



**Fission Energy Ltd**

**ABN 85 009 253 187**

**and Controlled Entities**

**Interim Financial Report  
for the  
Half-Year Ended 31 December 2010**

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## HIGHLIGHTS

## HIGHLIGHTS

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

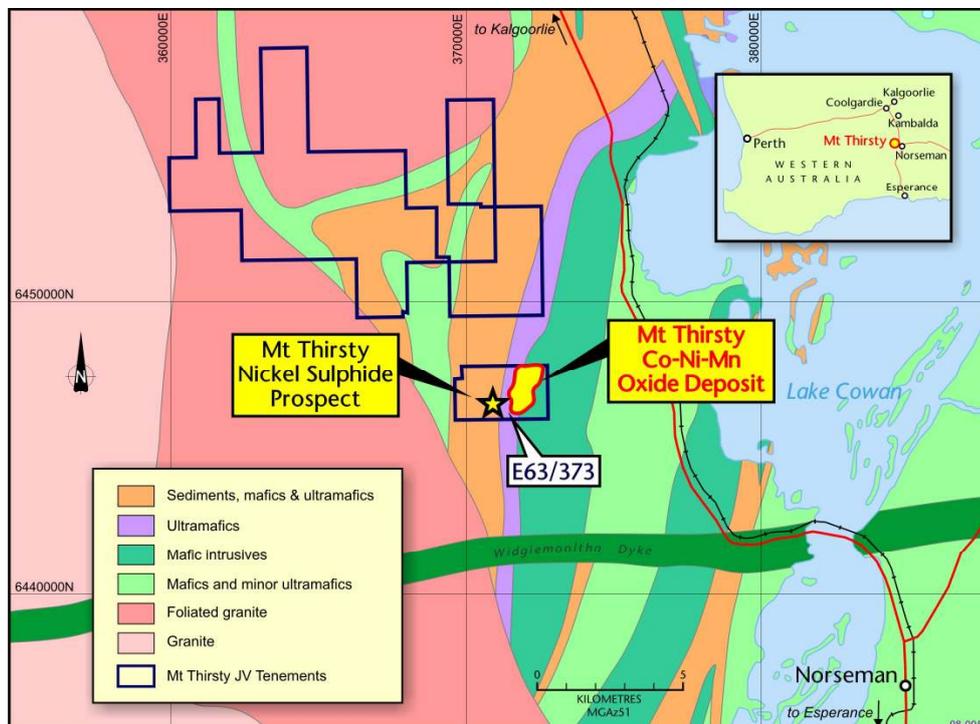
#### ***Nickel Sulphide Exploration***

***Followup RC drilling intersects high grade nickel in three holes:***

- MTRC020 - 2m @ 5.9% nickel
- MTRC022 - 2m @ 3.5% nickel, including 1m @ 4.7% nickel
- MTRC030 – 1m @ 4.0% nickel

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

- Infill resource drilling completed
- Mt Thirsty project showcased at Cobalt Conference in Capetown



**Figure 1: Mt Thirsty Location Plan**

**CORPORATE DIRECTORY**

**DIRECTORS:**

Gregory H Solomon **LLB** (Executive Chairman)  
Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)  
Guy T Le Page **BA, BSc (Hons), MBA, FINSIA, MAusIMM** (Non-Executive)  
James B Richardson (Non-Executive)

**COMPANY SECRETARY:**

Aaron P Gates **B.Com, CA, ACIS**

**REGISTERED OFFICE:**

Level 40, Exchange Plaza  
2 The Esplanade  
Perth  
Western Australia 6000  
Tel +61 8 9282 5889  
Fax +61 8 9282 5866  
Email: [mailroom@fissionenergy.com.au](mailto:mailroom@fissionenergy.com.au)  
Website: [www.fissionenergy.com.au](http://www.fissionenergy.com.au)

**SOLICITORS:**

Solomon Brothers  
Level 40, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Minter Ellison  
1 King William Street  
Adelaide SA 5000

**AUDITORS:**

Grant Thornton Audit Pty Ltd  
Chartered Accountants  
Level 1  
10 Kings Park Road  
West Perth WA 6005

**SHARE REGISTRY:**

Advance Share Registry Services  
150 Stirling Highway  
Nedlands WA 6009

**STOCK EXCHANGE LISTING:**

ASX Code: FIS (ordinary shares) FISO (options expiring 28 February 2011)

Quotation has been granted for all the ordinary shares and all issued options of the company on all Member Exchanges of the Australian Stock Exchange Limited.

**REVIEW OF OPERATIONS**

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

The Mt Thirsty Cobalt –Nickel -Manganese oxide project covering an area of 58km<sup>2</sup> is located 20km north-northwest of Norseman in the southern goldfields of Western Australia, a well endowed nickel terrain (see Figures 1 & 2). 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 world cobalt supplier. Metallurgical testwork indicates that high recoveries of cobalt, nickel and manganese can be achieved through low temperature atmospheric leaching. Based on the current flowsheet design, approximately 27,000 tonnes of mixed sulphide precipitate (containing 2,700t Co & 10,000t Ni) and 33,000 tonnes of manganese carbonate could be produced annually from Mt Thirsty.

Mt Thirsty has a current JORC compliant Indicated Resource of 14.8 million tonnes at 0.14% Cobalt, 0.59% Nickel and 0.99% Manganese and a JORC compliant Inferred Resource of 14.2 million tonnes at 0.11% Cobalt, 0.52% Nickel and 0.77% Manganese over a length of 1.3 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. A potentially significant nickel sulphide discovery was made by the joint venture in May 2010 (refer below).

**Nickel Sulphide Exploration**

A very thick sequence of originally olivine-rich, cumulate - textured ultramafic rocks has been intersected in holes drilled at Mt Thirsty. These rocks contain variable amounts of disseminated, vein and stringer-style sulphide mineralisation. The primary exploration target at Mt Thirsty is nickel sulphides associated with basal lava channel embayments located on ultramafic-basalt (footwall) contacts similar to those in the Kambalda region. A possible basal embayment type structure has been identified within the project area and is currently being evaluated.

In May 2010 RC hole MTRC015 intersected a thick zone of nickel sulphides assaying **3.4% nickel** over 6m from a down hole depth of 201 metres, adjacent to the footwall ultramafic contact within an interpreted lava channel embayment. Two follow up RC programs totalling 14 holes (holes MTAC018 to 031, Figure 2) subsequently outlined a somewhat inconsistent vertically? plunging shoot of relatively high grade nickel sulphide mineralisation as shown in the longitudinal section (Figure 3). Significant intersections from the follow up drilling are listed in Table 1 below:

**Table 1: Mt Thirsty Nickel Sulphide Prospect – Summary of Nickel Intersections**

Hole No	East	North	Total Depth (m)	From (m)	To (m)	Intersection (m)	Ni Grade (%)
MTRC020	370970	6446514	234	208	210	2	5.9
			includes:	209	210	1	8.1
MTRC022	370898	6446513	132	118	120	2	3.5
			includes:	119	120	1	4.7
MTRC030	370970	6446543	220	199	200	1	4.0

Down hole intercepts may be less than true width.

The mineralisation in holes 15, 20 & 30 appears to be on the same contact whereas that in hole MTRC022 may have been remobilised from its original position, possibly as a result of pegmatite intrusion. Based on the geological logs, a petrographic study and whole rock chemistry the nickel mineralisation in holes 15, 20 & 30 is associated with a relatively high MgO komatiite overlying lower MgO komatiites and basaltic - komatiite rocks.

The most recent drilling has shown that the nickel sulphide mineralisation tested to date, although high grade, is inconsistent and in some cases appears to have been replaced by intruding pegmatite. Elsewhere on the Eastern Goldfields komatiite hosted nickel sulphide deposits are notoriously complex in detail.

The joint venturers believe that the encouraging high grade and tenor of the mineralisation discovered to date confirm that this new discovery in an essentially untested contact position has the potential to deliver a significant high grade nickel sulphide deposit. The target horizon also extends for around 4km in the joint venture tenements and is untested.

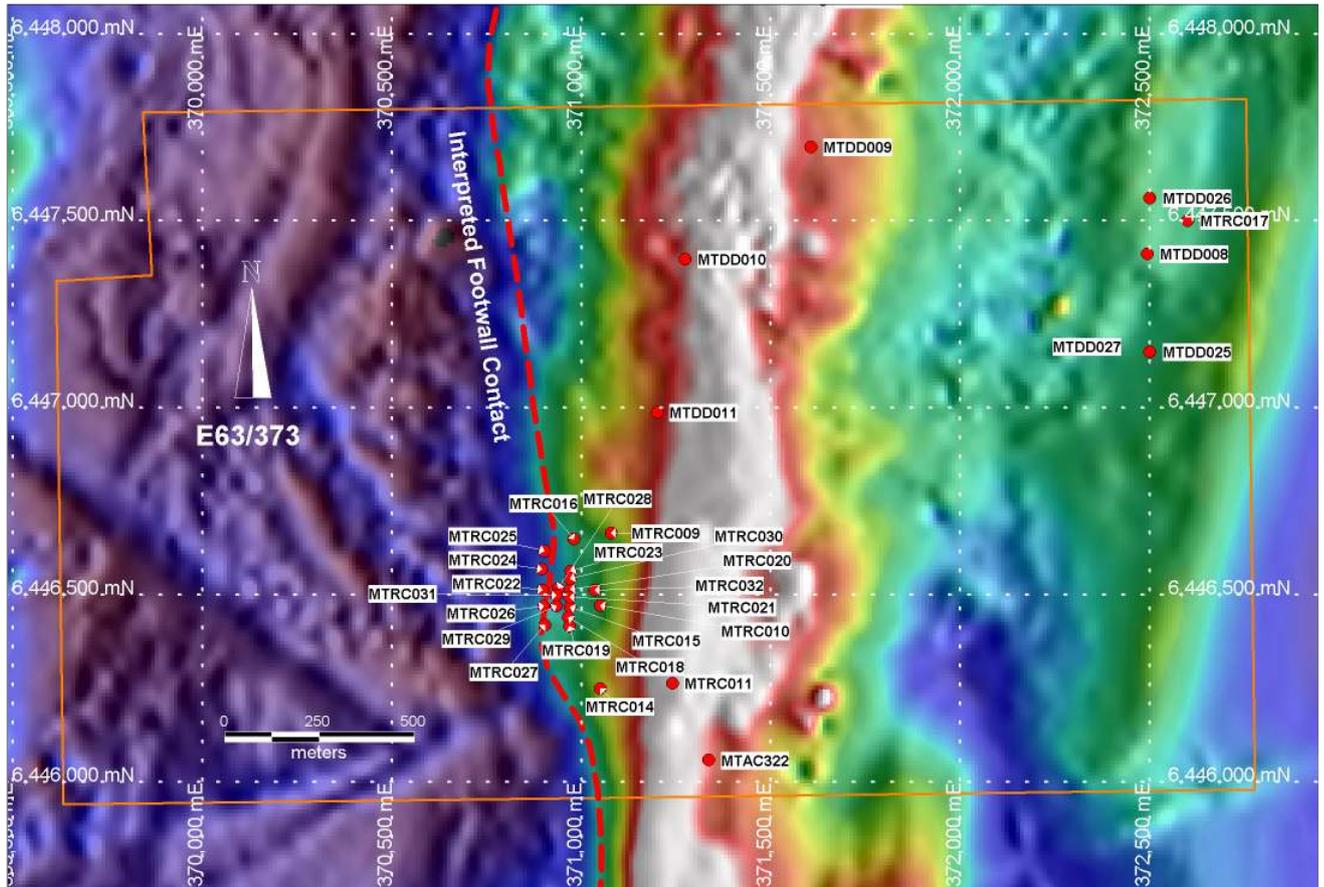


Figure 2: Drill Hole Locations over TMI Magnetic Image Showing Interpreted Footwall Contact (GDA94 Zone 51)

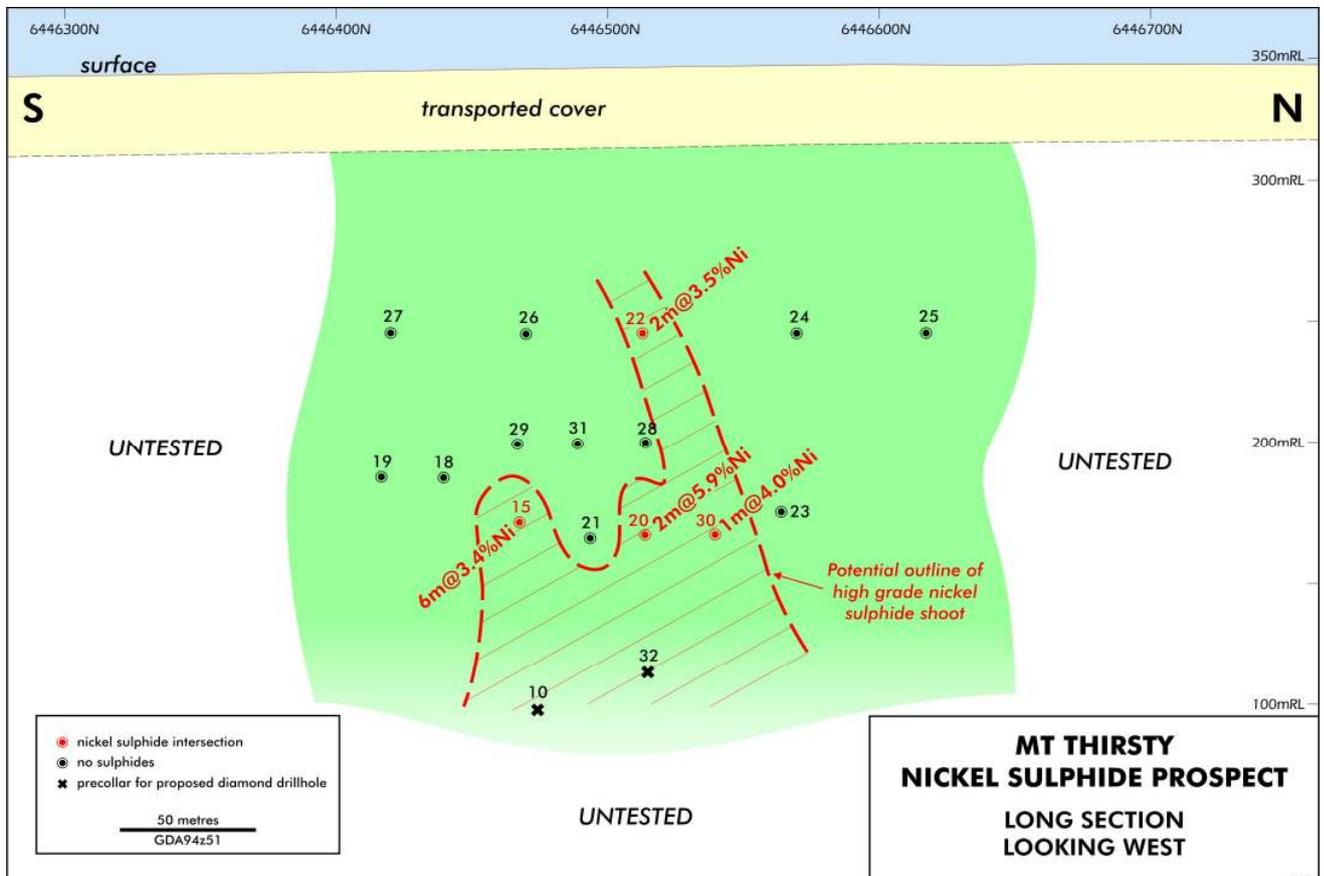


Figure 3: Longitudinal Section Showing Nickel Sulphide Intersections

*Follow-Up Drilling Program*

A steep plunge to the mineralisation is now apparent and two holes have already been pre- collared (refer Figure 3) to allow testing of the mineralisation at depth early in 2011.

**Table 2: RC and Diamond Drill Hole Collar Details (GDA94 Zone 51)**

Hole No.	East	North	RL (m)	Az.	Incl.	Depth (m)
MTRC018	370966	6446440	349.6	270	-60	220
MTRC019	370969	6446416	349.5	270	-60	204
MTRC020	370970	6446514	349.4	270	-60	234
MTRC021	370969	6446494	349.3	270	-60	234
MTRC022	370898	6446513	347.6	270	-60	132
MTRC023	370972	6446564	349.1	270	-60	234
MTRC024	370896	6446569	347.4	270	-60	162
MTRC025	370902	6446617	347.4	270	-60	198
MTRC026	370900	6446470	348.1	270	-60	192
MTRC027	370904	6446420	348.4	270	-60	234
MTRC028	370939	6446517	348.5	270	-60	246
MTRC029	370934	6446470	348.7	270	-60.3	246
MTRC030	370970	6446543	349.2	270	-60.3	220
MTRC031	370934	6446498	348.5	270	-60	246
MTRC032	371035	6446513	350.9	270	-60.1	246
MTDD025	372500	6447150	385.3	270	-80	221.9
MTDD026	372500	6447561	370	90	-80	323
MTDD027	372396	6447160	381.2	90	-70	396.4

*Other Exploration at Mt Thirsty*

Two diamond holes MTDD025 and MTDD026 (Figure 2) totalling 544.90m were drilled to follow up hole MTDD008 which intersected a zone of remobilised stringer nickel sulphides at 314m in 2009. This hole was originally drilled to test one of two EM conductors identified following a surface EM survey over the eastern portion of E63/373 in the vicinity of surface nickel sulphide gossans.

Holes MTDD025 and 026 were designed to test the centres of both EM conductors at around 300m depth. The EM anomalies were interpreted to be possible nickel sulphide accumulations at the base of the Mt Thirsty sill. MTDD025, designed to test the southern of the two conductors, was unable to reach target depth due to drilling problems.

MTDD026 was completed to a depth of 323m passing through a sulphide stringer zone at almost the same stratigraphic position as in hole MTDD008. This zone is 24m in thickness and commences at 274m down hole. EM surveying down MTDD026 confirmed a significant conductor at 250m depth which coincided with a 1m thick black shale unit. The stringer zone only recorded a weak off-hole EM response.

MTDD027 was also drilled to test the southern conductor, targeting the centre of the EM anomaly however this hole was abandoned at 396m in graphitic sediments which are the likely source of the EM anomaly. Minor disseminated sulphide mineralisation was intersected near the base of an orthocumulate unit from 294 to 303m.

**Mt Thirsty Ni –Co- Mn Oxide Deposit**

*Infill Resource Drilling*

Infill resource drilling was completed in late November. 151 air core holes were drilled for 6,507m mostly on the western side of the deposit within the current Inferred Resource. An updated resource estimate is currently being prepared by Golder Associates. Following completion of the resource estimate a decision will be made whether to carry out open pit optimisation and mine scheduling and possibly continue with the other aspects of the PFS.

**WYNBRING URANIUM PROJECT, SOUTH AUSTRALIA**

Fission sold its uranium rights over the Wynbring Project (Exploration Licence 4526, formerly 3306) on the Gawler Craton in South Australia to Marmota Energy Ltd ("Marmota"). Fission has received a cash consideration of \$350,000.

Tasman has also sold to Marmota its residual interest in EL 4526 and received 500,000 Marmota shares as consideration, escrowed for 12 months.

The consideration to each party is based on the relative exploration expenditures of Tasman and Fission on EL 4526.

Divestment of Wynbring allows Fission to focus on Mt Thirsty nickel sulphide exploration and development of the Mt Thirsty Co-Ni oxide project.

*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.*

## **DIRECTORS' REPORT**

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2010.

### **Directors**

The names of directors who held office during or since the end of the half-year:

Mr Gregory H Solomon  
Mr Douglas H Solomon  
Mr Guy T Le Page  
Mr James B Richardson

### **Review of Operations**

The net loss after income tax for the half year was \$136,664 (2009: \$589,991).

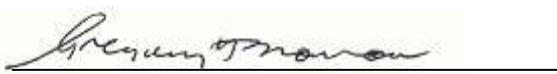
A review of the operations of the Group during the half-year ended 31 December 2010 is set out in the Review of Operations on Page 5.

### **Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.

Director

  
A handwritten signature in black ink, appearing to read "Gregory H Solomon", is written over a horizontal line. The signature is cursive and somewhat stylized.

Gregory H Solomon

Dated this 15<sup>th</sup> day of March 2011

Grant Thornton Audit Pty Ltd  
ABN 94 269 609 023

10 Kings Park Road  
West Perth WA 6005  
PO Box 570  
West Perth WA 6872

**T** +61 8 9480 2000  
**F** +61 8 9322 7787  
**E** admin.wa@au.gt.com  
**W** www.grantthornton.com.au

**Auditor's Independence Declaration  
To The Directors of Fission Energy Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Fission Energy Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Director - Audit & Assurance

Perth, 15 March 2011

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Notes	Consolidated Group	
		31 Dec 2010	31 Dec 2009
		\$	\$
Revenue			
Other income		180,349	76,235
Accounting and audit expense		(13,145)	(7,500)
Depreciation and amortisation expense		(6,837)	(7,583)
Employee benefits expense		(134,382)	(271,838)
Impairment expense		-	(211,867)
Legal and other consultants expense		(15,340)	(3,402)
Management Fees		(97,335)	(97,335)
Other expenses		(49,974)	(66,701)
Loss before income tax		(136,664)	(589,991)
Income tax expense		-	-
Loss for the period		(136,664)	(589,991)
<b>Other Comprehensive Income</b>			
Revaluation Reserve		-	(110,096)
Income tax relating to comprehensive income		-	-
Other comprehensive income, after tax		(136,664)	(110,096)
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		(136,664)	(700,087)
Basic earnings per share (cents per share)		(0.1077)	(0.4768)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010**

	Note	Consolidated Group	
		31 Dec 2010	30 June 2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		794,174	1,350,670
Trade and other receivables		212,954	113,155
TOTAL CURRENT ASSETS		1,007,128	1,463,825
NON-CURRENT ASSETS			
Property, plant and equipment		74,902	80,840
Exploration and Evaluation expenditure		14,484,008	14,181,960
Financial Assets		70,000	70,000
TOTAL NON-CURRENT ASSETS		14,628,910	14,332,800
TOTAL ASSETS		15,636,038	15,796,625
CURRENT LIABILITIES			
Trade and other payables		199,011	222,934
TOTAL CURRENT LIABILITIES		199,011	222,934
NON-CURRENT LIABILITIES			
Provisions		250,000	250,000
TOTAL NON-CURRENT LIABILITIES		250,000	250,000
TOTAL LIABILITIES		449,011	472,934
NET ASSETS		15,187,027	15,323,691
EQUITY			
Issued capital		16,618,474	16,618,474
Reserves		349,351	349,351
Retained earnings/(accumulated) losses		(1,780,798)	(1,644,134)
TOTAL EQUITY		15,187,027	15,323,691

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	<u>Share Capital</u>				Total
	Ordinary	Option Reserve	Revaluation Reserve	Accumulated Losses	
	\$	\$		\$	\$
<b>Balance at 1 July 2009</b>	15,467,874	336,550	56,497	(863,995)	14,996,926
Shares issued during the period	1,224,000	-	-	-	1,224,000
Share issue costs during the period	(73,400)	-	-	-	(73,400)
Options issued during the period	-	120,900	-	-	120,900
Total comprehensive income	-	-	(110,096)	(589,991)	(700,087)
Sub-total	16,618,474	457,450	(53,599)	(1,453,986)	15,568,339
Dividends paid or provided for	-	-	-	-	-
Balance at 31 December 2009	16,618,474	457,450	(53,599)	(1,453,986)	15,568,339
<b>Balance at 1 July 2010</b>	16,618,474	477,450	(128,099)	(1,644,134)	15,323,691
Total comprehensive income	-	-	-	(136,664)	(136,664)
Sub-total	16,618,474	477,450	(128,099)	(1,780,798)	15,187,027
Dividends paid or provided for	-	-	-	-	-
Balance at 31 December 2010	16,618,474	477,450	(128,099)	(1,780,798)	15,187,027

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	<b>Consolidated Group</b>	
	<b>31 Dec 2010</b>	<b>31 Dec 2009</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	42,534	44,113
Payments to suppliers and employees	(322,399)	(382,749)
Interest received	26,316	37,520
Net cash provided by (used in) operating activities	<u>(253,549)</u>	<u>(301,116)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditure	(652,048)	(538,819)
Purchase of property, plant and equipment	(899)	(632)
Payment for subsidiary, net of cash acquired	-	(405,915)
Proceeds from sale of investments	350,000	-
Net cash provided by (used in) investing activities	<u>(302,947)</u>	<u>(945,366)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	1,150,600
Net cash provided by (used in) financing activities	<u>-</u>	<u>1,150,600</u>
Net increase/(decrease) in cash held	(556,496)	(95,882)
Cash at beginning of period	<u>1,350,670</u>	<u>2,240,574</u>
Cash at end of period	<u><u>794,174</u></u>	<u><u>2,144,692</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 1: BASIS OF PREPARATION**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures compliance ensure the financial statements and note also comply with International Financial Reporting Standards.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Fission Energy Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*. The half-year report does not include full disclosures of the type normally included in an annual financial report.

*Accounting Policies*

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2010 financial report except for the adoption of the following new and revised Accounting Standards.

Whilst amendments to the Accounting Standards and Australian Accounting Interpretations have been considered and the Group does not anticipate early adoption of any of the reporting requirements and does not expect these requirement to have any material effect on the Group's financial statements.

*Going Concern*

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. In addition the Group actively manages the level of discretionary exploration and evaluation expenditure in line with the funds available to the Group.

2010	2009
\$	\$

**NOTE 2: LOSS FOR THE PERIOD**

The following revenue and expense items are relevant in explaining the financial performance for the interim period

Impairment of capitalised exploration expenditure	-	211,867
Write-off of capitalised exploration expenditure on areas of interest abandoned during the year	-	-
	<hr/>	<hr/>
	-	211,867

**NOTE 3: SEGMENT INFORMATION**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed on the basis on the basis it is a mineral exploration company operating in the geographical region of Australia. The mineral assets held via outright ownership or joint venture are considered one business segment and the minerals currently being targeted include cobalt, nickel, manganese and uranium in Western Australia and South Australia.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 4: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The directors are not aware of any contingent liabilities or contingent assets as at 31 December 2010.

**NOTE 5: RELATED PARTY TRANSACTIONS**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
<b>a. Key Management Personnel</b>		
Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	97,335	97,335
Legal and professional fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.	15,974	2,100
Replacement options issued to Mr GH Solomon, Mr DH Solomon and Mr GT LePage pursuant to the AGM.	-	120,900
<b>b. Associated Companies</b>		
Reimbursement to Tasman Resources Ltd (which has a 28.1% fully diluted interest in the Company) for employee costs on a hourly basis, in relation to Tasman staff utilised by the Company	65,220	18,843
Placement and capital raising fees paid to RM Corporate Finance Pty Ltd, a company in which Mr GT LePage and Mr JB Richardson have an interest.	-	73,400

**NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

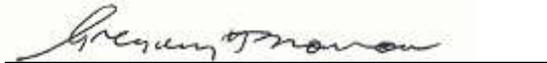
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 16:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

A handwritten signature in black ink, appearing to read "Gregory H Solomon", is written over a horizontal line.

Gregory H Solomon

Dated this 15<sup>th</sup> day of March 2011

Grant Thornton Audit Pty Ltd  
ABN 94 269 609 023

10 Kings Park Road  
West Perth WA 6005  
PO Box 570  
West Perth WA 6872

**T** +61 8 9480 2000  
**F** +61 8 9322 7787  
**E** admin.wa@au.gt.com  
**W** www.grantthornton.com.au

### **Independent Auditor's Review Report To the Members of Fission Energy Limited**

We have reviewed the accompanying half-year financial report of Fission Energy Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

#### **Directors’ responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Fission Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fission Energy Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Director – Audit & Assurance

Perth, 15 March 2011