



ACN 119 057 457

**ASX QUARTERLY REPORT
FOR PERIOD ENDED 31ST DECEMBER 2010**

HIGHLIGHTS

MT THIRSTY PROJECT (WA)

Nickel Sulphide Exploration

- **Further RC drilling intersects high grade nickel:
MTRC030 - 1m @ 4% nickel from 199 to 200m**
- **Follow up deeper drilling planned**

Mt Thirsty Co-Ni-Mn Oxide Resource

- **Infill resource drilling completed**
- **New resource estimate expected late January**

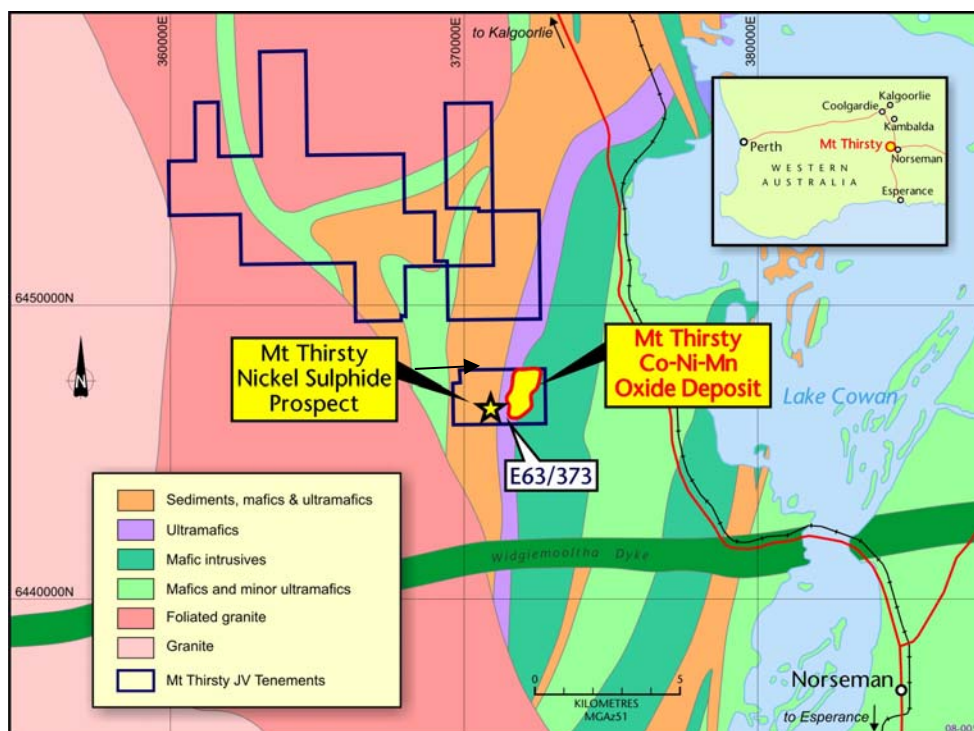


Figure 1: Mt Thirsty Project Location and Regional Geology.

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

The Mt Thirsty Cobalt –Nickel -Manganese oxide project covering an area of 58km² 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 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 earlier this year (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 this year 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.

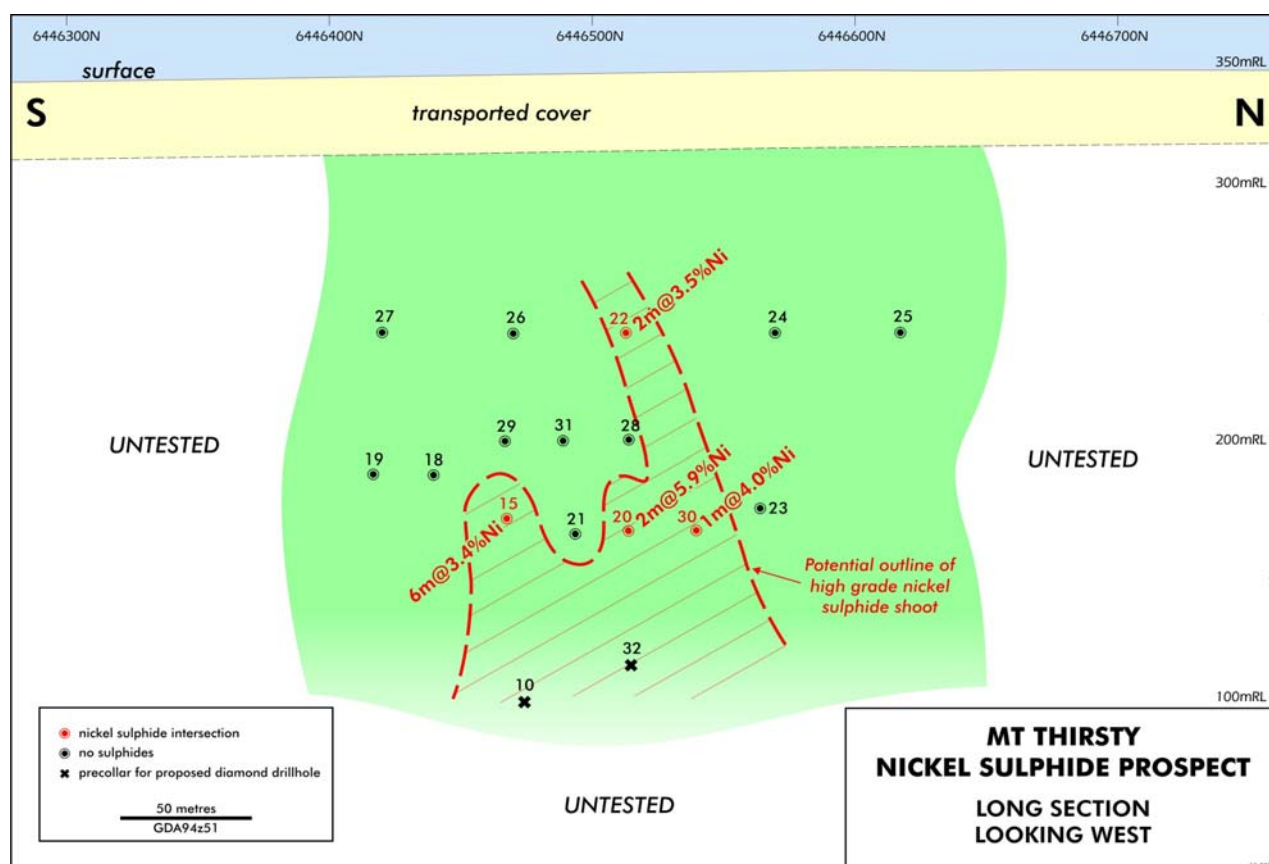
A second follow up RC drilling program (8 holes 1,744m) was completed at the Mt Thirsty nickel sulphide prospect during the quarter. The best result from the latest drilling was **1m @ 3.95% Ni** from 199 to 200m down hole* in MTRC030 (refer long section Figure 2). Low grade disseminated mineralisation averaging 0.34% Ni over 2m from 197 to 199m also occurs immediately above this intersection. No significant intersections occurred in the other seven holes.

The latest result follows three previous high grade intersections in earlier holes, including **6m at 3.4% Ni, 2m at 5.9% Ni and 2m at 3.5% Ni**. The nickel sulphide intersections obtained from the recent RC drilling programs are summarised in Table 1.

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 (%)
MTRC015	370970	6446467	238	201	207	6	3.4
			includes	203	204	1	6.0
			and	205	206	1	7.5
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 width slightly less than true width, all holes drilled RC and inclined -60° to the west. Ni analysis by acid digest/ICP-OES on approx. 4kg sample split from 1m RC samples.


Figure 2: Longitudinal Section Showing Nickel Sulphide Intersections

The recent holes were drilled at 60° to the west to test for continuations of the nickel sulphide mineralisation (thought to be dipping easterly at about 70°) at shallow depths from 100 to 200m and determine the likely plunge direction of the mineralisation to aid siting of deeper diamond drill holes.

The mineralisation in holes MTAC15, 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.

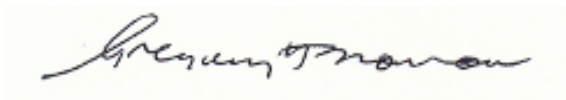
Follow-Up Drilling Program

A steep plunge to the mineralisation is now apparent and two holes have already been pre- collared (refer Figure 2) to allow testing of the mineralisation at depth as soon as a suitable diamond rig is available.

Mt Thirsty Ni –Co- Mn Oxide Deposit

Infill Resource Drilling

Infill resource drilling was completed during the quarter. 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 and should be available before the end of January. 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.



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.