



ACN 119 057 457

## ASX QUARTERLY REPORT FOR PERIOD ENDED 31ST MARCH 2009

### HIGHLIGHTS

#### *Mt Thirsty Ni-Co-Mn Project (WA)*

- Resource drilling to test southern extension of Mt Thirsty deposit completed, assay results pending.
- Ground EM survey to test gossan - like outcrops for nickel sulphides at depth is planned for early in the June quarter.

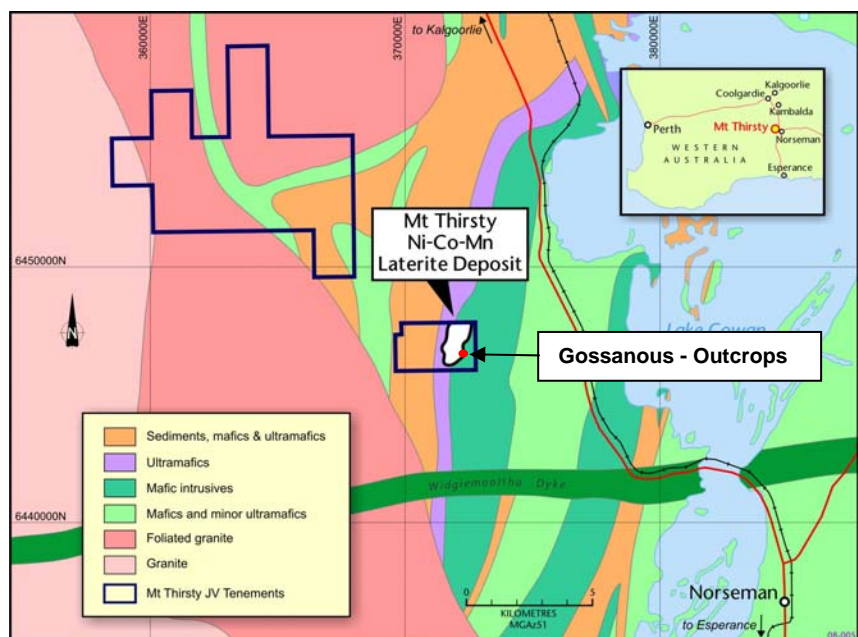


Figure 1: Mt Thirsty Project Location and Regional Geology

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## **MT THIRSTY Co -Ni -Mn PROJECT (Fission 50%)**

The Mt Thirsty Cobalt –Nickel –Manganese Oxide Project covering an area of 45km<sup>2</sup> is located 20km north-northwest of Norseman (Figure 1). Fission through its wholly owned subsidiary Meteorite Metals Limited owns 50% of the project in joint venture with Barra Resources Limited. The Mt Thirsty Deposit has the potential to emerge as a significant world cobalt supplier. Metallurgical testwork indicates that high recoveries of cobalt, nickel and manganese can be achieved through low temperature atmospheric leaching.

Mt Thirsty has a current JORC Inferred Resource of 14.8 million tonnes at 0.14% Cobalt, 0.59% Nickel and 0.99% Manganese and a JORC Indicated Resource of 14.2 million tonnes at 0.11% Cobalt, 0.52% Nickel and 0.77% Manganese over an apparent strike of 1.3 kilometres and a width of around 800 metres.

### **Resource Drilling**

Step out air core drilling at 80m intervals along 4 lines spaced 100m apart (30 holes for 1,089m) has recently been completed at the southern end of the deposit (Figure 3) and assay results are awaited. The results will allow estimation of an additional Inferred Resource that may be present within the 600m strike length to the southern tenement boundary.

A further 9 holes for 491m were drilled in places within the existing Indicated and Inferred Resource outline to better define some areas of higher grade and thickness which appear to be related to deeper weathering associated with cross cutting structural features.

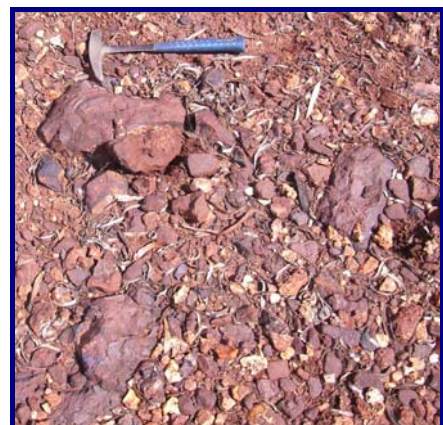
### **Regional Exploration**

Geological reconnaissance has been carried out to determine the relationship of gossan - like outcrops near the eastern margin of the Mt Thirsty deposit to the surrounding ultramafic stratigraphy. These outcrops (Figures 1 & 2, Plates 1 & 2) were discovered in late 2008, and assays returned strongly anomalous nickel values up to 7500 ppm (refer announcement 29 October 2008).

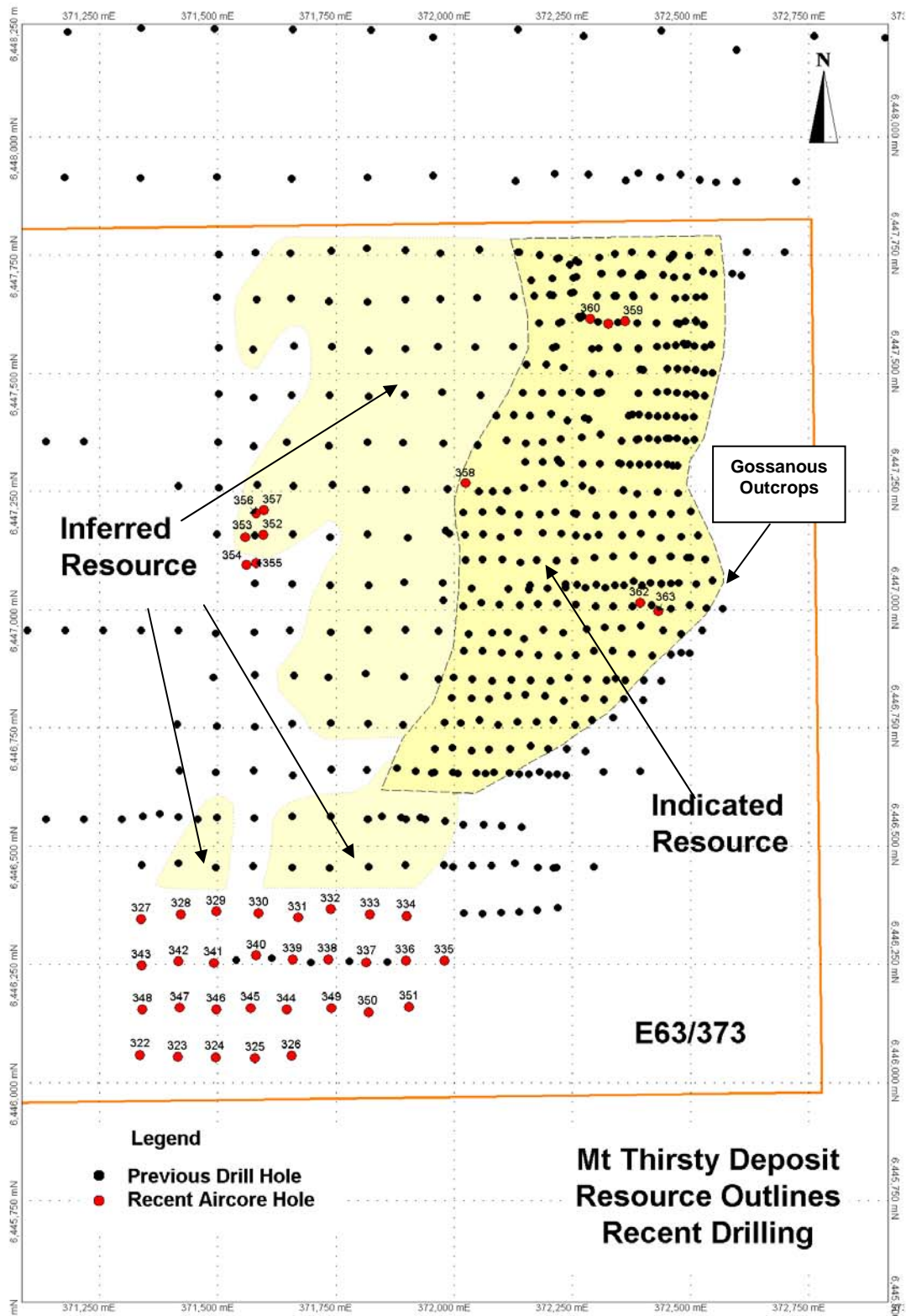
A ground EM survey to test the area of gossan - like outcrops for nickel sulphides at depth is planned for early in the June quarter.

### **New Applications**

Three new applications totalling 7.7 km<sup>2</sup>, covering portions of the ultramafic sequence 2 to 5km to the north of the Mt Thirsty Deposit were applied for during the quarter.



**Plates 1 & 2: Iron - Nickel Rich Gossanous Outcrops**



**Figure 2: Mt Thirsty Deposit Resource Drilling Locations and Hole Numbers**

## **URANIUM EXPLORATION (SOUTH AUSTRALIA)**

### **Wynbring Project (Fission 100% uranium rights)**

The Wynbring project is located within EL 3306 on the Gawler Craton approximately 100km west northwest of Tarcoola in South Australia (Figure 3). It covers a Tertiary palaeochannel 25km to the northwest of Toro Energy Ltd's Warrior uranium deposit.

Previous exploration by Fission has discovered uranium mineralisation (up to 5m at 850ppm  $U_3O_8$ ) at the Pundinya prospect (Figure 4) associated with reduced fluvial sands at the base of the Wynbring palaeochannel.

Drilling last quarter discovered anomalous uranium assays in the fluvial channel sands for a further 3km downchannel to the south of the Pundinya prospect. The highest assays returned were 2m at 185ppm  $U_3O_8$  in hole W143 from 39 to 41m and 9m at 166ppm in hole W167 from 37 to 46m (Figure 5).

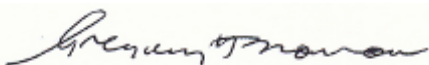
A 2,000m air core drilling program has been planned to follow up the widely spaced anomalous uranium assays downstream from the Pundinya prospect with closer spaced drilling.

### **Parkinson Dam Project (Fission 100% uranium rights, Mega Hindmarsh earning 51%)**

Fission has a joint venture with Mega - Hindmarsh Ltd, a wholly owned subsidiary of Mega Uranium Ltd of Canada to explore the Parkinson Dam Project (ELs 3307 & 3739) for uranium. The Parkinson Dam tenements, located 60 km west of Port Augusta in South Australia are held by Tasman Resources NL (ASX: TAS), and Fission Energy has the uranium rights. Tasman is currently exploring these tenements for epithermal gold mineralisation.

The area is considered prospective for unconformity - associated uranium deposits close to the contact between the Mesoproterozoic Corunna Conglomerate and the underlying Palaeoproterozoic metasedimentary rocks. Outcropping uraninite (uranium oxide) mineralisation discovered in EL 3307 by an earlier explorer was reported by Tasman in 2006.

Mega-Hindmarsh is currently interpreting the results of a recent 400m spaced airborne EM survey and a HyVista survey, which shows some interesting alteration anomalies.

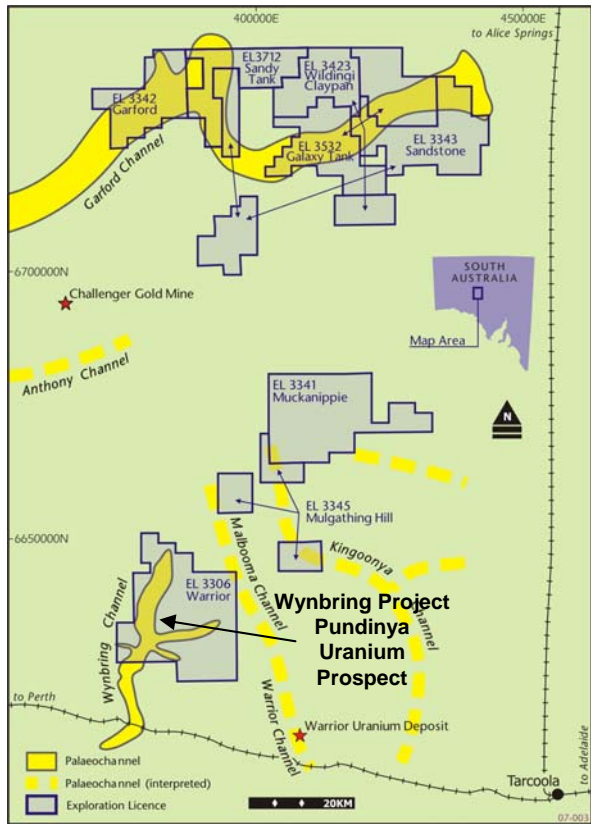


Greg Solomon  
Executive Chairman

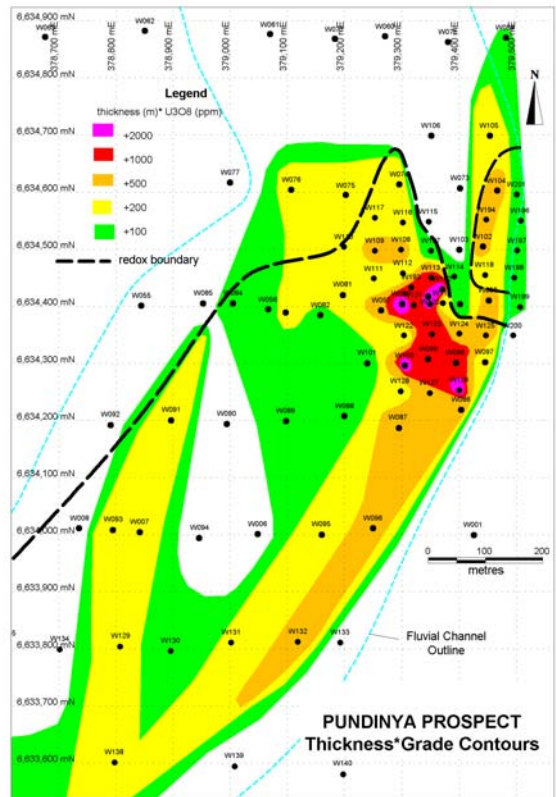
*The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.*

*The information in this announcement, insofar as it relates to Mineral Exploration activities, is based on information compiled Michael J. Glasson and Robert N Smith, who are members of the Australian Institute of Geoscientists, both of whom have more than five years experience in the field of activity being reported on. Mr Glasson and Mr Smith are consultants. Mr Glasson and Mr Smith have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Glasson and Mr Smith consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

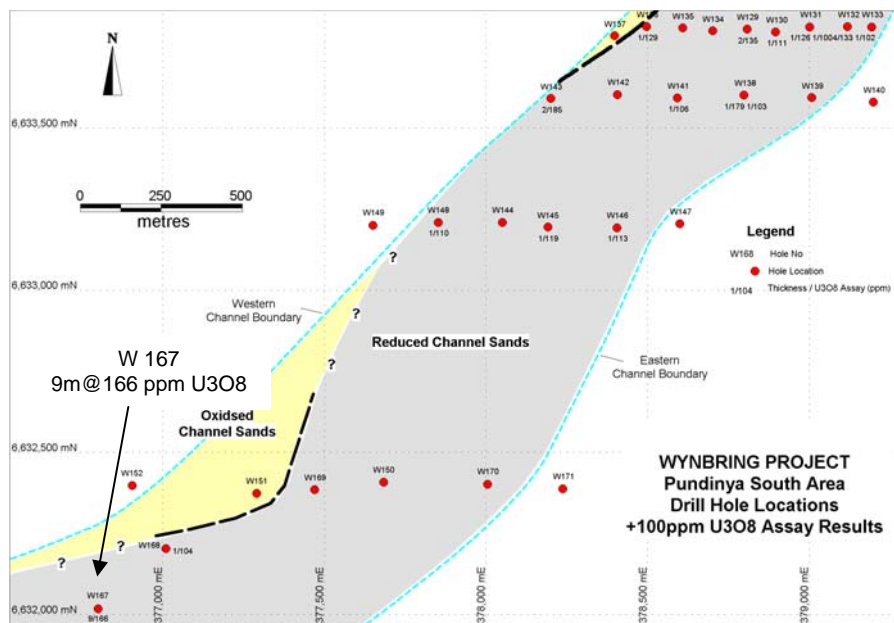
*It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.*



**Figure 3: Wynbring Project Location**



**Figure 4: Pundinya Prospect Thickness-Grade Contours**



**Figure 5: Pundinya South Area – Drill Hole Locations**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

FISSION ENERGY LTD

ABN

49 119 057 457

Quarter ended ("current quarter")

31 March 2009

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to Date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	40
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(103)	(823)
1.3	Dividends received	-	0
1.4	Interest and other items of a similar nature received	36	204
1.5	Interest and other costs of finance paid	-	0
1.6	Income taxes paid – GST Refunds Received	44	111
1.7	Other (provide details if material)-		
<b>Net Operating Cash Flows</b>		<b>(122)</b>	<b>(968)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(1)	(6,148)
1.9	Proceeds from sale of: (a) prospects (b)equity investments (c) other fixed assets		(55)
1.10	Loans to other entities	750	-
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
<b>Net investing cash flows</b>		<b>749</b>	<b>(6,203)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>627</b>	<b>(7,171)</b>

1.13	Total operating and investing cash flows (brought forward)	627	(7,171)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		1,175
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material) Share Application Monies		1,000
<b>Net financing cash flows</b>		-	2,175
<b>Net increase (decrease) in cash held</b>		627	(4,996)
1.20	Cash at beginning of quarter/year to date	1,906	7,529
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	2,533	2,533

**Payments to directors of the entity and associates of the directors  
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	85
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.  
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.  
Bona-fide reimbursement of expenses for the period to 31 December 2008  
Directors Fees and Superannuation paid during the period.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter Mega - Hindmarsh Limited has expended \$11,423.33 on the Wartaka Joint Venture in Parkinson Dam, South Australia as part of the expenditure commitment to earn up to a 75% interest of the project from Fission Energy Ltd.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	
<b>Total</b>	<b>250</b>

Subsequent to end of quarter additional capital has been raised to fund part of this expenditure.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,533	1,906
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,533</b>	<b>1,906</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	P 63/1749	Mt Thirsty JV	0%	50%
	E 63/1303	Mt Thirsty JV	0%	50%
	E 63/1304	Mt Thirsty JV	0%	50%

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)	NOT APPLICABLE			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	119,280,258	83,860,258		
7.4	Changes during quarter (a) Increases through issues (b) Increase release from Escrow (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities (description)</b>	NOT APPLICABLE			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b>	1,000,000 40,999,992 1,000,000 500,000	NIL 28,499,992 NIL NIL	<i>Exercise price</i> 20 cents 20 cents 20 cents 19 cents	<i>Expiry date</i> 18 June 2010 28 February 2011 31 March 2011 26 May 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures (totals only)</b>	NOT APPLICABLE			
7.12	<b>Unsecured notes (totals only)</b>	NOT APPLICABLE			

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

AARON PHILIP GATES  
COMPANY SECRETARY  
Date: 24 April 2009

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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