



## Fission Energy Corporation

(FIS-V: C\$0.78)

This Just In!

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**BUY, Venture Risk\***

12-month target price: N/A

### 46.15% U3O8 over 2m within 7.84% over 14.5m Intercept

**Conclusion: We continue to recommend Fission Energy as a BUY** for its rapidly expanding resource potential in the Athabasca Basin. We do not provide a target price at this time.

Fission announced very important assay results this morning for its 50% owned Waterbury Lake JV in the Athabasca Basin. Additional high grade uranium mineralization has been confirmed at the unconformity and the J and Highland Zones have likely been combined. High grade assays were somewhat expected due to the high count scintillometer results that were reported earlier this winter. Results from a couple of holes ultimately filled in a gap along the J-Zone strike and improved upon the average grade of the entire J-Zone - there are other holes pending from this area.

**The trend of the mineralization is taking shape along the Discovery Bay Corridor.** We are seeing the zones line up like pearls on a necklace. From west to east these include -153A Zone, Talisker Zone, PKB Discovery, J Zone (previously Highland + J Zone) and J Zone East. This 1,500m long trend of mineralization on Fission's Waterbury property is directly adjacent to Hathor Exploration's (HAT-V: C\$1.82, BUY, C\$4.75 target) Roughrider West and East Zones (28 MM lbs U3O8 +) that adds another 500-600m on to this east-west trend.

**Geological understanding is improving.** Mineralization has now been traced over a 1.5 km long trend at Waterbury. Uranium is concentrated at around 30 to 40m north of a strong conductive signature that trends along the southern boundary of a 100m wide geophysically interpreted structure. It is hypothesized that it was this structure that brought mineralized fluids into the host rocks, dominantly occurring at the unconformity between the overlying sandstones and underlying basement rocks. This understanding has allowed Fission to more accurately place drill holes.

**The program is winding down but news is just winding up.** Expect more assay results - another fifty holes are pending from the Oban area, 153A Zone area, around the PKB Discovery, in between PKB and J Zone, and at J Zone and J Zone East. Today's results were the first set of assays we have seen for the winter program - reported for the J Zone up to hole WAT11-131. Assays are reported from J Zone between holes 113 and 131, and scintillometer results have been released from up to hole 146 from all zones. Drill holes are now being labelled into the 180's. With longer days the weather has begun to affect the ice and access is becoming treacherous. Fission expects to be able to drill for perhaps only another week - which also fulfills its winter 2011 budget of \$8 million.

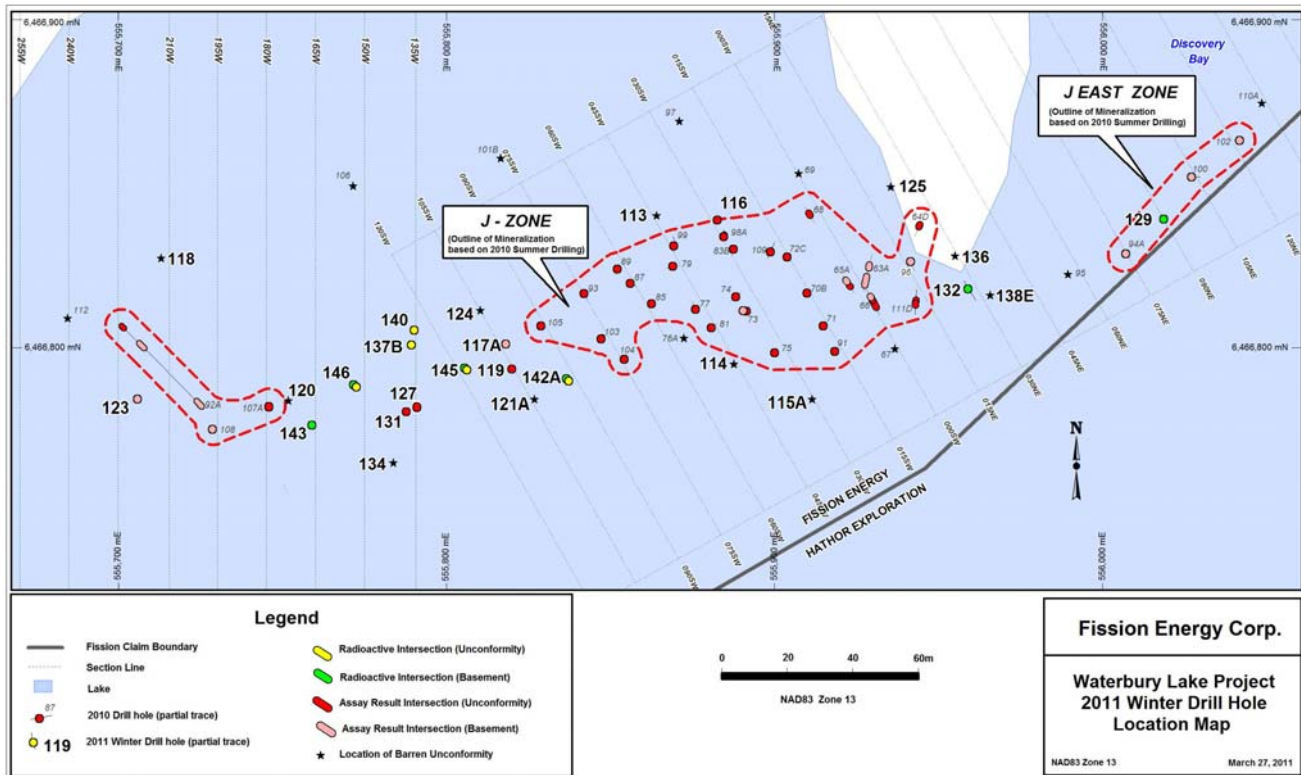
#### Strongest mineralization to date

- **7.84% U3O8 over 14.5m including 46.15% over 2m.** Hole WAT11-131 intersected the strongest uranium intersection at J Zone to date. This hole is ~60m west of WAT10-103 which was at the western perimeter of the mineralization defined from 2010 drilling (Figure 1). With a grade-thickness (GT) of 113.7, hole 131 ranks as the strongest continuous mineralized hole, followed by holes WAT10-071 (GT of 88.2) and WAT10-103 (GT of 86).
- **Other results include 4.41% over 12m.** Hole WAT11-127 was drilled in close proximity to hole -131. It's 4.41% over 12m intercept includes a higher grade core of 10.91% over 3.5m. See Table 1 for complete results from today.
- **J Zone Strike extended to 235m - up 95% since January.** The east-west mineralized strike length at the J Zone has now been extended from ~120m to ~235m as Highland Zone is now known to be part of the J Zone.

#### Improved grade and thickness

- **4.51% over 7.24m is the new intercept average using a 1% U3O8 cut-off.** Weighted average grades improved 4% from 4.34% and average thickness improved 8% from 6.7m according to Dundee Capital Markets estimates.
- **3.61% over 6.6m is the new intercept average using a 100 ppm U3O8 cut-off.** J Zone weighted average grades improved 5% from 3.45% and average thickness remains unchanged from 6.6m according to our estimates.
- **Gaining critical mass.** The zone is becoming thicker with improved continuity. Grades are increasing as additional high grade holes are being discovered. We are also seeing the zone expand along strike and previously known zones are blending in with each other. At 235m long and 30 to 50m wide, we believe that J Zone currently measures between 11 and 18 million lbs of U3O8. It remains open in all directions suggesting further upside potential exists.

**Figure 1: Drill plan map showing the J Zone (formerly Highland Zone plus J Zone) and the J Zone East discoveries along the Discovery Bay Corridor.**



Source: Company Reports

**Table 1: Summary of the assay results from holes -113 to -131 from the J Zone only. Assays past hole -131 and assays from holes located within the -153 Zone, PKB Zone, J Zone East, and at Oban are pending.**

Hole ID	From (m)	To (m)	Interval (m)	U308 (%)
WAT11-113	No significant mineralization			
WAT11-114	No significant mineralization			
WAT11-115A	No significant mineralization			
WAT11-116	192	192.5	0.5	0.05
	194.5	196.5	2	0.44
WAT11-117A	214	216	2	0.11
	228	230.5	2.5	0.12
WAT11-118	No significant mineralization			
WAT11-119	196.5	203.5	7	1.28
	198.5	200	1.5	3.24
WAT11-120	No significant mineralization			
WAT11-121A	No significant mineralization			
WAT11-123	206	206.5	0.5	0.1
WAT11-124	No significant mineralization			
WAT11-125	No significant mineralization			
WAT11-127	197.5	209.5	12	4.41
	205.5	209	3.5	10.91
WAT11-131	198	212.5	14.5	7.84
	199	201	2	46.51

Source: Company Reports

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A Research Analyst/Associate involved in the preparation of this report has visited certain material operations of the following issuer(s): Fission Energy Corporation. The analyst visited Fission Energy's Waterbury Lake project in Saskatchewan in July 2010, viewed core and sections, had discussions with management and witnessed exploration drilling.

The Research Analyst/Associate and/or Dundee Securities Limited has been partially reimbursed for expenses by the following issuer(s) for travel to material operations of the issuer(s): Fission Energy Corporation

Dundee Securities Limited has provided investment banking services to Fission Energy Corporation in the past 12 months.

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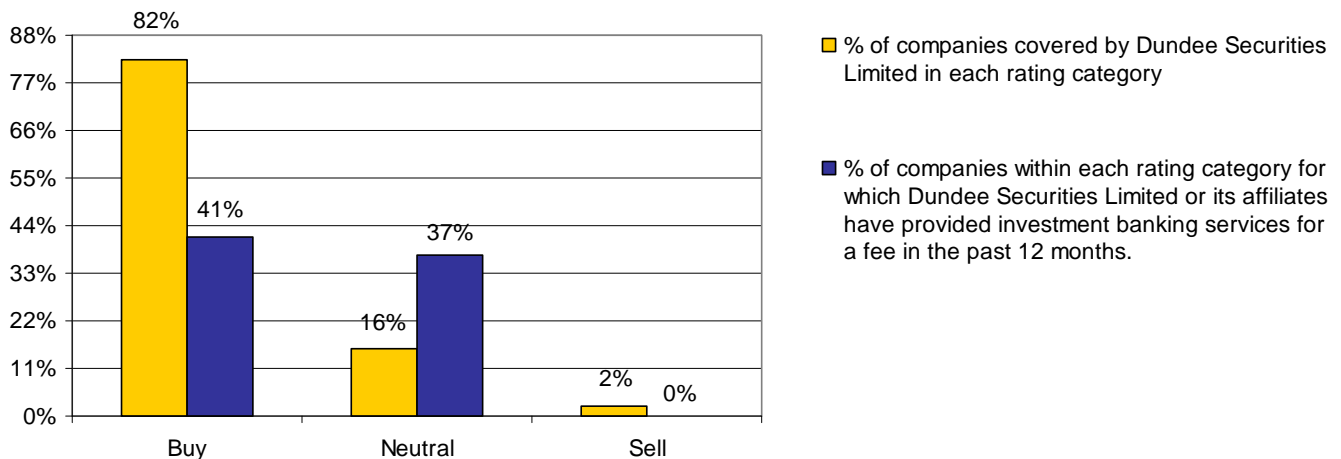
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