CEOCFO

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Strategically Located in Saskatchewan's Athabasca Basin, Home of the Richest Uranium Deposits in the World, Uranium Exploration Company Fission Energy Corp. is well Positioned in one of the Friendliest Uranium Mining Districts in the World

Basic Materials
Industrial Metals & Minerals
Uranium
(FIS.V-TSXV, FSSIF.PK-OTCQX)

Mr. Devinder Randhawa MBA
Chairman and CEO

Interview conducted by:
Bud Wayne, Editorial Executive
CEOCFO Magazine

CEOCFO: Mr. Randhawa, would you give us a little history on Fission Energy?

Mr. Randhawa: Fission Energy is a spin-off of a company called Strathmore Minerals, which I founded in 1998 and was Chairman & CEO. Strathmore was focused solely on uranium exploration and development. By 2007, they had developed a large portfolio of uranium properties in The United States, Canada and South America. However, we noticed that valuation for Strathmore was based solely on its US assets, with little value given to our properties in Canada and South America. In order to maximize shareholder value the board decided to spin out its Canadian and Peruvian assets into a new company and give each Strathmore shareholder 0.333 shares in Fission for every 1 share owned of Strathmore. This provided us with a new company of which every Strathmore shareholder owned shares. In a way Fission is really the "son of Strathmore", which still exists today. The US assets stayed with Strathmore while the assets in Canada and Peru were added to the new company called Fission Energy. I have been the CEO of Fission from day one and am also the Chairman of the board.

CEOCFO: What is driving the focus on uranium?

Mr. Randhawa: The driving focus for uranium is its essential role in nuclear energy. Despite what you read in the papers, there has been an ongoing shortage of uranium since the 1970's. Last year the world requirements were 152 million lbs of uranium and world production was only 188 million lbs. The shortfall of 34 million pounds was filled through existing finite means. The source that makes up most of the shortfall is Russian nuclear warheads that were once aimed at the United States. They are being down blended and sold to the US as energy. Today 1 in every 10 light bulbs in the United States is powered by down blended uranium. The need for energy drives the demand for uranium and every country wants to have a mix of nuclear energy along with hydro, wind and solar power. As long as the demand for energy continues to increase and a production shortage of uranium exists. Uranium prices will react accordingly. In France 78% of their energy comes from nuclear power. The Chinese are as low as 1.5%.

Worldwide growth has been rapid and as a result the demand for energy is steadily increasing, especially in countries like India and China. On January 16, 2012 China announced their intention to raise the share of power from none fossil fuels to 11.4%. By 2030, they intend to produce 15% of their energy form the nuclear, which would require another 125 reactors. Countries like Germany and the United States allow public opinion to dictate their nuclear energy plans. The non-democratic countries like Saudi Arabia, The United Arab Emirates and China see the need for nuclear and are moving full steam ahead on their nuclear programs. The average Chinese individual uses 3% of the energy that a North American does. A South Korean uses 17% the energy of an American. If the average Chinese individual increased consumption to that of a South Korean, they would use every drop of oil on the earth. That is how big of an impact the Chinese market could make on the price of all sources of energy.

When the home of cheap oil, Saudi Arabia and The United Arab Emirates, are building nuclear reactors it's a clear indication that they feel oil is not the future of energy production. Saudi Arabia announced its intention to build 16 reactors and The United Arab Emirates have order 4 reactors from South Korea, making that 20 new reactors in two of the world's leading petroleum producing countries. As the price of oil increases, it becomes a less viable option for energy output. Currently oil is over $100 a barrel. I would not be surprised to see it up to $120 or even $140 a barrel again, pushing countries to find a more economical means of energy production.

CEOCFO: What is the team at Fission Energy looking at or what have you acquired in terms of projects in Saskatchewan and the Athabasca Basin?

Mr. Randhawa: First, we are located in Saskatchewan's Athabasca Basin, which is widely regarded as the world's premier uranium district. The grades there run ten to twenty times the world average. Second, there is tremendous capacity for milling. Finding high-grade ore is only the first step in producing uranium. High grade ore means nothing without the ability to process it. There are 2 mills close to our Waterbury Lake property, one is not used at all and one has at least 50% capacity left. Third, Saskatchewan is one of the friendliest jurisdictions in the world for uranium mining. What makes Fission's location great is that we have all three, high grades, excess milling capacity nearby and a government that is pro uranium mining. Saskatchewan has a 40 year history in uranium mining, so there is a precedence in place, it's not as though its "not in my backyard". Fission's property is surrounded by several uranium mines, reducing the chance of any red tape in advancing our project from exploration to mining. Once you get a permit to mine, there are mills nearby and high grade ore in the ground. That is why Rio Tinto just spent $654 million acquiring our neighbor Hathor Exploration. When times get tough a mining company will move to mine the high-grade deposits because in the end it's cheaper. For that reason we think Saskatchewan's Athabasca Basin is the best place to be for uranium exploration.

CEOCFO: What is happening on the ground today and is there any new and exciting news that you would like to tell us about?

Mr. Randhawa: Our flagship property is the Waterbury joint venture with the Korean Electric Power Company (KEPCO). KEPCO owns 40% and we own 60%. Right next door, 30 meters away is an asset that sold for $654 million, and mineralization is not mindful of property boundaries. Right now that is our biggest asset. We are exploring to expand our discovery and double its size over the next couple of years through drilling. We have approximately $25 million in the bank, so we have more than enough money to develop our assets through our exploration efforts. According to many people inside the uranium industry our Waterbury Lake property appears to be the next take out target in the basin, because it is within 30 meters of the Roughrider deposit and Rio Tinto may open pit the deposit. An open pit mine affects an area much further in extent than the actual deposit, which runs up to our property border. As a result Fission seems like a logical take out target for Rio Tinto or one of their partners. Our neighbor Hathor was recently bought out, so it seems focus will now shift to our Waterbury Lake project for a take out. Unfortunately, we do not control the timing of that, so we are working feverishly to grow this asset to get as much value for it as possible. We know it will sell someday, so we intend to put more holes in the ground to grow our discovery as much as we can before that date. What price per pound we get for our asset at Waterbury Lake depends on how it is valued. Valuation of a junior company usually comes through a third party measuring the pounds of ore in the ground. A third party's evaluation is based on where your drill holes are and what your grades are.

CEOCFO: What about the availability of equipment and people to do the operations on the ground and are there newer technologies that can help on your projects?

Mr. Randhawa: Our Waterbury Lake property happens to be in a very easily accessible area of the Athabasca Basin. Less than a 6 minute helicopter ride from a town called Points North the infrastructure around our property is fantastic. A main provincial road runs right through our property making the transportation of equipment and people simple. We do most of our work during the wintertime because it is up to 40% cheaper than summer drilling. 46% of Saskatchewan's Athabasca Basin is covered by lakes, which freeze in the winter. The ice is thick enough to drive over allowing us to move our drill rigs easily with a tractor to any drill target. In the summer these lakes force us to use barges to drill and helicopters to move equipment. The choppers cost about $1800 per hour to operate. Drilling in the winter saves us up to $15,000 per day, because we do not need a helicopter. There are many different technologies to help explore for hidden deposits and so, we have

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- Mr. Devinder Randhawa MBA

to utilize a variety of specialized techniques to find drill targets. Athabasca Basin related uranium deposits are often associated with graphitic conductors, but finding a conductor does not mean you have found uranium. Today's technology helps to identify the conductors, but you still have to follow up with ground geophysics, sampling and drilling.

CEOCFO: What is the plan for the next year or so and are their other geographic locations that you are considering?

Mr. Randhawa: We are considering other parts of the Athabasca Basin, but that is primarily it, because the grade is just so high there. Our knowledge of the region gives us a competitive edge, which is why it is to our benefit to stay in the area.

CEOCFO: What is the Fission Energy philosophy in terms of ownership of property; 100% owned or do you work with partners?

Mr. Randhawa: Exploration is very expensive and risky. I have always believed that you should have a strategy that can survive a bear and a bull market. The theory on our properties has always been, 'our land, our mine, somebody else's money'. For example, our Waterbury Lake project cost us $100,000 to stake the land and we sold half of that for $15 million. We took a $100,000 project and put a value of $30 million on it by bringing in the Korean Electric Power Company. The market is so volatile that your strategy cannot be based on the bullish belief that things are going to keep going up. The reality is that you have these fluctuations and you must have a strategy in place to manage them. You have to see tough times through, so we always have tried to bring in joint venture partners at a good rate, at a premium to what we pay. That way, we are less susceptible to the down swings in the markets.

CEOCFO: Going forward, will Fission Energy be more of an exploration and development company or a production company?

Mr. Randhawa: We will always be an exploration and development company. We are treasure hunters; we are not ones to put a deposit into production. Right now we are focused on developing our Waterbury asset. We are currently talking to people who are interested in buying it. Lately majors all over the world whether they are oil, silver, or copper have stepped away from drilling and left it to the juniors. They wait for the juniors to finish all the exploration work and then try to buy them. Generally, the major mining companies feel they are best at production, so they leave the exploration to companies like Fission.

CEOCFO: What is the financial picture like today for Fission Energy?

Mr. Randhawa: Excellent. We have $25 million in the bank, so we are in a very strong financial position. Junior exploration is very expensive, so it is important to be well funded. We have a good relationship with the banks and have always been able to raise money when we wanted as a result.

CEOCFO: Do you utilize your website to reach potential investors or for information dissemination?

Mr. Randhawa: In this day and age it is essential to use the internet as a means of keeping the investment community informed. Instead of sending out information packages for $1 or $2, people can come to your website, find all your information and see that you are active. Everybody looks at uranium with different levels of expertise. A website is a great tool that provides varying levels of information depending on your need. We are also looking at social networking as another way to broaden our audience. We are also covered by banks, so we are a bit further up in the food chain. Dundee Securities and Versant Partners in Toronto, Canada also cover us as well as a group out of London called VSA.

CEOCFO: Are there any analyst comments that would attract potential investors?

Mr. Randhawa: Absolutely. There was a good article the other day by David Talbot of Dundee Securities. Rob Chang from Versant Partners also recently came out with a write up on us. Both also wrote a nice piece on our initial resource estimate. Whenever we put out a news release, we usually get comments from these guys, which is very good, because they are a well respected third-party.

CEOCFO: Do you do much investor outreach, such as road shows and presentations?

Mr. Randhawa: Yes absolutely. I cannot do everything; neither can Ross McElroy our President, but we have assembled a capable team to help us. We do about 8 road shows a year with some in Europe, the United States and China. We are also planning on attending over 20 different conferences on 3 different continents this year.

CEOCFO: In closing, there are many companies to choose from in your industry; why should investors look at Fission Energy?

Mr. Randhawa: If you are an investor and like speculative stocks and the uranium industry, I think we should be a part of your portfolio. The number one reason to own our stock is that we are probably the next take-over target in the Athabasca Basin. We have a portfolio of properties that is well positioned in both Canada and Peru. Number two; we are well funded, so we do not need a takeover. Thirdly, the management team has a track record of taking assets, developing them and providing value for shareholders.

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