
FISSION ENERGY LTD
ACN 119 057 457

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

EXPLANATORY STATEMENT

AND

PROXY FORM

TO BE HELD ON

**20 NOVEMBER 2009
COMMENCING AT 9:30 AM**

AT

**Level 40, Exchange Plaza,
2 The Esplanade, Perth
WESTERN AUSTRALIA**

FISSION ENERGY LTD
(ACN 119 057 457)
NOTICE OF MEETING

Notice is hereby given that an Annual General Meeting of shareholders of Fission Energy Ltd (the **Company**) will be held at Level 40, Exchange Plaza, 2 The Esplanade, Perth on Friday the 20th of November 2009 at 9:30am.

AGENDA

1. Annual Reports

To table the Annual Financial Report for the financial year ended 30 June 2009 and the Director's Report and Auditor's Report for that financial year.

2. Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit pass, with or without amendment, the following Resolution as a **non-binding resolution**:

"That for the purposes of section 250R(2) of the Act and for all other purposes, the Company be authorised to adopt the Remuneration Report contained in the Annual Financial Report."

Short Explanation: In accordance with section 249L(2) of the Act, a resolution that the Remuneration Report be adopted must be put to the vote. The effect of section 250R(3) of the Act is that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2 – Election of Director

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That Mr Guy T Le Page being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election is hereby re-elected as a Director of the Company."

4. Resolution 3 – Election of Director

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That Mr James B Richardson being a Director of the Company who, having been appointed since the last Annual General Meeting, retires in accordance with the Company's Constitution, and being eligible offers himself for re-election, is hereby re-elected as a Director of the Company."

5. Resolution 4 – Appointment of Auditor

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to ASIC granting its consent under section 329(5) of the Act to the resignation of the Company's current auditor, Grant Thornton (WA) Partnership, for the purposes of section 327B of the Act and for all other purposes, Grant Thornton Audit Pty Ltd (ACN 130 913 594), having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company and the Directors be authorised to set its remuneration."

6. Resolution 5 – Ratification of Issue of Shares and Options

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of Chapter 7 of the Listing Rules and for all other purposes, to ratify the issue by the Company on 10 September 2009 and 5 October 2009 of 7,650,000 fully paid ordinary Shares and 3,825,000 free attaching Options exercisable at \$0.20 and expiring on 28 February 2011, to Australian institutional and sophisticated investors (being persons to whom a disclosure document is not required to be provided by virtue of sections 708(8) and 708(11) of the Act) at an issue price of \$0.16 per Share raising a total of \$1,224,000.00, as set out in the Explanatory Statement attached to this Notice. A services fee of 6% was payable in respect of the funds raised. The funds raised are being used to provide further funds to meet the Company's ongoing working capital requirements."

The Company will disregard any votes cast on this Resolution by any persons to whom shares were issued under the share issue referred to in the Resolution, or any associate of any of such persons, other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other shareholder of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

7. Resolution 6 – Issue of Options to Gregory H Solomon

To consider, and if thought fit pass, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, approval is given for the Company to issue to Gregory H Solomon (a current Director of the Company) 1,000,000 Options in the Company, each to acquire one fully paid ordinary Share in the Company at an exercise price per option of 125% of the share price on the grant date, which Options shall be exercisable at any time prior to 5.00pm WST on 20 November 2012 (the **Time of Expiry**) and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice."*

Note 1: The Options will be issued no later than 1 month from the date of the Annual General Meeting.

Note 2: The Company will disregard any votes cast on this Resolution by Gregory H Solomon and his associates.

Short Explanation: These options are to replace the options approved to be issued to Gregory H Solomon at the General Meeting on 17 October 2007, but due to an administrative error were not issued.

8. Resolution 7 – Issue of Options to Douglas H Solomon

To consider, and if thought fit pass, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, approval is given for the Company to issue to Douglas H Solomon (a current Director of the Company) 1,000,000 Options in the Company, each to acquire one fully paid ordinary Share in the Company at an exercise price per option of 125% of the share price on the grant date, which Options shall be exercisable at any time prior to the Time of Expiry and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice."

Note 1: The Options will be issued no later than 1 month from the date of the Annual General Meeting.

Note 2: The Company will disregard any votes cast on this Resolution by Douglas H Solomon and his associates (who are all prohibited from voting).

Short Explanation: These options are to replace the options approved to be issued to Douglas H Solomon at the General Meeting on 17 October 2007, but due to an administrative error were not issued.

9. Resolution 8 – Issue of options to Guy T Le Page

To consider, and if thought fit pass, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, approval is given for the Company to issue to Guy T Le Page (a current Director of the Company) 1,000,000 Options in the Company, each to acquire one fully paid ordinary Share in the Company at an exercise price per option of 125% of the share price on the grant date, which Options shall be exercisable at any time prior to the Time of Expiry and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice."

Note 1: The Options will be issued no later than 1 month from the date of the Annual General Meeting.

Note 2: The Company will disregard any votes cast on this Resolution by Guy T Le Page and his associates (who are all prohibited from voting).

Short Explanation: These options are to replace the options approved to be issued to Guy T Le Page at the General Meeting on 17 October 2007, but due to an administrative error were not issued.

10. General

To transact any business which may be brought before the meeting in accordance with the Constitution of the Company, the Act, or otherwise.

PROXIES

In accordance with section 249L of the Act, shareholders are advised:

- each shareholder has a right to appoint a proxy;
- the proxy need not be a shareholder of the Company;
- a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Act the Company specifies the following for the purposes of receipt of proxy appointments:

By hand delivery to the Registered Office:

Level 40, Exchange Plaza, 2 The Esplanade, Perth, Western Australia 6000

By Post to PO Box Z5360, St Georges Terrace Perth Western Australia 6831

By facsimile to: (08) 9282 5866

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular Resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular Resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* the Company determines that shareholders holding ordinary shares at 5.00pm WST on 18 November 2009 will be entitled to attend and vote at the Annual General Meeting.

Except where the contrary intention appears, all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Statement accompanying this Notice.

By Order of the Board of Directors

A P Gates

Company Secretary

Dated this 16th day of October 2009

FISSION ENERGY LTD

(ACN 119 057 457)

EXPLANATORY STATEMENT FOR SHAREHOLDERS

This Explanatory Statement is intended to provide shareholders of the Company with sufficient information to assess the merits of each Resolution contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions. The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

1 – RECEIVE AND CONSIDER THE ANNUAL REPORTS

The first agenda item is to receive and consider the Annual Financial Report, Director's Report and Auditor's Report for the Company for the financial year ended 30 June 2009. No Resolution is required in respect of this agenda item. However, it provides shareholders with the opportunity to ask questions of the Company's Directors and auditors in relation to the Company's results and operations for the financial year.

2 – REMUNERATION REPORT

The Annual Financial Report for the financial year ended 30 June 2009 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 249L(2) of the Act, a resolution that a Remuneration Report be adopted must be put to the vote. However, pursuant to section 250R(3) of the Act, the vote on the Resolution is advisory only and will not require the Directors or the Company to alter any arrangements detailed in the Remuneration Report, should the Resolution not be passed.

3 – RE-ELECTION OF DIRECTOR

In accordance with the Company's Constitution, Mr Guy T Le Page retires by rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Le Page has been a Board member since May 2004. Mr Le Page is currently a corporate adviser at RM Capital Pty Ltd specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. Mr Le Page was Head of Research at Morgan Stockbroking Limited (Perth) prior to joining Tolhurst Noall as a Corporate Adviser in July of 1998. As Head of Research, Mr Le Page was responsible for the supervision of all Industrial and Resources research. As a Resources Analyst, Mr Le Page published detailed research on various mineral exploration and mining companies listed on the ASX. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

The Board recommends that shareholders vote in favour of this Resolution.

4 – RE-ELECTION OF DIRECTOR

In accordance with Article 69 the Company's Constitution, a Director appointed by the Board during the year must stand for election by the shareholders at the next Annual General Meeting of the Company. Mr James B Richardson was appointed by the Board since the last Annual General Meeting of the Company and, being eligible, offers himself for re-election as a Director of the Company.

Mr James B Richardson has been a Board member since November 2008. Mr Richardson is currently a director of RM Capital Pty Ltd. He has been actively involved in a range of corporate activities, including the development, documentation, negotiation and marketing of a number of successful financial instruments for various companies encompassing various sectors of the investment market. His experience includes complex negotiations between various government departments, both domestic and international. He has also been employed as a specialist business development executive in some of the more successful national financial services organisations.

The Board recommends that shareholders vote in favour of this Resolution.

5 – APPOINTMENT OF AUDITOR

The Company's auditor, Grant Thornton (WA) Partnership has acted as the Company's auditor since 2007.

Grant Thornton has recently consolidated its state-based federation of firms into a single national entity. Accordingly, they are transferring all of their audit appointments into a new single national audit entity, Grant Thornton Audit Pty Ltd (ACN 130 913 594), to replace the various state-based firms. For public companies the appointment of a new auditor requires a resolution of shareholders at a general meeting.

The Board has considered and agreed to this change and has agreed to this Resolution being presented to the shareholders of the Company for formal vote. To give effect to the change Grant Thornton (WA) Partnership has requested ASIC's consent under section 329(5) of the Act to resign in favour of the new national entity, Grant Thornton Audit Pty Ltd. The Resolution is conditional ASIC's consent to the resignation of Grant Thornton (WA) Partnership, and the Company anticipates that this consent will be forthcoming.

In accordance with section 328B of the Corporations Act, notice in writing nominating Grant Thornton Audit Pty Ltd has been given to the Company by a shareholder. A copy of this notice is included with the Notice of Meeting. The appointment of Grant Thornton Audit Pty Ltd will be by vote of the Company's shareholders as an ordinary resolution.

Subject to the approval of the Company's shareholders, the appointment of Grant Thornton Audit Pty Ltd will take effect for the 2010 financial year. Grant Thornton (WA) Partnership remain responsible for the audit for the 2009 financial year.

The Board recommends that shareholders vote in favour of this Resolution.

6 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS

On 10 September 2009 and 5 October 2009 the Company issued 7,650,000 fully paid ordinary Shares and 3,825,000 free attaching Options exercisable at \$0.20 and expiring on 28 February 2011, to Australian institutional and sophisticated investors (being persons to whom a disclosure document is not required to be provided by virtue of sections 708(8) and 708(11) of the Act) at an issue price of \$0.16 per Share raising a total of \$1,224,000.00. A services fee of 6% was payable in respect of the funds raised. The funds raised are being used to provide further funds to meet the Company's ongoing working capital requirements.

Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of the holders of its ordinary securities.

In addition, equity securities issued with the prior or subsequent approval of the holder of the entity's ordinary securities in accordance with Chapter 7 are not then required to be included in the 15% limit imposed by that Listing Rule.

As set out above, the Company issued 7,650,000 Shares and 3,825,000 Options to sophisticated and/or professional investors prior to the date of this Annual General Meeting. Prior to that issue the Company had 119,280,258 Shares and 44,011,500 Options on issue. The issue resulted in the Company issuing approximately 6.4% of its then total issued Share capital.

Although the issue of 7,650,000 Shares and 3,825,000 Options to sophisticated and/or professional investors did not result in an issue in excess of the 15% threshold set by Listing Rule 7.1, the Company seeks shareholder ratification of the issue under Listing Rule 7.4 so that those Shares are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.5:

1. The total number of Shares issued was 7,650,000, and the total number of Options issued was 3,825,000.
2. Each Share was issued at a price of \$0.16. One free Option attached to every two Shares issued.
3. The Shares were issued on the same terms as, and rank equally with, all other Shares in the Company, and will be (if not already) quoted on the ASX. Each Option is exercisable at \$0.20 and expires on 28 February 2011.
4. The Shares and Options were issued to sophisticated and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of sections 708(8) or 708(11) of the Act). None of the allottees were related parties of the Company.
5. The Company intends to use the funds raised from the issue to fund the Company's general working capital requirements.
6. The Company will disregard any votes cast on this Resolution by any person who participated in the issue. However, the Company will not disregard a vote if:
 - 6.1 it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 6.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

The Board recommends that shareholders vote in favour of this Resolution.

7 to 10 – ISSUE OF OPTIONS TO COMPANY DIRECTORS

Resolutions 6, 7, and 8 seek shareholder approval for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, for the Company to issue Options to the current Directors of the Company.

The Directors of the Company have resolved that, subject to receiving approval of the Company's shareholders in accordance with Resolutions 6, 7 and 8, each of the current Directors of the Company will be issued with 1,000,000 Options. The Directors of the Company as at the date of this Explanatory Statement are Gregory H Solomon, Douglas H Solomon and Guy T Le Page.

The Options are being issued to the Directors to replace the options approved to be issued at the General Meeting on 17 October 2007, but due to an administrative error were not issued.

The terms and conditions upon which the Options will be issued (**Terms and Conditions**) are as follows:

7. The Options are exercisable at any time prior to 5.00pm WST 20 November 2012 (the **Time of Expiry**). Options not exercised on or before the Time of Expiry will automatically lapse.
8. The Options may be exercised wholly or in part by completing a notice of exercise of options in a form approved by the Company (a **Notice of Exercise**) and delivering it to the Company's registered office at any time prior to the Time of Expiry.
9. The Options entitle the holder to subscribe (in respect of each Option held) for one fully paid ordinary Share in the Company at an exercise price per Option of 125% of the share price on the grant date.
10. Upon the exercise of the Options and receipt of all relevant documents and payment, Shares will be issued ranking equally with the then issued Shares, and the Company will apply to ASX to have the Shares so issued granted official quotation.
11. Any Notice of Exercise received by the Company prior to the Time of Expiry will be deemed to be a Notice of Exercise as at the last business day (a day other than a Saturday or a Sunday on which banks are open for business in Perth, Western Australia) of the month in which it is received.
12. There are no participating entitlements inherent in the Options to participate in new issues of capital, which may be offered to shareholders of the Company during the currency of the Options. Prior to any new pro rata issue of securities to shareholders of the Company, holders of Options will be notified by the Company and afforded 10 business days before the Record Date (as defined in the Listing Rules to determine entitlements to the issue), to exercise their Options.
13. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Time of Expiry, the number of Options or the exercise price of the Options (or both) shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on the holders of the Options which are not being conferred on shareholders of the Company and (subject to the provisions with respect to rounding entitlements as sanctioned by the meeting of Company shareholders approving the reconstruction of capital) in

all respects, the terms for the exercise of the Options shall remain unchanged. For these purposes, the rights of the holders of the Options may be changed from time to time to comply with the Rules applying to reorganisation of capital, at the time of reorganisation.

14. The Options may be transferred at any time prior to the Time of Expiry.
15. Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the Notice of Exercise.

The Directors (or their related parties) currently hold the Shares and Options in the Company set out below. If all of the Options proposed to be issued to the Directors are exercised, an additional 3,000,000 Shares in the Company will then be on issue. The capital structure of the Company as it currently stands and as it will stand if all of the Options are exercised (assuming all of the other Options currently on issue in the Company are also exercised) is also set out below:

Holders	Shares	Options	Upon Exercise
Tasman Resources Ltd	25,000,000	25,000,000	50,000,000
G H Solomon	500,000	1,200,000	1,700,000
D H Solomon	350,000	1,125,000	1,475,000
G T Le Page	12,989,202	1,000,000	13,989,202
J B Richardson	12,493,575	-	12,493,575
Standard Nickel Pty Ltd ¹	9,520,000	-	9,520,000
Other	66,077,481	14,686,500	80,763,981
Totals	126,930,258	44,011,500	169,941,758

Subject to the significant qualifications detailed below the Directors have estimated, using the valuation methodology summarised below, that the accounting value of each of the Options to be issued to the Directors is \$0.0546 per Option. Therefore the total accounting value of each Director's 1,000,000 Options would be \$54,600.00 (estimated).

The Options have been indicatively valued using the Black-Scholes Option Valuation Model (the **Model**), which takes account of factors including option exercise price, the current underlying share price volatility, risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected option life. The Model attributes an indicative value of \$0.0546 per Option on the following assumptions:

- (a) the Options are exercisable at a price per Option of \$0.175;
- (b) a current underlying Share price volatility of 60.9%;
- (c) a risk-free interest rate of 6.25% per annum (based on the 5-year bond rate as at 6 October 2009);
- (d) the underlying value of each Share being \$0.140 (based on the value of the Company's shares on the ASX on 7 October 2009);
- (e) no dividends being payable; and

The estimated value of each Option is subject to considerable uncertainty because many of the parameters of the Model are difficult to estimate. For example, the share price may after 7 October 2009 go above, or below, \$0.140 per Share.

Other parameters, such as the expected option life and the risk-free interest rate, are more certain.

The Act

Part 2E.1 of the Act regulates the provision of "financial benefits" by public companies. The Company is a public company.

Section 208(1) of the Act provides that the Company can only give a financial benefit to a "related party" of the Company if the Company obtains the approval of its shareholders in accordance with the procedures set out in Part 2E.1 of the Act.

Directors of public companies are related parties for the purposes of the Act. Gregory H Solomon, Douglas H Solomon and Guy T Le Page are Directors, and therefore related parties, of the Company.

The Act deems the issue of an option by a public company to a related party to constitute the giving of a financial benefit to that related party.

In the circumstances, the Resolution by the Directors to issue the Options will result in the Company giving a financial benefit to Gregory H Solomon, Douglas H Solomon and Guy T Le Page, who are related parties of the Company.

The Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company. Section 211 of the Act provides an exception to the need to obtain shareholder approval to the giving of a financial benefit to a related party where the financial benefit is remuneration given to an officer (including a director) of a public company and giving the remuneration would be reasonable given the respective circumstances of the public company and the related party (including the responsibilities involved in the office or employment).

The Directors consider that the issue of the Options to the Directors is reasonable given the circumstances of the Company and the Directors. However to avoid doubt the Company is seeking shareholder approval for the purposes of Part 2E.1 of the Act.

As required by Part 2E.1 of the Act, and in particular section 219 of the Act, the following information contained in paragraphs A, B and C below is provided to allow the shareholders of the Company sufficient information to determine whether or not they should approve these Resolutions.

¹ G T Le Page and J B Richardson both have interests in Standard Nickel Pty Ltd.

A. Resolution 6

1. The proposed financial benefit will be given to Gregory H Solomon (who is a Director).
2. The nature of the financial benefit is the issue of Options in the Company.
3. Gregory H Solomon (the person to whom the financial benefit will be given) does not wish to make a recommendation to shareholders about this Resolution on the basis that he has an interest in the Resolution's passage. All of the Directors who do not have an interest in this Resolution recommend that shareholders approve this Resolution on the basis that the Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
4. Gregory H Solomon, as a Director and the person to whom the financial benefit will be payable, has an interest in this Resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Statement) that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the Resolution.

The Company will disregard any votes cast on Resolution 6 by Gregory H Solomon (being the related party of the Company to whom the Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

B. Resolution 7

1. The proposed financial benefit will be given to Douglas H Solomon (who is a Director).
2. The nature of the financial benefit is the issue of Options in the Company.
3. Douglas H Solomon (the person to whom the financial benefit will be given) does not wish to make a recommendation to shareholders about this Resolution on the basis that he has an interest in the Resolution's passage. All of the Directors who do not have an interest in this Resolution recommend that shareholders approve this Resolution on the basis that the Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
4. Douglas H Solomon, as a Director and the person to whom the financial benefit will be payable, has an interest in this Resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Statement) that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the Resolution.

The Company will disregard any votes cast on Resolution 7 by Douglas H Solomon (being the related party of the Company to whom the Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

C. Resolution 8

6. The proposed financial benefit will be given to Guy T Le Page (who is a Director).
7. The nature of the financial benefit is the issue of Options in the Company.
8. Guy T Le Page (the person to whom the financial benefit will be given) does not wish to make a recommendation to shareholders about this Resolution on the basis that he has an interest in the Resolution's passage. All of the Directors who do not have an interest in this Resolution recommend that shareholders approve this Resolution on the basis that the Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
9. Guy T Le Page, as a Director and the person to whom the financial benefit will be payable, has an interest in this Resolution.
10. The Directors are not aware of any other information (other than the information contained in this Explanatory Statement) that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the Resolution.

The Company will disregard any votes cast on Resolution 8 by Guy T Le Page (being the related party of the Company to whom the Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

The Listing Rules

Listing Rule 10.11 provides that unless an entity has the approval of the holders of "ordinary securities", that entity must not issue or agree to issue "equity securities" to a "related party", or a person whose relationship with the entity or a related party of the entity is, in the opinion of the ASX, such that approval should be obtained.

The Listing Rules define equity security to include an option over an issued or unissued share in an entity. The Options will therefore be equity securities for the purposes of the Rules.

Under the Listing Rules, the term related party (in relation to a body corporate) has the same meaning as that set out in section 228 of the Act. Section 228(2) of the Act provides that the directors of a public company are related parties of that public company. Gregory H Solomon, Douglas H Solomon, Guy T Le Page and James B Richardson are Directors, and therefore related parties, of the Company.

The Company is therefore also seeking shareholder approval for the purposes of Listing Rule 10.11 to the issue of the Options to the Directors. If the approval of the shareholders of the Company is not obtained, the Options will not be issued to the Directors.

The following information is provided to shareholders of the Company pursuant to Listing Rule 10.13:

1. The Directors propose to issue 1,000,000 Options to each of Gregory H Solomon, Douglas H Solomon and Guy T Le Page (who are Directors of the Company).
2. The maximum number of Options that will be issued is 3,000,000.
3. The Company will issue the Options not more than one month after the date of the Annual General Meeting.

4. The Company will disregard any votes on Resolution 6 by Gregory H Solomon or any of his associates. However, the Company will not disregard a vote if:
 - 4.1 it is cast by Gregory H Solomon or any of his associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 4.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
5. The Company will disregard any votes on Resolution 7 by Douglas H Solomon or any of his associates. However, the Company will not disregard a vote if:
 - 5.1 it is cast by Douglas H Solomon or any of his associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 5.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
6. The Company will disregard any votes on Resolution 8 by Guy T Le Page or any of his associates. However, the Company will not disregard a vote if:
 - 6.1 it is cast by Guy T Le Page or any of his associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 6.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
7. The Options will be issued on the Terms and Conditions described above in this Explanatory Statement. The Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
8. No funds will be raised by the Company by the issue of the Options to the Directors.

GLOSSARY OF TERMS

In this Explanatory Statement and accompanying Notice of Meeting the following words and expressions have the following meanings:

"ASIC" means Australian Securities and Investments Commission;

"ASX" means ASX Limited (ACN 008 624 691);

"Board" means the board of Directors of the Company;

"Company" or "Fission" means Fission Energy Ltd (ACN 119 057 457);

"Corporations Act" means Corporations Act 2001 (Cth);

"Director" means a director of the Company;

"Explanatory Statement" means the information attached to the Notice of Meeting which provides information to shareholders about the Resolutions contained in the Notice of Meeting;

"Listing Rules" means the ASX Listing Rules and **"Listing Rule"** has a corresponding meaning;

"Notice" or "Notice of Meeting" means the notice of meeting which accompanies this Explanatory Statement;

"Options" means options in the Company;

"Shares" means fully paid ordinary shares in the capital of the Company; and

unless the contrary intention appears, terms defined in the Notice of Meeting have the same meaning in this Explanatory Statement.

ARKENSTONE PTY LTD

ACN: 009 112 878

Level 40, Exchange Plaza

2 The Esplanade, Perth, Western Australia 6000

Telephone: (08) 9282 5888

Facsimile: (08) 9282 5855

12 October 2009

The Directors
Fission Energy Ltd
Level 40, Exchange Plaza
2 The Esplanade
Perth, WA 6000

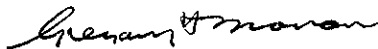
Dear Sirs,

NOTICE OF NOMINATION OF AUDITOR

We, Arkenstone Pty Ltd ATF The G H Solomon Family Investment Trust being a shareholder of Fission Energy Ltd, hereby nominate Grant Thornton Audit Pty Ltd for appointment as auditor of Fission Energy Ltd at the forthcoming Annual General Meeting.

We request a copy of this nomination is sent to all person entitled to receive notice of the AGM and Grant Thornton Audit Pty Ltd.

Yours faithfully



Gregory H Solomon
Director

FISSION ENERGY LTD
(ACN 119 057 457)

PROXY FORM
ANNUAL GENERAL MEETING

The Company Secretary
Fission Energy Ltd
Level 40 Exchange Plaza
2 The Esplanade Perth
WA 6000

Fax +61 08 282 5866

Shareholder Name
Shareholder Address

Share Registry Website:
www.advancedshare.com.au

I/We
being a member/members of Fission Energy Ltd entitled to attend and vote at the meeting, hereby
Appoint
Name of proxy

or failing the person so named or, if no person is named, the Chairman of the meeting or the Chairman's nominee, to vote in respect of ____% of my/our voting rights in accordance with the following directions, or if no directions have been given, as the proxy sees fit at the Annual General Meeting of the company, to be held on Friday 20th of November 2009 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Ordinary Resolutions:

	FOR	AGAINST	ABSTAIN
1. Approval of Remuneration Report	☐	☐	☐
2. Re-election of Mr J B Richardson as a Director of the Company	☐	☐	☐
3. Re-election of Mr G T Le Page as a Director of the Company	☐	☐	☐
4. Appointment of auditor	☐	☐	☐
5. Ratification of the issue of shares and options by directors	☐	☐	☐
6. Issue of options to Gregory H Solomon	☐	☐	☐
7. Issue of options to Douglas H Solomon	☐	☐	☐
8. Issue of options to Guy T Le Page	☐	☐	☐

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not intended to be counted in computing the required majority on a poll.

Signed this day of 2009

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

The Chairman intends to vote undirected proxies in favour of each item of business.

If you do not wish to direct your proxy how to vote please place a mark in the box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

☐

Notes:

1. To be effective, this proxy and the power of attorney (if any) under which it is signed must be received at the Registered Office of the company, Level 40, Exchange Plaza, 2 The Esplanade, Perth, WA 6000 not less than 48 hours before the time for holding the meeting, or any adjournment thereof.
2. If the member is a corporation, the form of proxy should be signed under seal if appropriate.

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed either in accordance with the Constitution of the company or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by all of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, that is by 9:30am WST on 18 November 2009, by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, or acts as proxy for any other shareholder, the proxy can cast any votes the proxy holds as a shareholder or as proxy for any other shareholder in any way that the proxy, or that other shareholder, sees fit.

7. The Chairperson intends to vote in favour of all resolutions set out in the Notice of Annual General Meeting.