single SAG mill in closed circuit with cyclones. The mill will produce a ground product with a P85 of 250 microns (85% of the ground particles will be pass through a 250 micron screen). This is relatively coarse, but the leaching testwork indicated satisfactory recovery will be achieved at this grind. In general, the uranium mills in northern Saskatchewan have a similar grind although most circuits are two stages, with a SAG mill followed by a ball mill. RPM do not believe that the adoption of a single-stage SAG mill is appropriate until an appropriate level of comminution testwork has been completed and has hence proposed a 2 stage circuit in its cost estimate.

8.2.3 Leaching

The testwork has indicates that a relatively coarse grind with a P85 size of 250 microns is sufficient to liberate the uranium minerals. The ore will be leached at 50% solids in agitated tanks at 45°C to 55°C, with the addition of approximately 54 kg of sulphuric acid per tonne of ore, as well as an oxidant, sodium chlorate, at 7.2 kg per tonne of ore. A six-hour leach tank retention time is deemed sufficient to achieve dissolution of 98.4% of the uranium in the ore.

8.2.4 Continuous Counter Current Decantation (CCD's)

The discharge from leaching consists of the uranium in solution mixed with what are now the waste solids. The next step in the process is to separate the uranium-bearing (pregnant) solution from the solids. This will be accomplished in six stages of thickeners. No settling tests have been completed to date and so the design is currently conceptual. Once the settling tests have been done, an evaluation of the size of the thickeners and the number of stages can be carried out. The type and dosage of flocculent required to aid settling can then also be determined.

CCD circuits are commonly used in the Saskatchewan uranium mines. RPM however recommends that the use of belt filters, which have been successfully used to separate pregnant solution from waste solids, also be evaluated.

The uranium bearing solution will be clarified in a thickener and polished in sand filters before being pumped to solvent extraction.

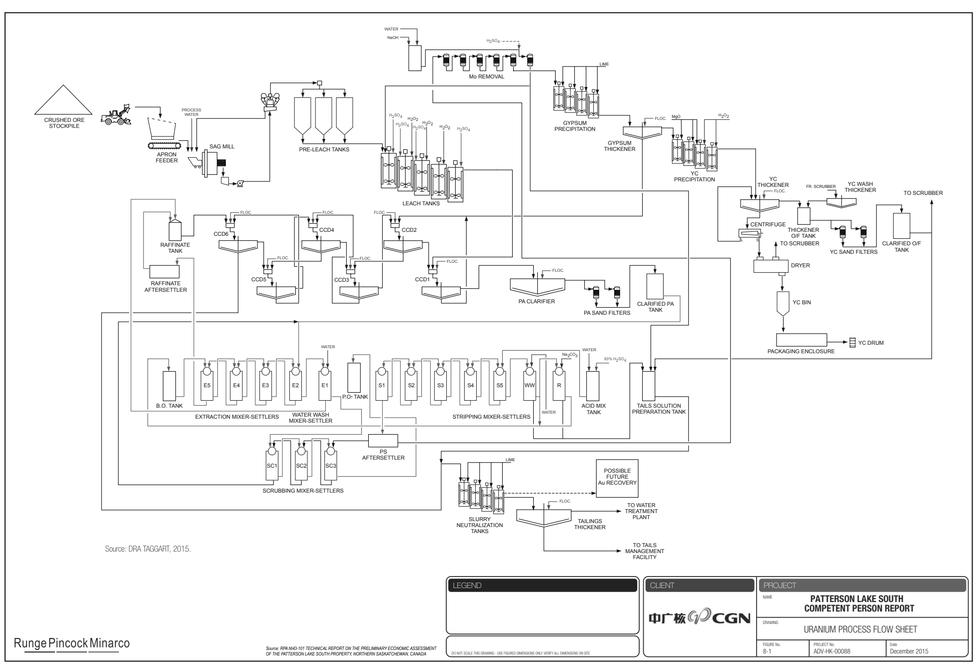
8.2.5 Solvent Extraction

The polished solution from the sand filters contains the dissolved uranium, but is too dilute for efficient recovery. The solvent extraction circuit (SX) serves to concentrate the uranium, and to remove any impurities that would result in an out-of-specification final product.

The SX circuit will consist of five mixer-settlers in series. An organic liquid carrier containing an amine reagent, which extracts the uranium from an aqueous solution, is mixed with the pregnant solution. After each mixing unit, the solution enters the settler where the organic phase separates from the aqueous phase. The aqueous solution proceeds to the organic solution whilst most of the impurities remain in the liquid phase. One of the impurities which will have to be removed is molybdenum. This will be accomplished by treating a bleed stream of the stripped organic with sodium carbonate and using activated carbon in contact with the loaded strip solution.

The organic stream containing the uranium is then stripped with a high concentration sulphuric acid solution. The sulphuric acid solution has a greater affinity for uranium than the organic phase and since a small volume of sulphuric acid can recover the uranium from a larger volume of organic solution, the concentration of uranium is increased. The stripping circuit consists of five strip mixer-settlers in a counter current fashion.

Figure 8-1 – Uranium Process Flow Sheet



A conventional solvent extraction system that provides a reliable method of upgrading the pregnant solution has been proposed. Future closed-cycle solvent extraction testwork will need to be undertaken to determine equilibrium concentration of impurities, confirming processes to remove impurities, as well as process kinetics. RPM believes that the solvent extraction process is well suited to upgrading the uranium concentration of the pregnant solution from leaching and the CCD's.

8.2.6 Molybdenum and Sulphate Removal

The loaded strip solution still contains some minor impurities that need to be removed before product precipitation. Molybdenum removal is accomplished by contacting the loaded strip solution with activated carbon in activated carbon columns. The carbon columns alternate between loading and stripping cycles. The solution discharging the last loading column reports to the gypsum precipitation circuit for sulphate removal prior to precipitation. During the carbon-stripping cycle, the carbon is first contacted with a dilute acid to recover any absorbed uranium (which is recycled to leaching) and then contacted with diluted caustic soda solution to strip the molybdenum. The spent caustic solution is pumped to the tails solution neutralisation tank.

The loaded strip solution is high sulphate and will be partially neutralised with lime to control the pH to a level that will provide suitable uranium precipitation conditions in the next unit process. The resulting gypsum precipitate will also contain some uranium which has to be recovered. The gypsum precipitate is removed and settled in the gypsum thickener before being pumped to back to the CCD circuit to re-dissolve any precipitated uranium. The overflow from the gypsum thickener advances to the uranium precipitation circuit.

8.2.7 Yellowcake Precipitation, Drying and Packing

The loaded strip solution is partially neutralised with lime in a stirred-tank reactor. Lime reacts with sulphuric acid to produce gypsum, which is separated in a thickener and returned to the CCD circuit. The overflow from the thickener is reacted with hydrogen peroxide in a stirred tank. The pH is controlled by the addition of magnesia. Uranium peroxide, yellowcake, is precipitated.

The yellowcake slurry is sent to a thickener and then a centrifuge to decrease the moisture content before it is dried in an indirect-fired propane dryer. The dryer discharges to a storage bin, from which the drums are loaded. This area must be enclosed and separately ventilated to ensure safe conditions for personnel. This section of the plant is designed to ensure that there is no contamination of other areas of the plant.

RPM notes that the proposed process of precipitating and drying yellowcake is successfully used elsewhere in the Athabasca mining district. While future testwork will serve to further define a flow sheet that will produce high-grade yellowcake, RPM is confident that a product suitable to buyers can be produced.

8.3 Tailings

8.3.1 Tailings Neutralisation

The CCD circuit separates the pregnant solution from the leached solids, which are now in the form of an acidic waste slurry. This slurry is pumped to the tailings neutralisation system. The waste streams from solvent extraction, molybdenum recovery, and the uranium thickener overflow sand filter are also treated in the tailings neutralisation system. Lime is added to neutralise the sulphuric acid. Barium chloride and if necessary, ferric sulphate, are added to control radium and arsenic. The treated slurry is directed to the tailings thickener and the thickened slurry is pumped to the tailings storage facility.

RPM notes that this is a conventional, proven system for treating uranium mill tailings. Testwork should be done to determine neutralisation characteristics, lime consumption, and the settling rate of the neutralised tailings. The use of limestone to accomplish the initial neutralisation of the tailings should be evaluated to determine if there is a cost saving, as limestone is less expensive than lime.

8.3.2 Water Treatment Plant

The water sources that require treatment include the tailings thickener overflow, water from the tailings treatment facility, site run-off, and site sewage. These streams are directed to stirred tanks in the water treatment plant where lime is added to precipitate heavy metals. This slurry is directed to the hydroxide clarifier. The overflow from the clarifier is directed to a series of three stirred-tank reactors where barium chloride is added to precipitate radium, and ferric sulphate is added to precipitate impurities such as arsenic, molybdenum, and selenium. This slurry is then sent to the radium clarifier.

The underflow from the hydroxide clarifier and the underflow from the radium clarifier are directed to the tailings management facility.

The overflow from the radium clarifier is treated further to precipitate any remaining radium, which is recovered in a second radium clarifier. The overflow from the clarifier has a final pH adjustment before it is discharged to monitoring ponds. Water from the monitoring ponds will normally meet water quality requirements and will be discharged to the environment. If the water does not meet standards, it will be recycled back to the water treatment plant or to the tailings management facility.

The treatment proposed for ensuring that the water discharged to the environment meets required standards has been proven in other uranium operations.

8.3.3 Tailings Storage Facility

Over the course of the operation of the mine, 4.8 million tonnes of ore will be treated in the concentrator. All but 1% of this material will be directed to the tailings storage facility (TSF). The precipitate created by the neutralisation of unreacted sulphuric acid, and other precipitates will also report to the TSF. The combined material will probably have a total volume in excess of two million cubic metres.

The TSF will be constructed with compacted engineered material covered with a double lined membrane. Leak detection will be installed between the two layers. The double membrane will be covered with sand, which will allow water to escape, thus reducing the pressure head on the membrane.

RPM notes that criteria for site selection and design options must be carefully evaluated to ensure the long-term stability and safety of the tailings facility.

8.3.4 Water Balance

At the current level of engineering, there is insufficient data to prepare a water balance for the mill/tailings area. A mass balance will also be required for the mill process. This would include not only the water added at grinding and other parts of the process, but also an estimate of water consumed for acid makeup pump glands, clean up, etc. These factors should be estimated at the next stage of engineering, when more detail will be generated.

9 Infrastructure, Concentrate Transportation, and Administration

The Project is located adjacent to Patterson Lake South, approximately 550 km north-northwest of the city of Prince Albert and 150 km north of the community of La Loche, Saskatchewan. The property is accessible by vehicle along all-weather Highway 955 which bisects the property in a north-south direction. The proposed site layout is shown in ***Figure 9-1***.

9.1 Infrastructure (excl water systems)

9.1.1 Access Road

Highway 955 cuts through the PLS Property and will need to be rerouted to direct local traffic around the mine site. The highway diversion will consist of approximately 3.5 km of new highway construction and will direct traffic further west of the mine site. The existing section of Highway 955 will be equipped with a controlled gatehouse on the south end to allow access to the mine site and will be blocked off at the north end to restrict access. Mine site infrastructure has been strategically positioned along the existing highway within the mine site to be able to reduce the amount of new road construction requirements.

9.1.2 Power Supply

There are currently no power lines near the mine site with the closest power line approximately 220 km away. A trade-off study was conducted to decide between grid power and a diesel generator plant. Despite the lower operating cost of grid electrical power, the capital cost of extending power to the site was greater than the cost of installing and running a diesel plant over the life of the mine. A 12 MW diesel power generating station is planned for the property, consisting of six 2 MW generators. The power plant is designed for an "n+2" configuration. A power grid will be established on site to distribute the power to the underground mine, open pit mine, tailings area, and camp.

9.1.3 Propane

Liquefied propane gas (LPG) will be used in several areas of the Project, including in the process plant, and for heating air as it enters the underground mine. Due to the distance between the process plant and underground ventilation system, multiple LPG storage facilities are envisaged. LPG will be delivered to the site via specialized trucks, which is consistent with existing uranium mines in northern Saskatchewan.

9.1.4 Fuel Storage

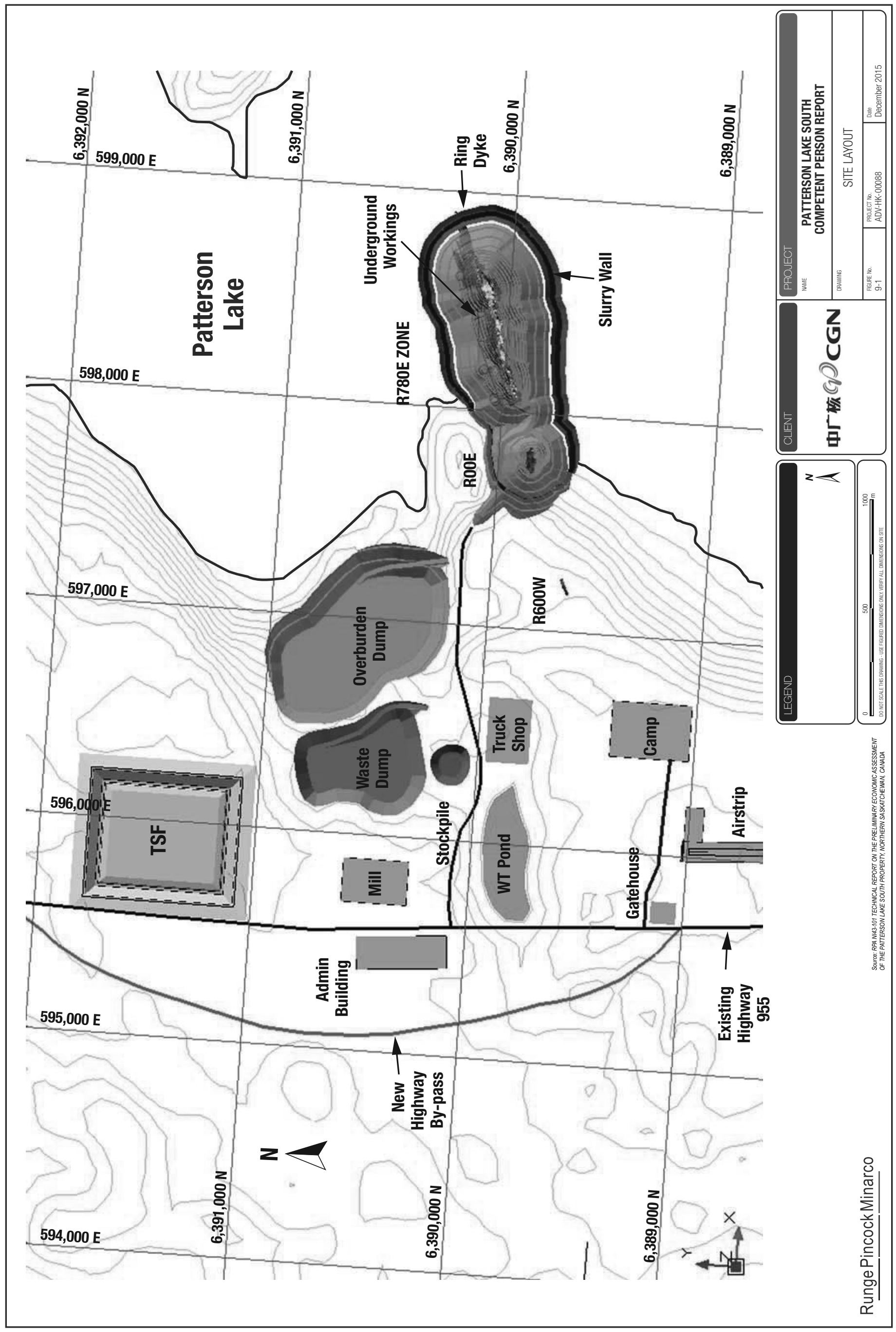
In addition to LPG, the site will require diesel for the central power plant, surface mobile mine equipment, and underground mine equipment, as well as small amounts of gasoline for light-duty vehicles on surface. Fuel storage facilities will be designed as appropriate for the required volume required to be maintained on site.

9.1.5 Explosives

An explosives storage area is planned for the Project, and will be located in an area that is a suitable distance away from other buildings and offices. The explosives storage facility will consist of two buildings – one for Ammonium Nitrate Fuel Oil (ANFO) and primers, and the other for blasting caps.

RPM has recommended that the underground explosives be changed to emulsion to prevent potential issues with water ingress into the explosive column once charged. Storage of the emulsion will require its own separate facility which should be further investigated.

Figure 9-1 – Site Layout (Infrastructure locations are conceptual only. Actual locations will depend on results of condemnation drilling)



9.1.6 Surface Buildings

A number of heated surface buildings will be constructed for the Project, including a maintenance shop, permanent camp, process building, dry facility, warehousing and administration building.

The maintenance shop will be sized to match with the largest of the owner's mining equipment. It will be outfitted with an overhead crane, as well as associated equipment needed to support maintenance activities. In addition, there will be a separate bay dedicated to light-duty vehicles, and a wash bay.

The permanent camp is sized to house a maximum of 250 people, and will include a dining hall, entertainment complex and sports facility.

The process building will house the grinding, leaching, CCD, SX, and drying and packaging areas. The process building will have a control room, product load-out facility, allowances for discharge water treatment, deionized water preparation, storage of reagents and consumables, and a warehouse for storage of all site consumables.

A dry facility and administration building will be built either as a stand-alone facility or as part of the processing complex. The facility will house an area for showering and locker rooms, as well as an office area for site administrative and technical personnel.

9.1.7 Airstrip

An airstrip will be constructed at the Project, and will function as the primary mechanism for moving people to and from the work site. The airstrip will be sized to match regional commuter propeller planes, and will also include a small airport terminal, fuel station, light system, and navigation equipment.

9.1.8 Miscellaneous Services

Allowances have been made for miscellaneous services such as a site-wide fire protection system, sanitary waste disposal system, potable water system and water effluent treatment system.

9.1.9 Tailings Storage Facility

A tailings storage facility (TSF) will be constructed to accommodate the estimated 2 Mm^3 of tailings generated over the life of the Project. Tailings will be pumped from the processing facility via pipeline to a discharge point within the TSF. The tailings storage facility will commence with the removal of a volume of sandy overburden. A layer of engineered fill material will be placed over the TSF area for stability and once compacted, the area will be covered with a double-lined membrane installed with a leak detection system. A layer of sand will then be placed over top of the membrane and tailings pumped over the sand layer, with return water being pumped back to the process plant for treatment and discharge.

9.1.10 Waste Rock and Overburden Stockpiles

Separate waste rock and overburden dumps will be built adjacent to the open pit. The waste dump and overburden dump will have estimated capacities of 15 Mt and 45 Mt, respectively.

A low grade (0.1% U_3O_8 to 1.5% U_3O_8) and high grade (>1.5% U_3O_8) stockpile will be positioned adjacent to the crusher with capacities of 130 kt and 30 kt respectively. Stockpile material will be rehandled using a loader that will directly feed the crusher using a blend of low and high grade mineralised material.

The stockpiles and waste dump will be positioned on an impermeable liner to collect any surface contact water. The stockpile and waste dump were strategically positioned to take advantage of the terrain and will require minimal earthworks to achieve a natural slope for drainage of contact water to the lined collection pond. No impermeable liner is envisaged for the overburden, as it is considered to be benign sand. Further radiological evaluation of the overburden should be considered for future studies.

10 Project Execution

The level of study for the Project is currently a PEA with an accuracy range of 35%. By definition a PEA involves minimal engineering and all costs are factored or estimated from experience and similar operations. Due to the level of accuracy, a PEA (or JORC equivalent) by definition cannot declare Ore Reserves but uses resources to complete preliminary mine design. Metallurgy testing is preliminary and process flow sheets are conceptual in nature. Locations of waste dumps and tailings storage facilities are simply outlines on a Project map. All cost estimates are considered to have an accuracy range of 35%.

10.1 Project Status

The Project is considered to be an advanced exploration project with the level of mine design completed to date sufficient to support a PEA. Drilling in the Summer of 2015 increased the footprint of the known mineralisation and additional drilling planned for Winter 2016 is expected to continue to add resources. Until the outer limits of economic mineralisation are established, any detailed mine design is premature.

Plans for 2016-2017 include additional drilling, geotechnical studies, additional metallurgical studies, and initiation of environmental baseline studies and hydrology studies.

10.2 Organization

The overall responsibility for the Project is the Company's Executive Management team including:

- Dev Randhawa Chairman and CEO: Dev is an experienced CEO with a strong track record of growing resource, mining exploration and energy companies. Northern Miner Magazine named him 'Mining Person of the Year 2013' and Finance Monthly awarded him with their 'Deal Maker of the Year 2013' award. Currently he is the CEO of Fission Uranium and Fission 3.0 Corp.

- Ross McElroy President, COO and Director; Ross is a professional geologist with nearly 30 years of experience in the mining industry. He is the winner of the PDAC 2014 Bill Dennis award for exploration success and the Northern Miner 'Mining Person of the Year 2013'. He has comprehensive experience with working and managing many types of mineral projects from grass roots exploration to feasibility and production. Ross is also a Qualified Person under the Canadian regulatory requirements set out in National Instrument 43-101.

- Mr. Raymond Ashley, Vice President Exploration, P Geo; Mr Ashley has worked in the mineral exploration industry for 25 years. From 1990 to 1996, he was employed with BHP-Billiton, first in gold and base metal exploration and later in diamonds. With BHP-Billiton he was a key member of the discovery team of Ekati, Canada's first diamond mine, and held the position of Exploration Manager Canada Diamonds. From 1996 to 2009 he was VP Exploration for Dia Met Minerals in exploration for diamonds internationally, COO of Trigon Exploration Ltd., a public company he co-founded, and VP Exploration for Diamondex Resources Ltd. Since 2009, he has been an independent consulting geoscientist and was a member of the Fission Energy team responsible for the high grade uranium J Zone discovery at Waterbury Lake.

10.3 Future Studies

Mine designs were completed to support a PEA level of study will require revision to accommodate new technical data as it becomes available. Future technical studies should include the following:

- The planned Winter 2016 drilling will likely continue to expand the known mineralised bodies and will require an update to the Mineral Resource estimate for the Project prior to proceeding to further mining studies.

- A geotechnical investigation of soil mechanics should be undertaken to support the open pit development and the dyke and cut-off wall design. The program will require detailed drilling on 25 m sections around the periphery of the proposed pit and dyke to depths of 50 m to 90 m, combined with a geophysics and hydrographic program.

- A geotechnical and hydrological investigation should be undertaken to support the open pit and underground design. The program will require drilling of approximately ten oriented core geotechnical holes in rock: four for the main pit, four for the underground (two for the crown and two for the rock mass), and two short holes for a small separate zone (the R00E pit). The total length is estimated at 2,000 m for the program.

- Mining of a greater proportion of the deposit by open pit methods appears to be economically feasible, however the trade-off is complex, involving both qualitative and quantitative factors. As resource drilling continues and the Project advances to further studies, this trade-off should be revisited and optimized.

- To firm up processing performance it is recommended that further metallurgical test work be conducted including:

  - Comminution testwork to determine whether a single SAG mill is sufficient to process the ore;

  - Solid/liquid separation test work to size the CCD circuit as efficiently as possible;

  - Uranium solvent extraction test work including grade recovery and solvent consumption curves;

  - Impurity removal test work; and

  - Yellowcake precipitation test work.

- A Pre-Feasibility Study should be undertaken upon completion of the above mentioned drilling, studies and further test work to firm up the preferred mining and processing development option as well as likely project economics prior to commencing a Feasibility Study.

10.4 Estimated Personnel Requirements

Once operating the Project plans to employs about 175 people. A breakdown of staff by key department is shown in ***Table 10-1***. Open pit mining contractor to be utilised in the initial years of the mining schedule will be additional to the numbers shown below.

Table 10-1 – Project Staff Requirement

Department	Staff Number	Roster
Management	10	2 WK FIFO
Off-Site Office	10	MON-FRI
Radiation Department	4	2 WK FIFO
Environment	2	2 WK FIFO
Mine Management	7	2 WK FIFO
Geology	4	2 WK FIFO
Open Pit Mine Crew	9	2 WK FIFO
Maintenance and Surface Operations	16	2 WK FIFO
Underground Contract Operations	21	2 WK FIFO
Processing Plant	92	2 WK FIFO
Total Site Staff	**165**	
Total Staff	**175**	

10.5 Implementation Schedule

A simplified Gantt chart of the project is provided on ***Figure 10-1***.

The development of baseline information is required to make the initial submittal to the Environmental Assessment Agency. Fission has indicated that the minimum baseline information would be available in 2017 but could extend into 2018 depending on the level of work required to achieve appropriate baseline studies for the woodland caribou.

The EA process conducted by the Federal and Provincial Agencies will like take 5 to 6 years following the initial submittal. The exact period is not known but the estimate is based on the complexity of the project and the time other projects in Saskatchewan have required. For example, the expansion of the Key Lake Project was initiated in March 2010 with submittal of the Project Description to the Canadian Nuclear Safety Commission and was finally approved May 2014. It is notable that the complexity of the PLS project is greater than Key Lake which was an extension of a current operation with an existing tailings storage facility.

Additional permits will be required under the Mines Act, Environmental Management Act, the Navigable Waters Act, the Fisheries Act, the Water Act, the Species at Risk Act, Migratory Birds Act, and Explosives Act. If appropriate permit applications are submitted at the time of the formal submission of the EIS, Federal authorizations should be issued within 90 calendar days following EA approval. At this time, RPM does not anticipate major issues associated with the acquisition of permits and authorizations from the Federal Agencies once the EA approval process is completed.

Following EA approval and associated permits, a three-year pre-production period is envisaged for the Project. The completion of the dyke and slurry wall followed by dewatering of the enclosed area will be the critical path for the project. The dyke will be completed by starting at both the north and south terminal points and linking the two at the eastern-most point. Rock material will be sourced from a location within Fissions's claim boundaries, approximately 30 km south and east of the deposit. This activity is estimated to take six months to complete and will be conducted during the first year following EA approval.

Construction of the on-shore portion of the slurry wall will commence concurrent to the dyke construction within the lake. The slurry wall construction is highly weather dependent and can only be accomplished during above-zero period, typically between April and October. The slurry wall will be completed in the second year following EA approval thus allowing dewatering of the enclosed area to commence. Initial overburden removal will commence at the on-shore areas whilst dewatering of the main area is ongoing.

On-shore infrastructure facilities, including the processing plant will be constructed over the two years prior to commencement of ore mining.

The weather dependency of the slurry wall construction is recognised by RPM as a critical timing issue for the project construction schedule. Consideration should be given to an alternative approach whereby the slurry wall is started on the shore side of the ultimate pit limits during the winter months. This would allow the slurry wall to be built on the land side of the pit while the ring dyke is constructed in Patterson Lake during the months of April to October. When the ring dyke is complete, the slurry wall would be constructed below the ring dyke during the winter months. This potentially completes the slurry wall at an earlier date and accelerates the overall construction schedule.

Assuming that the approvals and construction proceed according to plan the pre-production phase will be complete when the initial overburden removal is finished at the end of 2027. Ore mining commences several months prior to the end of 2027 and from 2028 waste and ore mining will continue as the operational phase of the project.

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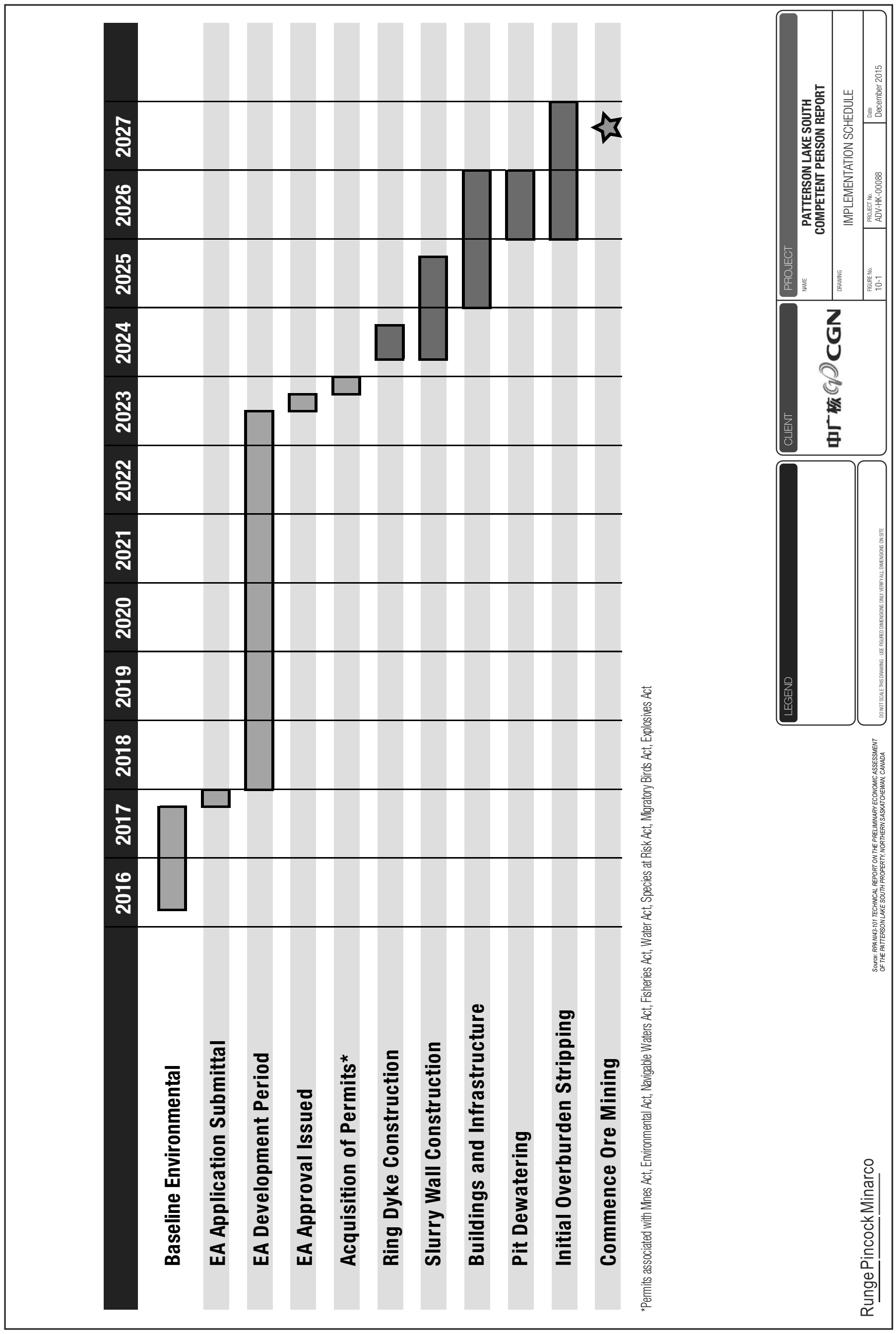
Figure 10-1 – Implementation Schedule



11 Capital and Operating Costs

11.1 Capital Costs

Capital costs have been estimated for the Project in the PEA based on comparable projects, first-principles, subscription based cost services, budgetary quotes from vendors and contractors, and information within RPA's project database. RPA was responsible for capital costs related to mining and certain infrastructure, while DRA estimated capital costs related to the process plant and other infrastructure. Arcadis and BGC provided input, where appropriate, to develop the capital cost estimate.

RPM reviewed the PEA and has updated some of the estimated capital costs based on the findings of our ITR as well as our own project cost database. The changes, where applied to the previous study, are noted below.

Broadly, pre-production capital costs are divided among four areas: open-pit mining, processing, general infrastructure, and project indirect expenses. Sustaining capital costs are related to the entire underground mine, some remaining capital costs from the open pit, and miscellaneous infrastructure that is built after commercial production has been declared.

Table 11-1 – Summary of Capital Costs

Description	Units	Cost
Open-Pit Mining	C$ millions	388.8
Processing	C$ millions	225.6
Infrastructure	C$ millions	140.6
Subtotal Pre-Production Direct Costs	**C$ millions**	**755.0**
Pre-Production Indirect Costs	C$ millions	205.8
Subtotal Direct and Indirect	**C$ millions**	**960.8**
Contingency	C$ millions	212.6
Initial Capital Cost	**C$ millions**	**1,173.4**
Sustaining, Closure, and Misc.	C$ millions	210.5
Total	**C$ millions**	**1,383.9**

Source: PEA Report and RPM updates

11.1.1 Open Pit Mining

Within open-pit mining, the significant areas of spending include construction of the dyke and slurry wall in Patterson Lake, dewatering of the enclosed pit, removal of sand overburden, and equipment fleet spending.

Table 11-2 – Open Pit Capital Costs

Description	Units	Cost
Dyke Construction	C$ millions	30.4
Slurry Wall Construction	C$ millions	217.5
Initial Pit Dewatering	C$ millions	5.6
Contractor Stripping Overburden*	C$ millions	109.1
Capitalized Pre-Production Operating Cost	C$ millions	3.1
Open-Pit Mining Equipment	C$ millions	23.1
Total Open-Pit Mining Capital Costs	**C$ millions**	**388.8**

Source: PEA Report and RPM updates

**An additional C$ 68.7 million of overburden stripping by contractor is included in sustaining capital costs.*

Dyke and slurry wall construction for mining purposes has been used previously in several instances across Canada, including recent examples at Rio Tinto's Diavik diamond mine, and Agnico-Eagle's Meadowbank gold mine. Once the dyke and slurry wall system are in place, dewatering of the pit and removal of sand overburden will commence. It is envisaged that overburden removal will be completed by a contractor, who will also assist with peak waste mining requirements.

Overburden will be removed during Year -1 and Year 1 of the Project, while contracted waste removal (which is costed under operating costs) would continue until Year 4. Any waste or ore mining done by the owner during Years -3 to -1 was counted as Capitalized Pre-Production Operating Costs.

A unit cost of C$3.60/t-mined was used to estimate contractor costs for removal of overburden. This rate is based on industry benchmarks for mining at a rate of 60,000 t-mined per day, less drilling and blasting costs, plus a mark-up for contract mining.

The mining equipment fleet purchase schedule is summarized in ***Table 11-3***. Due to the short life of the open-pit, no allowance was made for replacement of open-pit mobile equipment.

Table 11-3 – Open Pit Mining Equipment Purchases

Description	Quantity	Unit Price (C$ millions)	Pre-production Capital (C$ millions)
Front hydraulic shovel	2	2.1	4.3
Truck-TH 540	3	1.1	3.4
Percussion drill	2	1.3	2.5
Bulldozer	3	1.9	5.8
Other Major Equipment			2.4
Total Major Equipment			18.4
Support Equipment			4.7
Total Open-Pit Mine Equipment			**23.1**

Source: PEA Report and RPM updates

11.1.2 Underground Mining

Underground mining equipment consists of both mobile and fixed equipment, as shown in ***Table 11-4***.

Table 11-4 – Underground Mine Equipment

Description	Units	Total
Underground Mobile Equipment	C$ millions	27.8
Underground Fixed Equipment	C$ millions	29.1
Indirects	C$ millions	6.0
Total Underground Mine Capital	**C$ millions**	**62.9**

Source: PEA Report and RPM updates

Underground mine development costs were calculated by estimating the direct consumables, equipment, and personnel that would be required for drift development. It is envisaged that a contractor would supply underground mine personnel, which is consistent with existing mine operations in the Athabasca Basin. The unit rate that was used for capital underground development generally excludes items such as the cost of ventilation, dewatering, compressed air, contractor supervision, owner's technical services and mine management, and camp and flight costs. All of the aforementioned costs are included in mine operating costs.

Additionally, the underground mine will be collared from the exposed bedrock in the open pit, thus minimizing vertical and horizontal development. Collaring the underground mine from the open pit has the added benefit of removing the need to move additional overburden, and eliminate the need for expensive ground freezing or jet grouting. ***Table 11-5*** – summarizes the costs attributable to underground mine development.

Table 11-5 – Underground Development Costs

Description	Unit Rate (C$/m)	Distance (m)	Total (C$ millions)
4m x 4m Capital Development	2,480	866	2.1
5m x 5m Capital Development	2,880	7,231	20.9
Vertical Development	5,000	983	4.9
Total			**27.9**

Source: PEA Report and RPM updates

11.1.3 Processing

Process plant costs were divided between direct process plant, and infrastructure related to the process plant. Process plant capital costs are summarised in ***Table 11-6*** and have been updated to reflect the results of RPM's ITR as outlined below.

Table 11-6 – Process Capital Costs

Description	Units	Total
Direct Process Plant		
Uranium Peroxide Product Handling	C$ millions	74.1
Ball Mill	C$ millions	11.1
SAG	C$ millions	18.9
Solvent Extraction Storage	C$ millions	7.8
CCD 1-2	C$ millions	7.3
CCD 3-4	C$ millions	7.3
CCD 5-6	C$ millions	7.3
Pre-leach Thickening & Storage	C$ millions	6.3
Other Direct Process Plant	C$ millions	46.6
Direct Process Plant	**C$ millions**	**186.7**
General Process Infrastructure		
Plant Mobile Equipment	C$ millions	5.3
Tailings Dam Piping	C$ millions	5.1
Communication Systems	C$ millions	3.9
Main Substation	C$ millions	6.0
Water Supply & Distribution	C$ millions	3.4
Other General Process infrastructure	C$ millions	15.3
General Process Infrastructure	**C$ millions**	**38.9**
Total Process Capital Costs	**C$ millions**	**225.6**

Source: PEA Report and RPM updates

RPM has reviewed the capital costs and design as outlined in the PEA and associated cashflow model and considers that updates as outlined below were justified:

- Addition of a ball mill to the grinding circuit to align with current practices in the region; and
- Additional allocation for site preparation works, power transformer and reticulation, site laboratory establishment.

11.1.4 Infrastructure

The Project is located in a region of Saskatchewan with road access, but devoid of other required infrastructure, notably an electrical transmission line. A high-level trade-off study was undertaken looking at options for supplying power to the Project. Options studied included:

- Construction of a 220 km high-voltage transmission line connecting to SaskPower's provincial grid in the vicinity of the Key Lake mill site (East-West transmission line).
- Construction and upgrading of a 420 km high-voltage transmission line connecting to SaskPower's provincial grid in the vicinity of Meadow Lake, Saskatchewan (North-South transmission line).
- Construction of an on-site, diesel fired power plant.

Despite higher operating costs, diesel power generation was the selected choice, as the capital costs of the two other options were substantial. Power supply options should be investigated further in the next level of study.

In addition to the power plant, other major infrastructure spending includes a tailings storage facility, fuel storage, site preparation, maintenance shop, administration and dry facility, water treatment facility, airstrip, site roads, highway by-pass, and camp facility. Infrastructure capital spending is shown in ***Table 11-7***.

Table 11-7 – Infrastructure Capital Costs

Description	Units	Total
Tailings Facility	C$ millions	47.8
Power Plant	C$ millions	19.8
Permanent Camp	C$ millions	15.0
Water Treatment Facility	C$ millions	10.3
Site Preparation	C$ millions	10.2
Maintenance Shop	C$ millions	8.6
Airstrip	C$ millions	8.3
Administration and Dry Facility	C$ millions	8.3
Other Infrastructure	C$ millions	12.4
Infrastructure	**C$ millions**	**140.6**

Source: PEA Report and RPM updates

11.1.5 Indirect Capital Costs

Indirect capital costs were applied to each of the respective areas of capital spending based on factors such as engineering, procurement, and construction management requirements (EPCM), the component of capital spending that is materials and consumables, and the amount of people required to complete each component of the overall project.

Significant components of indirect expenditure include EPCM, temporary facilities, construction power, temporary camp and buildings, owner's costs, study costs, freight, spare parts and first fills, and commissioning. Indirect costs are shown in ***Table 11-8***.

Table 11-8 – Direct and Indirect Capital Costs

Description	Direct Cost (C$ millions)	Indirect Cost (C$ millions)	Total Cost (C$ millions)
Infrastructure	116.7	41.6	158.3
Contractor Stripping Overburden	67.9	12.2	80.1
Dyke, Slurry Wall, Dewatering	253.5	65.9	319.4
Open-pit Mine Equipment	23.1	2.4	25.5
Processing	225.6	83.7	309.3
Capitalised Pre-production Operating Cost	3.1	N/A	3.1
Total	**689.9**	**205.8**	**895.7**

Source: PEA Report and RPM updates

Table 11-9 – Contingency Costs

Description	Direct Cost (C$ millions)	Contingency (%)	Contingency (C$ millions)
Infrastructure	158.3	25%	39.6
Contractor Stripping Overburden	80.1	15%	12.0
Dyke, Slurry Wall, Dewatering	319.4	25%	79.9
Open-pit Mine Equipment	25.5	15%	3.8
Processing	309.3	25%	77.3
Capitalised Pre-production Operating Cost	3.1	N/A	N/A
Total	**895.7**	**24%**	**212.6**

Source: PEA Report and RPM updates

11.1.6 Sustaining Capital Costs

Capital costs that were incurred after Year -3 to Year -1 were considered as sustaining capital. Notably, this includes all capital spending related to underground mine construction and development. Other primary areas of spending include one year of contracted overburden removal, an allowance for tailings storage facility expansion, and an allowance for reclamation and closure. Sustaining capital costs are summarized in ***Table 11-10***.

Table 11-10 – Sustaining Capital Costs

Description	Units	Total
Open Pit Mining	C$ millions	45.8
UG Mining Equipment	C$ millions	62.9
UG Mine Development	C$ millions	27.9
Infrastructure	C$ millions	23.9
Total Sustaining Capital	**C$ millions**	**160.5**
Reclamation and Closure	C$ millions	50.0
Total Sustaining & Reclamation	**C$ millions**	**210.5**

Source: PEA Report and RPM updates

Sustaining costs counted to open pit mining are comprised entirely of removing the remainder of overburden that was not already moved in pre-production years.

11.1.7 Exclusions to Capital Costs

The capital cost estimate excludes several factors, including:

- Ongoing exploration drilling and all associated services;
- Environmental and social impact studies;
- Geotechnical and hydrological studies;
- Permitting and fees;
- Detailed metallurgical test work and marketing studies;
- Cost to conduct future pre-feasibility and feasibility studies;
- Project financing and interest charges;
- Fluctuations in foreign exchange rates; and
- Working capital requirements.

11.1.8 Comments and Recommendations

RPM notes that due to the thickness of overburden at the site, access to the underground will be developed from within the open pit. The ventilation and escapeways rises are currently planned to extend through this overburden area outside of the open pit area. Mining rises through this material have the potential to significantly increase CAPEX. RPM would recommend to change the ventilation and escapeway's rise design so they do not mine through the overburden. An adit from the pit, below the overburden, that intercepts the rise will alleviate the issues with this overburden. The potential for recirculation would then have to be modelled in the ventilation simulation program. These changes will not be economically material to the current study but will allow better management the risk of production delays and in-rush of water.

Capital Costs listed above do not include the likely costs associated with further significant geotechnical drilling to support the slurry wall design, geological, metallurgical, hydrological, geotechnical and mining Studies required to progress the Project through to a Pre Feasibility and ultimately Feasibility Study level of confidence. The PEA has estimated a cost of C$ 26 million for this work which RPM considers reasonable.

11.2 Operating Costs

Operating costs were estimated for the Project, based on RPM LOM schedule which included the updated open cut production schedule and the PEA underground schedule, and allocated to one of mining, processing, or general and administration (G&A). A diesel cost of C$0.95 per litre delivered to site was used across all aspects of the cost estimate. Life of Mine operating costs are summarized in ***Table 11-11***.

Table 11-11 – Life of Mine Operating Costs

Description	LOM Cost (C$ millions)	Unit Cost (C$/t processed)	Unit Cost (C$/lbs U_3O_8)
Mining			
Open Pit Mining	151.5	111.0	2.3
Underground Mining	610.6	188.1	21.5
Combined Mining	**762.1**	**165.3**	**8.1**
Processing	629.3	136.5	6.7
General Administration	375.6	81.4	4.00
Total	**1,767.0**	**383.2**	**18.7**

Source: PEA Report and RPM updates

11.2.1 Open Pit Mining

Open pit mining takes place during Years -1 to Year 6 (note that Year -1 open pit mining costs are capitalised). Underground mining begins with capital development in Year 3, and runs until Year 14. The grade distribution between open pit and underground mining is such that substantially more pounds, but less tonnes are sourced from the open pit. Open pit mine operating costs are summarized in ***Table 11-12***.

Table 11-12 – Open Pit Mine Operating Costs

Description	LOM Cost (C$ millions)	Unit Cost (C$/t processed)	Unit Cost (C$/lbs U_3O_8)
Labour	86.8	63.6	1.32
Equipment Maint & Fuel	26.4	19.4	0.40
Power	7.3	5.4	0.11
Consumables	30.9	22.6	0.47
Total Open Pit Mining	**151.5**	**111.0**	**2.30**

Source: PEA Report and RPM updates

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11.2.2 Underground Mining

Underground mine operating costs are summarized in ***Table 11-13*** – and have been updated to reflect the results of RPM's ITR as outlined below.

Table 11-13 – Underground Mine Operating Costs

Description	LOM Cost (C$ millions)	Unit Cost (C$/t processed)	Unit Cost (C$/lbs U_3O_8)
Labour	332.1	102.3	11.7
Equipment Maint & Fuel	49.9	15.4	1.8
Power	86.6	26.7	3.1
Consumables	127.0	39.1	4.5
Miscellaneous	15.0	4.6	0.5
Total UG Mining	**610.6**	**188.1**	**21.5**

Source: PEA Report and RPM updates

RPM considers that underground blasting should be carried out using Emulsion as opposed to the planned ANFO. Emulsion has a much higher resistance to water ingress and lower NOx and CO emissions, shortening re-entry time underground.

11.2.3 Processing

Process labour costs are primarily composed of labour, power consumption, and consumables. Consumables consist of reagents, grinding media, mill liners, and liquefied propane gas. An allowance was made for annual maintenance. Process costs are summarised in ***Table 11-14*** – and have been updated to reflect the results of RPM's ITR as outlined below.

Table 11-14 – Process Operating Costs

Description	LOM Cost (C$ millions)	Unit Cost (C$/t processed)	Unit Cost (C$/lbs U_3O_8)
Labour	145.5	31.6	1.5
Equipment Maint & Fuel	30.8	6.7	0.3
Power	121.0	26.2	1.3
Consumables	330.6	71.7	3.5
Miscellaneous	1.4	0.3	0.01
Total Processing	**629.3**	**136.5**	**6.7**

Source: PEA Report and RPM updates

RPM has reviewed the reagent costs and proposed consumptions in detail as outlined in the PEA and associated cashflow model and considers that updates as outlined below were justified:

- Sulphuric acid consumption in the PEA of 26.1 kg per tonne of ore does not appear to be justified by the testwork completed by SRC as reported in in their Final Report dated July 2014. SRC ran tests at 54, 77, and 96 kg per tonne ore and concluded that up to 98.4% recovery could be achieved at 54 kg acid per tonne of ore which RPM considers is appropriate. Future leach tests should be completed at lower acid addition rates to determine whether recovery can be maintained as well as to determine the effect of head grade on acid consumption.

- Stripping of uranium from the loaded organic phase in the SX plant is accomplished with sulphuric acid. There is no allowance for this in the PEA. RPM has estimated a consumption rate of 1.6 kg of sulphuric acid per pound of U_3O_8 the cost of acid for stripping over the life of the operation would be $41.4 million.

- Flocculant addition rate of 0.05 kg. per tonne of ore appears lower than what would normally be achieved. Without the benefit of settling tests, which will help establish the rate, RPM recommends the rate of 2.2 kg. per tonne processed.

- The addition rate of lime, at 8.82 kg. per tonne of ore also appears to be low. RPM suggests a rate of 15 kg. per tonne processed.

- RPM considers that the proposed consumption of sodium carbonate at about 15.6 kg. per tonne of ore treated, or 0.72 kg. per pound of U_3O_8 is excessive. As far as RPM can determine, existing plants in Saskatchewan use far less. RPM estimates that a conservative consumption would be 0.1 kg. of sodium carbonate per pound of U_3O_8. This would result in the consumption of 10,180 tonnes of sodium carbonate, instead of the proposed 74,747 tonnes. This results in the expenditure on sodium carbonate being $40.3 million less than proposed.

- It is noted that in the Cashflow analysis, the consumption of Alamine 336, Fluiden 1828, sodium carbonate, and sodium hydroxide do not vary with ore throughput or uranium content. This should be reviewed. Every reagent consumption will vary with either or both throughput or uranium content.

11.2.4 General and Administration

G&A costs include allowances for flights to and from the work site, camp and catering costs, insurance premiums, marketing and accounting functions, and general maintenance of camp and other surface buildings. Additionally, allowances were made for departments of personnel that are atypical of a mine setting, but are necessary for uranium mining in Canada. Allowances were made for reimbursable fees paid to the CNSC. G&A costs are summarized in ***Table 11-15***.

Table 11-15 – General and Administration Operating Costs

Description	**LOM Cost (C$ millions)**	**Unit Cost (C$/t processed)**	**Unit Cost (C$/lbs U_3O_8)**
Labour	151.8	32.9	1.6
Equipment Maint & Fuel	8.3	1.8	0.1
Power	13.1	2.8	0.1
Camp Costs	102.2	22.2	1.1
Flights and Logistics	41.9	9.1	0.4
Miscellaneous	58.3	12.6	0.6
Total G&A Costs	**375.6**	**81.4**	**4.0**

11.2.5 Power Costs

The price to supply power to the Project was calculated as C$0.27 per kWh. This was calculated by summing the power demand across the entire site, adding in an allowance for maintenance of the diesel generators, and including a portion of labour to operate and maintain the plant

12 Permitting, Environmental Impact, and Social and Community Impact

12.1 Background

The Project represents a new mining camp in Saskatchewan in a new area, and as such will garner some additional scrutiny as the first new project on the west side of the province since Cluff Lake, which is now decommissioned. The potential impacts from a uranium project in northern Saskatchewan are reasonably well known and with regulatory oversight from both the federal and provincial governments, actual performance of modern uranium mines has been very good. With some exceptions, the regulatory processes will be the same for most of the potential project variations (e.g. the hybrid pit-underground variation used as the basis for the PEA) and those exceptions are discussed where applicable.

This Section is based upon an examination of available literature and reports either available on-line or supplied by the Company, discussions with Company management and personnel, discussions with contractors and regulators, and a site visit. While some documentation was reviewed, it was not an audit or an exhaustive assessment of compliance. The focus was on items that might be material to the PEA and, or with potential to impact the progress of the Project towards production.

12.2 Environmental Management

12.2.1 Environmental Management System (EMS)

The EMS developed by the Project must be based on the identification of hazards and risks associated with the strategy and plans developed for the Project. Legal requirements, including national, international and local government, and the applicable regulations, standards and statutory licenses, should be included in the management system. Appropriate mitigation measures must be implemented to eliminate or reduce potential impacts. Monitoring must be ongoing, while the project activities are implemented, providing an indication of how mitigation measures are working to protect the environment. Adjustments will be made to the mitigation actions to improve environmental control measures.

Environmental Management Plans (EMP) determine the focus for environmental management by defining objectives and goals. Impacts and associated mitigations have not been identified for the activities anticipated for the Project. Each major component of the Project should be included in an EMP.

12.2.2 Environmental Mangement Program

The Environmental Management Plan (EMP) for construction and operations must be developed based upon the conceptual EMP to be provided within the ESIA. The EMP's should include the four general elements of a management plan:

1. **Planning** – A statement of principles, definitions of responsibilities for the performance of plans and planning of activities;

2. **Execution** – A number of guidelines/mitigation measures for the protection of the various environmental components and/or management of environmental risks;

3. **Verification** – A process for the control of activities by means of monitoring and inspections; and

4. **Mitigation** – Corrective action in different areas under the environmental guidelines and implementation of remediation measures for the environment.

The Project plans to achieve ISO 14001 certification. Acquisition of this certification provides an indication of good management and a positive attitude toward environmental control.

12.2.3 Environmental Compliance Performance

The Company indicated that it has been diligent in applying for and receiving the appropriate permits for activities on the land, such as Land Use Permits and Clearing permits. This includes obtaining a lease for core logging and for core storage to prevent conflicting land uses.

The Company indicated that no unresolved issues exist with the regulators. The Saskatchewan Ministry of Environment frequently inspects the existing exploration project activities for compliance with exploration activities, occupation of the land and land use. The Ministry of Health and the Water Security Agency have also made frequent inspections of the accommodations at the Big Bear Lodge, which is used to house workers.

The disturbance of the land for the exploration project is consistent with other projects in Northern Saskatchewan and the Company has used appropriate management techniques to minimise the areas of disturbance. The Company has been working to prevent erosion while reclaiming trails and drill sites. The thin, sandy soils present major erosion and sedimentation control issues. As a result, CanNorth has been commissioned to develop mitigation actions best suited to management disturbance impacts.

12.2.4 Status of Project EIS Permitting Activites

In Saskatchewan, uranium mines are regulated by both levels of government with mineral resources primarily a provincial responsibility, and the federal government maintaining the overarching regulation of all nuclear matters. Despite some process improvements over the years, permission of both levels of government is still required in order to mine uranium.

Under the Canadian Environmental Assessment Act (CEAA, 2012), the Canadian Nuclear Safety Commission (CNSC) is the Responsible Authority and charged with leading the environmental assessment of a proposed uranium mine as it would entail (per S.31 of the CEAA Regulations Designating Physical Activities) 'the construction, operation and decommissioning of a new uranium mine or uranium mill on a site that is not within the licensed boundaries of an existing uranium mine or uranium mill'. Under CEAA, there is no opportunity to delegate the EA for a CNSC regulated project to the provincial process (e.g. 'Substitution' or 'Delegation'), but there is the option of coordinating the EA process such that only one EA document is produced that meets the needs of both levels of government. In the past, the province has led the 'harmonized' EA process with significant liaison and input from their federal counterparts. The harmonized process provides a level of process efficiency through the development of a single EA document.

The CNSC recommends a pre-application consultation in order to understand the project and to provide guidance on EA and licensing processes and consultation requirements. Early consultation with the CNSC allows them to initiate planning for consultation with First Nations groups and other stakeholders about the project and required licensing.

Other federal permits/authorizations needed comprise those associated with a number of legislative requirements/Acts including the Mines Act, Environmental Management Act, the Navigable Waters Act, the Fisheries Act (includes effluent limits and the MMER Fish Habitat Compensation Plan), the Water Act, the Species at Risk Act, Migratory Birds Act, and Explosives Act. If appropriate permit applications are submitted at the time of the formal submission of the EIS, Federal authorizations should be issued within 90 calendar days following EA approval. At this time, RPM does not anticipate major issues associated with the acquisition of permits and authorizations from the Federal Agencies once the EA approval process is completed.

The approval process may take as little as two years from the initial application for EA licensing. The main areas of risk to this timeline are incomplete information, significant public concern, unique or difficult technical challenges, failure to properly mitigate all potential impacts, failure to complete consultations, and conflicts with rare and endangered species. These potential impacts can delay the Project while the proponent addresses them to the satisfaction of the regulators. Further, any of these issues not effectively dealt with early in the Project EA cycle has the potential to result in the requirement of a public hearing, a federal review panel under CEAA or a joint federal-provincial review panel, which would potentially add several years to the project timeline. RPM expects the EA approval to take five or more years from the EIS submittal date.

Other agencies that will require licences and permits, including, but not limited to:

- Saskatchewan Labour (occupational health and safety, mining safety/Mining Act);
- Saskatchewan Health (camp, hygiene, water and sewage treatment);
- Saskatchewan Water Security Agency (water supplies, treated water discharge, sewage);
- Government Relations (surface lease, monitoring, social impact requirements); and
- Ministry of Economy (mineral tenure, royalties).

12.3 Projected Environmental Management Activities

12.3.1 Baseline Studies

Baseline studies must be conducted on the major components of the environmental and social aspects of the project at sufficient detail to support the EA process. The baseline development is required to identify potential impacts and associated mitigations and this must be presented in the EA. Environmental baseline disciplines include:

- air quality,
- noise,
- geomorphology and geology,
- soils and land use capability,
- surface water quality,
- meteorology and hydrology,
- hydrogeology,
- geochemistry,
- flora, fauna (including mammals, birds and reptiles and amphibians),
- aquatic ecology,
- biodiversity and associated habitats (including raptors, woodland caribou and others), and
- protected areas (including protected rivers located downstream of the project).

Fission contracted CanNorth to undertake an initial baseline environmental program in 2013 and 2014, and additional monitoring and hydrological work in 2015. The overall work to date is insufficient to support an EA, but does provide a preliminary indication of potential impacts associated with the Project. Detailed baseline activities should be initiated as soon as possible to support development of an appropriate EA. At least one year of data will likely be required to support the initial submittal to the regulatory agencies.

Work to date has included surface water hydrology, water quality, aquatic environment, terrestrial environment and heritage resources in addition to the previously mentioned site condition and reclamation report. Hydrologic monitoring stations were established at the inflow and outflow to Patterson Lake, and the 1:100 year high and low flows were predicted to be 2.93 m^3/s to 0.09 m^3/s. Lake water quality is excellent with COCs at or below detection levels, and subsequent monitoring has seen no change in water quality. The lake supports a healthy fish population and many of the areas that would potentially be disturbed have substrates suitable for fish breeding (e.g. rock and gravel).

Terrestrial work indicated that there was one Saskatchewan listed rare plant and some bird nesting areas that may need special consideration, such as limiting activity within one kilometre during nesting season. Evidence of woodland caribou was noted in the area which straddles the SK1 and SK2 areas defined in the federal caribou protection plan. Caribou is one area that will require considerable work for the EA given its endangered status and the current scrutiny it is receiving in Saskatchewan. First Nations groups will undoubtedly show some major concern on this issue. Despite the frequent fires in the area, it would appear that there is undisturbed caribou habitat locally. In addition, several black bears were observed during the site visit.

Heritage Resource identified one site that should be avoided, or if avoidance is not possible, a formal archaeological excavation of a 10 m^2 area around the find will be required prior to any activity.

Overall, the preliminary baseline work has described typical northern Saskatchewan terrain and nothing that should significantly delay a project if proper planning and mitigations are incorporated into the Project design. Such mitigations would include, but not be limited to, habitat compensation for fish habitat disturbed by the Project and possibly terrestrial habitat compensation for woodland caribou habitat disturbed

12.3.2 Air Quality Management

Management of air quality for the Project is primarily associated with controlling particulate emissions and radon gas in areas such as the underground mine and processing facilities for health and safety purposes. The primary source during construction is associated with the actual construction activities and the transport of equipment and materials on unpaved roads. The emissions related to Operations will be associated with mining activities including transport of ore and other materials within the Project area, blasting and ore processing. Wind-blown materials will likely be an important component of air quality throughout the Project area including impacted communities.

Dust potentially generated from roads and other work areas will likely be controlled using water. This will be a prime consideration during the dry season.

12.3.3 Noise Management

There are a number of sources of noise during the construction and operations phases of the Project. The primary sources of concern include road traffic, impact equipment such as jack hammers, compressors and generators, blasting, and material handling equipment such as crushers, and earth moving equipment.

Mitigation measures applicable to all noise sources during operation that could be implemented include, but are not limited to

- Performance of regular inspection and maintenance of material handling vehicles and equipment to ensure that they have good quality mufflers installed, worn parts are replaced and lubricants applied.

- Compliance with established noise limits, defined by regulatory requirements and use equipment that conforms to noise standards.

- Where necessary establishment of noise barriers, baffles or enclosures for particularly noisy equipment (e.g., crushers, grinders).

- Development and implementation of a noise monitoring program for the operation phase.

The following measures will likely be required to minimize transportation-related noise impacts:

- Enforcement of speed limits in relation to road conditions and location of identified sensitive noise receptors (e.g., communities, important wildlife habitat).

- Road surfaces maintained in good repair to reduce tyre noise.

- Prohibition of prolonged idling.
- Scheduling of transportation for daytime hours as much as possible.

12.3.4 Soils Management

Topsoil materials will be salvaged prior to disturbing areas associated with facility construction and development and disturbances related to mining. The amount of topsoil in the area is limited but may exist in some locations. It is likely that the topsoil salvaged will be stockpiled and used as reclamation material at Project closure. Topsoil stockpiles should be strategically located to avoid operational disturbance and erosion control measures (including vegetating) will be applied to the stockpiles to reduce erosion.

12.3.5 Biodiversity/Wildlife Management

Detailed baseline programs should be designed and implemented with regard to all environmental and social components potentially impacted by the Project. Major components of the studies should include aquatic ecology, fish habitat, biodiversity primarily related to woodland caribou, endangered avian species, raptors, several flora species, and protected areas. The criteria required for caribou studies are currently under consideration by the regulatory agencies. The impact of the Project on wetland resources is an important issue related to biodiversity and wildlife management.

12.3.6 Water Resources Management

A water management plan (WMP) will be developed for the Project that reflects the strategy for the management of all surface water and groundwater within the Project area to achieve the following objectives:

1. Adequately and safely convey all surface water runoff through the Project site.
2. Segregate and separate the different kinds of water that should not be mixed within the Project area (e.g., freshwater, non-contact water, storm water (contact water) runoff, including mainly sediment laden, contact waters, and process water).
3. Provide temporary storage of all waters from the project site to allow treatment and controlled release to the environment (for instance, sedimentation ponds, conveyance to discharge and/or recycling facilities, and project water supply (process water, non-process water, etc.).

The Water Management Plan must address specific objectives and criteria to manage the water in the Project area according to the climatic conditions, types of waste water generated. The Plan should describe the logic and the rationale to operate each of the mine components (e.g., pit dewatering, WRSFs, process plant, TSF) throughout the life of the mine; and locate, size and select the proper engineering design criteria for all surface water and groundwater management infrastructure (e.g., ponds, diversion channels, collection channels, under drains, sumps, treatment facilities, pumps, culverts, etc.).

As described above, most of the water management strategies will be part of the project engineering design to minimize impacts on the quality and quantity of off-site water resources.

Waste Rock Contact Management

Runoff from the waste dumps should be collected in diversion channels built around the individual waste dumps. Potential issues associated with waste rock quality have not been completely evaluated but the initial indication is that the storage facility will likely be lined to prevent seepage into the near-surface aquifer. Interception ditches will likely be constructed to intercept non-contact water up-gradient of the waste rock facility. The intercepted water will should be conveyed to the non-contact water diversion channel around the open pit and discharged into the environment. A contact water collection sump will likely be constructed at the base of the waste rock facility. The water collected will be pumped to the contact water sump and will be treated and discharged to the environment.

Tailings Storage Facility

Tailings management will include a state-of-the-art lined storage facility design that is robust to prevent migration of elements of concern to the water resources in the area. Protection of the groundwater system will be very important consideration since the groundwater is characterized as an extensive near surface system. The TSF should be located to avoid impacting fish bearing waters. Water collected in the TSF will be treated prior to discharge to the environment.

Erosion and Sedimentation Control Management

Erosion and sediment management will require the use of a number of management practices that will target each of the erosion process stages. Upstream and non-contact diversion systems will help to keep clean water from running onto disturbed areas, thus reducing volumes for handling and the erosive power of the water that would otherwise need to be handled. This will minimise the volumes potentially requiring sediment control and/or treatment as well as the overall footprint of areas required for treatment facilities.

A number of examples of effective management practices for surface erosion protection and sediment control for consideration at the mine site include:

1. Maximise the diversion of non-contact waters around areas of potential disturbance.
2. Prohibit the operation of construction equipment close to watercourses where there is a risk of bank sloughing, failure of the vehicle crossing or flooding the work area.
3. Selection of construction season, timing and method to minimize sediment generation at stream crossing locations.
4. Election of water/withdraw and discharge locations and rates to minimise changes in water levels and sediment concentrations associated with pipeline hydrostatic testing and other miscellaneous construction uses.
5. Conduct further assessment of proposed crossings just prior to construction to determine the need for minor adjustments in the pipeline route to avoid or minimize impacts to sensitive areas.
6. Establish buffer zones around disturbed areas for natural filtering of surface runoff waters en route to watercourses.
7. Intercept sources of potential sediment-laden waters as close to source of erosion as possible and use runoff control and conveyance measures to move these waters to a receiving water-body.
8. Establish self-sustaining vegetation in erosion-prone areas once disturbed but no longer required for use.
9. Use appropriate sediment traps and barriers such as silt fences to minimise sheet erosion and velocity of sheet flow in areas prone to erosion.
10. Use rock check dams or riprap to reduce water velocity and scour potential and to provide for temporary sediment retention.
11. Use sediment catchment basins along the base of the disturbed features during the construction, operations and the beginning of the closure phase to reduce siltation in downstream basins.
12. Use ditch armouring along ditches depending on factors such as area steepness, erodability of soil materials and presence of any immediate downstream watercourses.
13. Promote progressive reclamation with revegetation and slopes contouring to help maintain long term stability where practical.
14. Undertake sensitive operations during periods of dry weather to minimize traffic through these areas and select equipment that will create the least disturbance.

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12.3.7 Waste Management

The Solid Waste Management Program for the Project should be performed based on the following criteria or basic concepts:

1. Hazardous wastes generated within the site, either domestic or industrial, will be handled by contractor companies authorised by the Environmental Health General Direction of the Health Ministry (DIGESA) and will be disposed in authorized disposal areas. The only exception to this rule will be the used oils generated in the mining equipment shop, part of which can be used in the blasting processes.

2. Non-hazardous wastes generated both during construction and operation phases, will be disposed in special installations (sanitary landfill), located within the Project boundaries.

3. Industrial and construction non-hazardous wastes will be temporarily stored within the Project area at a storage location until their final destination is determined. Such wastes will be used on site or recycled at off-site locations.

4. Much of the kitchen wastes are composted and used to enhance growth of the trees and brush to be used in the tree establishment program.

Management and handling procedures for solid waste will be the same during the construction and operations phases of the Project using the same facilities (segregation at origin, temporary storage yards, and sanitary landfills). The size of the installations will vary according to waste generation rate during the Projects' life.

12.3.8 Water Acquisition/Availability

Water use requirements supporting the project including processing, dust control, and camp and office facilities should not be an issue. However, excess water generated from the mining operations and discharged to the environment will likely increase flow rates in the surface hydrologic system immediately downstream of the project. This hydrologic impact will likely be a consideration addressed in the EA.

12.3.9 Forest Fire Management

Forest fire is an important physical threat to the Project. When viewing the Ministry of Environment's wildfire history maps the area around, PLS shows fires in virtually every decade. Since 2000, there was a major fire northwest of the site in 2006, and minor fires in 2009 north of the site and 2012 at the northeast corner of Patterson Lake. Dry, sandy pine dominated terrains associates with the Athabasca basin and surrounding areas can expect to have a forest fire once every 40 years or so.

An example of the potential severity of fires can be seen in the 2015 fire season where there have been over 550 fires with more than 50 communities threatened, 13,000 plus people evacuated and the army called in to help. The response hierarchy in Saskatchewan is protecting people, communities, infrastructure and businesses requiring companies to have an effective fire prevention program based on the Fire Smart principles.

In discussions with the site personnel, they have taken precautions against fire by having a fire assessment done by the ministry and following the recommendations to create fire breaks and implement other aspects of the Fire Smart program. There is a cache of firefighting equipment as well as pumps and sprinkler systems. The site maintains close contact with the ministry firebase at Buffalo Narrows and reports any local fire activity to the hotline.

12.3.10 Environmental Monitoring Program

An environmental monitoring program must be initiated that includes detailed ongoing assessment of air quality, noise, surface water (quality and quantity), groundwater (quality and quantity), flora, fauna, and aquatic ecology in the project area or at sites that may be impacted by the project. Some preliminary monitoring has been conducted primarily associated with Patterson Lake. Patterson Lake Monitoring

Patterson Lake is immediately downstream of Broach Lake, which is the headwater lake for the Clearwater River drainage sub-basin. Water flows south from Broach Lake into Patterson Lake to Forrest Lake to Naomi Lake and eventually into the Clearwater River. The Clearwater River, a protected waterway in Saskatchewan (Clearwater River Provincial Park), flows westward into Alberta where it joins the north-flowing Athabasca River and hence to the Arctic Ocean via the Mackenzie River.

Patterson Lake is composed of three sub-basins. The northern half of Patterson Lake has a smaller eastern basin that accepts the flow from Broach Lake and has a maximum depth of about 24 m, separated from the western half by a shallow reef. The larger western half has a maximum depth of about 44 m, and it is separated from the southern basin by a shallower area (1.2 to 10 m) with the maximum depth in the southern basin of about 50 m. Outflow from Patterson Lake into Forrest Lake is from the south-eastern corner of the Southern Basin. The ability to receive treated water discharged from the mine, both in volume and water quality, will have to be assessed as part of the EA process.

The Company (through CanNorth) has installed flow monitoring stations at the inflow and outflow points of Patterson Lake. The monitoring data will provide valuable information on the drainage that can be used for project design work.

A key hydrological risk is the closure of the channel between the northern and southern portions of Patterson Lake, resulting from production discharges that exceed the natural outflows into Clearwater River. Full closure of the channel is not considered likely but partial closure is a possibility and will require careful planning to minimize impacts.

12.4 Social And Community Management Program

Consultation with the community through government and First Nations channels is a critical pathway to obtaining the relevant approvals to progress with the project. To date, two meetings have been held in La Loche: one meeting with First Nations, Métis and Town Council representatives preceded the start of the major drilling, and the second was a public meeting involving the community and other uranium exploration companies. Fission is a supporter of The Mining Rocks Earth Sciences Program, and through advertising and articles, First Nation's magazines and publications.

First Nations have yet to be engaged to confirm that the traditional territory will be affected by the project. This will require the collection and assessment of a range of areas, including wildlife activities in the area; traditional use activity (sustenance activities, village sites, spiritual sites and related; archaeology sites; and socio-economic impacts. Discussions should be initiated with the CNSC and the provincial government to define the First Nations and Métis communities that will require formal consultation in order to satisfy the Duty to Consult requirements as well as other stakeholder considerations. Additional consultation and an ongoing consultation plan will be required prior to the submission of the Project proposal/description required to initiate the EA process.

There has been some local tension over perceived impacts to traditional hunting and trapping activities by the community of Descharme Lake and this led to the establishment of a blockade in November 2014 of the main highway in the area (Highway 955). The grievances include the increase in activity related to exploration, work along the road right-of-way and the Ministry of Environment's fire policies. While the blockade ended due to an injunction obtained by Cenovus, the news reports from that period indicate that most of the local concern was with the oil companies, not the uranium exploration companies per se. Regardless, this is an issue that The Company will have to be sensitive to and work closely with the local trapper(s) to prevent any ongoing tensions.

The project resides in Fur Zone N-19, the La Loche Fur Conservation Block. While fur is not a major activity locally, it is not insignificant, with $63,800 worth of fur harvested in 2013/2014 according the government's Fur Value Report, making it very important to some local trappers. Of the 534 animals trapped during that period, marten was the most valuable catch at $35,500, with lynx, fisher, and muskrat taking the next four value positions. Most projects in northern Saskatchewan enter into a compensation agreement with the trapper(s) of record for the area they are disturbing and compensate for future lost production based upon historic records.

Big Bear Lodge/Contracting approximately 15 km north of the site on Highway 955 on Grygar Lake is the largest land user currently, and does a considerable amount of business with the Company (and other exploration companies) including accommodation, security services, equipment rentals, and freight forwarding. Forest Lake Lodge has a main camp on Beet Lake (east of Patterson Lake) and an outpost camp on Forrest Lake (immediately downstream of Patterson Lake). This is a non-guided drive-in seasonal fishing camp. The presence of a mine nearby is likely to impact on the lodge's ability to attract customers, despite little impact on the quality of fishing.

12.4.1 Occupational Health and Safety Management

Radiation

The Company has a radiation protection program in place that includes prevention of dose to workers and environmental issues. The main items include:

- All workers are provided with TLD badges, the results monitored and data to the National Dose Registry;
- Procedures in place to clear any radon build-up in enclosed logging tents;
- Workers are trained on the environmental and radiation requirements;
- Cores were in a secure compound;
- Utilize a Radiation Inspector monitor to monitor work areas. An examination of the results showed ranges in the core logging are of 0.2 to 0.4 μSv/h, and 0.3 to 0.4 μSv/h at the drills;
- Drill holes are cemented and the logs were viewed to confirm cement quantities (approx. 1 bag of cement per 12 m NQ core);
- A centrifuge system is used to remove solids (e.g. cuttings) and particulates and recirculate water at drill sites;
- Centrifuged solids material is collected as a low moisture cake and bagged in 1 ton waterproof bags;
- Bags are periodically put into containers designed to transport Low Specific Activity material and this material is hauled to Key Lake for processing as it contains approximately one percent uranium oxide;
- Surveys are done of camp areas to ensure that there is no cross contamination.

Overall, radiation protection procedures appear protective of personnel and the environment. An ISO-style plan-do-check-act radiation protection program based upon the As Low as Reasonably Achievable (ALARA) principle will be required for all aspects of the operation where there is a potential for radiation exposure or discharge. Workers and work places will be monitored as will all discharges to the environment. During the design process, there will need to be a level of review to ensure both radiation and environmental protection features have been properly incorporated.

An appropriately trained radiation safety officer and supporting radiation technicians will be available to ensure that the appropriate radiation protection practices are developed, implemented, and maintained. The Radiation Safety Officer will also be responsible for maintaining exposure records and reporting exposures to the appropriate regulators and employees.

As previously indicated, a detailed evaluation of potential radiation exposures and mitigation opportunities will be required for all phases of the Project. Moreover, all facilities will be designed with radiation protection as a core element and supported by careful development of operating practices designed to protect against inadvertent radiation exposure.

12.4.2 Archaelogical Cultural Resources

As noted previously, it is important for the Company to initiate discussions with the First Nations Groups at the outset of the project to determine important cultural resources sites including: traditional use areas such as village sites, spiritual sites and related; and archaeology sites.

At this time, one archaeological site has been identified as important that should be avoided or if avoidance is not possible, a formal archaeological excavation will be required prior to disturbance. RPM understand that the work associated with the study would be minimal as the area appears to be about 10 m^2.

12.4.3 Closure and Reclamation Plans

RPA has estimated a closure and reclamation cost of $50 million, based on comparable projects. Closure activities will include demolition and clean-up of site facilities, breaching of the ring dyke, and flooding of the open pit and underground workings. As the Project progresses towards construction, a closure plan will be required that includes detailed costs for each component of the project for the environmental and social aspects.

12.5 Potential Environmental Issues

12.5.1 Maintenance of Water Quality

An important requirement of the Project will be to discharge regulatory compliant water from the project into the surrounding water resources (surface and groundwater). It is likely that water collected or pumped from various sources associated with the Project will require treatment prior to discharge. This will include dewatering the open pit and underground mines, water accumulated in the waste rock and tailings storage facilities, and storm water collected from various disturbed areas associated with the Project. A management plan based on a good water balance model should be developed that includes management of wastes generated during the treatment process.

12.5.2 Protection of Fisheries

Protection of fish and associated habitats will be a primary focus of the EA and will likely be an important topic during engagement with First Nations Groups.

12.5.3 Biodiversity Issues

Biodiversity issues primarily related to woodland caribou and other protected species will require significant study using appropriate baseline studies and mitigations.

12.5.4 Protected Habitats

Critical habitats related to species such as the woodland caribou and the existence of protected river systems downstream of the Project will require significant consideration. Mitigation efforts such as the establishment of off-sets may be required.

12.6 Potential Social Issues

12.6.1 First Nations Engagement

Engagement with First Nation Groups should be accomplished in the near future. Agreements with these groups will be required to support the successful initiation of this project. Key issues likely to be of interest to the First Nations groups are: wildlife activities in the area including the Woodland Caribou and fisheries; traditional use activity (sustenance activities, village sites, spiritual sites and related; archaeology sites; and socio-economic impacts such as availability of jobs.

12.6.2 Engagement with Canadian and Saskatchewan regulatory agencies

The Canadian and Saskatchewan governments should be engaged and made aware of the PLS project. Once the regulatory agencies gain an understanding of the Project including the proposed timeline, interactions will occur that allow the Company to understand how to deal with potential issues and associated mitigations.

13 Project Risks and Opportunity Assessment

This section outlines the technical risks and opportunities for the Project.

As is typical of projects at an advanced stage of exploration only preliminary technical studies, to a PEA level, have been completed to define the proposed project plan. Through the completion of these preliminary studies, there are a number of project opportunities and risks that have been identified which require further technical studies to either confirm the opportunity or to mitigate the project risk.

As further studies are completed, greater design detail, test-work and project cost estimation will be completed and it is likely that many of the risk rankings will be lowered from the current level. Through this process, however, the Project plan is likely to alter from what is currently proposed in the PEA, in areas such as design, cost, production rate, yields etc. to reflect the outcomes of the various studies.

13.1 Opportunity

RPM considers that there are several opportunities within the Project. These include:

- **Resource expansion:** Within the currently defined resource area there remains significant prospect for the further delineation of resource including extensions to the R600W, extend and expand to the east the high grade core of R780E, test for additional high grade in the R1620E zone.

- **Regional Exploration Targets:** Geophysics has defined numerous conductor zones within the property boundaries. Many of these have been tested with a single hole. Mineralisation along many of these conductors has yet to be tested through drilling and so there remains additional potential within the lease.

- **Overburden Mining Costs:** Pumping of sand (dredging) during the dewatering may allow for a reduction in mining costs.

- **Optimize Open Cut Mining Fleet:** further optimisation of the owner operated and contract mining fleet should allow to reduce mining capital and operating costs.

- **Slurry Wall Costs:** Investigate geotechnical and hydrological parameters to reduce slurry wall construction costs.

- **Underground Mining Schedule:** optimisation of the stope design and scheduling of the underground mine area to better align with resource geometry and economic break even cut off grade is likely to reduce the overall LOM tonnes but increase the grade hence improving the margins from the underground.

- **R600W:** Accessing of the R600W area from the planned PLS underground is likely to allow for a significant increase in underground mining tonnes and associated grades due to the higher grade nature of this new resource area further increasing the current life of mine.

13.2 Risks

Mining is a relatively high risk business when compared to other industrial and commercial operations. Each mine has unique characteristics and responses during mining and processing, which can never be wholly predicted. RPM's review of the Project indicates mine risk profiles typical advanced stage uranium exploration assets in Canada. Until further studies provide greater certainty, RPM notes that it has identified risks and opportunities with the Project as outlined in ***Table 15-2***.

RPM has attempted to classify risks associated with the Mine based on Guidance Note 7 issued by The Stock Exchange of Hong Kong Limited. Risks are ranked as High, Medium or Low, and are determined by assessing the perceived consequence of a risk and its likelihood of occurring using the following definitions:

Consequence of risk:

- **Major:** the factor poses an immediate danger of a failure, which if uncorrected, will have a material effect (>15% to 20%) on the Mine cash flow and performance and could potentially lead to Mine failure;
- **Moderate:** the factor, if uncorrected, could have a significant effect (10% to 15% or 20%) on the Mine cash flow and performance unless mitigated by some corrective action, and
- **Minor:** the factor, if uncorrected, will have little or no effect (<10%) on Mine cash flow and performance.

Likelihood of risk occurring within a 7 year timeframe:

- **Likely:** will probably occur;
- **Possible:** may occur, and
- **Unlikely:** unlikely to occur.

The consequence of a risk and its likelihood of occurring are then combined into an overall risk assessment as shown in ***Table 13-1*** to determine the overall risk rank.

Table 13-1 – Risk Assessment Ranking

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

RPM notes that in most instances it is likely that through enacting controls identified through detailed review of the Mine's operation, existing documentation and additional technical studies, many of the normally encountered Mine risks may be mitigated.

Table 13-2 – Project Risk Assessment

Project Development

Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
H	**Permitting and Approvals**		
	Ability to gain all required permits and approvals to develop the project is not guaranteed and will require significant stake holder engagement.	Commence all necessary permitting and stake holder engagements. Engage a locally experienced third party to support this process.	Licence to operate.
M	**Construction Timing**		
	Significant delays may be incurred should permitting and approval delays be incurred or the slurry wall complexity increased due to boulders in the glacial till.	Complete detailed geotechnical investigation of the glacial till and expedite all permitting and approvals.	Life of the Project.
H	**Preliminary Technical Studies**		
	The Project is at an advanced level of exploration and the currently proposed project profile and approach may change as further studies are completed.	Further studies are required to confirm the technical characteristics of the project and to enable more detailed engineering design and cost estimation.	Mine Development Timelines and CAPEX.

Geology and Resource

Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
M	**Resources**		
	The highest confidence categorization of the current Mineral Resource estimate is Indicated. As further drilling is completed more geological information may impact on the tonnage or grade of the Mineral Resources.	Proper design of future drill programs (hole orientation and spacing) and proper estimation method to maintain the mineralised body variability.	Estimation of resources, mine planning and reserves. Forecasting production.
L	**Geology**		
	Understanding of the geological controls on mineralization and developing a geological model which captures those controls especially in the higher grade areas.	Careful logging of lithology, alteration and mineralization and development of a 3-D geological model.	Estimation of resources.

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Open Cut and Underground Mining

Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
H	**Slope Stability**		
	The open pit slope stability requires further testing to determine if the slopes can be depressurized and stand at the proposed slope angles.	Additional test work and drilling in the proposed mining area to verify rock properties and strength.	Life of Project.
H	**Hydrological and geotechnical conditions**		
	Hydrological and geotechnical conditions that could delay or increase construction time and operating costs for the project.	Studies into the Hydrology and Geotechnical parameters in the proposed open pit area to be conducted in future.	Cost and Project Design Requirements.
H	**Construction of Slurry Wall and Dyke**		
	Costs and time for construction of the slurry wall are impacted by the presence or absence of boulders and the size of boulders in the overburden. Increased boulder quantity will also increase the bulk density of the material above 2.0 t/m^3 as currently assumed.	Detailed drilling in the path of the slurry wall using a pile driver type drill to assess the frequency and size of boulders.	Construction costs and start-up dates.
M	**Contract Miner**		
	Further investigation into possible mining contractors that are willing to bid and work on this project.	Survey of possible mining contractors with experience working in the northern regions of Canada.	Project start up and associated costs.
M	**Schedule**		
	The current underground schedule has not been updated to reflect the December 1st resource estimate.	Complete stope optimiser and update the underground schedule.	LOM Schedule Economics.
M	**Water In-rush**		
	The underground access and main ventilation infrastructure will be created below the level of the lake within the open bit. Failure of the slurry wall or flooding could result in Water In-rush into the underground workings.	Detailed design and monitoring of the slurry wall and ring dyke.	Safety, Production.
M	**Hydrogeological**		
	To date no detailed hydrological studies have been undertaken in the underground area. Water flows into the underground may exceed the current design dewatering capacity should conductive units be identified requiring remedial works.	Further detailed study and water flow modelling.	Production delays and operating costs.
M	**Discharge of mine water**		
	The means and approvals for the discharge of the water from mining has not yet been determined.	Studies into the discharge of water is to be conducted in future studies.	Approvals timing and Costs.

Processing Facilities

Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
M	**Construction CAPEX and timing.**		
	As the project progresses through the stages of evaluation, as further drilling, as metallurgical testwork is done, and as the capital estimates become more detailed, the capital cost may increase significantly.	Hire competent, experienced EPCM engineering firm. Regular review and updating of the capital expenditure estimate. Ensure long lead equipment is ordered in a timely fashion.	Construction costs, start up date.
M	**Communition and Process Recovery.**		
	No current test work has been completed on communition parameters and limited test work is available on grade recovery relationship and associated reagent consumption.	Complete the planned test work	Costs and project economics.
M	**Process Plant Ramp Up.**		
	Ramp up of new processing plants is complex and may take longer than anticipated due to poor equipment design or lack of operator knowledge and experience.	Ensure good engineering design. Carry out a comprehensive operator-training program.	Production and costs. May affect first year or two of operation.
M	**Operating Costs**		
	Estimates of consumption, unit reagent costs.	Good engineering, management of purchasing contracts.	Production costs.

Environmental and Social

Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
H	**Water Quality**		
	Ability to maintain regulatory compliant water quality of discharge. Discharged water must meet effluent criteria. Poor quality discharge could significantly impact the project moving forward.	Water quality testing and treatment facilities to be included in the capital budget if necessary.	Licence to operate.
H	**Fauna Protection**		
	Biodiversity management primarily related to woodland caribou, several bird species, etc. Woodland caribou is a protected species and will require significant consideration from the biodiversity perspective. Several birds and likely other unknown species are also considered imported and will require consideration that will impact operations, etc.	Conduct baseline studies and implement appropriate fauna management practices to meet expected levels of protection.	Licence to operate.
H	**Community**		
	Poor stakeholder relationships through a lack of interaction preventing agreement on land management and no approval to mine.	Engagement with stakeholders including First Nations groups and regulatory agencies.	Licence to operate.
M	**Fish Habitat**		
	Damage to fish habitat or sub-standard practices resulting in permits not being approved or rescinded.	Review of existing practices at similar operations and establishing systems and controls to ensure that suitably high standards are in place.	Licence to operate.
M	**Protection of Critical Habitats**		
	Critical habitats such as wetlands and protected rivers are put at risk from mining operations.	Review of existing practices at similar operations and establishing systems and controls to ensure that suitably high standards are in place.	Licence to operate.

A. Qualifications and Experience

Mr Richard Kehmeier – Chief Geologist North America consulting, is a full-time employee of RPM and a Licensed Professional of the American Institute of Professional Geologist (C.P.G 10879), Fellow of the Society of Economic Geologists and Member of the Geological Society of Nevada. He holds a MSc Geology and a BSc in Geological engineering from the Colorado School of Mines.

Mr. Kehmeier is currently RPM's Chief Geologist for Consulting Services for the Americas, He has been employed by RPM for 5 years. During his career he has been in charge and/or involved with uranium and other metaliferrous projects driving exploration concepts through to discovery and feasibility for over 45 years. Specific uranium experience includes close involvement with the discovery, exploration and development of seven sedimentary hosted uranium projects across Utah, Wyoming and New Mexico as well as exploration assessment of iSA Projects and conducting exploration for high grade vein-type uranium deposits in Precambrian rocks in the core of the Rocky Mountains. Sedimentary hosted uranium projects are similar in style to the mineralisation at the Project under review.

Beyond uranium Mr Kehmeier has discovered or caused to be discovered by managed exploration programs over 15 million ounces of gold and over a billion pounds of copper in multiple deposits in varied geologic and political environments. Experience includes feasibility and pre-feasibility studies, numerous preliminary economic evaluations, developing CAPEX and OPEX costs for open pit (large and small) and underground narrow vein mines, and authoring numerous 43-101 reports on gold, copper and uranium properties and acting as the QA/QC reviewer for all RPM NI 43-101 reports. He has achieved positions of progressive responsibility ranging from Mine Geologist to Vice President, Exploration to Chief Geologist.

Terry H. Brown, Ph.D., Pincipal Environmental Specialist. Ph.D. Soil and Environmental Chemistry, University of Idaho, 1986, M.S. Soil Chemistry/Morphology, Washington State University, 1977, B.S. Forest Management, Washington State University, 1974. Member of American Chemical Society, RCPAC Certified Professional Soil Scientist # 1742 American Society for Surface Mining and Reclamation, Soil Science Society of America (American Society of Agronomy)

Over 35 years of U.S. and International experience serving in environmental management positions with two coal mining companies, a U.S. federal coal mining/environmental regulatory agency, an international research institute and with an International environmental consulting company. Specializing in soil and water management activities including: Water Management-potential for development of acid rock drainage in mineral and coal mines, metals dissolution, tailings storage, waste rock management, water treatment, erosion and sedimentation control, and water and soil chemistry; Soil Management-soil chemistry, soil morphology/mapping, soil fertility and soil microbiology/bioremediation;. Significant experience in environmental impact analysis, development of impact mitigation measures, permitting of mine construction and operations, reclamation/mine closure planning, pit lake development, environmental monitoring, soil mapping, evaluation of compliance with environmental standards, liability determinations, and environmental cost accounting.

Philippe Baudry – Executive General Manager – Advisory Services, Bsc. Mineral Exploration and Mining Geology, Assoc Dip Geo science, Grad Cert Geostatistics, MAIG

Philippe is a geologist with over 18 years of experience. Over the last 11 years Phil has worked as a consultant focused on the Asian and Russian regions and after 3 years living and working in Russia developing 2 porphyry copper projects has moved to Beijing where for the past 8 years he has built up and managed RungePincockMinarco's business in north Asia including offices in China, Hong Kong, Mongolia and Russia prior to taking on a global management role for RPM's advisory services in 2014.

During his time in Asia Phil has worked closely with leading financial institutions across Asia and Europe on transactions ranging from Due Diligences to IPO's and has gained detailed understanding of the requirements of both investors and banks in regards to public technical report requirements and listing processes on various financial exchanges. Phil has an in depth knowledge of the Soviet and other Asian resource/reserve reporting systems and has gained significant experience in both reviewing projects based on these systems and in converting projects from this region to international standards of reporting such as JORC.

Prior to working as a consultant Philippe spent 7 years working in the Western Australian Goldfields in various positions from mine geologist in a large scale open cut gold mine through to Senior Underground Geologist. Before this time Philippe worked as a contractor on early stage gold and metal exploration mines in central and northern Australia.

With relevant experience in a wide range of commodity and deposit types, Philippe meets the requirements for Qualified Person for 43-101 reporting, and Competent Person ("CP") for JORC reporting for most metalliferous Mineral Resources. Philippe is a member of the Australian Institute of Geoscientists

John D. Zeise – Senior Geologist – P.G., Mr. Zeise has over 14 years' experience in the mining industry. He has expertise in geostatistical resource modeling, QA/QC, sampling, geologic mapping, drilling design and supervision as well as geotechnical analyses of soils and environmental assessments. He has worked on a broad range of projects including iron, precious metals, base metals, coal, and uranium. Mr. Zeise has worked at all levels of reporting to include due diligence, annual reports, PEA, Prefeasibility, and Feasibility Studies. He is an Expert Vulcan user and proficient user in GSLIB, Datamine, ArcGIS.

Paul Gates – Chief Mining Engineer – P.E., MBA,. Mr. Gates has more than 29 years' experience in the mining industry, including: extensive experience in field exploration; long-term mine planning; project feasibility and business case analysis; mine development and operations; mine valuation; and mine optimization. He supervised loading and haulage fleets in large open-pit copper mines with crews in excess of 60 operators. He has both operated and trained personnel in the use of Modular Mining's Dispatch System and was responsible for production of over 600,000 tons per day. He implemented team management operating efficiency programs to reduce costs and increase productivity of the workforce. He is skilled at planning, coordinating, and supervising operations at gold, copper and silver mines. Mr. Gates has consulting experience at uranium, coal, platinum and iron ore mines and has a solid understanding of permitting and environmental challenges facing today's mining industry.

Joe McDiarmid – Principal Consultant, BEng Mining, MAusIMM. Joe has over 15 years of exposure to underground operational, technical and leadership roles in mineral resource companies in Australia. He has broad exposure to a variety of mining methodologies across four principal mineral deposits coupled with a well-developed understanding of the commercial, functional and safety management aspects of mining operations. Joe has proven ability at leading large teams, direct reports and sub-contractors simultaneously. With substantial experience in a wide range of commodity and deposit types, Joe meets the requirements for Competent Person for JORC reporting for most metalliferous Mineral Reserves.

Harry Ewaschuk – Principal Processing Engineer, Bsc Chemical Engineering. Mr. Ewaschuk has over 43 years experience in the minerals industry including mine management at two potash and three uranium operations for Potash Corporation of Saskatchewan and Rio Algom. He was Senior Project Manager at Rio Algom, handling the preliminary engineering of a copper project in Chile. Mr. Ewaschuk performed engineering consulting and management related assignments covering technical evaluations, process design, EPCM contracts, cost reduction programs, and safety and loss control programs for RPM, SNC-Lavalin, and Khan Resources. These included evaluation of several potash, uranium and gold projects in various parts of the world.

Company's Relevant Experience

RungePincockMinarco (RPM) is a market leader in the innovation of advisory and technology solutions that optimise the economic value of mining assets and operations. RPM has serviced the industry with a full suite of advisory services for over 45 years and is the largest publicly traded independent group of mining technical experts in the world.

RPM has completed over 11,000 studies across all major commodities and mining methods, having worked in over 118 countries globally.

RPM has operations in all of the world's key mining locations enabling them to provide experts who understand the local language, culture and terrain. RPM's global team of technical specialists are located in 18 offices around the world. Through their global network, RPM can provide you access to the right specialist technical skills for your project.

RPM's advisory division operates as independent technical consultants providing services across the entire mining life cycle including exploration and project feasibility, resource and reserve evaluation, mining engineering and mine valuation services to both the mining and financial services industries.

RPM's trusted advisors typically complete assignments across all commodities in the disciplines of:

- Geology;
- Mining Engineering;
- Minerals Processing;
- Coal Handling and Preparation;
- Infrastructure and Transportation;
- Environmental Management;
- Contracts Management;
- Mine Management;
- Finance and Project Funding;
- Commercial Negotiations.

RPM was founded in Australia and as a result, has a solid understanding of and is committed to compliance with the codes which regulate Australian corporations and consultants.

Over the past 45 years, RPM has grown into an international business which has continued to provide clients and those that rely on its work the confidence that can be associated by the use of the relevant global industry codes some of which include:

- The Australasian Institute of Mining and Metallurgy Code of Ethics;
- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves;
- The Australian Institute of Geoscientists Code of Ethics and Practices;
- Society for Mining, Metallurgy and Exploration Code of Ethics; and
- The National Instrument 43-101 Standards of Disclosure for Mineral Projects.

RPM has conducted numerous independent mining technical due diligence studies and reporting for IPO's and capital raisings under the requirements of all key mining equity markets over the past six years, with involvement in capital raisings worth more than US$44 billion. Some of this and other work is summarised in ***Table A1***.

RPM leverages the power of its specialist knowledge to also provide cutting edge mining software that is sought after globally for mine scheduling, equipment simulation and financial analysis. RPM software is relied on by mining professionals to understand how to structure their long and short term operations efficiently using auditable best practice methodologies and solutions.

Table A1 – Mining Related IPO and Capital Raising Due Diligence Experience

2015 BHP Limited Demerger into South 32; independent technical review and compilation of a Competent Persons Report as defined by the European Securities and Markets Authority's Recommendations on consistent implementation of Commision Regulations ("EC") No 809/2004 implementing the Prospective Directive (the "ESMA Recommendations"). The ITR was completed on the assets of Illawara Coal Holdings located in the New South Wales state of Australia.

2014 MMG Limited; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support the acquisition of the Las Bambas Copper and Gold Mine, Peru.

2014 Hidili International Development Company., Ltd; Competent Persons Report of Coal Resources and Coal Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the divestment of Multiple Coal Mines, Yunnan Province, China.

2013 China Molybdenum Company., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the acquisition of the Northparkes Copper and Gold Mine, Central West NSW, Australia.

2012 China Gold Resources International., Ltd; Tibet Jiama Copper-Polymetallic Phase II NI 43-101 HKEx Pre-Feasibility Study. China

2012 China Precious Metal Resources Holdings Co., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the acquisition of an Gold Operation Yunnan Province, China.

2012 Kinetic Mines and Energy., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the IPO of an underground coal asset in Inner Mongolia Province, China.

2012 China Daye Non-Ferrous Metals Mining., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the acquisition of 4 operating underground copper, lead, zinc assets in Hubei Province, China.

2012 Huili Resources Group., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the IPO of multiple underground nickel, lead, zinc, copper and gold mining assets in Xinjiang and Hami Province, China.

2011 China Polymetallic Limited Mining., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the IPO of a lead zinc silver polymetallic underground mining assets in Yunnan Province, China.

2011 China Precious Metal Resources Holdings Co., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKSE Circular to support the acquisition of multiple underground gold mining assets in Henan Province, China.

2011 HaoTian Resources Group Limited; Competent Persons Report of Mineral Resources and Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support acquisition of and underground coal mines in Xinjiang Autonomous Region, China.

2011 King Stone Energy Group., Ltd; Competent Persons Report of Mineral Resources and Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support acquisition of 2 underground coal mines in Shanxi Province, China.

2010 China Precious Metals Holdings Co., Ltd; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support the acquisition of multiple underground gold mining assets in Henan Province, China.

2010 Century Sunshine Group Holdings Limited; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support the acquisition of a serpentinite mining asset in Jiangsu Province, China.

2010 Doxen Energy Group Limited; Independent Technical Review and estimation of Mineral Resources under JORC for inclusion in a HKEx Circular to support the acquisition of a coal mining asset in Xinjiang Autonomous Region, China.

2010 KwongHing International Holdings (Bermuda) Limited; Independent Technical Review for inclusion in a HKEx Circular to support a Very Substantial Acquisition.

2009 Metallurgical Corporation Of China Ltd ("MCC"); Independent Technical Review for inclusion in a Prospectus to support a stock exchange listing on the Hong Kong Stock Exchange.

2009 Nubrands Group Holdings Limited, Guyi Coal Mine; Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2008 China Blue Chemical Limited, Wangji and Dayukou Phosphate Mines: Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2008 Kenfair International (Holdings) Limited, Shengping Coal Mine: Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2007 China Railway Company Limited, African Copper/Cobalt Assets: Capital raising for mining assets on the Hong Kong Stock Exchange. Preparation of Competent Persons Report for planned IPO on the HKEx.

2007 China Railway Company Limited, African Copper/Cobalt Assets: Capital raising for mining assets on the Hong Kong Stock Exchange. Preparation of Competent Persons Report for planned IPO on the HKEx.

2007 Gloucester Coal Limited: Independent Technical Review for Australian Stock Exchange Scheme of Arrangement.

B. Glossary of Terms

The key terms used in this report include:

- **AA** stands for atomic adsorption, and analytical procedure
- **ANFO** stands for ammonium nitrate fuel-oil, an explosive used in mining
- **ARD** stands for acid rock drainage
- **ARI** refers to Average Recurrence Interval
- **Au** refers to Gold
- **AUSIMM** stands for Australasian Institute of Mining and Metallurgy
- **Bauer** refers to Bauer Foundations Canada Inc
- **BOO** stands for Build, Own, Operate (placing a system in the hands of a third party to build, own, and operate; for example, the power transmission line)
- **Client** refers to CGN Mining Company Limited
- **concentrate** refers to the Uranium Product produced and sold by the Operation
- **Company** means Fission Uranium Corp.
- **C$** means Canadian dollar (CAD)
- **Cu.m/h** refers to refers to cubic meters per hour
- **Cut-Off Grade** ('cog')
- ***Resource cog:*** is the lowest grade of mineralised material that qualifies as having reasonable economic potential for eventual extraction and supports a geologically justifiable and continuous mineralisation domain.
- ***Economic/Reserve cog:*** is the lowest grade of mineralised material that qualifies as economically mineable and available in a given deposit after application of modifying factors and economic assessment at given commodity prices. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
- **DE** stands for Definitive Estimate (of the cost and schedule to complete construction)
- **deposits** refers to the cluster of mineralised bodies which are contained within the Project.
- **DH** stands for diamond-drill hole
- **DRA** refers to DRA Tagart International
- **EHS** means Environmental, Health and Safety
- **EIS** stands for environmental impact assessment
- **EMP** stands for environmental management plan
- **EMS** stands for environmental management system
- **EPCM** stands for engineering, procurement, and construction-management, a type of contract

- **ESIA** stands for environmental social impact assessment
- **Fault** refers to a slip-surface between two portions of the earth's surface that have moved relative to each other. A fault is a failure surface and is evidence of severe earth stresses.
- **FS** stands for Feasibility Study
- **G&A** stands for General and Administrative, a category of operating costs
- **GL** refers to a giga litre
- **g/t** stands for grams per tonne
- **Ha** also **ha** stands for Hectares
- **HKEx** stands for Hong Kong Stock Exchange
- **hr** stands for hour
- **ITR** stands for Independent Technical Review
- **JORC** stands for Joint Ore Reserves Committee
- **JORC Code** refers to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition, which is used to determine resources and reserves, and is published by JORC of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia
- **kg** stands for kilogram
- **km** stands for kilometre
- **klbs** stands for 000's of pounds
- **kt** stands for 000's of tonnes of kilo tonnes
- **ktpa** stands for 000's tonnes per annum or kilo tonnes per annum
- **KV** refers to kilovolt
- **kW** stands for kilowatt
- **KWh** refers to kilowatt hours
- **the Project** refers to the Patterson Lake South Project
- **L** stands for litres
- **lbs** stands for pounds (avoirdupois)
- **LOM** stands for Life of Mine
- **LOM plan** stands for Life of Mine Plan
- **LTA** means lost time accident
- **m** stands for metre
- **m^3** stands for cubic metres

- **masl** stands for metres above sea level
- **mm** refers to millimetre
- **mine production** is the total raw production from any particular mine
- **Mining rights** means the rights to mine mineral resources and obtain mineral products in areas where mining activities are licensed
- **Ml** stands for mega litre which is equal to one million litres
- **Mt** stands for mega tonnes which is equal to one million tonnes
- **Mtpa** stands for million tonnes per annum
- **MVA** refers to megavolt ampere
- **MW** refers to megawatt
- **NSR** refers to Net Smelter Return, the net value of concentrate after deducting freight, smelting, and refining costs
- **P_{80}** refers to 80 weight % passing, used in association with particle size
- **PAG** stands for potential acid generating
- **PEA** refers to Preliminary Economic Assessment
- **Project** refers to the Patterson Lake South Project
- **PVC** stands for polyvinyl chloride, a type of plastic film
- **QA/QC** stands for quality assurance and quality control
- **RC** stands for reverse circulation, a drilling method
- **Relevant Asset** means the exploration licences.
- **ROM** stands for run-of-mine, being material as mined before beneficiation
- **RPA** refers to Roscoe Postle and Associates
- **RPM** refers to RungePincockMinarco
- **SAG** stands for semi-autogenous mill, a type of grinding mill
- **s.g.** stands for specific gravity
- **t** stands for tonne
- **TDH** stands for total dynamic head, the hydraulic head applied to pumps
- **TISUR** refers to the owner/operator of the port at Matarani
- **Troy Oz** equates to 31.103477g
- **TSF** stands for tailings storage facility
- **tonne** refers to metric tonne

- **tpd** stands for tonnes per day
- **tph** stands for tonnes per hour
- **TSF** stands for tailings storage facility
- **U_3O_8** stands for **Triuranium octoxide** (U_3O_8) is a compound of uranium
- **µm** stands for micron (1/1,000 of a metre)
- **Wi** stands for work index, a measure of rock hardness
- **WMP** stands for water management plan
- **WRSF** stands for waste rock storage facility
- **Wmt** stands for Wet metric tonne
- **US$** refers to United States dollar currency.
- **$** refers to United States dollar currency
- **¥** is the symbol for the Chinese Renminbi Currency Unit
- **%** refers to a Percentage.
- Note: Where the terms Competent Person, Inferred Resources and Measured and Indicated Resources are used in this report, they have the same meaning as in the JORC Code.

A '**Mineral Resource**' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An '**Ore Reserve**' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

A '**Measured Mineral Resource**' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

An '**Indicated Mineral Resource**' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

An '**Inferred Mineral Resource**' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An '**Ore Reserve**' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

A '**Proved Ore Reserve**' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

A '**Probable Ore Reserve**' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

"Claims"	A claim grants to the holder the exclusive right to explore for any Crown minerals that are subject to relevant regulations within the claim lands. A holder of a claim is entitled to convert the claim to a lease once certain conditions are met. A lease grants to the holder the exclusive right to explore for, mine, work, recover, procure, remove, carry away and dispose of any Crown minerals that are subject to relevant regulations within the lease lands.
"Legacy Claims"	Saskatchewan and the rest of Canada currently uses a web based acquisition system of mineral tenure based the mineral ownership cadastral (surveyed) or the SaskGrid (unsurveyed) map grids. This relies on GIS data files to determine mineral land availability. To acquire mineral lands requires simply marking corners on a map and submitting it to the government. This does not require placing stakes on the ground to mark the claim corners. Legacy claims are claims that were located prior to the initiation of the web based acquisition system. The location of these claims involved placing stakes at the corners of the claims. The location of these claims is based on the location of these stakes and not on the web based location. These are valid claims and are referred to as legacy claims.

"Anniversary Dates"	The Anniversary Date is that date on which the claim was granted by the government. Every year on the anniversary date proof of assessment work must be filed to maintain the validity of the claim. The term of a claim: (a) commences on the date on which the claim is issued; and (b) is one year. Subject to the holder complying with the relevant regulations, a claim is continued from year to year after the initial term.
"Good Standing Date"	The Good Standing Date is that date in which the accumulated expenditures for that claim will be exhausted or are no longer valid.
"Assessment Credits"	Assessment Credits are excess accumulated expenditures that are not used to satisfy the expenditure requirements of the current assessment work period and must be carried forward and may be used to satisfy the expenditure requirements for any subsequent assessment work period for: (a) the original mineral disposition; or (b) any subsequent mineral disposition converted from the original mineral disposition. If a holder has accumulated more than 21 years of approved expenditures, calculated on the basis of the then current status of the mineral disposition, any amounts in excess of the 21 years of approved expenditures:(a) are deemed to be excess accumulated expenditures; and (b) are not eligible to be applied to satisfy any subsequent expenditure requirements pursuant to relevant regulations.

C. JORC Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Core was HQ (47.6 mm diam.) in size or larger. • Upon completion and storage of the core, all holes were systematically probed within the rods using a Mount Sopris 500 m (4MXA-1000) or 1,000 m (4MXC-1000) winch, Matrix logging console, and either a 2PGA-1000 or 2GHF-1000 total gamma count probe. Subsequently the core was measured, washed core depth markers checked and carefully reassembled, photographed and geotechnically logged as per industry standards. The core was scanned using an Exploranium GR-110G total count gamma-ray scintillometer until the winter 2014 program, after which Radiation Solutions RS-121 scintillometers were used. During the 2015 winter program and onwards clay mineralogy was identified in the field using an ASD Inc. TerraSpec Halo near infrared mineral analyzer. • At least one representative sample of sandstone was taken when intersected. In thicker zones of sandstone (>5 m), representative samples were taken at 2.5 m intervals. Representative samples of basement lithologies consisting of 50 cm of split core (halved) were taken every 10 m within the basement, starting immediately in bedrock. All sandstone and basement intervals with handheld scintillometer readings greater than 300 cps, or containing significant faults and associated alteration, were continuously sampled with a series of 50 cm split core samples. In areas of strong to intense alteration, evenly spaced 50 cm split core samples were taken from the start of the alteration. The spacing of the samples varied with the width of the alteration zone as follows: 1 m spacing for alteration zones less than or equal to 5 m long, 3 m spacing for alteration zones between 5 m and 30 m long and, 5 m spacing for alteration zones more than 30 m long. Half core samples were crushed to 60% passing-2 mm and a 100 g to 200 g sub-sample was split out using a riffle splitter. The sub-sample pulverized to 90% passing-106 μm using a standard puck and

Criteria	JORC Code explanation	Commentary
		ring grinding mill. Samples for density measurements were taken in both sandstone and basement lithologies with at least 1 sandstone sample per hole, where possible. Density samples in mineralised basement or sandstone giving handheld scintillometer readings greater than 300 cps were taken at 2.5 m intervals. Basement samples for density outside the mineralised zone were taken at 20 m intervals until the winter 2014 drill program, after which no barren basement density samples were taken.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Three drilling methods were use on the property. Core drilling, dual rotary drilling and reverse circulation drilling (RC). Dual rotary drilling was used as an exploration tool to test for uranium bearing boulders in the overburden (till) and RC drilling was used to predrill the holes through the till to within one to two meters of bedrock followed by diamond drilling. Once the RC holes were completed and casing set, they were deepened using core through the zones of interest. • All core was not orientated.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recoveries in the core were assessed by comparing the length of each core run to the total core recovered and reporting the recovery as a percentage of the total length of the core run. Recoveries overall reported to be 93%. • Although no detailed review has been completed given the nature of the mineralisation and the standard sample length, there should be no relationship between recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core was logged by the Company's geologist paying particular attention to major and minor lithologies, alteration, structure, and mineralisation. The core was logged to a sufficient level to support development of a geological model and a resource estimation. • Logging was qualitative noting percentages of mineralisation, types and quantities of clay, and utilizing handheld scintillometers and the down-the-hole gamma probe results to guide the logging and estimate mineralisation. All core was photographed wet prior to splitting. • All 341 core holes for a total of 113,192 meters in the defined mineralised zones have been logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The core was split in half using a manual splitter. Half was retained and returned to the core box, the other half was placed in a plastic sample sack with a sample tag and sealed. A second sample tag was placed in the core box at the beginning of the interval and a third tag which included a sample description was kept on file. • The half samples were sent to an ISO certified lab and prepared in accordance with industry standards and in accordance with the nature and quantity of the mineralisation. • Strict sampling protocols were in place that dictated the sample intervals in material with less than 300 cps on a gamma-ray scintillometer or more than 300 cps. Duplicate samples were taken every 20th sample as a quarter of the core. • The level of in situ mineralisation was measured by a down-hole gamma probe once the hole was completed. This established the baseline for the mineralisation and allowed correlation of the wet chemical results with the probe results although the wet chemical results are considered more representative of the actual mineralization and were used in the resource estimation. • There is no observed or expected relationship between grain size and grade.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying was an ISO/IEC 17025:2005 accredited method for the determination of U_3O_8 with a detection limit of 0.001%. Samples were crushed to 60% -2 mm and a 100 g to 200 g sub-sample was split out using a riffle splitter. The sub-sample was pulverized to 90% -106 µm using a standard puck and ring grinding mill. An aliquot of pulp was digested in a concentrated mixture of HNO3 and HCl in a hot water bath for an hour before being diluted by de-ionized water. Samples were then analyzed by a Perkin Elmer ICP-OES instrument (models DV4300 or DV5300). In addition to uranium assaying, all samples from mineralised zones were also assayed by SRC for gold and, until mid-summer 2014, platinum group elements (Pt, Pd). Samples were prepared using the same method as described above. An aliquot of sample pulp was mixed with fire assay flux in a clay crucible and a silver inquart was added prior to fusion. The mixture was fused at 1,200°C for 90 minutes. After the mixture had fused, the slag was poured into a form which was cooled. The bead was then parted in diluted HNO3. The precious metals were dissolved in aqua regia and then diluted for analysis by ICP-OES and/or Atomic Absorption Spectrometry (AAS). The analysis has a detection limit of 2 ppb for all three elements. All assay techniques are considered total digestion. • All holes were probed within the drill rods and the core was scanned by a handheld scintillometer as described above. During the 2015 winter program and onwards clay mineralogy was identified in the field using an ASD Inc. TerraSpec Halo near infrared mineral analyzer was calibrated with samples of know clay type and content from other Athabasca uranium deposits. All gamma probes and handheld scintillometer results were used to guide logging and sampling and as such were not calibrated for the determination of grade. Industry standard QA/QC protocols were used to verify the assay results. This included blanks, Certified Reference Material (CRM) and a series of duplicates. The duplicates included quarter splits of the remaining half core for every 20th sample (Field duplicate), a coarse duplicate prepared from the field duplicate (preparation duplicate) and pulp duplicate prepared from the preparation duplicate. The insertion rate of QA/QC samples is about 15% which is within industry norms. Also 150 coarse duplicates and 150 pulp duplicates were sent to a third party lab for umpire assays. A review of the QA/QC results showed failure rates for the QA/QC assays for all sample types were well within industry standards and verifies the quality of the assays as sufficient to support a resource estimation.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The CP has confirmed the qualitative presence of uranium mineralisation visually and by using a hand held scintillometer and comparison with the down hole probe results. No verification outside of the QAQC data supplied was completed of the wet chemical assay. • There are no twinned holes reported. • The database has been examined for inconsistencies such as duplicate sample numbers, overlapping depths but no irregularities were discovered. The CP has reviewed 3 selected core holes along with the logs, original assay certificates, and database entries. No errors or inconsistencies were noted. All entries including logging data and geochemical data is electronic and no errors were introduced by transcription. • No adjustments to the data are required.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collars of the 2011 and winter 2012 program holes were located using a handheld Garmin GPSMAP 60CSx instrument. During the winter 2013 program, drilled holes were located using a Trimble GeoXH handheld GPS instrument and a Trimble 5800 base station for differential correction. From the summer 2013 drill program onwards, all holes were located using a Trimble R10 GNSS real time kinematic (RTK) system. All drill hole positions from the 2012 fall program onwards were surveyed again upon completion of the hole to account for moving of the drill, due to the either ground conditions or drilling difficulty. All roads and traverses travelled were located with a handheld Garmin GPSMAP 60CSx or Trimble instrument noted above. There is no discussion in the PEA about how the surface topography was established. The topography beneath the lake was developed in Leapfrog using data from the drilling. With the possible exception of the 2011 drilling, the drill hole locations were determined using industry standards and can be used in a resource estimation and should be sufficiently accurate to use for a resource estimation. • The grid system used to locate the features of the project are UTM NAD83 Zone 12. • A Digital Terrain Model was produced by LIDAR and is considered sufficiently accurate for use for all resource and mine planning to a Scoping Study accuracy level.

RungePincockMinarco

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling within the mineralised zone is on nominally 15 m centers. • This spacing of the drilling along with the detailed geological logs and assays provide sufficient data to develop the continuity necessary to develop a resource estimate. • The original assays are generally on 50 cm core samples. For resource estimation the data was composited to 2.0 m composites.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Initial drilling was vertical but later drilling was angle drilling crossing the zones at a high angle to the mineralised zones which indicate the vertical drilling does not bias the results, The R00 Zone is horizontal but the other zones are steeply dipping. • No sampling bias observed.
Sample security	• *The measures taken to ensure sample security.*	• Twice a day a Fission Uranium geologist would collect the samples from the drill rig and transport it to the logging and sampling area where it was logged and sampled. The samples were placed into sealed plastic bags and then into sealed buckets and place within a locked secure area until picked up by the expediter and delivered to the assay lab.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• RPM audited the sampling, assaying and QA/QC protocols and results a part of the PEA study, All were found to be within industry standards.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The PLS Property consists of 17 contiguous mineral claims covering an area of 31,039 ha. All claims are currently active. See Section 3 for further details. • The security of the property holdings is controlled by the Provincial and Federal statutes and is considered good. License to operate is subject to environmental and permitting regulations which are currently being applied for or studies are being conducted as required for their application.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Significant historical exploration has taken place within the tenements by a variety of companies as outlined in ***Section 4*** which dates back the 1960's. RPM considers that this work formed a starting point for the work done subsequently in recent years which underpins the resource reported in this Report.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The PLS deposit is an unconformity uranium deposit referred to as Athabasca Basin style uranium deposit. The PLS Property is covered by a thick layer of sandy to gravelly Quaternary glacial material. Cretaceous age Mannville Group mudstones have been intermittently intersected on the PLS Property. Thin lenses of Devonian La Loche Formation sandstone occur on the PLS Property, with the highest proportion intersected to date occurring in the R00E and R780E mineralised zones. Typical thicknesses of Devonian sandstone range widely, from10's cm to over 10 m. The sandstone is interpreted to be the remaining infill of a basement low over mineralisation and the sandstone has been found to taper off rapidly away from the mineralised zone. In the vicinity of PLS mineralisation (i.e., along the PLG-3B EM conductor) the basement rocks include a northeast trending belt of variably graphitic pelitic gneisses bounded to the northwest and southeast by apparently thick packages of quartzo-feldspathic semi-pelitic gneiss. The R780E zone is bounded on one contact by a lens of silicified pelite to semi-pelite that occurs within the pelitic gneisses. Also occurring in the eastern R780E is a broad zone of intense presumable hydrothermal alteration, which has altered the host rock. Throughout this zone the

Criteria	JORC Code explanation	Commentary
		primary lithology is completely obscured by the intense alteration. The silica-chlorite-tourmaline zone commonly hosts low grade uranium mineralisation throughout with a stronger zone of mineralisation along its lower north side flank. The R600W, R00E, and R780E mineralised zones occur in basement topographic lows and are separated by relative highs. Uranium mineralisation at the PLS Property is hosted primarily within metamorphosed basement lithologies and, to a much lesser extent, within overlying sandstone currently thought to be Devonian. Mineralisation within the sandstone typically occurs as fine-grained disseminations, sooty blebs, and rarely semi-massive uranium mineralisation. • Uranium concentrations within the sandstone are generally low to moderate, however, grades greater than 1.0% U_3O_8 have been intersected. Basement hosted mineralisation at the PLS Property occurs in a wide variety of styles, the most common of which appears to be fine-grained disseminated and fracture filling uranium minerals strongly associated with hydrocarbon/carbonaceous matter within the graphitic pelitic gneiss. Uranium minerals, where visible, appear to be concordant with the regional foliation and dominant structural trends identified through oriented core and fence drilling (i.e., steeply dipping to the southeast). • Less common styles of uranium mineralisation within the graphitic pelitic gneiss which are often associated with very high grade uranium include: semi-massive and hydrocarbon rich; intensely clay altered (kaolinite) with uranium-hydrocarbon buttons; and massive metallic mineralisation. These zones of very high grade mineralisation generally occur along the contact of the graphitic pelitic gneiss and silicified south side semi-pelite and comprise a high grade mineralised spine. This spine may represent a zone of intense structural disruption which has been completely overprinted by alteration and mineralisation. The mineralised zones within the semi-pelites are interpreted to be stacked structures parallel to the regional strike and dip along the PLG-3B conductor. Results of the detailed mineralogical work at the PLS Property indicate that the dominant uranium mineral present is uraninite, with subordinate amounts of coffinite, possible brannerite and U-Pb oxide/oxyhydroxide.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* – easting and northing of the drill hole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar – dip and azimuth of the hole – down hole length and interception depth – hole length. • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The PLS property is an advanced property containing 341 holes that define the resource plus an additional 187 exploration holes, Sufficient review of drill hole locations, down-hole surveys, assay results, demonstrate the data is consistent and sufficient in its entirety to allow estimate of resources. A detailed listing of all drill holes with the required information constitute the database for this project and would not add to the material understanding of the project and its parameters.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• In reporting exploration results no high grade assays were cut. • Composite Parameters – Minimum Thickness: 0.50m – Grade Cut-Off: 0.05 U_3O_8 (wt%) – Maximum Internal Dilution: 2.00m • No metal equivalent values were reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Down hole results were reported, not true widths. In vertical holes the down-hole intercept is large in relation to true width except in R00 which has horizontal mineralisation, later drilling is angled to intersect the mineralisation in R780 and R600W which dips steeply to the south. True widths can be observed in cross sections and is well defined by drill intersections.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included in report is discussion of drill results.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Grades are highly variable as are thicknesses. Grades vary from 65.7% U_3O_8 to 0.01% in the high grade zone wireframe; 43.50% U_3O_8 to 0.0%in the middle zone wireframe. Thicknesses are highly variable from less than 50 cm to tens of meters especially when considering the high grade zone and the MZ together.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Extensive exploration has been conducted on the property, including radon and ground radiometric surveys, MEGAtem magnetic and electromagnetic airborne surveys, trenching and boulder surveys including dual rotary drilling, self-potential surveys as outlined in the report. These surveys either alone or in combination have identified numerous conductors on the property. Some drilling has been completed to test these other conductors. This drilling has to date identified potential mineralisation on at least two other conductors besides the main conductor that contains all the known mineralisation.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Summer 2015 drill results extended mineralisation in the R600W zone, in the R780E zone, the R1620E, and defined mineralisation and favorable geology in conductor zone PLG-1B and PLG-3A. Drilling planned for winter 2016 is 10,000 meters to extend the R600W, extend and expand to the east the high grade core of R780E, test for additional high grade in the R1620E zone and follow up favorable exploration results on PLG-1B and PLG-3A. Fission Uranium anticipates the winter 2016 program may double depending on results. • There are areas on the main zone that have good potential for expansion and results from other conductors have potential to contain ore grade mineralisation.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Industry standard measures to ensure a consistent database have been employed to verify the data in the database. Most data was originally delivered electronically and placed directly into the database. This included geological logs and assay data. • Original data from the laboratory was compared with the database for approximately 5% of the holes and no errors were detected, the geological logs for three drill holes were compared to the core and no irregularities were detected. The database was examined for irregularities using VULCAN and no overlapping or missing intervals were found. Further collar elevations were compared to topography to validate the collar elevations. Some discrepancies were noted but have not been corrected due to the limited information from the company, however are not considered material.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit by the CP was made on November 19, 2015. During the site visit the company made a presentation about the 2015 summer drilling and the results which are still incomplete as assays from 7 holes are still in processing. Core from three holes was reviewed along with assays and drill logs. No irregularities were seen. A tour of the area of drilling was taken although with the snow cover, little could be seen. An extensive question and answer period was conducted for both geology an environmental.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The general framework of the geology is understood but the mineralisation controls appear poorly defined in understanding the relationship between the high grade zones and the enveloping lower grade material. • All data used to develop the geological model was from core holes, all the early drilling was vertical into steeply dipping material. Later drilling was angled to provide better assessment of width and orientations. All data was assumed to be representative and was used in the estimation. • No alternative geological interpretations were used to estimate mineral resources. • It has been noted that certain lithologies are more apt to host mineralisation but the lack of defined mineralisation controls make using geology to contain the mineralisation impractical. Mineralisation was not constrained by geology but by grade. • While geology appears to be continuous and reasonably predictable the high grade mineralisation is less continuous. This may be a function of actual distribution or a need for closer spaced drilling. The lower grade envelope is continuous along strike in the better drilled zones (R600W. R00. R780E.)
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineral resource occurs in four pods over a strike length of 2.31 km. Only three of these pods have defined JORC resources. • The R00E zone is currently defined by 45 drill holes intersecting uranium mineralisation over a combined grid east-west strike length of 125 m and a maximum grid north-south width of 47 m. At R00E, uranium mineralisation is generally found within several metres of the top of bedrock which occurs at a depth of 50 m to 60 m vertically from surface. • The R780E zone is currently defined by 257 drill holes over a grid east-west strike length of 900 m and a maximum grid north-south width of 93 m. At the western end of the R780E zone, uranium mineralisation extends to near the top of bedrock. Moving eastward, the top of mineralisation appears to be plunging at approximately -7°. On the western end off the zone the top is approximately 50 meters below the lake bottom and the mineralisation extends to 200 m deep. The top of the eastern end of the R780E zone is 110 m below the lake bottom and mineralisation extends to 340 m deep. • The R600W zone is currently defined by 32 drill holes with a total grid east-west strike length of 135 m and is open to the east and the west.. Similar to the R00E and R780E zones, mineralisation trends northeasterly in line with the corridor of graphitic pelitic gneiss. R600W is covered by 100 m of overburden.

RungePincockMinarco

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• RPM found that much of the data is clustered. Ordinary Kriging was performed using Vulcan software, release 9.1.4. Estimation was completed using two estimation passes with the second larger estimation pass less restrictive than the first. The first estimation pass requires between 4 and 9 samples with a maximum requirement of 3 samples per drill forcing the use of more than one drill hole. The second pass requires between 2 and 9 samples with a maximum of 3 samples per drill hole. All estimation domains were used as hard boundaries with the exception of the High Grade domain which used a limited search to acquire samples near the High Grade/Main Zone domain boundary. A final, short range estimation was performed on grade existing outside of the defined grade shells. This estimation used a 10m x 10m x 5 m search ellipsoid equivalent to 2 blocks. • Wireframes previously completed by RPA were updated to reflect new drilling from the Summer 2015 program where needed. No mine production records are available as this is a "greenfields" property. • The only recoverable by-product is gold. No specific assumptions were made about its recovery. Gold was estimated alongside U_3O_8 using the same search ellipsoid and sample selection and no equivalence was used. • No deleterious material variables were estimated as part of this resource report. Insufficient assay data for possible deleterious elements limits the ability to estimate any that may be present. To date no deleterious material has been positively identified. • A block size of 5mx2mx5m was used with 1x1x1m sub blocks. Parent size blocks are approximately 1/3 the drill hole spacing along strike. Search distances were based on variogram results. Two searches, one at the distances defined by variograms and the second twice the variogram range were used to estimates the blocks. • U_3O_8 mineralisation was domained into 22 separate grade shells. Two high-grade shells were created at 5% U_3O_8 lower cutoff with the remaining lower grade shells used a 0.05% U_3O_8 lower cutoff. • No assumptions were made about correlation between variables.

Criteria	JORC Code explanation	Commentary
		• At this time the relationship between geology and the mineralised bodies is not well understood. It is assumed that uranium mineralisation is hosted/controlled within the graphitic pelitic zone and semipelitic zones. RPM reviewed the client supplied grade shells to assess their relationship to geology. In most cases the grades shells follow geologic boundaries but are not limited to any specific unit. • The U_3O_8 data is lognormally distributed with over 50% of the metal contained in the deposit data residing in the upper 10% of the data. RPM used histograms and probability plots to assess/verify grade caps used by Fission. RPM concurred with the grade caps already in place. • Model validation consisted of visual comparison between the estimated blocks and the composited data, and swath plot comparisons of nearest neighbor with ordinary kriging and ID3 estimation. No reconciliation data is available for comparison with the resource estimation.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All estimates on dry tonnes.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The cutoff grade shells were 0.05% U_3O_8 for the lower cutoff for the outer grade shell and 5.0% for the high grade shell.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The mining methods considered were open pit and underground longhole retreat. Section 7 shows the assumptions for both the open pit and underground used to report the resource. • Cut-off grades applied to the PEA level open pit and stope design were established using preliminary cost estimates for mining, processing, and general and administration. After completing the cost estimate contained within the PEA, the underground mining cut-off grade, on a break-even basis, is approximately 0.25% U_3O_8.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• RPM assumptions were based on the scoping study level test work completed and outlined in Section 9 in this Report. Testing included leaching with sulfuric acid, grinding tests, variability testing, Uranium leach recovery ranged from 98.5% to 99.4%. • Based on the testing a 95% recovery was assumed for the pit design with processing costs to be US$62.51 per tonne.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The site visit showed there were suitable places for a waste storage facility and a tailings storage facility. Locations and designs have not yet been identified. • The EA process conducted by the Federal and Provincial Agencies will likely take 5 to 6 years following the initial submittal. This exact time period is not known but the estimate is based on the complexity of the project and the time required for other projects in Saskatchewan. • Other permits are required under the following Acts including: Mines Act, Environmental Management Act, the Navigable Waters Act, the Fisheries Act (includes effluent limits and the MMER Fish Habitat Compensation Plan), the Water Act, the Species at Risk Act, Migratory Birds Act, and Explosives Act. If appropriate permit applications are submitted at the time of the formal submission of the EIS, Federal authorizations should be issued within 90 calendar days following EA approval. At this time, it is anticipated major issues associated with the acquisition of permits and authorizations from the Federal Agencies once the EA approval process is completed. The permits will likely be acquired within 90 days following approval of the EA.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density was determined by standard industry methods on pieces of core. Systematic samples for density were taken in both ore and waste. Over 12,050 density samples were taken. • Testing determined a dry density using the water immersion method which is standard industry practice. • Block densities were estimated from the density measurements using ID3. Hard boundaries were used between domains.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified as Indicated or Inferred based on drill hole spacing and the apparent continuity of mineralisation. Most of the MZ domain was classified as Indicated owing to the closely spaced drilling throughout the length of the zone. In these areas of Indicated Mineral Resources, drill hole sections are spaced 15 m apart along strike and vertical holes are spaced approximately 10 m along each section. Angle holes are spaced from 15 m to 45 m apart, averaging 30 m, in the along strike direction. 3 of the 8 high grade lenses were classified entirely as Indicated. Almost the entire R00E Zone was classified as Indicated. All material outside the wireframes, within the Low Grade Halo domain, was classified as Inferred. • This classification has considered all the relevant factors, drill hole spacing, quality of assays and QA/QC information, geology and data distribution to arrive at this classification. Because of the preliminary nature of the current study (i.e. PEA) and the uncertainty of costs and recoveries, all resources are classified as Indicated or Inferred. • This classification is considered by the CP to be appropriate for the level of knowledge of this mineral occurrence.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The resource has undergone standard internal resource and peer review audits. • RPM, as part of this CPR, has updated the resources using the available data from the Summer 2015 drilling. As of the site visit (Nov 19, 2015) assays from 7 of the 61 holes were still outstanding.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• RPM considers the reported resource to reflect the current understanding of the geology and grade distribution and is suitable to underpin a PEA which commonly has a level of confidence in costs of ± 35% which is included in this Report. • The resources stated are global in nature. • This is a greenfields project and has had no production.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• No reserves are reported for this property because the data available will not support a PFS.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• NA

Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• NA
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• NA
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg. pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• NA

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the mineralised body as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• NA
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• NA
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• NA

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• NA
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *he derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• NA
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• NA

Criteria	JORC Code explanation	Commentary
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• NA
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• NA
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• NA
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• NA
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• NA

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• NA

D. Information Sources

Key sources of data reviewed as part of the ITR included:

- Technical Report on the Preliminary Assessment of the PLS Property NI 43-101, Roscoe Postol Associates Inc ("RPA"), September 2015;
- Technical Report on the Mineral Resource of the PLS Property NI 43-101, RPA Consulting, February 2015;
- PLS GEMS resource model export, 30 October 2015;
- New drilling information from the Summer 2015 program;
- Wireframes, bottom of lake.dxf, bottom of overburden.dxf, fission dev.dxf, fission stope.dxf, PLS Final Pit Design Solid.dxf, resource wireframes.DXF, topo.dxf;
- RPA Fission PLS Surpac Files, 5 November 2015;
- PLS Advanced Project Notes RPA, 04 November 2015.pdf;
- RPA Fission Uranium Cashflow FINAL, 15 September 2015.xlsm; and
- Deswik schedule files.

HF Appraisal & Advisory Limited

PATTERSON LAKE SOUTH URANIUM PROJECT

VALUATION REPORT

PATTERSON LAKE SOUTH URANIUM PROJECT

VALUATION REPORT

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1.0 PURPOSE OF ENGAGEMENT

At the request of the CGN Mining Co. Ltd. (SEHK:1164), hereinafter referred to as the "Commissioning Entity" or the "Company", HF Appraisal & Advisory Limited ("HF") was appointed as the Competent Evaluator and performed a valuation of the fair market value of the Patterson Lake South Uranium Project (the "PLS Project", the "Project") owned entirely by Fission Uranium Corp. (TSX:FCU), hereinafter referred to as "Fission", as at 30 November 2015 (the "Valuation Date") and prepare a valuation report (the "VR") of the PLS Project in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the "VALMIN Code") and requirements of the Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Chapter 18 Listing Rules").

The purpose of this particular engagement is to prepare a VALMIN Code and Chapter 18 Listing Rules compliant valuation report to be included in a circular related to a Major Transaction of the Company. The Company intends to subscribe to newly issued shares of Fission equivalent to 19.99% equity interest of the enlarged group of Fission (the "Acquisition") which is expected to constitute a Major Transaction for the Company. Upon completion, the Company will effectively hold 19.99% of the PLS Project.

2.0 SCOPE OF VALUATION

The scope and purpose of the valuation services set out in that letter are as follows:

- To perform a valuation and determine the value of 19.99% equity interest of enlarged group of Fission (the "Mineral Security") and hence in the PLS Project as at 30 November 2015; and
- To prepare a Valuation Report in accordance with the VALMIN Code and under the requirements of Chapter 18 of the HKEx Listing Rules. The report is written in a narrative form intended to be understandable and transparent for any readers, especially those with different experience to the mineral industry.

The Fair Market Value estimate presented in this report is based on market evidence, economic conditions, forward looking trends and political conditions as at the Valuation Date. The value estimate is valid only on the Valuation Date stated in this report.

The Fair Market Value estimation developed in this report, and the underlying projections and calculations developed to derive and support the estimate, are dependent on opinions and assumptions of the Expert. Reliance on this valuation is at the reader's own risk and of Intended Users. The liability of HF is limited to that contained in the contractual agreement entered into with the Company.

To the extent of this valuation, Mr. John S. Dunlop is the Competent Evaluator as defined in the Chapter 18 Listing Rules.

3.0 BASIS OF VALUATION

This Valuation is prepared in compliance with Chapter 18 of the Listing Rules (in particular, the Chapter 18 Listing Rule 18.34), as set out below.

- *any valuation of mineral assets must be prepared under the VALMIN Code[1], SAMVAL Code[2], CIMVAL[3] or such other code approved by the Exchange from time to time;*
- *the basis of the valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate having regard to the nature of the valuation and the development status of the asset must be clearly stated; and*
- *if more than one valuation method is used and different valuations results, how the valuations compare and the reason for selecting the value adopted must be explained.*

According to the VALMIN Code, Fair Market Value of a mineral asset or security is the amount of money (or the cash equivalent of some other consideration) determined by the valuer in accordance with the provisions of the VALMIN Code for which the mineral asset or security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion. It is usually comprised of two components, the underlying or "Technical Value" of the Mineral Asset or Security, and a premium or discount relating to market, strategic or other considerations. It should be selected as the most likely figure from within a range after taking account of risk and the possible variable in ore grade, metallurgical recovery, capital and operating costs, commodity prices, exchange rates and the like.

Nonetheless, Listing Rule 18.30(3) states that Measured and Indicated resources only are to be included in economic analyses if the basis on which they are considered to be economically extractable is explained and that, importantly, valuations for Inferred Resources are excluded. The exclusion of these sources of potential value as well as the exclusion of a premium or discount related to market, strategic or other considerations means that the value does not reflect a Fair Market Value as defined under the VALMIN Code.

[1] VALMIN Code represents the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2005 edition), as prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time.

[2] SAMVAL Code represents the South African Code for the Reporting of Mineral Asset Valuation (2008 edition) as amended from time to time.

[3] CIMVAL represents the Standards and Guidelines for Valuation of Mineral Properties endorsed by the Canadian Institute of Mining, Metallurgy and Petroleum, February 2003 (final version) as amended from time to time.

4.0 PREMISE OF VALUE

The premise of value is valuing a subject in the manner in which it would generate the highest return to the owner of the property, considering what is physically possible, financially feasible, and legally permissible. Premises of value include:

- Going concern: appropriate when a business is expected to continue operating without the intention or threat of liquidation in the foreseeable future;

- Orderly liquidation: appropriate for a business that is clearly going to cease operations in the near future and is allowed sufficient time to sell its assets in the open market;

- Forced liquidation: appropriate when time or other constraints do not allow an orderly liquidation; and

- Assembled group of assets: appropriate when all assets of a business are sold in the market piecemeal instead of selling the entire business.

This valuation is prepared on a going concern basis.

5.0 STATEMENT OF COMPLIANCE

John S. Dunlop

I, John S. Dunlop, hold a Bachelor degree in Mining Engineering (BE Mining) with Honours and a Master of Engineering Science (MEngSc Mining) from the University of Melbourne and am a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and the Institution of Mining and Metallurgy and Materials in the UK. I am also a Member of the equivalent institutions in Canada and the USA.

I am a Chartered Professional mining engineer (CPMin), a former director of the AusIMM[1], a former director of its national CP registration board, and former Chairman of the Mineral Industry Consultant's Association (MICA)[2].

I am also an accredited mineral asset valuer, registered with the Australasian Institute of Mineral valuers and Appraisers (AIMVA).

I have extensive minerals related operational, management, and consulting experience, both surface and underground, covering a wide range of quarrying, mining, and civil construction, spanning a period of approximately 45 years.

My initial operational experience spans approximately 20 years, during which time I occupied a number of senior mine management roles. During my years with BHP Ltd (now BHP Billiton), I was Operations Superintendent at Groote Eylandt manganese mine, and later Mine Manager at Yampi Sound. After leaving BHP and becoming a General Manager Operations with Aztec Mining Company Pty Ltd, I managed that company's involvement in three mines: Bounty, Golden Grove, and Woodcutters. This work included formulating and working with operational teams as well as implementation of mine safety systems[3].

Following approximately 20 years in mine operations, management, and university teaching, I began my consulting practice in 1992. Since that time I have been the company's principal consultant. Since founding the company, I estimate that I have had significant involvement in approximately 100 minerals project feasibility studies[4], at varying levels of detail. Most of these

[1] The Australasian Institute of Mining & Metallurgy, see www.ausimm.com.au
[2] www.mica.org.au
[3] In this context, mine safety systems refers to implementation of safety policies and systems at operating mines.
[4] The term refers to technical studies aimed at testing the economic and technical viability of a mineral project.

studies included a detailed consideration of plant selection and operation, both mobile and fixed. I have also completed numerous technical audits and mineral project evaluations[1].

At one point in my career, between 1974 and 1979, I was employed as a Lecturer in Mining Engineering at the University of Melbourne. As part of my academic responsibilities, I was responsible for the teaching of undergraduate and post graduate mining technology and consulted professionally in a number of related fields.

I hold a current First Class Mine Manager's certificates of competency in Western Australia and Victoria, together with the associated necessary blasting permits, and my experience has been gained in Australia, Southeast Asia, North, East and West Africa, North and South America, the People's Republic of China, and the countries of the former Soviet Republic.

I have had experience in mine operations similar to the type and size of the operations of the Project[2], sufficient for me to be confident in assessing the operational and safety fitness of the mining systems proposed. I have visited several uranium mines around the world[3] and was chairman of a listed entity which operated its own uranium mine under joint venture[4].

In addition, I have offered professional advice on mine accidents[5] or have been directly involved in mine accident investigation or subsequent litigation[6] at various stages of my mining career.

I believe that my qualifications and experience are sufficient, in order for me to offer the opinions set out in this report.

John S. Dunlop

BE, MEngSc, PCertArb,
FAusIMM (CP), FIMMM.
MCIMMM, MSME, MMICA,
AIMVA (CPV)

Competent Evaluator
Certified Mineral Evaluator

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1 The most recent audit was of the WIM150 mineral sands BFS in Australia, whilst the evaluations over the last year have included operations in Mongolia, Indonesia and the PRC.
2 I have also visited the operations here and several other uranium projects.
3 Azelik (Niger), Semizbay and Irkol (Kazakhstan) and Roxby Downs and Mary Kathleen in Australia.
4 I am Chairman of Alliance Resources; the project was the 4 Mile project in South Australia.
5 I was involved in the installation of safety systems at Bounty mine, Golden Grove and Woodcutters mines in the 1980's and Yilgarn Star mine, which closed in the 1990's.
6 It is estimated that I have compiled somewhere between 50 and 100 expert reports between 1988 and 2015.

6.0 STATEMENT OF INDEPENDENCE

Independence means in this context that HF and the Expert are able to satisfy any relevant legal tests of independence, and may be perceived to be willing and able to undertake an impartial assessment and valuation and to prepare a valuation report that is free of bias. HF and the Expert warrant that they do not have any pecuniary or beneficial interest in:

- The Commissioning Entity;
- The Mineral Asset that is the subject of the valuation; and
- The outcome of the valuation.

The Expert is not, nor intends to be a director, officer or other direct employee of the Company and has no material interest in the Projects or the Company. The relationship with the Company is solely one of professional association between client and independent consultant. The valuation and this report are prepared in return for professional fees based upon agreed commercial rates. HF and the Expert will be paid a fee for this VR comprising its normal professional rates and reimbursable expenses. The fee is in no way contingent on the result of the valuation or the conclusions of this VR. Furthermore, the Expert and other professionals in the team have no present or prospective interest of the Mineral Asset, no personal interest with respect to the parties involved, and no bias with respect to the Mineral Asset under the valuation of this report or to the parties involved with this engagement. Neither HF nor the Expert has any interest or entitlement in the assets of the Commissioning Entity or its subsidiaries.

John S. Dunlop

BE, MEngSc, PCertArb,
FAusIMM (CP), FIMMM.
MCIMMM, MSME, MMICA,
AIMVA (CPV)

Competent Evaluator
Certified Mineral Evaluator

7.0 SOURCES OF INFORMATION

It is a compliance requirement that all data used in this valuation are appropriately sourced and identified.

7.1 Data Supplied by the Commissioning Entity

The Commissioning Entity provided the following information under the terms of the commissioning entity letter set out as Appendix III. That letter contains a warranty that the information provided is correct and accurate in every respect and may be relied upon by the valuer. The data supplied comprised the following documents:

- A general Project presentation;
- Fission company announcements;
- Unaudited financial statements of Fission ending 30 September 2015 issued by Fission;
- Draft share subscription agreement;
- Legal Due Diligence Review of Fission Uranium Corp. ("Legal Due Diligence Report") prepared by McCarthy Tetrault LLP dated 19 November 2015;
- TECHNICAL REPORT ON THE PRELIMINARY ECONOMIC ASSESSMENT OF THE PATTERSON LAKE SOUTH PROPERTY, NORTHERN SASKATCHEWAN, CANADA ("PEA") prepared in September 2015 by Roscoe Postle Associates Inc. ("RPA"); and
- Patterson Lake South – Competent Person Report ("CPR") of the PLS Project prepared in December 2015 by RungePincockMinarco ("RPM").

The Company announced in January 2015 that the Triple R deposit, part of the PLS property, had 30,600 tU of Indicated Resources at 1.58% U3O8, and 10,000 tU Inferred Resources at 1.3% (NI 43-101 compliant). The former was said to include a high-grade zone with 17,000 tU at 15.4%U. Most of the deposit was advised to be less than 250 m deep.

The PEA assessment in September 2015 envisaged a hybrid open-pit and underground operation producing an average 2,770 tU per year over the 14-year life of the mine, with 29,810 tU recovered in the first six years of operation. Average operating costs were estimated at USD14.02 per pound U3O8 over the life of mine.

The CPR contains mineral resource estimates, mine design, production schedule and cost estimates for the PLS Project. The CPR is prepared by a Competent Person under the Australasian Institute of Mining and Metallurgy Joint Committee for the reporting of Mineral Resources and Ore Reserves (JORC Code 2012). Those estimates have been relied upon in the preparation of this Valuation Report, which should therefore be read in conjunction with the CPR.

8.0 SITE INSPECTION

The Competent Evaluator visited the Project during the period 5 and 6 December 2015. Other project team members including Mr. Samuel Y.C. Chan and Mr. George Tsang conducted an additional, earlier site visit during the period 13 and 14 November 2015.

During the two site inspections, the team:

- visited the project site, including the PLS Project, the core shed, and the Fission's site office;
- visited the discovery hole area and lake shore;
- overflew the site area in general to locate the main, proposed infrastructure;
- attended a presentation describing the project geological model; and
- held face to face meetings with the management of the PLS Project and key technical staff including:
  - **Raymond Ashley**: Vice President Exploration, Fission Uranium Corp and geologists
  - **Sam Hartmann**: Project Manager – Geology
  - **Canaan Sarioglu**: Senior geologist, Drill Planning & Interpretation

The project site visits and meetings with the management of PLS Project undertaken by the Competent Evaluator are considered to be appropriate for the purpose of this valuation, and satisfy the requirements of the VALMIN Code. HF will primarily rely on information provided in the CPR (with reference to information gathered and/or confirmed during the site visit) in the preparing this valuation. RPM has given written consent to HF (and will not subsequently withdraw such consent) to use contents of the CPR as presented in its report for the sole purpose of this valuation. McCarthy Tetrault LLP has also given written consent to HF (and will not subsequently withdraw such consent) to use any contents of the Legal Due Diligence Report of the PLS Project as presented in its report for the sole purpose of this valuation.

9.0 ECONOMIC OVERVIEW

9.1 Uranium in Canada[1]

Canada is a country rich in uranium resources and has a long history of exploration, mining and generation of nuclear power. To 2008, more uranium had been mined in Canada than any other country – 428,000 tU.

Exploration for uranium ore began in earnest in 1942 under direction of the government for military purposes. A wartime ban on private prospecting was lifted in 1947, which led in the early 1950s to the discovery of major deposits near Elliot Lake, Ontario, and northern Saskatchewan. By 1959, 23 mines and 19 treatment plants were in operation, and Canada's C$330 million in uranium exports exceeded the value for every other mineral.

A second burst of exploration in the 1970s resulted in major discoveries in the Athabasca Basin in northern Saskatchewan, in Proterozoic unconformity deposits. Mines at Rabbit Lake, Cluff Lake and Key Lake started up in 1975, 1980 and 1983, which up until 2000 accounted for most of Canada's uranium production (14,223 tonnes of U3O8 in 1998). Cluff Lake, Key Lake and the original open pit at Rabbit Lake have now been mined out (underground mining continues at Rabbit Lake). Mines that began operation just a decade ago now contribute most of Canada's production.

Since 1987, Canada published Non-Resident Ownership Policy (NROP) for uranium projects and restricted foreign ownership of uranium mines to a maximum of 49%. The policy provided for exemptions in situations where Canadian partners cannot be found, and applied to uranium production only. Uranium exploration was not subject to NROP, and there were several exploration-level uranium assets in Canada with major foreign ownership which cannot proceed to mining unless the NROP was liberalised. As part of the Canada-EU free trade agreement negotiated in October 2013, the foreign ownership restrictions would be relaxed. Foreign investment in Canada generally remains subject to the Investment Canada Act.

Before overtaken by Kazakhstan in 2009, Canada was the world's largest uranium producer for many years, accounting for about 22% of world output. Production mainly comes from the McArthur River mine in northern Saskatchewan province, which is the largest uranium mine in the world.

[1] World Nuclear Association ("WNA"), updated September 2015

Canada's uranium production is tabulated below, and while relatively constant over the last few years, its share of world production has dropped from about 20% to 15%.

Table 9-1 **Annual uranium production (tonnes U_3O_8)**

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*
McArthur River	6877	8491	8491	8492	8492	7528	8654	9029	9064	8868	9135	8675
Cigar Lake	-	-	-	-	-	-	-	-	-	-	0	156
McClean Lake	2734	2724	2490	814	867	1476	1637	785	0	0	0	51
Rabbit Lake	2690	2462	2732	2326	1821	1613	1706	1726	1721	1744	1872	1889
Cluff Lake	32	-	-	-	-	-	-	-				
Total	12333	13676	13713	11632	11180	10617	11997	11540	10785	10612	11007	10771
cf. World	41998	47430	49052	46499	48680	51611	59772	63285	63085	68805	70015	66297

Source: World Nuclear Association

Domestic production in tonnes of uranium (as opposed to U3O8) is shown below.

Table 9-2 **Canadian uranium exports (tonnes uranium)**

	2005	*2006*	*2007*	*2008*	*2009*	*2010*
Canadian production	11,628	9,863	9,477	9,000	10,173	9,786
Less: domestic use	1,607	1,620	1,661*	1,670*	1,845*	1,675*
Canadian export	10,021	8,243	7,816	7,330	8,328	8,111

Source: World Nuclear Association

9.2 Operating mines

McArthur River & Key Lake

The McArthur River uranium mine is the world's largest in terms of annual production. Also it has enormous reserves (about 175,000 tonnes U3O8, 148,300 tU) of high grade ore (16.5% U3O8 after allowance for dilution) located 600 metres underground. Remote control raise boring methods are used to mine the ore, which is then trucked 80 km south to be milled at Key Lake, site of the closed mine that once produced 15% of the world's uranium.

At the Key Lake mill, which has been modified for the McArthur River ore, the ore is blended with 'special waste rock' and processed to produce U3O8. Tailings are deposited in a mined-out pit. The licensed capacity of the Key Lake mill is basically 8,500 t/yr U3O8, but after Cameco applied for an increase to 10,000 t/yr permission was given for mill production up to 9,250 t/yr to catch up earlier year shortfalls. In July 2014 CNSC approved an increase in mill production to 11,360 t/yr U3O8. From 2018 it projects 10,000 t/yr U3O8 subject to regulatory approval. Cameco quotes C$20/lb production cost (mid-2013).

There has been no production from the Key Lake mine since 2002, but development of the zone 4 north orebody may return it to production.

Cameco is the majority owner and operator of McArthur River mine (69.8%) as well as the Key Lake Mill (Areva is a 30.2% and 16.7% partner, respectively). Areva earlier applied for a licence to process some McArthur river ore at McClean Lake.
Other deposits close to McArthur River are prospective.

McClean Lake
After starting operation in mid-1999, McClean Lake produced about 2500 t/yr of U3O8 from 2.4% ore up until 2005, although production was well down in 2006 through to 2010 due to lower ore grades. The mine was relicensed at 3640 t/yr. Operations have comprised three open pits, with an underground mine from Sue B pit planned for the future. McClean Lake also has high-quality new plant and infrastructure. It uses the first mined-out pit for tailings disposal – the JEB tailings management facility.

The JEB mill has been upgraded and expanded to 5,500 tonnes U3O8 (4660 tU) per year to accommodate the ore from the Cigar Lake mine (see section on Cigar Lake below). Under arrangements concluded in 2011 it will treat all the Cigar Lake ore. Areva says that the mill is the most technologically-advanced in the world, being able to treat ore from less than 1% to 30% U, and in fact is the only facility capable of processing high-grade uranium ore without diluting it. CNSC gave regulatory approval at the end of 2012 to operate the mill with high-grade ore from McArthur River and increase production from 3640 to 5900 t/yr of concentrate. Areva recommissioned the mill in 2013, and first deliveries from Cigar Lake arrived in March 2014. Areva is increasing the mill capacity to 10,900 tonnes U3O8 (9240 tU) per year from 2016.

Efforts to increase production to fill the gap left by the delay in Cigar Lake production had limited success, and development of the nearby small Caribou deposit awaits improved economic conditions. Mining of Sue E deposit 2005-08 and Sue B in 2008 over 2008-10 provided ore for the mill until mid-2010 when it was shut down and put onto care and maintenance until it was upgraded to treat the Cigar Lake ore. Some 115,000 tonnes of low-grade ore remains stockpiled to be treated when markets improve. Reserves are small. In 2014 a little production was reported.
McClean Lake is majority-owned (70%) and operated by Areva Resources. Denison Mines (22.5%) and the Japanese company Overseas Uranium Resources Development (OURD Canada, 7.5%) are Areva's joint venture partners.

Rabbit Lake
Uranium was discovered at Rabbit Lake in 1968 and it was brought into production by Cameco in 1975. Most of the deposit has been mined out, but reserves still exist at Eagle Point, where around 1700 t/yr of U3O8 from an ore grade of 2.1% have been mined underground in recent years.

Production is expected to diminish in the next few years, though to 2014 Cameco considered a prospective Rabbit Lake extension.

Cigar Lake

Mining commenced at Cigar Lake in 2014. The proven and probable ore reserves at Cigar Lake are extremely large and very high grade. A 480-metre-deep underground mine was developed in very poor ground conditions – the orebody is actually in the soft Athabasca sandstone. Hence it uses ground freezing and remotely-controlled high pressure water jets at this level to excavate the ore. Known resources are 130,000 tonnes U3O8 at about 17% average grade, and with other resources the mine is expected to have a life of at least 30 years. Production is ramping up to 8,200 t/yr U3O8 (7,000 tU/yr) over four years from late 2014. In 2015 it is expected to be over one-third of that figure.

Ore slurry from remote mining is trucked for toll treatment at Areva's expanded McClean Lake mill, 70 km northeast, with average feed grade of 20.7% U_3O_8.*

** Prior to October 2011 it was envisaged that all of the leaching would be done at McClean Lake and about half of the uranium solution would go onto Cameco's Rabbit Lake mill 70 km east for final production of uranium oxide concentrate. The revised arrangement will reduce costs by 20%.*
Construction on the project began in 2005 with production originally scheduled to start in 2011. However, underground floods in 2006 and 2008 set the start date back until 2014 and increased the overall cost of the project from C$660 million to about C$2.6 billion. There are extra requirements for pumping capacity – now 2500 m3/h, and ground refrigeration. In February 2010, dewatering was complete and remediation proceeded. The 425 m level was backfilled and new workings developed in more competent rock at 480 m level. The first jet boring commenced in December 2013. The estimated average cash operating cost for Cigar Lake increased from USD14.40 per pound U3O8 in 2007 to USD23.14, but revised milling plans have reduced this estimate to USD18.60 per pound. The first ore slurry was sent to the McClean Lake mill in March 2014, and treatment began in October 2014.

Some 1.3 million cubic metres of waste rock from Cigar Lake is being emplaced under water in the Sue C pit at McClean Lake, to prevent acid generation from it. Tailings will remain at McClean Lake.

A Cigar Lake II deposit nearby is being investigated.

Cameco, which has 50.25% ownership, is managing the joint venture, with Areva holding 37.1%, Idemitsu 7.875% and TEPCO Resources 5%.

Table 9-3 **Canadian Uranium Resources**

Mine	*Province*	*Operator*	*tonnes U*	*tonnes U_3O_8*	*Average ore grade U_3O_8*[d]	*Category*
Rabbit Lake	Sask	Cameco	9800	11,600	0.76%	proven & probable reserves
McClean Lake	Sask	Areva	337	397	0.42%	proven & probable reserves
			5220	6156	4.81%	measured + indicated resources
McArthur River	Sask	Cameco	77,780	91,700	23.81%	proven reserves
			70,800	83,500	12.30%	probable reserves
			4550	5360	6.35%	measured + indicated resources
			21,700	25,600	7.86%	inferred resources
Cigar Lake	Sask	Cameco	83,560	98,540	18.30%	proven & probable reserves
			850	1000	2.27%	measured + indicated resources
			38,300	44,950	12.01%	inferred resources
Midwest	Sask	Areva	2227	2626	0.57%	indicated resources
Dawn Lake	Sask	Cameco	6885	8120	4.42%	indicated resources
Millennium	Sask	Cameco	19,590	23,100	4.55%	indicated resources
			6,400	7,575	2.54%	inferred resources
Shea Creek	Sask	Areva-UEX	26,100	30,770	1.48%	indicated resources
			10,870	12,800	1.01%	inferred resources
Phoenix	Sask	Denison	27,000	31,900	19.13%	indicated resources
Roughrider	Sask	Hathor/ Rio	22,300	26,300	2.0-11.6%	indicated & inferred resources
Tamarack	Sask	Cameco	6900	8100	4.42%	indicated resources
Patterson Lake South	Sask	Fission	30,600	36,100	1.58%	indicated resources
			9960	11,700	1.30%	inferred resources
Kiggavik	Nunavut	Areva	48,953	57,730	0.554%	indicated resources
Michelin	Labrador	Aurora (Paladin)	32,430	38,240	0.10%	measured + indicated resources
			8820	10,400	0.12%	inferred resources
Jacques Lake	Labrador	Aurora (Paladin)	4000	4700	0.08%	measured + indicated resources
Matoush	Quebec	Strateco	4740*	5590	0.954%	indicated resources
			6320	7450	0.442%	inferred resources

Note: Cameco's McArthur River reserve figures include allowance for 20% dilution from backfill and mineralized waste mined, so grade is 20% less than in situ.

Source: World Nuclear Association

Production is expected to increase significantly from 2015 as the new Cigar Lake mine comes into full operation. With known uranium resources of 572,000 tonnes of U3O8 (485,000 tU), as well as continuing exploration, Canada has a significant role in meeting future world demand.

Saskatchewan is a major Canadian province for uranium and Saskatchewan provincial government actively supports uranium mining, and all new Saskatchewan uranium mines have international ISO 14001 environmental certification.

9.2.1 Proposed mines

Midwest

Indicated resources at Midwest were 19,500 tonnes of U_3O_8 with an average ore grade of 5.50%, but the figure was radically downgraded in Areva's 2013 report. (Probable reserves in this comprise 18,870 t at 5.47%.) A further prospect 3 km to the north, Midwest A, had 2600 t U_3O_8 indicated at 0.57%. The original plans were for an underground mine, utilising ground freezing and water jet boring, but current plans call for a large open pit mine that will go to a depth of 215 metres and involve draining an arm of South McMahon Lake. The ore will be shipped 15 km to the McClean Lake mill. A comprehensive environmental assessment for the project began in 2006 and federal environmental approval for open pit mining was received in August 2012. Other potential mining methods are being evaluated, including conventional underground and surface jet bore drilling, using the SABRE (“Surface Access Borehole Resource Extraction”) mining technology.

Production was originally scheduled to begin in 2011, but in 2008 the starting date was postponed due several factors, including a 50% rise in the initial estimated capital costs of USD435 million. The Midwest project is being managed by Areva Resources, which owns 69.16%. Denison Mines has a 25.17% stake and OURD Canada 5.67%.

Dawn Lake

Although its development is much further off, a deposit of more than 8000 tonnes U_3O_8 of indicated resources is prospective at Dawn Lake in northern Saskatchewan. Grades of up to 30% ore at depths of 280 metres have also been reported nearby. Cameco has 57.4%, Areva 23.1% and Japan-Canada Uranium subsidiary JCU (Canada) Exploration 19.4%.

Cameco’s Tamarack deposit associated with Dawn Lake has an indicated resource of 8100 tonnes U_3O_8 at 4.42%, requiring underground mining.

Millennium

The Millennium deposit (now 70% owned by Cameco, 30% JCU) has Indicated Resources of 23,100 tonnes of 4.5% grade U_3O_8 and 7575 tonnes of 2.1% grade Inferred Resources, in basement rock, below the soft sandstone. It is between McArthur River and Key Lake, and ore would be milled at Key Lake. A feasibility study on the project led to Cameco seeking approval to mine it at about 2500 tU/yr. The environmental assessment was approved at the end of 2013. Underground development was envisaged over 2013-17, but in mid-2013 Cameco said it was not a primary project, and in May 2014 it halted developments pending improvement in the uranium prices. In 2012 Cameco paid C$150 million for Areva's 28% share.

Kiggavik

In the Nunavut Territory, some 500 km north of Manitoba, a joint venture headed by Areva is conducting a feasibility study on the Kiggavik uranium deposit in the Thelon Basin, with 48,950 tU indicated resources at 0.47%U grade. The indigenous Inuit organization, Nunavut Tunngavic, reversed its previous ban on uranium exploration and mining in 2006, but the project has faced opposition from other groups. In March 2010, the Nunavut government ruled that the proposal would be reviewed by a territorial regulator rather than undergo a federal environmental assessment.

In October 2014 Areva Resources submitted a final environmental impact statement to the Nunavut Impact Review Board. The project involves the development of three open pit mines at Kiggavik and both an open pit mine and an underground mine at Sissons. Areva and its partners, JCU (Canada) Exploration (33.5% in Kiggavik) and Daewoo, hope for a start-up of the mine and mill complex when the market improves, to produce about 3000 tU/yr over 14 years.[e] In May 2015 the Nunavut Impact Review Board declined to approve the project due indefinite start date, but invited resubmission when Areva could provide a more definite timescale. Areva has protested to the federal minister responsible, saying that the process has been lengthy and thorough and the lack of firm start date should not prevent approval.

Michelin

The Michelin deposit is in Eastern Canada's Central Mineral Belt, in Labrador. It is being drilled in a C$21million programme by Aurora Energy Resources (subsidiary of Paladin Energy, acquired in 2011). Michelin and nearby **Jacques Lake** are the main deposits, with minor amounts in Rainbow and three others. All are metasomatite-type mineralization except for Moran Lake which is iron-ore-copper-gold (IOCG) with subeconomic uranium. Michelin has rare earths. In 2009, a positive economic assessment of the project proposed investment of USD 984 million to set up mine and mill, with production ramping up to 3000 t/yr. However, in 2015 the Labrador projects were suspended due to low uranium prices.

The Michelin deposit has measured resources of 15,490 tonnes U_3O_8 (13,135 tU), indicated resources of 22,750 tonnes U_3O_8 (19,290 tU) and inferred resources of 10,400 tonnes U_3O_8 (8820 tU) based on NI 43-101 figures published in mid-2014. About 40% of the measured and indicated resource in Michelin is amenable to open cut mining. Measured and indicated resources in five other associated deposits, mostly Jacques Lake, are 7500 tonnes U_3O_8.

A Nunatsiavut government three-year moratorium had been in place until March 2011, affecting Michelin, and expiry of this coincided with completion of a land use planning assessment undertaken jointly by the Nunatsiavut and Newfoundland-Labrador governments. After establishing a lands administration system, developing environmental protection legislation, and following a review and public consultation, in December 2011 the Nunatsiavut Assembly voted unanimously to lift a moratorium on the development of uranium deposits on Labrador Inuit lands, and this was legislated in March 2012. Five of Aurora's six uranium deposits in the Central Mineral Belt fall within the Labrador Inuit lands. In June 2015 the Canadian government approved Paladin's ownership of the project, exempting it from the Non-Resident Ownership Policy (NROP) applying generally, allowing it to proceed to production.

9.2.2 Exploration Prospects

In addition to mining operations planned for the near future, active exploration involving more than 40 companies continues in many parts of Canada. While exploration has concentrated on northern Saskatchewan, new prospects extend to Labrador and Nova Scotia in the Atlantic provinces, Quebec province, Nunavut Territory in the far north, and Ontario's Elliott Lake area. Resource figures quoted are generally NI 43-101 compliant. Cameco alone had an exploration budget of USD96 million in 2010 and expected to spend USD90 million in 2011.

The 2009 IAEA *Red Book* says that in 2007-08 "uranium exploration remained focused on areas favourable for the occurrence of deposits associated with Proterozoic unconformities in the Athabasca Basin of Saskatchewan, and to a lesser extent, similar geologic settings in the Thelon and Hornby Bay basins of Nunavut and the Northwest Territories."

Bayswater Uranium Corp. has announced a very small deposit at Anna Lake nearby. Mega Uranium is drilling at Bruce River and Aillik East in the region.

In Nunavut, Kivalliq Energy (part of Aurora Group) has identified 19,680 t U_3O_8 (16,690 tU) inferred resources grading 0.69% U_3O_8 with 0.2% cut-off in its Lac 50 Trend deposit at its Angilak project. This includes 12,730 tonnes in Lac Cinquante deposit and 6,950 tonnes in J4/Ray, with good intersections in Dipole, 25 km southwest of it, still unquantified. Also in Nunavut, at Amer Lake, Uranium North Resources has reported inferred resources of 9500 t U_3O_8.

In uranium-rich northern Saskatchewan, exploration projects are now well-advanced at several locations.

The **Shea Creek** project (51% owned by Areva, 49% UEX Corp. which is 21.3% owned by Cameco) in the western Athabasca Basin 13 km south of Cluff Lake has reported high grade ore. In April 2013, UEX announced indicated resources of 30,770 t U_3O_8 grading 1.48% and inferred resources of 12,800 tonnes grading 1.01%, as of January, with cut-off 0.30%. The deposit remains open. Production at about 2500 tU/yr is envisaged. Exploration expenditure to the end of 2012 was C$40.5 million.

UEX is also exploring the Horseshoe and Raven deposits at **Hidden Bay** in the eastern Athabasca basin (5 km from Rabbit Lake and 12 km from McClean Lake). The Horseshoe deposit has indicated resources of 10,400 tonnes of U_3O_8 at a grade of 0.20% at 100 to 400 m depth. Raven has indicated resources of 5500 tonnes at 0.11%, with cut-off 0.05%, at 100 to 300 m deep. These amounts increase slightly with 0.02% cut-off. A Preliminary Technical Assessment of the deposits in 2011 was positive and recommends a preliminary feasibility study which also includes the smaller but shallow West Bear deposit (720 t at 0.91%). The 2011 report assumes Horseshoe access by decline and Raven by open cut, with toll milling and tailings management at Rabbit Lake mill over seven years.

Denison's prime focus is the **Wheeler River** project halfway between Key Lake and McArthur River and immediately east of Millennium. It is a long strike from McArthur River and geologically very similar, with some high-grade uranium mineralisation. In June 2014 the NI 43-101 compliant indicated resources for the **Phoenix** deposits were upgraded to 27,000 tU at an average grade of 16.22%U, for underground mining, with cut-off grade 0.68%U. The **Gryphon** deposit discovered in 2014 is promising. Wheeler River is 120 km from McClean Lake, considered close enough to use the mill there. Denison has a 60% interest, Cameco 30% and JCU (Canada) 10%.

With a consortium led by Korea Electric Power Corp (Kepco), Denison (60%) is exploring the **Waterbury Lake** area near Midwest. In September 2013 it announced an NI 43-101 indicated resources of 4900 tU grading 1.7%U for the **J-Zone** at Waterbury Lake. Denison also is investigating its Jasper Lake project, 40 km east of Cigar Lake.

The **Roughrider** prospect 24 km from Rabbit Lake in Athabasca Basin at the time of takeover of Hathor Exploration had inferred resources of 13,700 t U_3O_8 at 11.58%, with 0.4% cut-off in the Eastern zone, for underground mining, and in the West zone indicated resources of 7800 t U_3O_8 at 1.98% and 4800 t inferred resources at 11.03% with 0.5% cut-off, for open pit mining. The East Zone is a series of moderately-dipping stacked, parallel lenses (greater than 0.5% U_3O_8). Since then further drilling has extended the resource. A preliminary economic assessment for Hathor suggested low production costs over an 11-year mine life producing 1900 tU per year. Hathor was subject to a takeover bid from Cameco but agreed to another from Rio Tinto, valuing the company at C$654 million.

NextGen Energy is drilling the Rook 1 property in the Athabasca basin, including Arrow and Bow prospects, the former with some high-grade intersections.

In Nova Scotia, exploration has been proposed at Millet Brook, but it awaits a review of a 1985 moratorium on uranium mining in the province.

In Quebec, uranium exploration is underway at several locations with a total of more than 40,000 tonnes of indicated or inferred deposits. However, in April 2013 the Quebec government announced that no permits for uranium exploration or mining would be issued in Quebec until an independent study into its environmental impact had been completed. In addition to environmental groups, the Grand Council of the Crees is opposed to any uranium mining in Quebec. A government decision was expected in mid-2015.

A 626-page report by Québec's *Bureau d'audiences publiques sur l'environnement* (BAPE) was published by the province's minister for sustainable development, environment and climate change in July 2015. It followed one year's work by a commission set up by BAPE in May 2014 to study the environmental and social impacts of uranium exploration and mining and conduct public hearings. The report expresses concern about managing mining wastes. While concluding that it would be "premature" to authorize the development of a uranium industry now, the BAPE commission urged the Québec government not to preclude uranium mining on a temporary or permanent basis because of potential legal and economic impacts. The government would need to ensure social acceptability through an extensive information programme and cooperation and consensus-building strategy; overcome "technological uncertainties and current gaps in scientific knowledge"; and develop a legal framework to allow it to control uranium mining operations in the province. The head of CNSC then wrote to Quebec's minister questioning the report's recommendations, saying that they lacked "scientific basis and rigour" and hence were misleading for all Canadians. "To suggest that uranium mining is unsafe is to imply that the CNSC and the government of Saskatchewan have been irresponsible in their approval and oversight of the uranium mines of Canada for the last 30 years." "It is clear that the BAPE's recommendations not to proceed is based on the perceived lack of social acceptance and not on proven science."

In the Otish Mountains of central Quebec Strateco Resources Inc. had been granted a licence by CNSC to conduct underground exploration on the **Matoush** deposit from 2014, and commenced environmental studies for the project. Matoush has indicated resources of 5600 tU at 0.81%U and inferred resources of 6320 tU at 0.375%U, and the company projected mine production of 1000 tU/yr over seven years from 2016. Strateco commenced legal action against the provincial government following the April 2013 moratorium, and announced an impairment charge of USD87 million in its accounts due to its inability to proceed with the project's underground exploration programme, the suspension of exploration and evaluation planned for 2014, and the uncertainty created for Quebec's uranium industry.

In November 2013 the Quebec government refused to authorize the Matoush underground exploration phase. Strateco said it had invested over USD123 million in the project to date. In December Strateco launched a C$ 190 million claim against the provincial government for the loss of its investments. "It should be recalled that on the basis of extremely detailed, rigorous environmental and social impact studies, Strateco received approvals for the underground exploration phase of the Matoush project from the Canadian Nuclear Safety Commission, the federal Minister of the Environment and the federal administrator of the James Bay and Northern Quebec Agreement, as well as a positive recommendation from the provincial evaluation committee," the company said.

In November 2014 Toro Energy from Australia acquired a 19.8% interest in Strateco as part of a financing package. In June 2015 Strateco filed for bankruptcy protection in the Superior Court of Quebec under the Companies Creditors Arrangements Act.

Abitex Resources / ABE Resources is exploring its **Epsilon** project in the Otish Mountains of Quebec. Azimut Exploration has committed C$42 million to uranium exploration, mainly for the **Katavic** project in Quebec's northern Nunavik region and other prospects in the Ungava Bay region further north. Uracan Resources reports 3100 tonnes U_3O_8 of indicated resources and 16,900 tonnes of inferred resources in the Double S zone at its North Shore prospect in eastern Quebec. Areva is establishing a joint venture with Waseco Resources to explore the Labrador Trough project.

In Northwest Territories, Cameco has the prospective **Boomerang** project in the southwest Thelon Basin. Land access issues hinder active exploration at present.

The Elliot Lake area of Ontario, which was the centre of Canada's early uranium mining, is again attracting exploration. In September 2008, Pele Mountain Resources commenced the permitting process for its **Eco Ridge** underground uranium and rare earth oxides mine and processing facility in the region. Eco Ridge contains indicated resources of 10,250 tonnes U_3O_8 and inferred resources of 17,100 tonnes U_3O_8 along with significant REO resources. The Serpent River-Pecors deposit is a few kilometres east.

In British Columbia, the **Blizzard** prospect south of Kelowna, which was first explored in the 1980s, was revived by Boss Power. The company challenged a provincial government moratorium on exploration and mining imposed in April 2008, and the British Columbia government settled by paying the company USD30.36 million in 2014.

Uranium exploration in Canada was intensive through to 2012. Cameco spent C$57 million on exploration in 2008 (plus a further C$32 million in three strategic partnerships with junior explorers) and planned C$50-55 million for 2009, mainly in Saskatchewan, Nunavut and the Northwest Territories. In late 2007, Cameco announced an agreement with the Russian company Uranium Holding ARMZ (JSC Atomredmetzoloto) to create a joint venture to explore and mine uranium in northwest Russia, Saskatchewan and Nunavut.

Recent transfers to foreign ownership

As well as foreign equity in the companies with uranium mines, in recent years there has been increased interest in exploration companies. Some companies active in Canada are foreign-based, eg Areva. The following table outlines some recent foreign investment in Canadian-based or established explorers, or particular projects, which have credible resources.

10.0 INDUSTRY OVERVIEW

10.1 Economic and Market Overview

Uranium is generally considered as one of the most environmentally friendly energy sources. According to World Nuclear Association ("WNA"), approximately 12% of the world's electricity is generated from nuclear reactors using uranium.

According to WNA, as at April 2014, there were about 434 nuclear reactors operating worldwide. There were 72 reactors under construction, and 173 reactors on order or planned. WNA estimates there will be 272 new reactors coming online compared to 74 reactors closing (exclude closed Japanese reactors) by 2030, which imply a net addition of 198 reactors during the period.

10.1.1 Uranium Demand at a Glance

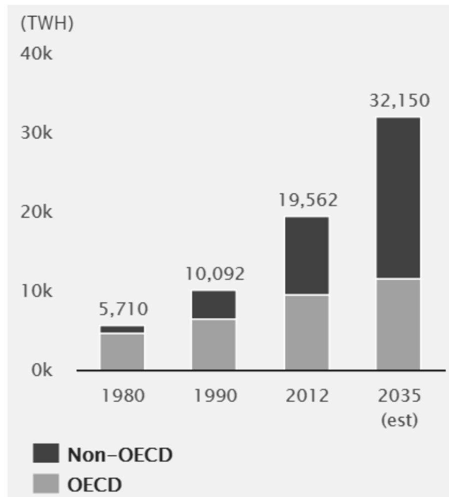
Currently, less than 60% of the demand is satisfied by the current production, while the remaining 40% are covered by inventory left over from the arms race, which is expected to be depleted in 2015. In the context of increasing energy dependence of growth of most economies in the world as well as high volatility of hydrocarbon prices, many states are looking for new sources of energy.

Uranium Demand Driven by Energy Demand

According to analysis made by Cameco Corp., one of the most significant market player in the sector, the uranium industry is driven by energy and electricity consumption, which continues to increase. Since 1980, global electricity consumption has tripled, and is forecast to increase by 70% over the next two decades. The largest growth is coming from countries with rapidly expanding economies, like China and India. To put it in perspective, of the seven billion people on the planet, there are almost two billion people who do not have access to electricity. Many more only have access to a fraction of what we use in the western world, and demand among those consumers continues to increase[1].

[1] Cameco Corp.

Figure 10-1 **World Energy Consumption**



Source: World Energy Outlook, IEA , 2014

Nuclear is an Important Part of the Energy Mix

Nuclear power is a safe, clean, reliable, affordable and, most importantly, baseload energy source. The areas of the world where we're seeing the most growth in new nuclear construction is in regions where baseload power is needed – that fundamental, 24-hour power that is required to have healthcare, education, transportation and communications systems.
But it's also important to provide that energy reliably and affordably. Nuclear reactors can run on a single load of fuel for about 12 – 18 months, helping to shield utilities from possible fuel cost swings and supply interruptions.

New Reactor Construction

As a result of the many benefits of nuclear power, we are seeing a level of new reactor construction unparalleled in decades: more than 60 reactors are under construction around the world, right now, with a total of 518 operating reactors expected by 2024, up from today's 437. More reactors mean more demand for uranium. Cameco estimates world uranium consumption will increase from 155 million pounds today to about 230 million pounds by 2024.

10.1.2 Uranium Supply at a Glance

Uranium supply sources include primary mine production and secondary sources such as excess inventories, uranium made available from the decommissioning of nuclear weapons, re-enriched depleted uranium tails, and used reactor fuel that has been reprocessed.

According to WNA, about 64% of the world's production of uranium from mines is from Kazakhstan, Canada and Australia. Kazakhstan accounted for approximately 36.5% in 2012, followed by Canada (15.4%) and Australia (12.0%). About 36.5% of world supply from mines in 2012 and increasing proportion of uranium, now 45%, is produced by in situ leaching. World output of uranium has generally meets 86% of demand for power generation.

Uranium is a relatively common metal, found in rocks and seawater. Economic concentrations of it are not uncommon.

- Its availability to supply world energy needs is great both geologically and because of the technology for its use.
- Quantities of mineral resources are greater than commonly perceived.
- The world's known uranium resources increased by at least one-quarter in the last decade due to increased mineral exploration.

Uranium is a relatively common element in the crust of the Earth (very much more than in the mantle). It is a metal approximately as common as tin or zinc, and it is a constituent of most rocks and even of the sea. Some typical concentrations are: (ppm = parts per million).

Table 10-1 **Common Uranium Concentration**

Very high-grade ore (Canada) – 20% U	*200,000 ppm U*
High-grade ore – 2% U,	20,000 ppm U
Low-grade ore – 0.1% U,	1,000 ppm U
Very low-grade ore* (Namibia) – 0.01% U	100 ppm U
Granite	3-5 ppm U
Sedimentary rock	2-3 ppm U
Earth's continental crust (av)	2.8 ppm U
Seawater	0.003 ppm U

Source: World Uranium Association

Uranium availability

With those major qualifications the following Table gives some idea of our present knowledge of uranium resources. It can be seen that Australia has a substantial part (about 29 percent) of the world's uranium, Kazakhstan 12 percent, Russia nine percent and Canada eight percent.

Table 10-2 **Known Recoverable Resources of Uranium 2013**

	tonnes U	*percentage of world*
Australia	1,706,100	29%
Kazakhstan	679,300	12%
Russian Fed	505,900	9%
Canada	493,900	8%
Niger	404,900	7%
Namibia	382,800	6%
South Africa	338,100	6%
Brazil	276,100	5%
USA	207,400	4%
China	199,100	4%
Mongolia	141,500	2%

Ukraine	117,700	2%
Uzbekistan	91,300	2%
Botswana	68,800	1%
Tanzania	58,500	1%
Jordan	33,800	1%
Other	191,500	3%
	5,902,500	

Source: World Nuclear Association

10.1.3 Main Uranium Producers at a Glance

According to WNA, in 2012, approximately 64% of world production comes from the 15 largest mines as shown in the table below.

Table 10-3 **Main Uranium Producers in 2012**

Mine Name	*Country*	*Main Owner*	*Mine Method*	*Production (tpa U)*	*% of world*
McArthur River	Canada	Cameco	Underground	7,520	14
Olympic Dam	Australia	BHP Billiton	By-product/ Underground	3,386	6
Ranger	Australia	ERA (Rio Tinto 68%)	Open pit	3,146	5
Arlit	Niger	Somair/ Areva	Open pit	3,065	5
Cigar lake	Canada	Cameco	Underground	3,000	5
Tortkuduk	Kazakhstan	Katco JV/ Areva	ISL	2,661	5
Rossing	Namibia	Rio Tinto (69%)	Open pit	2,289	4
Budenovskoye	Kazakhstan	Karatau JV/ Kazatomprom-Uranium One	ISL	2,135	4
Kraznokamensk	Russia	ARMZ	Underground	2,011	3
Langer Heinrich	Namibia	Paladin	Open Pit	1,955	3
South Inkai	Kazakhstan	Betpak Dala JV/ Uranium One	ISL	1,870	3
Inkai	Kazakhstan	Inkai JV/Cameco	ISL	1,701	3
Central Mynkuduk	Kazakhstan	Ken Dala JV/ Kazatomprom	ISL	1,622	3
Akouta	Niger	Cominak/ Areva	Underground	1,506	3
Four Mile	Australia	Heathgate	ISL	1,500	3
Rabbit Lake	Canada	Cameco	Underground	1,479	3

Budenovskoye 1&3	Kazakhstan	Akbastau JV/ Uranium One	Kazatomprom-	ISL	1,203	2
Millenium	Canada	Cameco		Underground	Withdraw due to poor world market conditions	
Total					**42,049**	**72**

Source: WNA and HF analysis

Table 10-4 **Uranium production figures, 2004-2014 (July 2015)**

Country or area	***Production (tU)***											***% change***
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2013-14**
Argentina	0	0	0	0	0	0	0	0	0	0	0	0
Armenia	na	na	na	na	na	na	na	na	na	na	na	na
Australia	8982	9516	7593	8611	8430	7982	5900	5983	6991	6350	5001	-21
Belgium	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	300	110	190	299	330	345	148	265	231	198	231	+16
Bulgaria	0	0	0	0	0	0	0	0	0	0	0	0
Canada	11,597	11,628	9862	9476	9000	10,173	9873	9145	8998	9332	9134	-2
China ^	750	750	750	712	769	750	827	885	1500	1450	1500	+3
Czech Rep	412	408	359	306	263	258	254	229	228	225	193	-14
Finland	na	na	na	na	na	na	na	na	na	na	na	na
France	7	7	0	4	5	8	7	6	3	0	3	-
Germany	77*	94*	65*	41*	0	0	0	52	50	27	33	+22
Hungary	0	0	0	0	0	0	0	0	0	0	0	0
India^	230	230	230	270	271	290	400	400	385	400	385	-4
Japan	na	na	na	na	na	na	na	na	na	na	na	na
Kazakhstan	3719	4357	5279	6637	8521	14,020	17,803	19,451	21,317	22,567	23,127	+2
Korea, S	na	na	na	na	na	na	na	na	na	na	na	na
Lithuania	na	na	na	na	na	na	na	na	na	na	na	na
Malawi	0	0	0	0	0	104	670	846	1101	1132	369	-67
Mexico	na	na	na	na	na	na	na	na	na	na	na	na
Namibia	3038	3147	3077	2879	4366	4626	4496	3258	4495	4315	3255	-25
Netherlands	na	na	na	na	na	na	na	na	na	na	na	na
Niger	3282	3093	3434	3135	3032	3243	4198	4351	4667	4528	4057	-10
Pakistan^	45	45	45	45	45	50	45	45	45	41	45	+10
Portugal	0	0	0	0	0	0	0	0	0	0	0	0
Romania^	90	90	90	77	77	75	77	77	90	80	77	-4
Russia^	3200	3431	3430	3413	3521	3564	3562	2993	2872	3135	2990	-5
Slovakia	na	na	na	na	na	na	na	na	na	na	na	na
Slovenia	na	na	na	na	na	na	na	na	na	na	na	na
South Africa	755	674	534	539	655	563	583	582	465	540	573	+6
Spain	0	0	0	0	0	0	0	0	0	0	0	0
Sweden	na	na	na	na	na	na	na	na	na	na	na	na
Switzerland	na	na	na	na	na	na	na	na	na	na	na	na
UK	na	na	na	na	na	na	na	na	na	na	na	na
Ukraine^	800	800	800	846	800	840	850	890	960	1075	962	-11
USA	878	1039	1692	1654	1430	1453	1660	1537	1596	1835	1919	+5
Uzbekistan	2016	2300	2270	2320	2338	2429	2400	3000	2400	2400	2400	0
Total	40,178	41,179	39,670	41,282	43,853	50,772	53,663	53,494	58,344	59,673	56,252	-6

Legend: na = not applicable, .. = not yet available; * = from decommissioning; ^ = UI/WNA estimate
Source: WNA

11.0 COMPANY OVERVIEW

Fission Uranium Corporation ("Fission") is a Canadian exploration company[1], which is primarily engaged in the acquisition, evaluation, and development of uranium properties with a view to commercial production. It holds a 100% interest in the PLS Property. Currently, the major asset associated with the Project is the high grade Triple R uranium deposit.

Fission Uranium Corp is exploring Patterson Lake South on the southwest margin of the Athabasca Basin, 90 km south of Cluff Lake. It has reported a (NI 43-101 compliant and completed) PEA. A new Patterson Lake South mill could potentially serve the Western Athabasca basin.

The company was spun out of Fission Energy Corp after Denison bought it in 2013, and it then took full ownership of the Patterson Lake prospects, paying Alpha Minerals C$185 million for its half share. In July 2015 it announced a merger with Denison Mines, to become Denison Energy Corp, but this was subsequently aborted after failure to secure agreement from Fission shareholders.

CGN Mining Company Limited ("**CGN**" or the Company) is a company listed on the Stock Exchange of Hong Kong Limited[2] (stock code: 1164). The principal activities of the Company cover the trading of natural uranium, investing in uranium assets, as well as other business such as leasing, developing, and selling office premises and residential properties, pharmaceutical research and development, and investment management activities. CGN Mining Company Limited is a subsidiary of China Uranium Development Company Limited.

[1] www.fissionuranium.com
[2] www.cgnpc.com.cn

12.0 PROJECT OVERVIEW

12.1 Property Overview

The PLS Property consists of 17 contiguous mineral claims covering an area of 31,039 ha located in northwestern Saskatchewan, approximately 550 km northwest of the city of Prince Albert. It is centred at approximately 57°37' N Latitude and 109° 22' W Longitude within 1:50,000 scale NTS map sheets 74F/11 (Forrest Lake) and 74F/11 (Wenger Lake). The Property straddles all-weather gravel Highway 955 which leads northward to the past producing Cluff Lake mine. The Triple R deposit is located on claim S-111376.

The PLS claims were ground staked and are considered to be legacy claims. As of the effective date of this report, all claims are in good standing and are registered in the name of Fission Uranium. Assessment credits are available for multiple annual renewals.

12.2 Location

The PLS Property is located in northern Saskatchewan, approximately 550 km north-northwest of the city of Prince Albert and 150 km north of the community of La Loche (Figures 12.1 and 12.2). The Property is accessible by vehicle along all-weather gravel Highway 955, which bisects the property in a north-south direction.

Figure 12-1 **PLS Project Area**

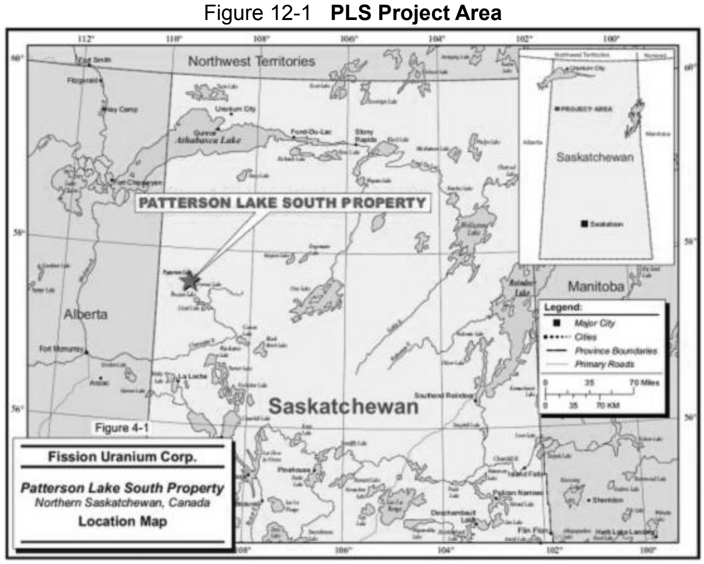
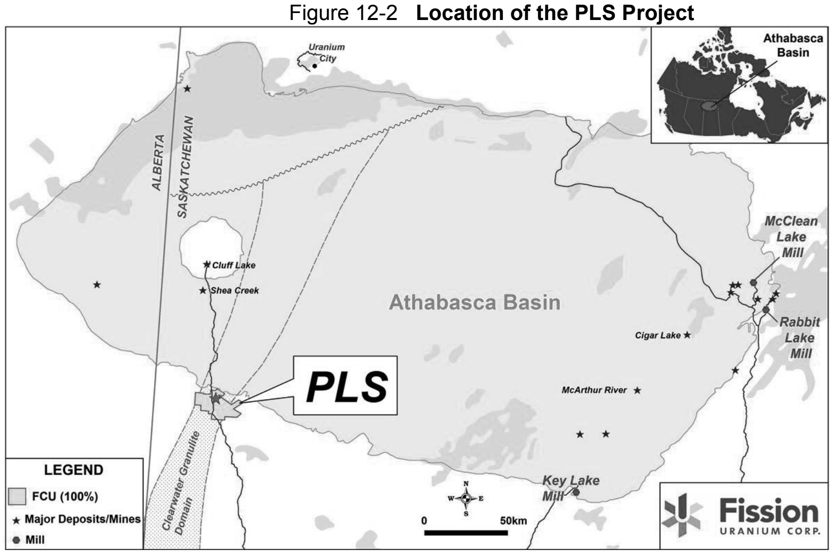


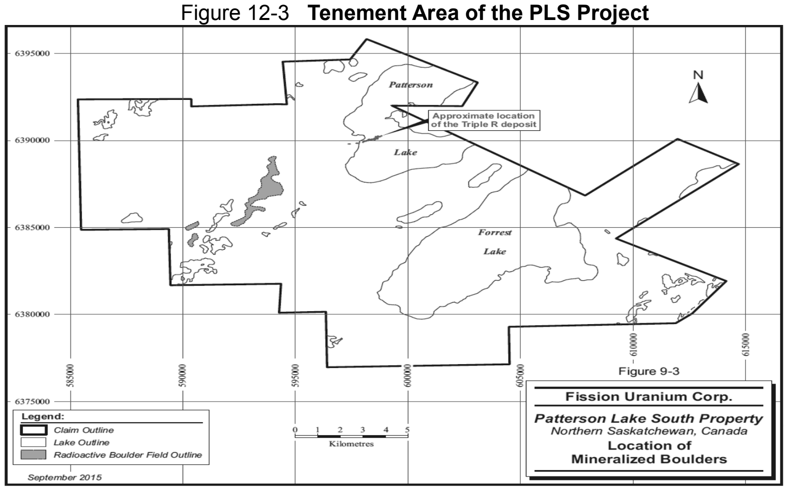
Figure 12-2 **Location of the PLS Project**



Source: Fission

The Universal Transverse Mercator (UTM) co-ordinates for the approximate centre of the property are 600,000mE, 6,387,500mN (NAD83 UTM Zone 12N). The geographic coordinates for the approximate centre of the Property are 57°37' N latitude and 109° 22' W longitude. The property is located within 1:50,000 scale NTS map sheets 74F/11 (Forrest Lake) and 74F/12 (Wenger Lake). It is irregularly shaped and extends for approximately 29 km in the east-west direction and for approximately 19 km in the north-south direction. The approximate centre of Triple R deposit is located at UTM coordinates 598,000mE, 6,390,000mN (NAD83 UTM Zone 12N).

Figure 12-3 **Tenement Area of the PLS Project**



Source: PEA

12.3 Preliminary Economic Assessment

The Preliminary Economic Assessment (PEA), prepared by RPA was based on a combination of open pit and underground mining, and processing of 1,000 tonnes per day (tpd) via acid leaching, solvent extraction, and precipitation. The Project has the potential to produce up to 15 million lb U3O8 per year in the form of yellowcake.

The PEA was considered by RPA to meet the requirements of a Preliminary Economic Assessment as defined in Canadian NI 43-101 regulations. The economic analysis contained in that report was based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be then categorized as ore reserves. They must first be upgraded to Measured or Indicated Resources.

12.4 Geology

The Triple R deposit is a large, basement hosted, structurally controlled, high grade uranium deposit. Drilling has outlined mineralization with three-dimensional continuity, and size and grades that can potentially be extracted economically. Fission Uranium's protocols for drilling, sampling, analysis, security, and database management meet industry standard practices.

The PLS Property lies within the northeastern limits of the Cretaceous Mannville Group which covers a large portion of western Saskatchewan. The Mannville Group consists of interbedded non-marine sands and shales overlain by a thin, non-marine calcareous member which is overlain by marine shales, glauconitic sands, and non-marine salt-and-pepper sands. The marine sequence is overlain by a paralic and non-marine sequence having a diachronous contact with the marine sequence.

The PLS Property is covered by a thick layer of sandy to gravelly Quaternary glacial material. The Quaternary material ranges in thickness from less than 10 m in the south east portion of the property to greater than 100 m directly west of Patterson Lake. No outcrop has been discovered on the property to date.

Drilling to date indicates that the Athabasca Group is not present on the property; although it may be possible that "islands" of Athabasca sandstone exist within the northeast extent of the property. Regolith underlies and is distributed approximately parallel to the Pleistocene overburden and Cretaceous sediments.

The PLS Property covers two geological domains. The western portion covers the Clearwater Domain while the eastern portion covers the Lloyd Domain. To date, drilling has been focused on the basement rocks of the Lloyd Domain as the Clearwater Domain is primarily interpreted to be granitic in nature and therefore not as prospective for unconformity style uranium mineralization. In the vicinity of PLS mineralization the basement rocks are comprised of a northeast trending belt of variably graphitic pelitic gneisses bounded to the northwest and southeast by apparently thick packages of quartzo-feldspathic semi-pelitic gneiss.

The drill hole database was independently verified by RPA and is supports the mineral resource estimation work subsequently done by them and later further verifies by RPM.

12.5 Mineralisation

Uranium mineralization at the PLS Property is hosted primarily within metasedimentary basement lithologies and, to a much lesser extent, within overlying sandstone currently thought to be Devonian in age. Additional work is recommended to determine the age of the overlying sandstone, and if it is confirmed to be Devonian, work is required to determine why these rocks are mineralized.

Basement hosted mineralization at the property occurs in a wide variety of styles, the most common of which occurs within the graphitic pelitic gneiss and appears to be fine grained disseminated and fracture filling uranium minerals with a strong association with hydrocarbon/carbonaceous matter. Uranium minerals, where visible, appear to be concordant with the regional foliation and dominant structural trends identified through oriented core and fence drilling. Typically, mineralization within the graphitic pelitic gneiss is associated with pervasive, strong, grey-green chlorite and clay alteration. The pervasive clay and chlorite alteration eliminates the primary mineralogy of the host rock with only a weakly defined remnant texture remaining. Locally, intense rusty limonite-hematite alteration in the politic gneisses strongly correlates with high-grade uranium mineralization and a “rotten”, wormy texture.

12.6 Mineral Resources

RPA estimated Mineral Resources for the Triple R deposit using drill hole data available as of July 28, 2015. At cut-off grades of 0.20% U3O8 for open pit and 0.25% U3O8 for underground, Indicated Mineral Resources are estimated to total 2,011,000 tonnes at an average grade of 1.83% U3O8 containing 81 million pounds of U3O8. Inferred Mineral Resources are estimated to total 785,000 tonnes at an average grade of 1.57% U3O8 containing 27 million pounds of U3O8. Gold grades were also estimated and average 0.59 g/t for the Indicated Resources and 0.66 g/t for the Inferred Resources. Ore Reserves have not yet been estimated for the Triple R deposit. RPM estimated the Mineral Resources of the PLS Project as of 1 December 2015.

Table 12-1 **Uranium Resources Statement of the PLS Project by RPM**

Resources	*Cut-off Grade (U3O8)*	*Tonnes (t)*	*U3O8% (%)*	*U3O8 Pounds (lb)*	*Au ppm*	*Au Ounces*
Indicated						
Open pit	0.2	1,365,000	2.30	69,229,000	0.58	25,600
Underground	0.25	1,217,000	0.95	25,481,000	0.58	23,200
Subtotal		**2,582,000**	**1.66**	**94,709,000**	**0.58**	**48,700**
Inferred						
Open pit	0.2	40,000	9.76	8,537,000	1.58	2,000
Underground	0.25	514,000	0.69	7,858,000	0.43	7,100
Subtotal		**553,000**	**1.34**	**16,396,000**	**0.51**	**9,100**
Total		**3,135,000**	**1.61**	**111,105,000**	**0.57**	**57,900**

Source: CPR

The R600W zone, not currently included in Mineral Resources, is defined by 13 drill holes from the 2015 winter drill program. The R600W zone has a total grid east-west strike length of 60 m. Additional drilling was recommended by the authors of the PEA.

The deposit is open in several directions. There is excellent potential to expand the resource with step-out drilling. There are, in addition to the Triple R deposit, other targets on the property to be drill tested.

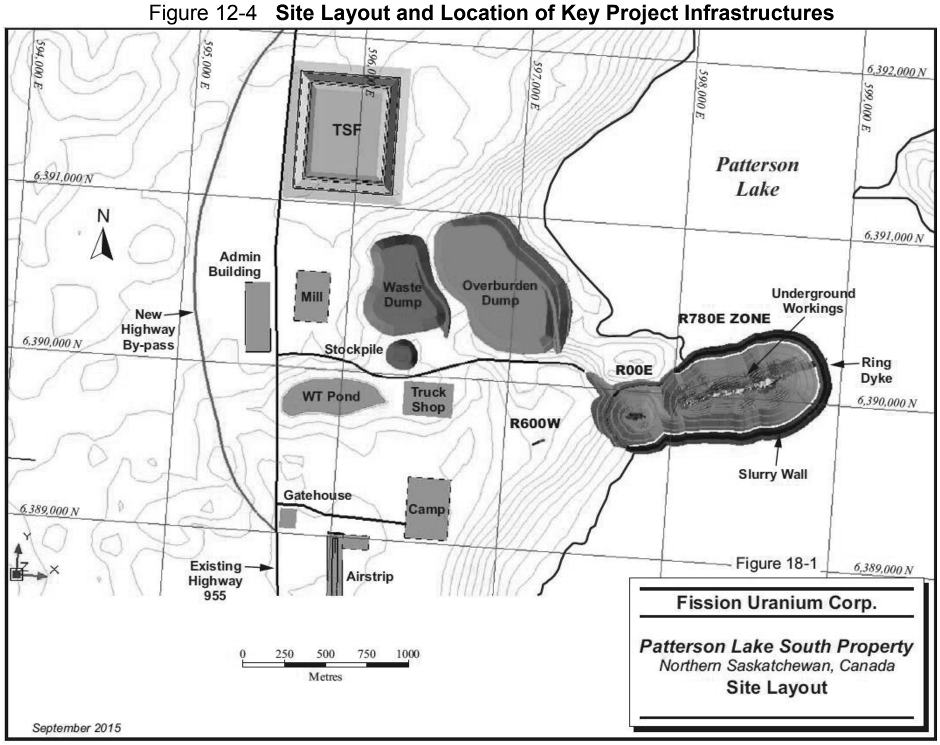
12.7 Project Development

A three-year pre-production period is envisaged for the Project. The critical path for completing construction revolves around completing the dyke and slurry wall within Patterson Lake (which covers part of the mineral deposit), dewatering of the enclosed pit, and removal of overburden. In Year -3, the dyke will be completed by starting at both the north and south terminal points and linking the two at the eastern extent of the dyke. Rock material will be sourced from a location within Fission's claim boundaries, approximately 30 km south and east of the deposit. Concurrently in Year -3, the shore-portion of the slurry wall will commence. Slurry wall construction is weather dependent, and can only be accomplished during the period of April to October. In Year -2, the remaining portion of the slurry wall will be completed, as well as some surface buildings and other infrastructure. The process plant will begin construction in Year -2. Year -1 will see the enclosed pit being dewatered, overburden being removed, and all remaining surface and infrastructure facilities completed. Overburden removal will carry over into Year 1.

Operations begin with high grade mineralization being mined from an open pit from Year -1 to Year 6. Underground mining begins with capital development in Year 3 and continues to Year 13.

The map below indicates location of the pit, tailings dam, access road, and the lake.

Figure 12-4 **Site Layout and Location of Key Project Infrastructures**



Source: RPA

12.8 Mining Operations

OPEN PIT

Mining of mineralized material and uranium bearing waste is proposed to be carried out by the owner. The overburden stripping and barren waste mining will be exclusively done by a contractor with a dedicated mining fleet (larger equipment) given the total volume to be excavated and the higher production rate required.

The combination of owner-operated mining and contractor mining will be carried out using conventional open pit methods consisting of the following activities:

- Drilling performed by conventional production drills;
- Blasting using an emulsion explosive and a down-hole delay initiation system; and
- Loading and hauling operations performed with hydraulic shovels, front-end loaders, and underground haulage trucks (mineralized material and some waste) and rigid frame trucks (overburden and remainder of waste).

The production equipment will be supported by bulldozers, a grader, and a water truck. Support fleets will be separated into contractor and owner fleets in order to minimize the amount of contractor equipment that is in contact with radioactive material.

UNDERGROUND
The mining method for the underground will be longhole retreat mining in both transverse and longitudinal directions based on the current block model geometry. The mining will retreat from the Exhaust Air Raises (EAR) towards the Fresh Air Raises (FAR), and will be mined in blocks ranging from three to four levels for transverse mining. In the longitudinal areas of mining, the lenses will be mined from the bottom upwards.

The ventilation system will be a push-pull system with two fresh air and three exhaust air raises. The ventilation in the underground workings will be used once in the ore production areas. The air will be forced ventilated with a positive flow in the transverse and longitudinal headings (air will be pumped into the headings). Push-pull ventilation systems have been used extensively in uranium mines in the Athabasca Basin.

12.9 Milling Operations

The conceptual ore treatment mill design will have a nominal feed rate of 350,000 tonnes per annum, operate 350 days per year, and be able to produce nominally 15 million pounds per year of uranium concentrate. The mill design will have an estimated recovery of 95%, and is designed in a way that can accommodate fluctuations in ore grade that are expected when mining moves from open pit to underground.

The unit processes for uranium recovery are:

- Grinding
- Acid leaching using hydrogen peroxide as oxidant
- Counter current decantation and clarification
- Solvent extraction using strong acid stripping
- Molybdenum removal from the pregnant aqueous solution
- Gypsum precipitation
- Yellowcake precipitation with hydrogen peroxide
- Yellowcake thickening and drying
- Tailings neutralization
- Effluent treatment with monitoring ponds to confirm quality of effluent discharge

12.10 Production Schedule

RPM provides a production schedule in the CPR of the PLS Project. The production is separated into open-pit operation and underground operation. This production schedule includes both the Indicated and Inferred Resources. For the purpose of the DCF valuation method later in the report, a modified production schedule which eliminates Inferred Resources is used.

Table 12-2 **Open Pit and Underground Mining Schedules**

Mine Production	Units	Total	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14
Open Pit Mining																	
Waste Overburden	kt	30,306	18,841	11,446	18	-	-	-	-	-	-	-	-	-	-	-	-
Waste Bedrock	kt	17,019	467	7,430	5,316	2,916	711	134	47	-	-	-	-	-	-	-	-
Production	kt	1,365	97	232	312	355	208	108	53	-	-	-	-	-	-	-	-
Production Grade	%	2.30	1.19	2.54	1.61	1.85	2.68	4.88	3.63	-	-	-	-	-	-	-	-
Contained Pounds U_3O_8	klbs	69,221	2,551	12,971	11,073	14,472	12,269	11,622	4,262	-	-	-	-	-	-	-	-
Strip Ratio (inc. OVB)	w:o	34.7	198.7	81.3	17.1	8.2	3.4	1.2	0.9	-	-	-	-	-	-	-	-
Strip Ration (excl OVB)	w:o	12.5	4.8	32.0	17.1	8.2	3.4	1.2	0.9	-	-	-	-	-	-	-	-
Underground Mining																	
UG Production	t	3,246	-	-	-	4	97	215	287	349	352	355	356	354	351	351	175
UG Production Grade	%	0.42%	-	-	-	0.64	0.56	0.40	0.61	0.37	0.40	0.35	0.37	0.49	0.37	0.40	0.38
Contained Pounds U_3O_8	klbs	29,806	-	-	-	50	1,197	1,876	3,872	2,880	3,067	2,711	2,908	3,829	2,895	3,064	1,457
Total Production																	
Production	kt	4,611	97	232	312	358	305	323	341	349	352	355	356	354	351	351	175
Production Grade	%	0.97	1.19	2.53	1.61	1.84	2.00	1.90	1.08	0.37	0.40	0.35	0.37	0.49	0.37	0.40	0.38
Contained Pounds U_3O_8	klbs	99,026	2,551	12,971	11,073	14,522	13,467	13,498	8,134	2,880	3,067	2,711	2,908	3,829	2,895	3,064	1,457

Source: CPR

12.11 Local Infrastructure

Various services are available at La Loche including temporary accommodations, fuel, and emergency medical services. A greater range of services is available at Prince Albert. Fixed wing aircraft are available for charter at Fort McMurray in Alberta, and Buffalo Narrows, La Loche, and La Ronge in Saskatchewan. Helicopters are available for charter at Fort McMurray and La Ronge.
With the exception of all-weather gravel Highway 955, there is no permanent infrastructure on the property.

12.12 Adjacent Properties

The PLS Property is contiguous with claims held by various companies and individuals. As of the effective date of this report, the PLS Property is contiguous with claims registered in the names of NexGen Energy Ltd. (NexGen) to the east, Fission 3.0 Corp. to the south, Forum Uranium Corp. to the southwest, Dale Resources to the west, T. Young to the west and southwest, Canalaska Uranium Ltd. to the north, and a consortium consisting of Areva Resources Canada (39.5%), Cameco Corp. (39.5%), and Purepoint Uranium Group Inc. (21%) to the north and northeast.

12.13 Capital Cost estimates

According to the CPR, the capital expenditure ("CAPEX") of the PLS Project is estimated based on comparable projects, first-principles, subscription based cost services, budgetary quotes from vendors and contractors, and information within RPA's project database.

Table 12-3 **Project Capital Cost Estimates**

CAPEX Items	Currency	Amount	Currency	Amount
Open-Pit Mining	C$ millions	388.8	USD millions	291.0
Processing	C$ millions	225.6	USD millions	168.8
Infrastructure	C$ millions	140.6	USD millions	105.2
Subtotal Pre-Production Direct Cost	C$ millions	755.0	USD millions	565.0
Pre-Production Indirect Cost	C$ millions	205.8	USD millions	154.0
Subtotal all costs	C$ millions	960.8	USD millions	719.1
Contingency	C$ millions	212.6	USD millions	159.1
Initial Capital Cost	C$ millions	1,173.4	USD millions	878.2
Sustaining Closure and Misc.	C$ millions	210.5	USD millions	157.5
Total Cost	C$ millions	1,383.9	USD millions	1,035.7

Note: CAD/USD Exchange Rate: 1.3362 as at 30 November 2015 , Bloomberg
Source: CPR

12.14 Operating Cost Estimates

According to the CPR, operating costs ("OPEX") were estimated for the Project and allocated to one of mining, processing, or general and administration (G&A). A diesel cost of C$0.95 per litre delivered to site was used across all aspects of the cost estimate. OPEX is estimated in terms of both per tonne processed and per pound of U3O8. Life of Mine OPEX is also provided.

Table 12-4 **Life of Mine Operating Costs**

Description	LOM Cost (C$ millions)	Unit Cost (C$/t processed)	Unit Cost (C$/lb U3O8)
Mining			
Open Pit Mining	151.5	111.0	2.3
Underground Mining	610.6	188.1	21.5
Combined Mining	762.1	165.3	8.1
Processing	629.3	136.5	6.7
General Administration	375.6	81.4	4.0
Total	1,767.0	383.2	18.7

Source: CPR

13.0 VALUATION METHODOLOGY

13.1 Standards and Procedures

This report has been prepared in compliance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports - The VALMIN Code 2005 Edition, which has been endorsed by The Australasian Institute of Mining and Metallurgy, The Australian Institute of Geoscientists, the Minerals Industry Consultants Association and the Minerals Council of Australia. As far as practical, Mineral Resources and Ore Reserves reported in this report are reported in accordance with the 2012 Edition of the JORC Code.

13.2 General Principles of Valuation

The Fair Market Value of a mineral asset as stated in the VALMIN Code (Definition 43) is:

" the amount of money (or cash equivalent of some other consideration) that an asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an arms-length transaction, with each party acting knowledgeably, prudently and without compulsion."

13.3 Valuation Approaches and Methodologies

There is no single method of valuation which is appropriate for all situations. Rather, there are a variety of valuation methods, all of which have some merits and are more or less applicable depending on the circumstances.

The valuation of any asset can be broadly classified into one of the three approaches, namely cost approach, market approach and income approach. In any valuation analysis, all three approaches must be considered, and the approach or approaches deemed most relevant will then be selected for use in the fair market value analysis of that asset.

In any valuation analysis, all three approaches should be considered, and the approach or approaches deemed the most relevant will then be selected for use in the Fair Market Value analysis of the mineral asset or security. All the methods under the three approaches will be discussed and, for unsuitable methods, reasons are provided. Conclusions are then drawn as to which methods are to be adopted in this valuation.

The application of valuation approaches is determined primarily by the stage of development of the mineral asset. The table below sets out the possible approaches for mineral assets and the general guideline of applying these approaches.

Table 13-1 **Applicable Valuation Approaches for Different Stages of Mining Operation**

		Valuation Approach	
Stage of Mining Operation	**Cost**	**Market**	**Income**
Exploration Properties Mineral property that has been acquired, or is being explored, for mineral deposits.	Yes	Yes	No
Mineral Resource Properties Mineral property which contains a mineral resource that has not been demonstrated to be economically viable by a feasibility study or prefeasibility study.	Some cases	Yes	Some cases
Development Properties Mineral property that is being prepared for mineral production (or which is not yet financed or under construction) and for which economic viability has been demonstrated by a feasibility study or prefeasibility study.	No	Yes	Yes
Production Properties Mineral property with an operating mine, with or without a processing plant, which has been fully commissioned and is in production.	No	Yes	Yes

Source: CIMVal Standards and Guidelines

13.3.1 The Cost Approach

Cost approach is based on the principle of contribution to value. It evolves from the cost principle of accounting, on which most business financial statements are based. It is also known as asset-based approach. The fundamental accounting principle is the book value of assets minus the book value of liabilities equals the book value of the business owners' equity. In valuation, the fundamental valuation principle is the current value of assets minus the current value of liabilities equals the current value of the business or project owners' equity. They are economics identities. Based on the purpose and objective of the valuation, the valuer will apply the appropriate standard of value to the subject equity interest. If an asset-based approach is used, the valuer will apply a corresponding appropriate standard of value to all of the assets and liabilities of a subject company or project. One of the most commonly used methods is the appraised value method for which the fair market value of the mineral asset approximates the amount of exploration expenditure incurred/likely to be incurred. Asset accumulation method is also widely used in which valuer restates all of the assets and liabilities of the subject company from their historical cost basis to the appropriate standard of value.

13.3.2 The Market Approach

While there are many ways to determine the value of mineral assets, one of the most reliable and the most likely to be accepted to resolve legal disputes is based on the price as determined by actual market transactions.

In the market approach, value is established based on the principle of competition. This simply means that if one thing is similar to another and could be used for the other, then they must be equal. Furthermore, the price of two alike and similar items should approximate one another. For the market approach to be used, there must be a sufficient number of comparable companies/transaction to make comparisons, or, alternatively, the industry composition must be such that meaningful comparisons can be made.

There are several different methods and variations under this approach:

13.3.3 Broad-based Method

It consists of determining the value of mineral assets by comparing it with the values of similar mineral assets under similar circumstances. This method is more difficult when applied to mineral assets because the underlying mineral assets have a number of unique characteristics that make it complicated to perform direct comparisons between different situations; characteristics such as quality and quantity of each mineral, mining and processing systems and costs, production quantities and products, and location and schedule of mining.

13.3.4 Comparable Transaction Method

Value is determined on a per unit basis, such as value per tonne. Differences in the mineral and property characteristics are reflected in the unit value of the mineral.

13.3.5 Industry Multiples Method

This method involves comparing the value of two or more publicly traded companies on the basis of stock price. If one of the companies is not publicly traded, financial and performance ratios taken as indicators of stock worth can be determined and compared. This method has the drawback that market capitalisation can represent a discount or premium to the underlying asset value. Currently, for example, uranium stocks are trading at a discount to their asset backing.

13.3.6 The Income Approach

The income approach is based upon the economic principle of anticipation (sometimes also called the principle of expectation). In the income approach, the value of the subject investment is the present value of the economic income expected to be generated by the investment. This is a general way of determining a fair value of a mineral asset by converting anticipated benefits into a present value amount.

In the income approach, an economic benefit stream of the asset under analysis is selected, usually based on historical and/or forecasted cash flow. The focus is to determine a benefit stream that is reasonably reflective of the asset's most likely future benefit stream. This selected benefit stream is then discounted to present value with an appropriate risk-adjusted discount rate. Discount rate factors often include general market rates of return at the valuation date, business risks associated with the industry in which the company operates, and other risks specific to the asset being valued.

Major methods commonly used under this approach are Discounted Cash Flows Method ("DCF") and Capitalised Future Economic Income Method.

14.0 METHODS CONSIDERED BUT ALLOCATED REDUCED WEIGHTING

14.1 Cost Approach

We have considered and given reduced weighting to the Cost Approach for the valuation of the PLS Project on the following bases:

- PLS Project has completed initial exploration activities and is in development stage. As stated in the preceding table, the cost approach should not be used for development properties;
- PLS Project is in development stage with reliable forecast of commercial production made by technical advisors such as the Competent Person. As stated in the table, the cost approach should not be used for development properties; and
- The value of the PLS Project cannot be appropriately reflected by the accrued expenditure on the PLS Project, as its potential to be economic is now indicated.

14.2 Market Approach - Industry Multiples Method

We have considered but allocated a reduced weighting to the Market Approach - Industry Multiples Method for the valuation of the Project because:

- Ratios such as P/E or P/B ratios does not reflect the true potential and value of a mineral asset as important characteristics of a mineral asset such as size of resource/reserve, grade etc are not considered in these ratios; and
- This method does not take into consider the differing and unique characteristics of each mineral asset and is not therefore usually considered appropriate in valuing mineral assets.

14.3 The “Rule of Thumb” Method

The so called “Rule of Thumb” valuation method is perhaps the least scientific and most subjective of the methods, though it has the advantage as being the quickest and easiest to determine – hence its name. It has, as its basis, the simple principle that the asset value, in the case of a mineral deposit, is simply a small percentage of the in-ground value of the mineral resources. In some respects, then, it is a “shortform” or initial indicator of potential value.

For example, a deposit would be valued in the following manner:

Value = resource tonnage x grade x commodity price x discount %

Where; the discount percentage is usually in the range of 2 – 5% for resources in all categories, rising to a higher level if only Measured and Indicated Mineral Resources are considered. This method is never used as a primary valuation method and is used here merely for completeness and for transparency.

Table 14-1 **Comparison of Rule of Thumb Method Results**

Category	*Resources*	*Price*	*Discount %*	*@100%*	*@19.99%*
Ind. + Inf.	111.11	65	2%	144.44	28.9
Ind.	94.71	65	5%	307.80	61.5

15.0 OTHER VALUATION METHODS CONSIDERED

The application of valuation approaches is determined primarily by the stage of development of a mineral asset and/or the nature of a project. The following methods are used in this valuation:

15.1 Market Approach - Comparable Transactions method

Of relevance to the valuation of projects and tenements is the price paid in recent comparable transactions. Under appropriate circumstances, this method can be used as an alternative valuation method for cross checking purpose. We accepted the market approach – Comparable Transaction Method for the valuation of the PLS Project on the following bases:

- There are sufficient number of comparable transactions to be identified with similar mineral assets to the PLS Project; and
- Important characteristics of mineral assets are considered and reflected in this method

15.2 Income Approach - Discounted Cash Flow method

The discounted cash flow or net present value method is generally regarded as the most appropriate primary valuation tool for operating mines or mining projects either in operation or close to development, where the capital and operating costs are well defined and the likely revenue can be estimated with some degree of confidence. The PLS Project is approaching this stage but its mineral endowment is not yet supported by ore reserves categorised by the JORC Code. Therefore, the DCF valuation method has to rely, in this case, on the assumption of conversion of Indicated and Inferred Resources to Probable Ore Reserves to some assumed extent. This cannot be done with any reliability at this stage, as further infill drilling is required to allow the project owners to prepare an ore reserves statement. Consequently, this dictates that the DCF method should not be allocated a high weighting with respect to the other valuation methods. We have none the less performed a DCF valuation (with and without the inclusion of Inferred resources) on the following grounds:

- The PLS Project is undoubtedly in the development stage;
- Mining studies have been completed in detail in the PEA, addressing the JORC Code Modifying Factors (which are a pre-cursor to the conversion of mineral resources to ore reserves). Detailed mine design has been completed allowing stope sequencing and the development of an overall production schedule.
- An open pit to underground mining transition has been developed and has had the main

mining engineering inputs completed;

- The value of the PLS Project is determined by the ability to generate a stream of economic benefits in future. Economic benefit streams from the PLS Project can be identified based on the production schedule and estimated capital expenditure ("CAPEX") and OPEX to be incurred provided by the management of Fission and recommended by the CP as detailed in the CPR;
- Economic benefit streams of the PLS Project can be identified based on projected cash flows in the PEA and the certainty of these economic benefit streams and the time of these economic benefit streams can be estimated after allocating a reasonable discount for risk; and
- This method is recommended by the CIMVal, and widely accepted for the valuation of mineral assets in a similar development stage (with resources projects in the development and production phase) as the PLS Project in the industry.

These valuation methodologies are discussed in detail in the following sections. The valuation methodologies and principles have been applied to the PLS Project as at the Valuation Date. A value range has been formed after considering the results from applying all valuation methods and allocating a "relevance weighting" to each estimate. A single, preferred value was then selected based on this range of values. The valuation range is also required to be reported under the VALMIN Code.

16.0 GENERAL ASSUMPTIONS OF VALUATION

A number of general assumptions have to be established in order to sufficiently support our conclusion of fair market value. The general assumptions adopted in this valuation are:

- There will be no material change in the existing political, legal, fiscal, foreign trade and economic conditions in Canada where the PLS Project situates and where Fission is carrying on its business;
- There will be no significant deviation in the industry trends and market conditions from the current market expectation, which is that uranium prices will recover over the next five years;
- There will be no significant change in interest rates or foreign currency exchange rates from those currently prevailing;
- There will be no major change in the current taxation law in Canada and countries of origin of our comparable companies;
- all relevant legal approvals, business certificates or licenses for the normal course of operation are formally obtained, in good standing and that no additional costs or fees are needed to procure such during the application; and
- The PLS Project will retain competent management, key personnel, and technical staff to support the ongoing business operations.

This valuation and the preparation of this VR are also based upon the following principal assumptions and limiting conditions in order to sufficiently support our conclusion of fair market value:

- the PLS Project consists of a production deposit (Triple R) with an area of 9,290km^2 covered the mining license and an exploration deposit (R600W) with an area of 9,290km^2 covered the exploration license;
- it is assumed that the description of the Project in the CPR is correct and that the titles to and ownership of the Block were free and clear of all liens as at the Valuation Date;
- all relevant legal approvals, business certificates or licenses for the normal course of operation are formally obtained, in good standing and that no additional costs or fees are needed to procure such during the application;
- the nature of the PLS Project and the history of the operation from its inception will remain unchanged;
- information provided by others (including the Commissioning Entity) is believed to be reliable, as is information derived from publications, company and government reports;
- Mr. John Dunlop, the Competent Evaluator of this valuation and other professionals, have undertaken a moderate level of verification of important information and data relied on, to assure themselves of its validity, but more than that is not a part of this valuation;

- projected operation figures provided in the CPR and other documents are assumed to be correct; and
- market conditions and status of companies engaged in similar nature of business remain unchanged;

The fair market value developed in this VR, and the underlying projections and calculations developed to derive and support the estimate, are dependent on opinions and assumptions of the Competent Evaluator. Reliance on this valuation is at the own risk of the readers. The liability of HF is limited to that contained in the contractual agreement with the Company.

Due to the nature, international location, timing of the transactions, and the constraints of the schedule and budget for this valuation, we have (beyond the inquiries made by ourselves during the two site visits) relied on the CPR for reporting the relevant technical issues, resources and reserves and for examining the status of the tenements for the purpose of this valuation.

The opinions expressed in this report are based on the information supplied to us by Fission, its staff and consultants, as well as from the Commissioning Entity, various institutes and government bureaus and have not been independently verified by HF. Most information and advice related to this valuation have been provided by Fission's management. We have exercised all due care in reviewing the supplied information. Although we have compared key supplied data with expected values and available benchmark data, the accuracy of the results and conclusions from the review is reliant on the accuracy of the supplied data. We have relied on this information and have no reason to believe that any material facts have been withheld, or that a more detailed analysis may reveal additional information. We do not accept responsibility for any errors or omissions in the supplied information and do not accept any consequential liability arising from commercial decision or actions resulting from them.

17.0 INCOME APPROACH – DCF METHOD

The income approach is an economic measure reflecting the fair market value of the business. Our development of the fair market value under income approach will be performed by using the DCF methodology, which requires a number of parameters, including revenue and expense forecasts, working capital requirement and CAPEX requirement. DCF requires an explicit forecast of the future benefit streams over a reasonably foreseeable short-term and an estimate of a long-term benefit stream that is stable and sustainable, i.e. not varying from period to period and the benefit stream is determined to continue into the future without compromise.

The value of a mineral asset is based on the future income that it is projected to generate. This is a primary method under the income approach and should be considered in priority to all other methods whenever applicable.

The essential elements of DCF are: (1) the expected earnings stream to be discounted, and (2) the discount rate.

The net cash flows from the Projects were estimated, and we discounted the sum to a present value at the appropriate discount rate, as illustrated below:

$$PV = \frac{E_1}{(1+k)} + \frac{E_2}{(1+k)^2} + \frac{E_3}{(1+k)^3} + \cdots + \frac{E_n}{(1+k)^n}$$

PV = Sum of the present value
E_1, E_2, E_3, etc.= Expected economic income in the 1st, 2nd, 3rd periods, and etc.
E_n = Expected economic income in the last period
k = Discount Rate

The total present value of the discounted cash flows represents the business enterprise value ("BEV"). We assume the value of the PLS Project equals the BEV on a standalone basis after adjusting for certain items (e.g. cash and cash equivalent, LT and ST loans).

17.1 Methodology

DCF method is applied on valuing the PLS Project. For the DCF of the PLS Project, different scenarios have been developed with different sets of assumptions on uranium resources and reserves, uranium price, production capacity, OPEX and CAPEX to assess the impact of different key assumptions has on the result of the income approach model. They are generated in parallel and the results are compared at the end of this section.

17.2 Assumptions

Our estimate of the value of the PLS Project is performed using a DCF methodology, which requires a number of assumptions, including revenue and expenses forecasts, as well as CAPEX requirement. Data derived under these assumptions has been used as inputs in the DCF method. The nature and underlying rationale for these assumptions are discussed below:

The table below outlines the key assumptions adopted in the DCF valuation.

Table 17-1 **Key Assumptions in the DCF Valuation**

Assumptions	***Value***	***Remark***
Uranium Price	USD65/lb U3O8	PEA
Resources	94.7Mt (Indicated only)	CPR and Chapter 18 Listing Rules
Production schedule	Table 17-2	CPR, modified without Inferred Resources
OPEX	Table 17-4	CPR
CAPEX	Table 17-5	CPR
Long Term Inflation	3%	
Exchange Rate	CAD/USD: 1.3362	Bloomberg
Tax	Federal:15% Provincial:10%	Official
Royalty	Revenue-based: 7.25% of net revenue Profit-based: 10%-15%	Official, RPA
Discount rate	14.66%	Bloomberg

Source: HF

Inferred Resources are excluded from the valuation according to the Chapter 18 Listing Rules requirement.

17.3 Life of Mine (LOM) plan and Production Schedule

The production schedule in the CPR has been slightly modified to include Indicated Resources only, reducing underground ore by 514,000t. It is confirmed by RPM that the production schedule in the CPR included indicated resources only for open cut ore and Inferred Resources are classified as waste rocks. The PLS Project has a mine life of 13 years based on this modified production schedule. The estimated production schedule is as follows:

Table 17-2 **Modified CPR Production Schedule**

Year	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2031*
Ore (t)	-	-	97	232	312	359	305	323
Ore Grade (%)	-	-	1.19%	2.82%	1.60%	1.84%	2.00%	1.90%
Contained U3O8 (lb)	-	-	2,551	12,971	11,073	14,522	13,466	14,495
	2032	2033	2034	2035	2036	2037	2038	2039
Ore (t)	340	349	352	355	356	354	351	12
Ore Grade (%)	1.09%	0.37%	0.40%	0.35%	0.37%	0.49%	0.37%	0.40%
Contained	8,134	2,880	3,067	2,711	2,908	3,418	2,895	-

U3O8 (lb)	

Source: CPR & HF edits

17.4 Revenue

Based on the modified production schedules and the projected uranium price at project start-up, we can estimate the likely revenue deriving from the PLS Project.

Revenue calculations are based on the following price assumptions:

- All uranium yellow cake product sold is priced at USD65/lb based on the PEA estimate. The selling prices are forecast by the RPA based on best available information with reference to historical sales prices, current world prices and international yellow cake price trends.
- Price is assumed to be stationary and no price growth is factored into the DCF valuation.

The projected revenues of the PLS Project are as follows:

Table 17-3 **Revenue of PLS Project**

	2024	***2025***	***2026***	***2027***	***2028***	***2029***	***2030***	***2031***
Total U3O8	-	-	2,551	12,971	11,073	14,522	13,466	14,495
Uranium Price	65	65	65	65	65	65	65	65
Total Revenue	-	-	165,815	843,115	719,745	943,930	875,290	942,175
	2032	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**
Total U3O8	8,134	2,880	3,067	2,711	2,908	3,418	2,895	-
Uranium Price	65	65	65	65	65	65	65	65
Total Revenue	528,710	187,200	199,355	176,215	189,020	222,170	188,175	-

Source: HF

17.5 Operating Expenses

Operating costs such as materials costs, power costs, workforce salaries and welfare, equipment maintenance costs, safety costs, and the like were estimated in the CPR. We have previously referred to our reliance upon the cost projections stated in the CPR in order for us to perform this valuation. The OPEX of the PLS Project is summarised in the table below.

Table 17-4 **Operating Costs Summary**

Operating Cost Items	***LOM USDm***	***USD/t processed***	***USD/lb U3O8***
Open Pit Mining	113.38	83.07	1.72
Underground Mining	456.97	140.77	16.10
Processing	470.96	102.01	5.01
General Administration	281.10	60.92	2.99
Transportation costs [1]	31.85	0.25	0.34
Total Operating costs	1,364.17	294.50	13.49

1. Estimated in PEA, but covered in the CPR, included here for DCF and royalty calculation
2. CAD/USD exchange rate: 1.3362 (Bloomberg)

Source: CPR

17.6 Taxes and Royalties

The federal statutory corporate income tax rate in Canada is 15% and Saskatchewan provincial corporate income tax rate is 10%[1]. Accordingly, we have adopted the same in our valuation during the projection periods. All naturally occurred minerals are considered as goods that are exempted from sales tax. In Saskatchewan, the production of yellow cake is also subject to two types of royalty, a revenue-based royalty and a profit-based royalty.

Revenue royalties

- Resource Surcharge of 3% of net revenue, where net revenue is defined as gross revenue less transportation costs directly related to the transporting of uranium to the first point of sale;
- Basic Royalty of 5% of net revenue (calculated the same way as above); and
- A Saskatchewan Resource Credit of 0.75% of net revenue.

Therefore, the total effective royalty rate of 7.25%.

Profit royalties

Tiered profit royalty, with a 10% royalty rate on the first C$22.00 profit per kilogram of yellowcake, followed by 15% royalty on profits exceeding C$22.00 per kilogram.

It must be noted that basic royalty and resource surcharge are not deductible for calculating profit royalties.

Profits for the purposes of royalties are calculated by taking the net revenue, subtracting the full value of operating costs, capital costs, and exploration expenditures. Revenue royalties were included in the "pre-tax" cash flow results, while profit royalties are considered a tax, and are included in "post-tax" results.

17.7 Capital Expenditure, Depreciation and Amortization

The main capital expenditures ("CAPEX") of the PLS Project include the acquisition cost of the mobile machinery & equipment, fixed machinery & equipment, associated infrastructure and office equipment. CAPEX items have a total amount of USD1,387M which are subject to a depreciation

[1] Natural Resources Canada – Canada Government

that is no more than 25% each year Therefore, it is assumed that the PLS Project will utilise this tax benefit and depreciate the CAPEX at 25% per year. No CAPEX has been incurred yet. The CAPEX is adequate to support an annual production outlined in the production schedule.

Table 17-5 **Summaries of Capital Expenditure Estimates**

Description	**PLS Project (CAD million)**	**PLS Project (USD million)**	**CAPEX Nature**
Open-Pit Mining	388.8	291.0	Pre-Production
Underground Mining	89.1	66.68	Post-Production
Processing	225.6	168.8	Pre-Production
Infrastructure	140.6	105.2	Pre-Production
Contingency	212.6	159.1	Pre-Production
Other sustainable CAPEX	69.7	52.2	Post-Production
Mine closure and reclamation	50	37.5	Post-Production
Total CAPEX	1,383.9	1035.7	

Source: the CPR

Please refer to the CPR for the detailed breakdown of each CAPEX item.

17.8 Determination of Discount Rate

Discount rate is a single rate to be used to discount all future cash flows of the company/project to arrive at the fair market value. Appropriate and accurate estimation of this rate will significantly improve the valuation result.

Weighted average cost of capital ("WACC", being the discount rate for this valuation) is determined by the weighted average, at market value, of the cost of all financing sources in the business enterprise's capital structure, such as the cost of equity ("R_e") and the cost of debt ("R_d"). We considered market and industry data to develop WACC for the PLS Project.

We developed R_e and R_d for this valuation based on the data and factors relevant to the economy, the industry and the PLS Project as at the Valuation Date. These costs were then weighted in terms of a typical or market participant industry capital structure to arrive at the estimated WACC.

In selecting the appropriate discount rate to be applied, we have taken into account a number of factors including the risk considered inherent in the operation; our knowledge of discount rates commonly applied valuing operating uranium projects using the DCF methodology and consideration of the current cost of finance.

Suitable comparable companies in the uranium exploration and mining industry and have similar operation as the Company are used in deriving the discount rate. The table below shows all the comparable companies used in deriving the discount rate.

Table 17-6 **Comparable Companies**

No.	***Company Name***	***Stock Code***	***Location***
1	Virginia Energy Resources Inc.	VUI CN	The Company is a uranium development and exploration company
2	Unity Energy Corporation	UTY CN	The Company explores for uranium in Saskatchewan, Canada
3	ALX Uranium Corp.	AL CN	The Company operates as an uranium and mineral exploration company. The Company focuses on development and exploration of uranium deposits. ALX Uranium conducts business in Canada.
4	A-Cap Resources Ltd.	ACB AU	The Company explores for uranium. The Company operates on the Letlhakane Uranium Project in northeastern Botswana
5	Zeus Resources Ltd.	ZEU AU	The Company is a mineral exploration company. The Company is focused on Uranium exploration in Australia.
6	Emerging Market Minerals PLC	EMM LN	The Company is a mineral exploration and production company. The Company is currently developing assets in Africa. LP Hill's current operations include the uranium and thorium exploration project, located in southern Madagascar.

Source: Bloomberg

Cost of equity capital or the R_e is 15.93% and is determined by using the Modified Capital Asset Pricing Model ("MCAPM") with the following equation and parameters.

Comparable Companies	Country	Relevered Beta	Risk Free Rate	Equity Risk Premium	Adj. Cost of Equity	Weighting Factor	Indicated Levered Cost of Equity
Virginia Energy Resources Inc.	CN	0.25	1.57%	9.72%	3.96%	16.67%	0.66%
Unity Energy Corporation	CN	1.12	1.57%	9.72%	12.48%	16.67%	2.08%
ALX Uranium Corp.	CN	0.26	1.57%	9.72%	4.13%	16.67%	0.69%
A-Cap Resources Ltd.	AU	1.64	2.86%	6.33%	13.23%	16.67%	2.21%
Zeus Resources Ltd.	AU	0.05	2.86%	6.33%	3.16%	16.67%	0.53%
Emerging Market Minerals PLC	LN	0.46	1.83%	8.87%	5.95%	16.67%	0.99%
						100%	**7.15%**

Cost of Equity by CAPM	7.15%
Small size premium	5.78%
Company Specific Risk Premium	3.00%
Concluded cost of equity	15.93%

A company specific risk premium (RPu) of 3% is applied to reflect the unique set of risks factors that the Company is facing in its operation, including the risk of no production.

Cost of debt capital is 2.70% which is the Canadian interest rate published by Bank of Canada.

Before tax cost of debt	2.70%
Tax rate	26.50%
After tax cost of debt	1.98%

%E and %D are determined by applying the concept of optimal debt to equity ratio (D/E). Optimal D/E is determined by the average D/E ratio of all comparable companies.

The discount rate is determined by using the WACC with the following equation and parameters.

$$WACC = [(\%D) \times (Rd) \times (1 - T)] + [(\%E) \times (Re)]$$

%D	=	9.1%
Rd	=	2.7%
T		26.50%
Weighted Cost of Debt		0.18%
%E	=	90.9%
Re	=	15.93%
Weighted Cost of Equity		14.48%
Discount Rate	=	14.66%

Therefore, we have selected a nominal discount rate of 14.66% as the discount rate for the DCF valuation. In our opinion, it is appropriate for the risks involved in undertaking the current and future operation of the Project.

By applying the above assumptions and discount rate, the table below presents the results of the DCF calculation.

Table 17-7 **DCF Valuation Result of PLS Project**

Factors	***100%***	***19.99%***
Discount Rate (%)	14.66%	14.66%
Resource Category	Indicated only	Indicated only
DCF Results before adj. (USD)	590 – 754M	120 – 150M
DCF Result after adj. (USD)*	596 – 760M	120 – 150M

Note: * Adjusted for cash and cash equivalent, short term liabilities, long-term liabilities and other relevant items.
^ 30 September 2015 unaudited account numbers

DCF results range are formed based on different set of discount rate assumptions derived from the formulated discount rate of 14.66%. A most likely outcome from the DCF result range is selected to form the valuation range as explained in Section 20.0 – Summary of Results.

18.0 MARKET APPROACHES

18.1 Comparable Transaction Method

Data and related information are available for comparatively recent completed market transactions for a number of uranium projects with similar characteristics to the PLS Project in terms of stage of development, type of mineral, size and overall exploration potential. Therefore, these are considered appropriate to use as a basis for a Comparable Transaction valuation. In each case, the transaction costs in US dollars per pound of U3O8 have been established.

Since transactions occur at different times when the uranium price can different greatly from that on the Valuation Date, an adjustment is needed. To compare any project transaction to the PLS Project as at the Valuation Date, it is necessary to establish what the likely transaction value could have been if it had occurred on the date of that transaction. Therefore, uranium price adjustment is used to reflect the difference in valuation due to difference in uranium price at the time of each transaction. This is accomplished by applying a 'Price Adjustment Factor' to the transaction parameters which in this case is derived by the following equation:

$$\textit{Price Adjustment Factor} = \frac{\textit{Uranium price on the Valuation Date}}{\textit{Uranium price on the date of the comparable transaction}}$$

General steps of applying comparable transaction method is outlined below:

- **Step 1**. Screening and identifying comparable transactions
- **Step 2**. Obtaining information of the selected transactions, including Measured & Indicated (M&I) Resources (in terms of quantity of U3O8), consideration paid, percentage of interest acquired, uranium price at the time of each transaction
- **Step 3**. Considerations of each transaction are then adjusted for percentage of interest acquired (% adjustment) and uranium price at the time of each transaction (U3O8 P transaction date / U3O8 $P_{\text{valuation date}}$), which is then divided by the total amount of M&I Resources to get the unit price of consideration per pound of U3O8 of each transaction.
- **Step 4**. Determine the median of the above mentioned unit prices of each transaction as the equivalent price to value the subject asset (ie. PLS Project).

There are 8 transactions of uranium mineral assets in the last 5 years that are adopted to provide 8 comparable transactions are set forth in the table below:

Table 18-1 **Summary of Comparable Transactions**

Deal No.	*Date*	*Target Name*	*Acquirer Name*	*Location*	*Percentage (%)*	*Consideration (USD million)*

1	27-Aug-2012	Yeelirrie	Cameco Corp	Australia	100%	430
2	8-Dec-2011	Husab	CGNPC	Namibia	90%	2,200
3	13-Jul-2015	Four Mile	Heathgate	Australia	25%	55
4	26-Jan-2010	Azelik	CNNC	Niger	37.20%	53
5	16-May-2014	Semizbay-U	CGN Mining	Kazakhstan	49%	133
6	1-Dec-2011	Roughriders	Rio Tinto	Canada	100%	623
7	2-Mar-2012	Millennium	Cameco Corp	Canada	27.94%	152
8	28-Jan-2013	multiple assets	Denison	Canada	100%	10

Source: Bloomberg

The Resources/Reserves, adjusted consideration (100% basis adjusted for percentage acquired and uranium price) and equivalent unit price (USD/lb of U3O8) of the Comparable Transactions are listed in the table below.

Table 18-2 **Details of Comparable Transactions**

Deal No.	***Target Name***	***Resources (M&I) (M lb U3O8)***	***Adjusted Consideration (USDM)***	***Unit Price (USD/lb U3O8)***
1	Yeelirrie	139	321	2.31
2	Husab	280	1,696	6.06
3	Four Mile	35	223	6.37
4	Azelik	22	122	5.53
5	Semizbay-U	53	346	6.54
6	Roughriders	17	433	25.15
7	Millennium	51	383	7.52
8	multiple assets	7	8	1.17
			Median Unit Price	**6.21**

Source: Bloomberg, company website

The relevant uranium prices used for the comparable transactions are shown in the table below.

Table 18-3 **Uranium Prices Used in Comparable Transaction Valuation**

Relevant Date	***Event***	***Uranium Price* (USD/lb U3O8)***
30-Nov-2015	Valuation Date of the PLS Project	36.00
27-Aug-2012	Cameco purchases Yeelirrie deposit from BHP	48.25
8-Dec-2011	CGNPC purchases Husab project from Swakop U	51.88
13-Jul-2015	Heathgate purchases remaining interest in Four Mile project from Alliance Resources	35.50
26-Jan-2010	CNNC purchases interest in Azelik project from Somina	42.38
16-May-2014	CGN Mining purchases Semizbay-U interest from CGNPC-URC	28.25
1-Dec-2011	Rio Tinto purchases Roughriders project from Hathor	51.88
2-Mar-2012	Cameco purchases interest in Millennium deposit from Areva	51.05
28-Jan-2013	Denison purchases JNR Resources with multiple uranium assets	43.88

Source: Cameco monthly market price

Based on the above analysis, the median equivalent unit price of consideration is USD6.21 per pound of U3O8.

To utilize the comparable transactions above in valuing the PLS Project, it is necessary to establish the in-ground uranium resources of the PLS Project.

As uranium does not trade on an open market like other commodities but rather, buyers and sellers negotiate contracts privately. Therefore, uranium prices are only available from independent market consultants such as Ux Consulting and TradeTech. Cameco Corp. calculates industry average prices from the month-end prices published by Ux Consulting and TradeTech and determines the spot price of uranium for each month. In determining the uranium price of each transaction, the monthly spot price of each corresponding month is adopted. The price is publicly available at https://www.cameco.com/invest/markets/uranium-price

Table 18-4 **Uranium Resources Statement of the PLS Project**

Resources	***Tonnes (M lb U3O8)***	***U3O8% (%)***	***U3O8 Pounds (lb)***	***Adoption Factor (%)***	***Factorised U3O8 Pounds (lb)***
Indicated Resources					
Open pit	1,365,000	2.30	69,229,000	100%	69,229,000
Underground	1,217,000	0.95	25,481,000	100%	25,481,000
Subtotal	2,582,000	1.66	94,709,000		94,709,000
Inferred Resources					
Open pit	40,000	9.76	8,537,000	0%	0
Underground	514,000	0.69	7,858,000	0%	0
Subtotal	553,000	1.35	16,396,000		0
Total	3,135,000	1.61	111,105,000		94,709,000

Source: CPR

Using an attributable uranium of 94.71 million pounds of U3O8, and the comparable transaction price of USD6.21/lb U3O8, the indicated valuation of the PLS Project is USD590M. After adjusting for cash items and liabilities, the value of the PLS Project is USD610M and 19.99% is USD120M.

This value is considered to be inclusive of all commercial discounts or premiums as all the comparable transactions studied are considered to include all these discounts or premiums.

19.0 SENSITIVITY ANALYSIS

The VALMIN Code requires that mineral asset valuations be accompanied by some sensitivity analysis, so as to convey to the reader the robustness of the preferred valuation when influenced by various factors which could potentially impact upon that valuation. For example, some factors have the potential to influence the value more than others, and the reader needs to be placed in a position where that is sufficiently evident.

In this valuation, sensitivities were run on the uranium price, discount rate, and operating costs, as these parameters are the most likely to impact the preferred valuation.

19.10 Sensitivity Analysis Tabulations

The charts below present the sensitivity analysis of the impact of various systematic changes in uranium price, OPEX and CAPEX (related to the operation of the PLS Project) against every 1% change in discount rate (nominal) on the value of the PLS Project.

Uranium Price & Discount Rate

Table 19-1 **Sensitivity Analysis of PLS Project Uranium Price**

	19.99% of PLS Project Value (USD '000)				
Discount Rate	**Uranium Price (USD/lb)**				
	45	55	65	75	85
13%	24,638	81,145	137,652	194,159	250,398
14%	19,503	72,949	126,394	179,840	233,024
15%	16,309	67,856	119,403	170,950	222,239
16%	10,269	58,231	106,193	154,155	201,866
17%	6,123	51,625	97,127	142,629	187,885

+/-USD10 change in uranium price against +/-1% change in discount rate

OPEX & Discount Rate

Table 19-2 **Sensitivity Analysis of PLS Project OPEX**

	19.99% of PLS Project Value (USD '000)				
Discount Rate	**OPEX**				
	+20%	+10%	-	-10%	-20%
13%	125,232	131,442	137,652	143,862	150,071
14%	114,849	120,622	126,394	132,167	137,940
15%	108,390	113,896	119,403	124,909	130,416
16%	96,166	101,180	106,193	111,206	116,220
17%	87,761	92,444	97,127	101,809	106,492

+/-10% change in OPEX against +/-1% change in discount rate

CAPEX & Discount Rate

Table 19-3 **Sensitivity Analysis of PLS Project CAPEX**

19.99% of PLS Project Value (USD '000)					
Discount Rate	**CAPEX** +20%	+10%	-	-10%	-20%
13%	117,352	127,502	137,652	147,802	157,844
14%	106,385	116,390	126,394	136,399	146,299
15%	99,582	109,492	119,403	129,313	139,120
16%	86,746	96,469	106,193	115,917	125,540
17%	77,951	87,539	97,127	106,714	116,204

+/-10% change in CAPEX against +/-1% change in discount rate

20.0 SUMMARY OF RESULTS

20.1 Conclusion and Opinion

In conclusion, based on the analysis stated above and on the valuation methods employed, it is our opinion that the Fair Market Value of the Project as at 30th November 2015 is as follows:

Valuation Subject	Preferred Value
100% interest in the Project	**USD600million**
19.99% interest in the Project	**USD120million**

The opinion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in the subject under valuation. Moreover, we have neither personal interests nor bias with respect to the parties involved.

20.2 Synthesis and Reconciliation

The following comparative data summarises the various methods that we have accepted or considered and rejected, along with their respective final values. Each method is rated relative to the applicability of the method relative to the facts and circumstances of the PLS Project are discussed.

Table 20-1 **Summary of Valuation Results and Valuation Synthesis and Reconciliation**

Valuation Method	*Result (19.99%)*	*Applicability Ranking*
Comparable Transactions Method (Market)	120M	Primary
Discounted Cash Flow Method (Income) – Ind only	120-150M	Secondary
Discounted Cash Flow Method (Income) – Ind & Inf	150-170M	N/A
Rule of Thumb (Market) – Indicated Resources only	60M	Secondary
Rule of Thumb (Market) – Indicated & Inferred Resources	30M	N/A
Industry multiple (Market)	-	N/A
Book value (Cost)	-	N/A

We have considered the cost approach, market approach, rule of thumb and income approach for this valuation and weighted them as considered appropriate (by reason of relevance or applicability) to conclude the Fair Market Value of the PLS Project.

20.3 Valuation Conclusion

In forming the applicable value and appropriate range, all valuations were ranked for relevance or applicability (as illustrated in the table above) so as to arrive at a preferred value. Whilst this process is subjective to a degree, the valuations are for the most part reasonably clustered, which should be expected from the valuation approaches which are most applicable and/or relevant.

Therefore, the applicable value range for the 19.99% of the PLS Project is from USD60M (being the Rule of Thumb value based upon in ground Indicated Resources only) to USD150M (being the DCF value based upon scheduled mining of Indicated Resources only). It is our opinion that USD120M is the preferred value of the PLS Project.

The reasons for forming this value range and selecting this preferred value from the table of values are as follows:

- Valuation result obtained from Comparable Transaction Method reflects the market opinion of the value of the PLS Project and hence is most appropriate approximate to the Fair Market Value of the PLS Project;
- It is most probable that the majority of Mineral Resources (especially the Indicated Resources) can eventually be mined economically with minimal risk and uncertainty;
- There is uncertainty in the finally achieved uranium price;
- Production capacity expansion may encounter unpredictable obstacles and delays;
- Future OPEX may escalate to a level higher than the predicted inflation rate; and
- New or replacement CAPEX may face future price fluctuation.

21.0 RISK FACTORS

Fluctuation of Uranium Price

Commodity price are always volatile. Volatility in the uranium price will cause a direct effect on the valuation. Different uranium price assumptions has been modelled and assessed in the scenario analyses to analyze the impact of price to the value conclusion. Should the valuation be taken at a different date with a different spot price, the value conclusion might be higher or lower.

Social and Environmental Issues

Any complaints or protests by the local community might have an adverse impact on the mining operation. The valuation team regards this risk as remote. The Project area is well known for uranium mining activities. The area is an established and valued contributor to the Provincial economy and is a world ranking uranium mining district.

However, if there is any change on the environmental regulation or requirement and thus impacted the operation, the valuation conclusion might be lower.

Government Policy Change

Our DCF based evaluations of the Project are reliant on the existing government policy as it existed at the time of the evaluation. Any change in the government policy would result in a higher or lower valuation conclusion.

Economic Conditions

Economic conditions, both domestic and global, may affect the perception of the value of the Project at some time in the future. Whilst this may rightly be perceived as a transactional risk to both the buyer and seller, it must be stressed that our valuation is expressly valid and only valid as at the Valuation Date.

Key Personnel

In normal circumstances where an operating mine transfers in ownership, the loss or potential loss of key project personnel present a significant project risk factor. In this transaction, there is no change in ownership and thus no likelihood of key personnel loss at the Valuation Date.

Construction and Operational Risk

By its very nature, the business of mineral development and production involves above average risk. Success depends on skilful design, construction, operation, management and marketing across the entire operation. Mining operations can also be hampered by force majeure circumstances as well as cost overruns caused by unforeseen events. In this instance, the construction and operational risk presents itself as the challenge to successfully continue the operation within the current operational cost and marketing constraints.

Mineral Resource and Ore Reserve

There is no certainty that the Project's Mineral Resources will be realised as Ore Reserves, though this is considered unlikely. After appropriate infill drilling, the current mineral resources will be converted to ore reserves, but to a currently unknown extent. In addition, the actual quantities of saleable yellow cake produced may vary due to factors such as commodity price, currency exchange rates, ore grade and operating costs. Any substantial change to any of these parameters will affect the mine operating plan and associated waste stripping ratio.

Legal Compliance

The transaction to acquire 19.99% of the Company is complex and also subject to a number of legal jurisdictions, which may lead to ambiguous or even conflicting legal and regulatory requirements. Furthermore, the interpretation of these requirements may be applied inconsistently where there is no guiding precedent.

Non-compliance with regulation carries the potential for penalties, and in addition, changes to regulations can sometimes be applied retrospectively. It is not possible to predict what, if any, future legal and regulatory changes may be made to the requirements under which this transaction is proposed to be completed.

Climatic Risk

The climatic risk is simply that adverse climate effects could potentially delay the project due to interruption of the civil engineering works schedule. For example, winter work could be impacted by warmer conditions which would make the ice too thin for safe working in some areas. Time would be lost due to the need to generate more ice so as to thicken the working floors over the lake. Warmer weather also could affect trafficability on the shoreline areas. Conversely, adversely cold weather has the potential to slow all works, simply because of the additional complexities that come with plant operation at temperatures of -30 degrees Celsius and below.

Civil Engineering

The construction risk stems from two civil engineering activities during the construction phase, namely the building of the slurry wall and the dyke wall. In the first instance, the dyke wall must be founded on a solid lake floor, which requires the removal of low strength sediments and muds from the lake floor. This process could take longer than expected as the exact quantities are not known with certainty and removal may throw up unforeseen challenges.

Likewise, with the slurry wall, the cutting of the slurry wall trench has some civil engineering unknowns. For example, large boulders in the dyke wall can impede the progress of the slurry wall excavation rig. In addition, the exact location of the bedrock below the lake floor is also subject to uncertainty, which could lead to extended completion delays with the wall itself.

Both of these civil engineering issues emerged during a previous use of this technique elsewhere in Canada, though ultimately, the design technique was proven.

22.0 LIMITING CONDITIONS

We have made no investigation of, and assume no responsibility for, the title to or any liabilities against the Company and the Project. We do not represent that any of our findings constitute legal advice.

The opinions expressed in this report have been based on the information supplied to us by the Commissioning Entity, the Company and its staff, as well as from various institutes and government bureaus without verification. All information and advice related to this valuation are provided by the management of the Company and the Commissioning Entity. Readers of this report should perform due diligence themselves. We have exercised all due care in reviewing the supplied information. Although we have compared key supplied data with expected values, the accuracy of the results and conclusions from the review are reliant on the accuracy of the supplied data. We have relied on this information and have no reason to believe that any material facts have been withheld, or that a more detailed analysis may reveal additional information. We do not accept responsibility for any errors or omissions in the supplied information and do not accept any consequential liability arising from commercial decision or actions resulting from them.

This valuation reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.

23.0 CONCLUSION OF VALUE & SIGN OFF

In conclusion, based on the analysis stated above and on the valuation methods employed, it is our opinion that the Fair Market Value of the 19.99% Equity Interest (pre-tax, all equity, not already financed) in Fission Uranium Corporation, excluding Inferred Mineral Resources as at 30 November 2015 is in the range of **USD60 M** (based on the Rule of Thumb valuation based upon the in ground Indicated Mineral resources only) **and USD150 M** (based on the DCF method, supported by scheduled mining of the Indicated Mineral resources only).

Our Preferred Value is USD 120 M (based on comparable market transactions).

The opinion of value is based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in the subject under valuation. Moreover, we have neither personal interests nor bias with respect to the parties involved. We have remained independent in carrying out our activities.

This valuation report is issued subject to our general service conditions.

Yours faithfully,

For and on behalf of

HF APPRAISAL AND ADVISORY LIMITED

John S. Dunlop

BE, MEngSc, PCertArb, FAusIMM (CP),
FIMMM. MCIMMM, MSME, MMICA,
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APPENDIX I

INVOLVED STAFF BIOGRAPHY

John S. Dunlop *(BEng (Mining Engineering), MEngSc, FAusIMM(CP), FIMMM, MSME, MMICA*
Competent Evaluator

Mr. Dunlop is an Australian mining engineer, with Bachelors and Masters Degrees in Mining Engineering from the University of Melbourne. Mr. Dunlop has over 45 years of international mining experience, surface and underground, in a variety of base metal, precious metal, and non-metal minerals production and management situations. Mr. Dunlop is a former director of the Australasian Institute of Mining and Metallurgy (AusIMM) which developed the JORC Code. Mr. Dunlop is also a licensed mineral asset valuer of the Australasian Institute of Mineral Valuers & Appraisers (AIMVA). Mr. Dunlop is an Expert under the 2005 Edition of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (VALMIN Code).

Samuel Y. C. Chan *CMA, ICVS, MBA*
Certified Minerals Appraiser

Mr. Chan is a Certified Minerals Appraiser (CMA - No.2011-2) of the International Institute of Minerals Appraisers (IIMA) and has more than 10 years of professional experience in valuation of mineral and petroleum assets and securities for private and listed companies in Hong Kong and China. The IIMA is a professional organization of qualified members who specialize in the appraisal of properties containing minerals and has established standards of education, experience, and professional conduct to protect the public from unprofessional practices. Mr. Chan is dedicated to promote high quality, understandable and enforceable international mineral and petroleum assets and securities valuation standard in Hong Kong. He was the member of the Working Group of Extractive Industries of the International Valuation Standard Council (IVSC) and had assisted IVSC to develop the Discussion Paper of *Valuations in the Extractive Industries* in 2012. He also presented his paper *Building Confidence and Public Trust in Mineral Valuation* in 2012 SME Annual Meeting & Exhibit in Seattle, U.S.A. held by Society for Mining, Metallurgy & Exploration and provided a training seminar *Financial Reporting Seminar - Valuation of Mineral and Petroleum Assets* organized by Hong Kong Institute of Certified Public Accounts in 2013.

His recently valuation projects as below:

Project	***Location***	***Purpose***
Coal mining company	Central Kalimantan, Indonesia	Accounting purpose – value in use for impairment test
Coal bed methane company	Liulin, China	Litigation
Gold mining project	West Java, Indonesia	Listing
Petroleum exploration and production company and various assets	Aktobe Oblast, Kazakhstan	Accounting purpose – purchase price allocation
Gold exploration project	Lazarivo, Madagascar	Project evaluation

Mr. Chan is also an International Certified Valuation Specialist (ICVS), a professional designation in business and intangible asset valuation certified by the International Association of Consultants, Valuators and Analysts (IACVA). He is the Vice President of Education for the IACVA China charter providing business valuation training courses to universities, accounting firms, government authorities and accounting associations in Hong Kong and China. He is one of the contributory authors of the book *Guide to Fair Value Under IFRS* published in 2010

Mr. Chan earned a bachelor degree from the University of Toledo with a major in corporate finance and a master of business administration degree from Cleveland State University.

In the context of the PLS Project valuation, Mr. Chan performed the valuation under the supervision of the Competent Evaluator, provided guidance on the application of valuation methodologies and drafted and reviewed of the valuation report.

George Tsang *(MSc (Applied Geosciences), MAusIMM, CPG)*
Geologist

Mr. George Tsang has more than 13 years of experience in mining, mine prospecting and mineral trading, including an investigation and evaluation of a uranium mine in Nigeria in 2006. He has been travelling worldwide for evaluation of mines and construction of refinery plants in Africa, India, China and South America. He was the lecturer of the course “Evaluation and Planning of Mineral Resources” at Sun Yat Sen University in Guangzhou, China and has recently provided independent expert opinion in a mine exploration case for The High Court of the Hong Kong Special Administrative Region.

Mr. Tsang is a professional member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Certified Professional Geologist (CPG) of American Institute of Professional Geologists (AIPG). He is also a full member of Hong Kong Radiation Protection Society and Hong Kong Nuclear Society. He earned a bachelor degree in Physics from the University of Philippines in 1979, he then completed a MSc Nuclear Engineering graduate course in the same university in 1981. He later obtained his MSc degree (Applied Geosciences) from the University of Hong Kong and is now a PhD candidate in geochemistry at the University of Science & Technology of China (Anhui). He also holds a Certificate in Radiation Safety and Protection from China Institute of Atomic Energy.

APPENDIX II

GENERAL SERVICE CONDITIONS

汇福评估及咨询有限公司
HF Appraisal and Advisory Limited

The service(s) provided by HF Appraisal and Advisory Limited will be performed in accordance with professional appraisal standards. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us. We will act as an independent contractor and reserve the right to use subcontractors. All files, workpapers or documents developed by us during the course of the engagement will be our property. We will retain this data for at least five years.

Our report is to be used only for the specific purposes stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for his or her own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subjects in connection with this engagement. You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of HF Appraisal and Advisory Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

香港尖沙咀科学馆道1号康宏广场南座1604室
Room 1604,16/F,South Tower,1 Science Museum Road, Concordia Plaza, T.S.T, Hong Kong
电话：(852) 3690 1220 传真：(852) 3690 1221
香港 • 深圳 • 北京 • 广州 • 安徽

APPENDIX III

Commissioning Entity Letter

中广核 CGN
核燃料

4 November 2015

HF Appraisal and Advisory Limited
Room 1604, 16/F, South Tower, Concordia Plaza,
1 Science Museum Road, T.S.T., Kowloon, Hong Kong.

Attention: John Dunlop

Dear Sir

Request for Mineral Property Valuation: Expert Commissioning Letter

As previously discussed, CGN Mining Company Limited ("CGN" or the "Company" or the "Commissioning Entity") wishes to commission HF Appraisal and Advisory Limited ("HFAA") to undertake a VALMIN Code (the Code) compliant valuation (the Report) of 20% equity interest of Fission Uranium Corp. ("Fission Uranium" or the "Target") for the Subject Property under Patterson Lake South Property ("the Project" or "the PLS Property") by the Company as at [30/11/2015] (the "Valuation Date") which are intended to be used for circular purpose under major transaction and connected transaction in relation to the acquisition, includes valuation of the Mines under the requirements of Chapter 18 of the Listing Rules of the Stock Exchange of Hong Kong Limited ("HKEx") ("Listing Rules Chapter 18").

In order to comply with the Code from the outset, this commissioning letter is set out in the fashion required by clause 43 of the Code, as follows:

a) The detailed scope and purpose of the report is set out in **Appendix A** to this letter;
b) The Expert responsible for the preparation of the report will be yourself, John S Dunlop, whose qualifications and relevant experience are set out in **Appendix B** to this letter;
c) CGN acknowledges that you, as the Expert, are both Independent and Competent (as defined in the VALMIN Code) to undertake this valuation;
d) The valuation date, as agreed between us, is 30th November 2015;
e) The names of the Mineral Assets to be valued are as follows:
    - Patterson Lake South Property

f) We acknowledge that the basis for the cost of the report will be dictated by its complexity and time taken to prepare it and is in no way whatsoever contingent on the success;
g) We further acknowledge that, should the Expert find it to be impossible or impractical to provide a valuation as a result of insufficient accurate or reliable data, then that right to abort the valuation rests with the Expert alone;
h) You will be the sole Expert in the preparation of this report, save for the required site visits, where you will be accompanied by those associated with the related Competent Person's Report (CPR);
i) We confirm the Report is to be compliant with the Code;
j) The anticipated programme for completion of the scope of works is estimated to be as follows:

    - Formal go-ahead (9th November 2015);
    - Data review (in the week of 9th November to 16th November 2015);

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- Report drafting (in the week of 23rd November to 30th November 2015);
- Review and completion (ASAP thereafter).

k) You will be required to retain copies of all material source documents, due diligence notes, notes of discussions with us as Commissioning Entity, and a list of all documents referred to in the Report;

l) CGN agrees to indemnify the Expert and HFAA for any liability whatsoever which may arise associated with the completion of the scope of work and any subsequent events directly related to it. The indemnity is intended to cover liability :

- Relating to any consequential extension of the workload as a result of queries, questions or public hearings arising from the report.

As soon as we are able to confirm your Competence and Accreditation, we will be keen to proceed with this assignment. In the meantime we would welcome your assistance with the finalisation of the Report schedule referred to in item j) above, and following that, finalisation of your estimate of total fees for completion of the work.

Yours faithfully,

Senior Investment Manager

Fan He

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CGN Mining Company Limited
中廣核礦業有限公司

Attachments: Appendix A
Appendix B

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APPENDIX A

THE SCOPE AND PURPOSE OF THE REPORT

PURPOSE OF THE REPORT

The purpose of the report is to produce and provide an independent VALMIN compliant valuation of the 19.99% equity interest of the Target.

The Report is required to satisfy the Listing Rules Chapter 18, in association with CGN's proposed movement to 19.99% ownership of the above Target.

SCOPE OF WORK

This Valuation Report is prepared to determine the value of 19.99% equity interest in the Target as of the Valuation Date, which includes valuation of the Mines under the requirements of Listing Rules Chapter 18.

The work required will be to perform valuation over the value of the 19.99% equity interest in the Target in accordance with Listing Rules Chapter 18 as at 30th November 2015.

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APPENDIX B

Name, Qualifications and Experience of the Expert

NAME:	John Stuart Dunlop
QUALIFICATIONS:	BE Mining (Hons); MEng Sc (Mining); PCert Arb
	CP (Min); FAusIMM; FIMMM; MSME; MCIMM; MMICA, MAIMVA CPV
	Certification as Mineral Asset Valuer attached

VALUATION EXPERIENCE:

JOHN S DUNLOP & ASSOCIATES PTY LTD

Mineral Valuation Work Performed by JS DUNLOP

Current as at: Nov-15

Year	Client	Project	Commodity	Country	Company	Stock Exchange	Details
2015	China Mining	Shaanxi Gold	gold	PRC	Tongguan Gold	HK	VALMIN compliant evaluation
2014	GCCP Resources Ltd	Ipoh limestone	limestone	Malaysia	GCCP	SGX	CPR &VALMIN compliant evaluation
	CNNC	Azelik	uranium	Niger	SOMINA		VALMIN compliant evaluation
	Kingwell Group	Shandong gold	gold	PRC	Shandong	HK	CPR &VALMIN compliant evaluation
2013	Alliance Resources	Four Mile UJV	uranium	Australia	AGS	ASX	Evaluation of mine plan & production schedule
	Golden Pogada	Ovut Ovoo	magnetite	Mongolia	NAR	HK	VALMIN compliant evaluation
	Wilton resources	Ciemas	gold	Indonesia		SGX	CPR &VALMIN compliant evaluation
	CGN	Semizbay & Ircol	uranium	Kazakhstan	Sino-Kazak U Resources		VALMIN compliant evaluation
2012	Alkane Resources	Tomingley Gold	gold	Australia	ALK	ASX	DCF project evaluation
		Dubbo zirconia	zirconia, niobium	Australia	ALK	ASX	DCF project evaluation
	Copper Strike Ltd	take over	whole company	Australia	CSE	ASX	Target statement and F&R report
	Gippsland Ltd	Abu Dabbab	tin tantalum	Egypt	GIP	ASX	DCF valuation for project finance
		Abu Dabbab	tin tantalum	Egypt	GIP	ASX	DCF valuation of alluvial tin project
2011	Promet Engineers	Mt Webber	hematite	Australia			DCF modelling of an iron ore project
	Sphere Minerals	Guelb Moghrain	hematite	Mauritania			audit of project feasibility model
2010	Drummond Gold	Mt Coolon	gold	Australia	DGO	ASX	project evaluation
		Mt Carbine	tungsten	Australia	DGO	ASX	project evaluation
		White Dam	gold	Australia	DGO	ASX	project evaluation
	Promet Engineers	McPhee Creek	hematite	Australia	DGO	ASX	project evaluation
2009	Rand Mining NL	Kundana JV	gold	Australia	RND	ASX	CPR evaluation of JV % share
2008	Copper Resources	Kinsenda Project	copper	DRC	CSE		CPR project evaluation & feasibility
2007	BHP Billiton	Yandi iron	hematite	Australia	BHP	ASX/LSX	audit of project evaluation
	FMG	Christmas Creek	manganese	Australia	FMG	ASX	project evaluation
2006	Mittal Steel	Krivorishtal	hematite	Ukraine	MT	NYSE	CPR project evaluation
		Jharkhand state	hematite	India	MT	NYSE	CPR project evaluation
	Imi Fabi		industrial minerals	Australia			CPR project evaluation
	Uruguay Minerals	whole company	gold	Uruguay	ORS	TSX	NI 42-101
	Sundance Minerals		hematite	DRC			project evaluation
2005	Independent Engrs	Maud Creek	gold	Australia			CPR & project evaluation
	Kimberley Nickel	Sally Malay	nickel	Australia	Pan	ASX	CPR & project evaluation
	Legend Mining	Gidgee mine	gold	Australia	LEG	ASX	CPR & project evaluation
	NGM	Lontaushan	gold	PRC			CPR & project evaluation
	Thundellara	Copernicus JV	nickel	Australia	THX	ASX	evaluation of JV % share
	Oceana Gold	Blackwater	gold	New Zealand	OGC	ASX/NZX/TSX	CPR &project evaluation
2004	GMA	Tirek, Amesmessa	gold	Algeria	GMA	delisted?	CPR &project evaluation
2003	Diamond Rose	Lake Carey assets	gold	Australia			CPR & project evaluation
	Giant's Reef	Giant Reef project	gold	Australia	GTM	delisted	CPR & project evaluation
	Ravensthorp Nickel	RNO project	nickel	Australia	BHP	LSX/ASX	CPR & project evaluation
	Barrick Gold	Lawler's	gold	Australia	ABX	NYSE/TSX	CPR & project evaluation
	Bank of WA	Miitel	nickel	Australia	MCR	ASX	bank audit of Mincor loan
2002	Morobe Consolidated	Hidden Valley	gold	PNG			cost study
2001							
2000	Sons of Gwalia	Greenbushes	tantalum	Australia	SOG	ASX	CPR project evaluation
	Encore Metals	Zeehan Tin	tin	Australia			CPR project evaluation
1999	Taipan Minerals	Paulsen's	gold	Australia	TPN	TSX-V	CPR project evaluation

APPENDIX IV

PLS Project – Site Images

On site with management and site geologists

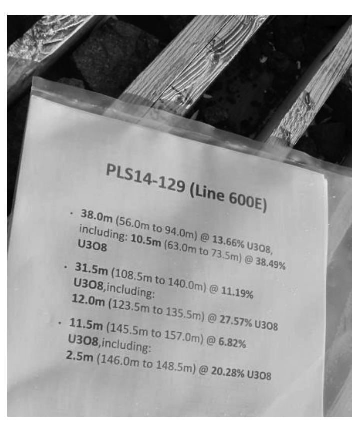
Above: The discovery hole area, bottom left and below

High grade pitchblende ore

Core storage

Medium grade core LHS; high grade RHS

Above: Very high scintillometer reading; Below: best hole results



Paterson lake, showing area to be mined and drained

Site panoramic

Below: The camp area

Laydown area

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes the particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executives of the Company

Interests in the shares

As at the Latest Practicable Date, none of the Directors, chief executive or Supervisors and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers in Appendix 10 of the Listing Rules.

Other interests

As at the Latest Practicable Date,

(a) none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, the date to which the latest published audited financial statement of the Group was made up;

(b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group taken as a whole;

(c) none of the Directors and their respective associates had any interest in a business which competes or may compete with the business of the Group or had any other conflict of interest with the Company; and

(d) Save as disclosed below, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	**Company**	**Title**
Mr. ZHOU Zhenxing	CGNPC-URC	Chairman
Mr. YU Zhiping	CGNPC-URC	General Manager
Mr. XING Jianhua	CGNPC-URC	Chief Accountant
Mr. Chen Qiming	CGNPC	General Manager of Capital Operation Department
Mr. YIN Engang	CGNPC	General Manager of Financial Department

(ii) Substantial Shareholders' and other Shareholders' interests

As at the Latest Praticable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	**Capacity/Nature of Interest**	**Number of Shares**	**Percentage of the total number of Shares in issue**
Perfect Develop Holding Inc. *(Note 1)*	Beneficial owner	230,971,940 (L) 225,000,000 (S)	4.98% (L) 4.85% (S)
China Uranium Development Company Limited *(Notes 4 & 5)*	Beneficial owner	4,503,695,652 (L) 550,354,609 (S)	97.13% (L) 11.87% (S)
CGNPC-URC *(Notes 2 & 4)*	Interest in a controlled corporation	4,503,695,652 (L) 550,354,609 (S)	97.13% (L) 11.87% (S)
CGNPC *(Note 3 & 4)*	Interest in a controlled corporation	4,503,695,652 (L) 550,354,609 (S)	97.13% (L) 11.87% (S)
Silver Grant International Industries Limited *(Note 5)*	Beneficial owner	550,354,609 (L)	11.87% (L)

Notes:

(1) Perfect Develop Holding Inc. is established by the directors of the preceding controlling shareholder of the Company. Pursuant to a share charge dated 1 April 2011 (the "Share Charge"), Perfect Development Holding Inc. charged 450,000,000 shares in favor of China Uranium Development, among which, 225,000,000 charged shares were released on 18 February 2014. The remaining 225,000,000 charged shares will continue to be charged in favor of China Uranium Development. Please refer to the announcement of the Company dated 19 March 2015 for the update information of reimbursement period.

(2) CGNPC-URC holds 100% of the issued share capital of China Uranium Development. Therefore, CGNPC-URC is deemed to be interested in 4,503,695,652 Shares by virtue of its shareholding of China Uranium Development.

(3) CGNPC holds 100% of the equity interests of CGNPC-URC. Therefore, it is deemed to be interested in the interest held by CGNPC-URC.

(4) The long position represents (i) the interests in the 1,670,000,000 shares held by China Uranium Development (ii) the interests in the 2,608,695,652 shares to be allotted and issued upon the full exercise of the conversion rights attached to the convertible bonds in the principle amount of HK$600,000,000 at an initial conversion price of HK$0.23 issued by the Company on 18 August 2011 (the "Convertible Bonds"), On 15 June 2015, China Uranium Development had exercised 50% Convertible Bonds in the principal amount of HK$300,000,000, representing 1,304,347,826 shares in aggregate. For further details of the exercise of Convertible Bonds by China Uranium Development, please refer to the announcement of the Company dated 15 June 2015; and (iii) the interest in the 225,000,000 Shares held under the Share Charge as stated in note 1 above.

(5) China Uranium Development and Silver Grant International Industrial Limited ("Silver Grant") entered into a subscription agreement dated 23 March 2012 (the "Subscription Agreement"). Upon completion of the Subscription Agreement on 1 June 2012, China Uranium Development had issued and Silver Grant had subscribed for an exchangeable bond in the principal amount of HK$776,000,000 (the "Exchangeable Bond"), pursuant to which Silver Grant can exercise the exchange right (the "Exchange Right") at the exchange price of HK$1.41 (subject to adjustment) to request China Uranium Development to transfer to it the shares of the Company held by China Uranium Development. Assuming that Silver Grant fully exercise the Exchange Right, China Uranium Development will transfer an aggregate of 550,354,609 Shares (representing approximately 16.51% of the then existing share capital of the Company) to Silver Grant.

(6) The letter "L" denotes the person's/entity's long position in the shares. The letter "S" denotes the person's/entity's short position in the shares.

Save as disclosed above, the Directors are not aware of any person as at the Latest Praticable Date who had an interest or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had an interest in a business which competes or may compete with the business of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

There was no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the businesses of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had since 31 December 2014 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has any service contract with any member of the Group which will not expire or be terminable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATIONS

As at the Latest Practicable Date, no litigation or claims of material importance (including any litigation or claims that may have any material influence on rights to explore or mine) was known to the Directors to be pending or threatened against any member of the Group.

7. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualifications of the experts who have given opinion or advice which is contained in this circular:

Name	**Qualification**
SHINEWING (HK) CPA Limited	Certified Public Accountants, Hong Kong
PricewaterhouseCoopers LLP	Chartered Accountants
RungePincockMinarco	Competent Person
HF Appraisal & Advisory Limited	Competent Evaluator

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this circular with the expert's statement included in the form and context in which it is included.

As at the Latest Practicable Date, all the experts above were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts referred to above, directly or indirectly, has had any interest in any assets which had since 31 December 2014 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

(i) The registered office of the Company is at Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business and head office of the Company in Hong Kong is at Room 1903, 19/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

(ii) The Cayman Islands principal share registrar and transfer office of the Company is Codan Trust Company (Cayman) Limited, whose office is at Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the Hong Kong Branch share registrar and transfer office of the Company is Union Registrars Limited, whose office is at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

(iii) The joint secretaries of the Company are Ms. Zheng Xiaowei and Ms. Lai Siu Kuen respectively. Ms. Zheng received a Master of Informatics degree from China Defense Science and Technology Information Center*（中國國防科技信息中心）in 1992 and a Bachelor of Automatic Control degree from Zhejiang University*（浙江大學）in 1988. Ms. Zheng became a qualified accountant in the PRC since 2006. In 2012, Ms. Zheng acquired the qualification of corporate legal adviser*（企業法律顧問資格）in the PRC. Ms. Zheng has 18 years of experience in project investment and financial management, 13 years of experience in corporate governance and 8 years of experience in management of legal affairs. Ms. Lai is a manager of KCS Hong Kong Limited. Ms. Lai has over 15 years' experience in the company secretarial field. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

(iv) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014 (being the date to which the latest published audited financial statements of the Company have been made up) and up to the Latest Practicable Date.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material to the operations of the Group:

(i) the Share Subscription Agreement;

(ii) the sale and purchase agreement dated 25 March 2015 entered into between the Company and Bright Future Pharmaceutical Holdings Limited in relation to the disposal of entire interest in Yugofoil Holdings Limited;

(iii) the share purchase agreement dated 16 May 2014 entered into between the Company as purchaser and CGNPC URC as seller in relation to the sale and purchase of the entire equity interest of Beijing Sino-Kazakh Uranium Investment Company Limited*（北京中哈鈾資源投資有限公司）; and

(iv) the framework agreement dated 22 January 2014 and entered into between the Company and CGNPC Huasheng Investment Limited in relation to the provision of certain intra-group financial services by CGNPC Huasheng Investment Limited to the Group.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the principal place of business of the Company in Hong Kong at Room 1903, 19/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong on any business day for a period of 14 days from the date hereof:

(i) the material contracts of the Company set out in the sub-paragraph headed "10. Material Contracts" in this appendix;

(ii) the written consent referred to in the sub-paragraph headed "7. Expert and Consent" in this appendix;

(iii) the memorandum and articles of association of the Company;

(iv) published audited financial statements of Fission for the three financial years ended 30 June 2013, 2014 and 2015, the text of which is set out in Appendix II to this circular;

(v) unaudited financial statements of Fission reviewed by PricewaterhouseCoopers LLP for the three months ended 30 September 2015, the text of which is set out in Appendix II to this circular;

(vi) the published annual reports of the Group for each of the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the interim report of the Group for the six months ended 30 June 2015, respectively;

(vii) the report on unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(viii) the Competent Person's Report dated 7 March 2016 prepared by RungePincockMinarco, the text of which is set out in Appendix IV to this circular;

(ix) the Valuation Report dated 4 March 2016 prepared by HF Appraisal & Advisory Limited, the text of which is set out in Appendix V to this circular;