

**ASX QUARTERLY REPORT  
FOR PERIOD ENDED 30<sup>TH</sup> JUNE 2012**

**SUMMARY**

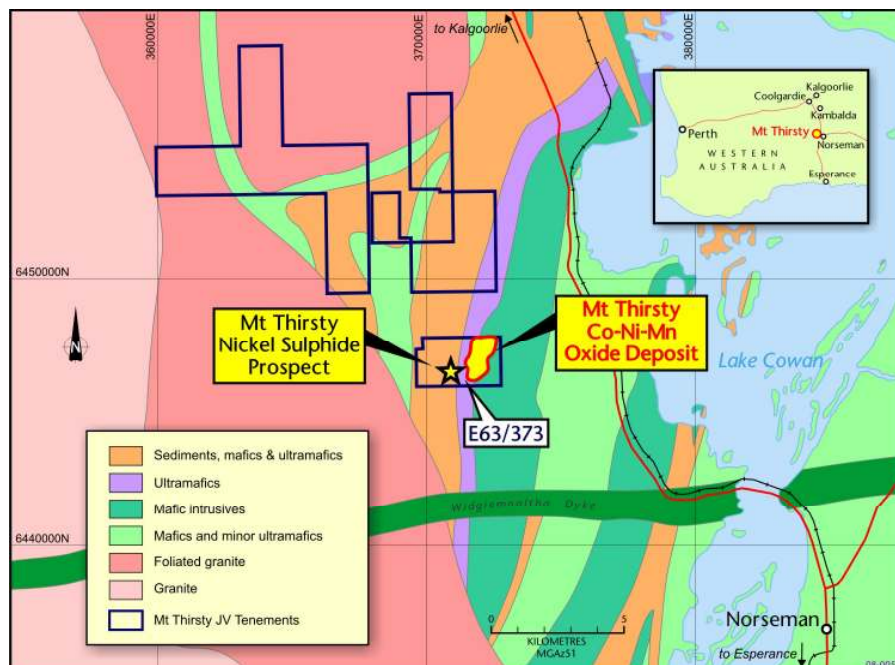
***MT THIRSTY PROJECT (WA)***

***Mt Thirsty Co-Ni-Mn Oxide Resource***

- **Continuous Vat Leach (CVL) test work programme continuing**
- **Air core drilling to source new bulk sample for follow up test work completed**

***URANIUM (SA)***

- **Uranium rights to South Australian tenements sold for \$100,000**



**Figure 1: Mt Thirsty Project Location and Regional Geology**

## **MT THIRSTY COBALT -NICKEL -MANGANESE PROJECT (Fission 50%)**

The Mt Thirsty Cobalt –Nickel -Manganese oxide project covering an area of 47km<sup>2</sup> is located 20km north-northwest of Norseman in the southern goldfields of Western Australia, a well endowed nickel terrain (see Figure 1). Fission through its wholly owned subsidiary Meteore 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 cobalt supplier. Metallurgical test work indicates that high recoveries of cobalt, nickel and manganese can be achieved through low temperature atmospheric leaching.

Mt Thirsty has a JORC compliant Indicated Resource of 16.6 million tonnes at 0.14% Cobalt, 0.60% Nickel and 0.98% Manganese and a JORC compliant Inferred Resource of 15.3 million tonnes at 0.11% Cobalt, 0.51% Nickel and 0.73% Manganese over a length of 1.6 kilometres and a width of up to 850 metres.

As well as the Cobalt-Nickel–Manganese oxide resource, the Mt Thirsty joint venture tenements have potential for nickel sulphide mineralisation at greater depth within the same ultramafic sequence which hosts the near surface oxide deposit. Intersections of nickel sulphides were made by the joint venture in 2010.

### **Mt Thirsty Cobalt-Nickel-Manganese Oxide Deposit**

#### **Metallurgical Test Work**

Due to the expected high capital cost of the current Mt Thirsty flow sheet design, Perth consultants RMDSTEM were commissioned to undertake a preliminary evaluation of the viability of leaching Mt Thirsty oxide with sodium metabisulphite (SMBS) via the proprietary INNOVAT continuous vat leaching process. INNOVAT processing would require considerably lower capital expenditure and operating costs than for the previously developed flow sheet design. Cost benefits of the INNOVAT process could potentially far outweigh the considerably lower Ni recoveries achieved. It has also been proposed that Co and Ni could be precipitated from the pregnant INNOVAT leach liquor as sulphides using NaHS or as mixed hydroxides using MgO.

Results from the test work carried out so far indicate that Mt Thirsty oxide material is amenable to the INNOVAT process.

Follow up metallurgical test work has been recommended by the consultant and a forward program has been approved by the Mt Thirsty Joint Venture partners. This required a small air core drilling program to obtain further material for metallurgical test work. The latter will initially involve SMBS optimisation bottle roll tests to determine optimum reagent consumption. Other tests will include attrition, fines separation tests and a fines kinetic study to determine optimal leach residence time.

Further more detailed work would be conducted if the above tests prove satisfactory.

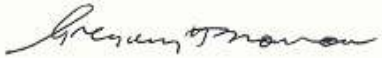
Air core drilling has been completed (10 holes, 414m) and test work will commence as soon as assay results are finalised and a representative 200kg bulk sample is composited from approx. 600kg of drill samples.

#### **Mining Lease**

Negotiations with the native title claimants for a compensation package that will pave the way towards grant of the Mining Lease covering the Mt Thirsty cobalt - nickel oxide deposit are ongoing. A legal agreement to this effect is currently being drafted by the claimants lawyers.

## SALE OF URANIUM RIGHTS (SA)

Fission has sold its uranium rights to various tenements held by Tasman Resources Ltd in South Australia for \$100,000.



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 by 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.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

FISSION ENERGY LTD

ABN

49 119 057 457

Quarter ended ("current quarter")

30 JUNE 2012

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to June (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	24
1.2 Payments for (a) exploration & evaluation	(19)	(46)
(b) development	-	-
(c) production	-	-
(d) administration	(109)	(499)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	83	83
<b>Net Operating Cash Flows</b>	<b>(42)</b>	<b>(423)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	40	40
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	100	100
<b>Net investing cash flows</b>	<b>140</b>	<b>140</b>
1.13 Total operating and investing cash flows (carried forward)	98	(283)

**Notes**

1.7 Other – Mainly relates to a R&D Tax Rebate received during the quarter.

1.12 Other – Sale of uranium rights to various tenements held by Tasman Resources Ltd in South Australia.

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	98	(283)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
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)	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		98	(283)
1.20	Cash at beginning of quarter/year to date	249	630
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	347	347

**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	89
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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.  
Directors Fees 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

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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

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+ See chapter 19 for defined terms.

### 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	-
4.3 Production	-
4.4 Administration	80
<b>Total</b>	<b>100</b>

### 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	347	249
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>347</b>	<b>249</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	P63/1453	Direct	50%	0%
	P63/1497	Direct	50%	0%
	P63/1498	Direct	50%	0%
	P63/1499	Direct	50%	0%
	P63/1500	Direct	50%	0%
	P63/1501	Direct	50%	0%
	P63/1502	Direct	50%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	126,930,258	126,930,258		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	NOT APPLICABLE			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	3,000,000 888,888 500,000	NIL NIL NIL	<i>Exercise price</i> 13.75 cents 12 cents 19 cents	<i>Expiry date</i> 20 Nov 2012 12 Feb 2013 26 May 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>	NOT APPLICABLE			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	NOT APPLICABLE			

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 30 July 2012

Print name: Aaron Gates

## 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.