

FISSION ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

SEPTEMBER 30, 2007

Unaudited Interim Financial Statements

Notice

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended September 30, 2007.

FISSION ENERGY CORP.
CONSOLIDATED BALANCE SHEET
(Unaudited – Prepared by Management)

September 30,
2007

ASSETS

Current

Investments	\$ 656,000
Receivables	<u>141,588</u>
	797,588

Mineral property interests (Note 4)
Equipment

19,814,813
44,013

\$ 20,656,414

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Bank indebtedness	\$ 45,944
Accounts payable and accrued liabilities	<u>2,081,972</u>
	<u>2,127,916</u>

Future income taxes (Note 3)

1,640,443

3,768,359

Shareholders' equity

Capital stock (Note 5)	17,026,559
Contributed surplus (Note 5)	398,492
Deficit	(536,996)

16,888,055

\$ 20,656,414

Nature and continuance of operations (Note 2)
Subsequent events (Note 9)

On behalf of the Board:

"Dev Randhawa"

Director

"Ray Larson"

Director

The accompanying notes are an integral part of these consolidated financial statements.

FISSION ENERGY CORP.
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	From Inception on July 17, 2007 to September 30, 2007
GENERAL AND ADMINISTRATIVE EXPENSES	
Advertising and promotion	\$ 5,887
Amortization	2,274
Business development	8,232
Consulting fees	62,977
Insurance	331
Office and miscellaneous	3,789
Professional fees	8,652
Regulatory fees	665
Rent	4,643
Shareholder communications	3,338
Stock-based compensation (Note 5)	398,492
Telephone	1,470
Trade shows and conferences	3,543
Transfer agent	3,805
Travel	2,066
Wages and benefits	<u>1,478</u>
Loss before other item	(511,642)
OTHER ITEMS	
Interest income	226
Foreign exchange	(1,580)
Unrealized loss on investments	<u>(24,000)</u>
	<u>(25,354)</u>
Loss for the period	(536,996)
Deficit, beginning of period	-
Deficit, end of period	\$ (536,996)
<hr/>	
Basic and diluted income (loss) per common share	\$ (0.02)
<hr/>	
Weighted average number of common shares outstanding:	
basic and diluted	24,168,911

The accompanying notes are an integral part of these consolidated financial statements.

FISSION ENERGY CORP.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited – Prepared by Management)

	From Inception on July 17, 2007 to September 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES	
Income (loss) for the period	(536,996)
Items not affecting cash	
Amortization	2,274
Unrealized loss on investments	24,000
Stock-based compensation	398,492
Changes in non-cash working capital items:	
Increase in receivables	(141,588)
Increase in accounts payable and accrued liabilities	<u>133,577</u>
Cash used in operating activities	<u>(120,241)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Deferred exploration costs	(379,416)
Equipment purchased	<u>(46,287)</u>
Cash used in investing activities	<u>(425,703)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Transfer of cash per plan of arrangement	<u>500,000</u>
Cash provided by financing activities	<u>500,000</u>
Change in cash and equivalents during the period	(45,944)
Cash and equivalents, beginning of period	-
Cash and equivalents, end of period	<u>(45,944)</u>

Supplemental disclosure with respect to cash flows (Note 6)

The accompanying notes are an integral part of these consolidated financial statements.

FISSION ENERGY CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
SEPTEMBER 30, 2007

1. BASIS OF PRESENTATION

The consolidated financial statements contained herein include the accounts of Fission Energy Corp. (the “Company”) and its wholly owned subsidiary, Minera Peruran S.A. Significant inter-company balances and transactions are eliminated on consolidation.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries will be included and presented on a comparative and consistent basis where available showing the figures for the corresponding period. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company was formed on July 17, 2007 under the laws of the Canada Business Corporations Act as a result of a plan of arrangement undertaken to reorganize Strathmore Minerals Corp. (“Strathmore”) (Note 3). The Company's principal business activity is the acquisition and exploration of mineral property interests. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties, including acquisition costs and related exploration costs, are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue in existence.

3. PLAN OF ARRANGEMENT

On June 19, 2007 the shareholders of Strathmore approved a plan of arrangement (“the arrangement”) to reorganize the Canadian and Peruvian mineral property interests. The effective date of the transaction was July 17, 2007.

Under the terms of the arrangement, all of Strathmore’s Canadian and Peruvian mineral property interests with a cost base of \$18,117,002 and \$500,000 in cash were transferred to the Company. A future tax liability has been recorded in the amount of \$1,424,570 relating to the difference between the cost base and the elected values for tax purposes. Under the terms of the arrangement, Strathmore’s shareholders as at the share distribution record date of July 13, 2007 received one new common share in the capital of Strathmore (a “Strathmore New Share”) and one-third of one common share in the capital of Fission Energy (a “Fission Energy Share”) for each Strathmore common share (“Strathmore Share”) for a total of 24,168,911 shares issued.

FISSION ENERGY CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
SEPTEMBER 30, 2007

4. MINERAL PROPERTY INTERESTS

From Inception on July 17, 2007 to September 30, 2007	Athabasca Property	Comstock Property	Dieter Lake Property	Duddridge Lake Property	Fort McLeod Property	Staked Canadian Properties	Staked Peru Mineral Property	Total 2007
Acquisition costs:								
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquired through plan of arrangement	3,099,249	515,154	1,854,220	495,719	1,421,483	10,133,107	598,070	18,117,002
Additions	-	-	-	-	-	-	-	-
Recovery	(630,000)	-	-	-	-	-	-	(630,000)
Balance, end of period	<u>2,469,249</u>	<u>515,154</u>	<u>1,854,220</u>	<u>495,719</u>	<u>1,421,483</u>	<u>10,133,107</u>	<u>598,070</u>	<u>17,487,002</u>
Exploration costs:								
Incurred during the period:								
Access	-	-	-	-	-	-	-	-
Drilling	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	207,400	42,844	250,244
Environmental	-	-	-	-	-	-	335	335
Equipment & vehicle rental	4,236	-	1,422	21,521	-	157,972	-	185,151
Facilities/Construction	210	-	-	-	-	29,563	-	29,773
Geology	42,110	-	109,341	50,776	17,145	688,778	19,764	927,914
Geophysics	40,634	-	45,000	5,720	-	50	-	91,404
General expenses	1,253	55	4,103	3,154	2,093	2,482	841	13,981
Health & safety	-	-	-	-	-	-	1,513	1,513
Property fees	-	-	-	-	-	-	-	-
Permitting/Regulatory	5,520	-	111,241	362	99	3,860	4,152	125,234
Personnel	18,778	788	27,880	46,941	416	489,035	26,564	610,402
Travel	2,252	-	12,410	13,824	64	59,450	3,860	91,860
	<u>114,993</u>	<u>843</u>	<u>311,397</u>	<u>142,298</u>	<u>19,817</u>	<u>1,638,590</u>	<u>99,873</u>	<u>2,327,811</u>
Balance, beginning of period	-	-	-	-	-	-	-	-
Balance, end of period	<u>114,993</u>	<u>843</u>	<u>311,397</u>	<u>142,298</u>	<u>19,817</u>	<u>1,638,590</u>	<u>99,873</u>	<u>2,327,811</u>
Total costs	\$ 2,584,242	\$ 515,997	\$ 2,165,617	\$ 638,017	\$ 1,441,300	\$ 11,771,697	\$ 697,943	\$19,814,813

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its properties are in good standing.

4. MINERAL PROPERTY INTERESTS (cont'd...)

Athabasca property, Canada

The Company acquired a 100% interest in a uranium property located in Alberta, Canada, as part of a plan of arrangement with Strathmore (Note 3). The property is subject to a 0.75% net smelter returns royalty on certain mineral production and a 4% gross over riding royalty on all diamond production from the property

During the current period, the Company completed an Option Agreement with Tribune Resources Corp (“Tribune”). Tribune will have the right to acquire 60% interest in the Company’s North Shore portion of the property. Tribune previously completed an LOI with the Company’s spin-out parent company, Strathmore.

Under the terms of the Option Agreement, Tribune may earn a 60% undivided interest in the North Shore portion of the property by issuing 600,000 common shares, which may be subject to hold periods from four months to one year, and incurring expenditures of \$10 million over six years. If Tribune earns the 60% interest, the Company may buy back an 11% interest for \$10,000,000. Tribune’s interest in the property will be subject to a net smelter royalty extracted from it. The rate of the royalty will vary depending on the market price of yellowcake.

Comstock property, Canada

The Company acquired a 100% interest in certain claims located in British Columbia as part of a plan of arrangement with Strathmore (Note 3).

Dieter Lake property, Canada

The Company acquired a 100% interest in certain claims located in Quebec as part of a plan of arrangement with Strathmore (Note 3). An additional 200,000 shares will be issued in the event a resource of more than 60 million pounds containing U₃O₈ (Uranium) is confirmed at the property.

Duddridge Lake property, Canada

The Company acquired a 100% interest in certain claims located in north central Saskatchewan, Canada as part of a plan of arrangement with Strathmore (Note 3).

During the current period, the Company completed an Option Agreement with Great Bear Resources Ltd. (“Great Bear”).

FISSION ENERGY CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
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4. MINERAL PROPERTY INTERESTS (cont'd...)

Duddridge Lake property, Canada (cont'd)

To earn its interest, Great Bear must complete \$6,000,000 in exploration expenditures, make payments totaling \$400,000 and issue 400,000 shares to Strathmore, as follows:

	Cash	Common Shares of the Optionee	Minimum exploration commitments	Percent Interest earned by Optionee
On signing	\$150,000 plus additional staking costs up to \$100,000	200,000		
By Mar 31 2008	\$150,000	200,000	\$750,000	
By Mar 31 2009			\$1,000,000	
By Mar 31 2010			\$1,000,000	35 % Interest earned
By Mar 31 2011			\$1,250,000	51 % interest earned
By Dec 31 2013			\$2,000,000	60% earned
Total	\$400,000	400,000	\$6,000,000	

Fort Mcleod property, Canada

The company acquired a 100% interest in certain claims located in Alberta, Canada as part of a plan of arrangement with Strathmore (Note 3).

Staked properties, Canada

The Company acquired a 100% interest in the following uranium properties located in north-central Saskatchewan: Davy Lake, Hall Lake, Patterson Lake, and Waterbury Lake as part of a plan of arrangement with Strathmore (Note 3).

Staked properties, Peru

The Company acquired a 100% interest in certain uranium properties located in Peru as part of a plan of arrangement with Strathmore (Note 3).

FISSION ENERGY CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited number of common shares, without par value			
Issued			
As at July 17, 2007	-	\$ -	\$ -
Granted per plan of arrangement (Note 3)	24,168,911	17,026,559	-
Stock-based compensation – options granted	-	-	398,492
As September 30, 2007	24,168,911	\$ 17,026,559	\$ 398,492

Stock options and warrants

The Company has a stock option plan whereby, from time to time, at the discretion of the Board of Directors, stock options are granted to directors, officers, employees and certain consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less an applicable discount. The options can be granted for a maximum term of 5 years.

All outstanding Strathmore warrants outstanding as at the completion date of the Company's spin-out transaction are entitled to receive 1 share of Strathmore and one-third of one Fission share for each warrant exercised. The exercise price will be split between Strathmore and the Company on the same ratio that the fair market value of the Spin-Out Assets has to the fair market value of all assets of Strathmore.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, July 17, 2007	-	\$ -	-	-
Granted per plan of arrangement	180,442	.86	-	-
Granted	-	-	2,250,000	.80
Outstanding September 30, 2007	180,442	.86	2,250,000	.80
Number currently exercisable	180,442		750,000	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

As at September 30, 2007, incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Warrants	180,442	.86	May 9, 2008
Options	2,250,000	.80	August 12, 2012

Stock-based compensation

During the period ended September 30, 2007, the Company granted 2,250,000 options to employees, consultants and directors. Pursuant to the vesting of one third immediately and one sixth of the total number every six months thereafter, total stock-based compensation recognized in the statement of operations during the first quarter of 2007 was \$398,492. This amount was also recorded as contributed surplus on the balance sheet. All options are recorded at fair value using the Black-Scholes option pricing model.

The following assumptions were used for the valuation of stock options and warrants:

From Inception on July 17, 2007 to September 30, 2007	2007
Risk-free interest rate	4.26%
Expected life	5 years
Annualized volatility	100%
Dividend rate	0.00%

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

From Inception on July 17, 2007 to September 30, 2007	2007
Cash paid during the period for interest	\$ -

Significant non-cash transactions from inception to September 30, 2007 included:

- Receiving marketable securities for minerals valued at a cost of \$630,000.
- Receiving marketable securities pursuant to the plan of arrangement with Strathmore valued at a cost of \$50,000.
- From Inception on July 17, 2007 to September 30, 2007 the Company issued 24,168,911 common shares valued at \$18,667,002 pursuant to the plan of arrangement with Strathmore.
- Issuing 24,168,911 common shares valued at \$17,026,559 pursuant to the plan of arrangement with Strathmore (Note 3).
- Incurring mineral property expenditures of \$1,948,395 through accounts payable and accrued liabilities.

FISSION ENERGY CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties:

From Inception on July 17, 2007 To September 30, 2007	2007
Consulting fees	\$ 28,500

Included in accounts payable and accrued liabilities is \$28,500 for consulting fees.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to related parties are due to directors and companies controlled by directors and are unsecured, non-interest bearing and have no specific repayment terms.

8. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the exploration of mineral property interests and considers its loss from operations from inception on July 17, 2007 to September 30, to relate to this segment.

The Company has mineral property interests located in Canada and Peru and conducts administrative activities from Canada. The total amount of capital assets attributable to Canada is \$19,360,882, Peru is \$697,944.

9. SUBSEQUENT EVENTS

- a) On November 15, 2007 the Company had completed its brokered private placement of common and flow-through shares. The Company issued 6,572,000 common shares at a price of \$0.70 per share, and 8,415,000 flow-through shares at a price of \$0.82 per share for aggregate gross proceeds of \$11,500,700. As consideration for acting as agents, the Agents received a total cash commission of \$537,610 plus expenses and 700,600 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company at a price of \$0.70 for a period of 18 months following the closing date of the private placement.
- b) On November 15, 2007 the Company granted incentive stock options to the Company's recently appointed Vice President of Exploration to purchase up to 100,000 common shares at \$0.80 per share for a period of 5 years expiring on November 14, 2012.

FISSION ENERGY CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FROM INCEPTION ON JULY 17, 2007 TO SEPTEMBER 30, 2007**

The following discussion and analysis, prepared as of November 20, 2007, of the results of operations and financial position of Fission Energy Corp. (the "Company") from inception on July 17, 2007 to September 30, 2007 should be read in conjunction with the unaudited consolidated financial statements for the same period ended September 30, 2007 and related notes attached thereto, which are prepared in accordance with Canadian generally accounting principles.

Forward Looking Statements

Statements in this report that are not historical based facts are forward looking statements involving know and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Description of Business

Fission Energy Corp. (the "Company") is a junior resource issuer primarily engaged in the acquisition, exploration, and development of uranium resource properties primarily in Canada. In addition, the Company holds a uranium property in the Macusani District of Peru. Fission Energy Corp. was created as a result of a plan of arrangement undertaken to reorganize Strathmore Minerals Corp. ("Strathmore") into two separate operating companies. The Board of Directors and Management for Strathmore Minerals Corp have continued on to serve with Fission Energy Corp. Fission began trading as a new public company on July 25, 2007, under the symbol FIS.V (TSX Venture Exchange). Management believes that the exploration and development of uranium properties presents an opportunity for the following reasons:

- Increased worldwide energy demand
- Increased demand for uranium.
- Uranium Demand/Supply Imbalance, resulting in significantly higher uranium prices
- Potential for increased demand from developing countries as they construct new nuclear power plants
- In the United States the domestic annual demand for uranium exceeds 50 million pounds, while production totals approximately 3-4 million pounds per year.
- Many of Fission Energy's properties are located in Saskatchewan's Athabasca basin, home of the world's richest uranium deposits in the world.

This increased demand and higher prices have stimulated new exploration and development of both new and previously explored uranium properties.

Performance Summary and Update

The Company's primary objective is to locate, evaluate and acquire uranium properties and to finance their exploration and development through equity financing, by way of joint venture, option agreements or other means. At the time of writing, the uranium spot price was US \$93 /lb. The following is a summary of significant events and transactions that occurred during the period:

All of the uranium properties currently held by Fission Energy Corp were originally staked or acquired by Strathmore Minerals Corp after 2003, with the exception of the Macusani Property in Peru, which was acquired in 1997. Most of the properties are located in Saskatchewan's Athabasca Basin. Fission continues to hold one of the largest portfolios of early stage exploration properties in the Basin. Other properties outside the Athabasca Basin include Dieter Lake in Quebec and the Fort McLeod property in southern Alberta. A list of the Company's uranium exploration projects is shown below.

PROJECT	LOCATION	OWNERSHIP
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Dieter Lake	Quebec, Canada	100 % Fission Energy Corp.
Waterbury Lake	Athabasca Basin, SK	MOU – KEPCO
Davy Lake	Athabasca Basin, SK	100 % Fission Energy Corp.
Patterson Lake	Athabasca Basin, SK	100 % Fission Energy Corp.
Duddridge Lake	Athabasca Basin, SK	J V - Great Bear Resources
North Shore	Athabasca Basin, AB	J V - Tribune Resources
South Shore	Athabasca Basin, AB	100 % Fission Energy Corp.
Fort McLeod	SouthWestern AB	100 % Fission Energy Corp.
Macusani	Peru, South America	100 % Fission Energy Corp.

Project work during the period ending September 30, was limited due to financial constraints. Fission Energy received C\$500,000 from Strathmore Minerals Corp as part of the Plan of Arrangement, and a new financing to fund further exploration was necessary. Subsequent to September 30, Fission Energy Corp closed financing led by Cormark Securities and Raymond James Canada for gross proceeds of \$11,500,700.

During the quarter, the Company completed a five hole drill program totaling 1406m at its Patterson Lake property located approximately 30km south of the advanced UEX-AREVA Joint Venture exploration and development project in the southwestern part of the Athabasca Basin. Results warrant further exploration, which is planned for calendar 2008.

At Davy Lake, where a 51 km contiguous conductor was identified in 2006, summer geophysical programs were carried out to further identify and prioritize drill targets. Drilling is planned for the first calendar quarter of 2008.

In July, Fission Energy completed an option agreement with Tribune Uranium Corp whereby Tribune has the right to acquire a 60 % interest in the Company's North Shore Athabasca Property. Tribune has issued 600,000 common shares to Fission and is required to spend C\$10 million in exploration over 6 years. Fission is operator, and retains an 11% buyback interest in the project. A ground reconnaissance program began in September. It is anticipated that drilling of selected targets will begin in early 2008.

At the end of the September 30th quarter, crews were mobilized to the Duddridge Lake Property located at the southern fringe of the Athabasca basin. This project is joint ventured with Great Bear Uranium Corp., who can earn a 60% by spending \$6 million in exploration over 5 years. This agreement was completed when Fission Energy was part of Strathmore Minerals Corp. Exploration is focusing on the area of know mineralization. A 15-20 hole drill program totaling 1,000 meters is planned for early 2008. Fission Energy is the operator

Subsequent to the quarter ending September 30th, Fission Energy entered into a non-binding Memorandum of Understanding with Korea Electric Power (KEPCO) for the joint exploration and development of the Waterbury Lake project in the eastern part of the basin. The Waterbury Lake Property virtually surrounds the AREVA-Denison Midwest Uranium Deposit scheduled to begin production in 2010-11. At the time of writing, a formal agreement with KEPCO is being negotiated.

Plan of Arrangement

On June 19, 2007 the shareholders of Strathmore approved the terms of the arrangement, (“the arrangement”) to reorganize the Canadian and Peruvian mineral property interests. The effective date of the transaction was July 17, 2007

Under the terms of the arrangement, all of Strathmore's Canadian and Peruvian mineral property interests with a cost base of \$18,117,002 and \$500,000 in cash were transferred to the Company. A future tax liability has been recorded in the amount of \$1,424,570 relating to the difference between the cost base and the elected values for tax purposes. Under the terms of the arrangement, Strathmore's shareholders as at the share distribution record date of July 13, 2007 received one new common share in the capital of Strathmore (a “Strathmore New Share”) and one-third of one common share in the capital of Fission Energy (a “Fission Energy Share”) for each Strathmore common share (“Strathmore Share”) for a total of 24,168,911 shares.

Private Placement

On November 15, 2007 the Company had completed its brokered private placement of common and flow-through shares. The Company issued 6,572,000 common shares at a price of \$0.70 per share, and 8,415,000 flow-through shares at a price of \$0.82 per share for aggregate gross proceeds of \$11,500,700. As consideration for acting as agents, the Agents received a total cash commission of \$537,610 plus expenses and 700,600 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company at a price of \$0.70 for a period of 18 months following the closing date of the private placement.

Mineral Property Interests

Uranium Resources Summary by Property

The following table updates the Company's uranium resources as of September 30, 2007. Additions and changes are anticipated over the following year as drilling databases are acquired and analyzed. The table includes NI 43-101 compliant (Measured and Indicated, and Inferred), and historical resources as defined by the results of exploration completed by previous mining companies. The discussion following the table revisits previously released information and adds the new historical resources where appropriate.

Location	Previous Operator	Resource Classification	Tonnage	Grade % U₃O₈	Lbs/U₃O₈
Dieter Lake, Quebec	Uranerz	NI 43-101: Inferred	19,312,816 tonnes	.057	24,424,306
Duddridge Lake, Sask.	Noranda	NI 43-101: Inferred	357,310 tonnes	.105	753,924

The foregoing historical resource estimates presented in this table were completed prior to the implementation of the NI 43-101 requirement. Given the quality of the historic work completed, the Company believes the resource estimates to be both relevant and reliable. However, a qualified person has not completed sufficient work to classify these historic mineral resources as current mineral resources; and is not treating the historic resources as current. Hence, they should not be relied upon.

Deferred Exploration Costs

From inception on July 17, 2007 to September 30, 2007, the Company spent \$2,327,811 on exploration and development as follows:

	Athabasca Property	Comstock Property	Dieter Lake Property	Duddridge Lake Property	Fort McLeod Property	Staked Canadian Properties	Staked Peru Mineral Property	Total 2007
Acquisition costs:								
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquired through plan of arrangement	3,099,249	515,154	1,854,220	495,719	1,421,483	10,133,107	598,070	18,117,002
Additions	-	-	-	-	-	-	-	-
Recovery	(630,000)	-	-	-	-	-	-	(630,000)
Balance, end of period	<u>2,469,249</u>	<u>515,154</u>	<u>1,854,220</u>	<u>495,719</u>	<u>1,421,483</u>	<u>10,133,107</u>	<u>598,070</u>	<u>17,487,002</u>
Exploration costs:								
Incurred during the period:								
Access	-	-	-	-	-	-	-	-
Drilling	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	207,400	42,844	250,244
Environmental	-	-	-	-	-	-	335	335
Equipment & vehicle rental	4,236	-	1,422	21,521	-	157,972	-	185,151
Facilities/Construction	210	-	-	-	-	29,563	-	29,773
Geology	42,110	-	109,341	50,776	17,145	688,778	19,764	927,914
Geophysics	40,634	-	45,000	5,720	-	50	-	91,404
General expenses	1,253	55	4,103	3,154	2,093	2,482	841	13,981
Health & safety	-	-	-	-	-	-	1,513	1,513
Property fees	-	-	-	-	-	-	-	-
Permitting/Regulatory	5,520	-	111,241	362	99	3,860	4,152	125,234
Personnel	18,778	788	27,880	46,941	416	489,035	26,564	610,402
Travel	<u>2,252</u>	<u>-</u>	<u>12,410</u>	<u>13,824</u>	<u>64</u>	<u>59,450</u>	<u>3,860</u>	<u>91,860</u>
	114,993	843	311,397	142,298	19,817	1,638,590	99,873	2,327,811
Balance, beginning of period	-	-	-	-	-	-	-	-
Balance, end of period	<u>114,993</u>	<u>843</u>	<u>311,397</u>	<u>142,298</u>	<u>19,817</u>	<u>1,638,590</u>	<u>99,873</u>	<u>2,327,811</u>
Total costs	\$ 2,584,242	\$ 515,997	\$ 2,165,617	\$ 638,017	\$ 1,441,300	\$ 11,771,697	\$ 697,943	\$19,814,813

Results of Operations

General and administrative expenses totaled \$511,642 from inception to September 30, 2007. Major expenses included consulting fees of \$62, 977 and stock based compensation of \$398,492 relating to the granting of incentive stock options to directors, officers, employees and certain consultants.

Summary of Quarterly Results

					1st Quarter
2007	Net Income (loss)				(536,996)
	Net Income (loss) per share				(.02)

Liquidity and Capital resources

The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties, including acquisition costs and related exploration costs, are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The Company expects to rely upon equity financing as its primary source of funding.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

Related Party Transactions

From inception on July 17, 2007 to September 30, 2007, the Company entered into the following transactions involving related parties:

- a) Paid or accrued management consulting fees in the amount of \$9,000 to a company controlled by Devinder Randhawa, the Chairman and Chief Executive Officer for services provided to the Company.
- b) Paid or accrued management consulting fees in the amount of \$6,000 to a company controlled by an officer, Steven Khan, for services provided to the Company.
- c) Paid or accrued management consulting fees in the amount of \$7,500 to David Miller, the President and Chief Operating Officer for services provided to the Company.
- d) Paid or accrued management consulting fees in the amount of \$6,000 to Patrick Groening, the Chief Financial Officer for services provided to the Company.

The above amounts are included accounts payable and accrued liabilities and total \$28,500 for consulting fees.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to related parties are due to directors and companies controlled by directors and are unsecured, non-interest bearing and have no specific repayment terms.

Outstanding Share Data

As at November 20, 2007, the Company has 24,168,911 common shares issued and outstanding. The Company also has 2,250,000 incentive stock options with an exercise price of \$0.80 per share and 180,442 share purchase warrants for an exercise price of \$0.86 per share.

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to Multilateral Instrument 52-109 is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms. The Company's Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures as of September 30, 2007, and concluded that the current disclosure controls and procedures are effective.

During the interim period ended September 30, 2007, the Company made changes to its systems of internal controls that did not materially affect internal control over financial reporting.