First Uranium Corporation

MINE WASTE SOLUTIONS SUBMITS SIX MONTH INTERIM FINANCIAL STATEMENTS TO THE JSE LIMITED

Toronto and Johannesburg – First Uranium Corporation (TSX:FIU, JSE:FUM)(ISIN:CA33744R1029)("First Uranium")announced today that in connection with the continuous disclosure obligations under the rules of the JSE Limited ("JSE"), Mine Waste Solutions (Proprietary) Limited ("MWS")issued its unaudited interim abridged consolidated financial statements (the "Financial Statements") for the six month period ended 30 September, 2011.

As a wholly-owned subsidiary of First Uranium, the results of MWS and its wholly-owned subsidiary, Chemwes (Proprietary) Limited were included in First Uranium's unaudited consolidated financial statements and related Management's Discussion and Analysis for the three and six months ended September 30, 2011.

Attached is the notice issued on SENS by MWS together a copy of the MWS's Financial Statements.

MWS listed its 11% secured convertible notes due 31 March 2013 on the JSE on 15 July 2011.

29 December 2011

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Cautionary Language Regarding Forward-Looking Information

This news release contains and refers to forward-looking information based on current expectations. All other statements other than statements of historical fact included in this release are forward-looking statements (or forward-looking information). First Uranium's plans involve various estimates and assumptions and its business and operations are subject to various risks and uncertainties. For more details on these estimates, assumptions, risks and uncertainties, see the First Uranium's most recent Annual Information Form and most recent Management Discussion and Analysis on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. These forward-looking statements are made as of 9 November 2011 and there can be no assurance that such statements will

prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein, except in accordance with applicable securities laws.

Mine Waste Solutions (Proprietary) Limited
(Incorporated in the Republic of South Africa)
(Registration number 2000/1443/07)
(a wholly-owned subsidiary of First Uranium Corporation)
JSE code MWNT ISIN: ZAE000156261

29 December 2011

Attached are the unaudited interim abridged consolidated financial statements of Mine Waste Solutions (Proprietary) Limited for the six months ended September 30, 2011 (2012 YTD).

As previously reported on SENS on November 15, 2011, First Uranium Corporation (First Uranium) issued its unaudited consolidated financial statements and related Management's Discussion and Analysis ("MD&A") for the three and six months ended September 30, 2011. As a subsidiary of First Uranium, the results of Mine Waste Solutions (Proprietary) Limited and its wholly-owned subsidiary, Chemwes (Proprietary) Limited ("Chemwes") were included in the results for the First Uranium group. Mine Waste Solutions together with Chemwes are referred to herein as MWS. The six months ended September 30, 2010 is referred to as 2011 YTD.

Basic and diluted loss and headline loss per common share
(extracted from Mine Waste Solutions' interim abridged consolidated financial statements for the six months ended September 30, 2011)

	30 September 2011 R	30 September 2010 R
Basic and diluted loss and headline loss per share of (cents per share in Rand)	(1 179.82)	(563.89)
is calculated based on the loss and headline loss for the six months of (in Rand)	(448 330 202)	(214 278 531)
and a weighted average number of common shares outstanding of	380 000	380 000

Overview of Mine Waste Solutions
(extracted from First Uranium's MD&A for the three and six months ended September 30, 2011)

MWS increased its gross profits for 2012 YTD (US$25.7 million) by 47% compared to 2011 YTD (US$17.5 million), as a result of higher revenues generated by the tailings operation.

The 55% higher tonnage throughput in 2012 YTD (9.7 million tonnes) compared to 2011 YTD (6.3 million tonnes) was driven primarily by the commissioning of the new tailings storage facility ("TSF"), which along with the third gold plant module in April 2011, increased processing capacity from an average of 1.2 mtpm to 1.8 mtpm. The final gold expansion phase of the MWS project during 2012 YTD brought with it three new resources, the Hartebeestfontein tailings dams No.1, 2 and 7.

The material characteristics of the new resources necessitated modifications to both the carbon-in-leach and the elution circuit to enable the infrastructure to accommodate the larger fraction size of the new material. The modifications undertaken during the period impacted negatively on gold recoveries in 2012 YTD compared to 2011 YTD. During the period under review, MWS improved the performance of the third gold plant module significantly such that overall gold recoveries improved resulting in an average recovery of 51% for the three months ended September 30, 2011 and 48% for 2012 YTD.

The 62% increase in gold proceeds in 2012 YTD (US$65.2 million) compared to 2011 YTD (US$40.3 million) was primarily driven by the 31% higher average gold selling prices along with the 27% increase in gold ounces sold over the comparative period. Amortization in 2012 YTD also increased compared to 2011 YTD as a result of the increased tonnage profile.

The 34% increase in Cash Costs* in 2012 YTD (US$673 per ounce) compared to 2011 YTD (US$501 per ounce) were driven by several factors, namely:

- The high unit cost of operating the Hartebeesfontein No. 7 satellite dam (including trucking) which are important in managing the grade and fraction size mining mix reporting to the third gold module reclamation station;
- Additional power costs of running the new TSF, which is situated approximately 16km from the metallurgical complex;
- Additional water costs resulting from less than planned return water reporting from the TSF to the reclamation operations and the resultant need to supplement water from more expensive sources. The need to supplement water will reduce in time as the dam begins to fill and is less affected by evaporation.

The higher revenues in 2012 YTD more than offset the higher costs in the respective period and resulted in the 47% increases in gross profits generated by MWS compared to 2011 YTD.

The successful completion of the critically important Franco-Nevada Technical Completion Test, as required in terms of the gold purchase agreement between Chewmes (Proprietary) Limited, First Uranium Corporation, Franco-Nevada (Barbados) Corporation (formerly Gold Wheaton (Barbados) Corporation) and Franco-Nevada GWL Holdings Corp. (successor to Gold Wheaton Gold Corp.), on August 24, 2011 was a significant milestone for MWS and removes a significant commercial risk for this operation.

At the end of 2012 YTD, the capital program for the third gold plant module as well as the TSF was fundamentally complete with minor trailing obligations remaining. All contracts related to the execution of these capital programs are likely to be closed out along with final settlement during the three months ended December 31, 2011.

*“Cash Costs" are costs directly related to the physical activities of producing gold and uranium and include mining, processing and other plant costs; third-party refining and smelting costs; marketing expense, on-site general and administrative costs; royalties; on-mine drilling expenditures that are related to production and other direct costs. Sales of by-product metals such as uranium and silver are deducted from the above in computing cash costs. Cash costs exclude depreciation, depletion and amortization, corporate general and administrative expense, exploration, interest, and pre-feasibility costs and accruals for mine reclamation. Cash costs are calculated and presented using the "Gold Institute Production Cost Standard" applied consistently for all periods presented. The Gold Institute was a non-profit industry association comprised of leading gold producers, refiners, bullion suppliers and manufacturers. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. Total cash costs per ounce is a non-IFRS measurement and investors are cautioned not to place undue reliance on it and are advised to read all IFRS accounting disclosures presented in the Corporation’s Financial Statements.

Reserves and Resources

The mineral reserve and resources for MWS estimates as of April 1, 2011 are available on the website of First Uranium Corporation at www.firsturanium.com. There have been no material changes to the mineral reserve and resource estimates since such date.

Annual Financial Statements

The audited annual consolidated financial statements of MWS for the year ended March 31, 2011 is available on the First Uranium website at www.firsturanium.com under Investor Centre/ Annual Reports.

Cautionary Language Regarding Forward-Looking Information

This news release contains and refers to forward-looking information based on current expectations. All other statements other than statements of historical fact included in this release are forward-looking statements (or forward-looking information). The Company’s plans involve various estimates and assumptions and its business and operations are subject to various risks and uncertainties, including without limitation, the outcome of the appeal of the Water Use License by FSE. For more details on these estimates, assumptions, risks and uncertainties, see First Uranium's most recent Annual Information Form and most recent Management Discussion and Analysis on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. These forward-looking statements are made as of 9 November 2011 and there can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein, except in accordance with applicable securities laws.

Non-IFRS Measures

The Company believes that in addition to conventional measures prepared in accordance with International Financial Reporting Standards (“IFRS”), the Company and certain investors and analysts use certain other non-IFRS financial measures to evaluate the Company's performance including its ability to generate cash flow and profits from its operations. The Company has included certain non-IFRS measures in this document. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Readers are advised to read all IFRS accounting disclosures presented in the Company’s financial statements for more detail.

Mine Waste Solutions

INTERIM ABRIDGED CONSOLIDATED RESULTS OF MINE WASTE SOLUTIONS (UNAUDITED)

The historical financial information of Mine Waste Solutions (Proprietary) Limited (the "Company" or "Mine Waste Solutions" or "MWS") has been extracted from the unaudited interim consolidated financial statements of the Company for the six months ended 30 September 2011. These extracts are the responsibility of the Board. Please refer to the Management Discussion and Analysis of First Uranium Corporation, the ultimate holding company of MWS, for the three and six months ended 30 September 2011, for commentary on the financial information of MWS.

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2011 R	31 March 2011 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	3 477 347 663	3 452 107 865
Environmental rehabilitation trust fund		43 411 943	38 769 178
Deferred tax asset		529 082 123	321 261 015
		4 049 841 729	3 812 138 058
Current assets			
Loans to group companies	3	462 875 415	335 189 151
Cash and cash equivalents		25 331 074	38 473 337
Trade and other receivables		34 107 533	50 154 630
Inventories		25 845 177	18 202 931
		548 159 199	442 020 049
Total assets		4 598 000 928	4 254 158 107
EQUITY AND LIABILITIES			
Equity			
Share capital		89 147 994	89 147 994
Convertible notes	5	45 431 329	46 750 880
Reserves		13 426 750	12 286 772
Accumulated loss		(724 948 216)	(276 618 014)
		(576 942 143)	(128 432 368)
Non-current liabilities			
Derivative financial liability	4	2 398 428 595	1 985 271 170
Loans from group companies	3	1 651 079 746	1 578 500 038
Convertible notes	5	386 105 090	387 578 798
Environmental rehabilitation provision		215 305 629	210 711 112
		4 650 919 060	4 162 061 118
Current liabilities			
Loans from group companies	3	64 536 617	51 540 920
Trade and other payables		76 239 103	81 113 670
Derivative financial liability	4	381 929 922	86 556 398
Current tax payable		1 318 36 9	1 318 369
		524 024 011	220 529 357
Total Liabilities		5 174 943 071	4 382 590 475

Total Equity and Liabilities	4 598 000 928	4 254 158 107

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended

	Notes	30 September 2011 R	30 September 2010 R
Revenue		419 505 272	270 227 309
Cost of sales		(206 007 151)	(127 835 896)
Gross profit	8	213 498 121	142 391 413
Other income		2 021 312	343 721
Derivative expense related to MWS Gold Stream Transaction	9	(738 008 310)	(342 982 387)
Franco-Nevada penalty	7	-	(3 138 846)
Other expenditures		(32 926 686)	(28 949 994)
Operating loss		(555 415 563)	(232 336 093)
Investment income		854 481	2 090 841
Interest and accretion expense	10	(93 612 036)	(34 004 295)
Accretion on environmental rehabilitation provision		(4 623 074)	(4 594 518)
Foreign exchanges gains (losses)		(3 355 119)	(4 489 246)
Loss before taxation		(656 151 311)	(273 333 311)
Taxation		207 821 109	59 054 780
Loss for the period		(448 330 202)	(214 278 531)
Other comprehensive income		455 178	150 558
Total comprehensive loss		(447 875 024)	(214 127 973)
Attributable to the owners of the Parent			
Loss for the period		(448 330 202)	(214 278 531)
Other comprehensive income		455 178	150 558
		(447 875 024)	(214 127 973)
Basic and diluted loss per share (cents per share)	14	(1 179.82)	(563.89)

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2011

	Share Capital R	Share premium R	Total share capital R
Balance at 1 April 2011	380	89 147 614	89 147 994
Total comprehensive loss for the period	-	-	-
First Uranium: Parent contribution	-	-	-
Equity portion of value of Rand Notes converted to common shares in First Uranium Corporation	-	-	-
Balance at 30 September 2011	380	89 147 614	89 147 994

	Equity portion of	Share based

	convertible notes R	payment reserve R	Fair value reserves R
Balance at 1 April 2011	46 750 880	11 517 159	769 613
Total comprehensive loss for the period	-	-	455 178
First Uranium: Parent contribution	-	684 800	-
Equity portion of value of Rand Notes converted to common shares in First Uranium Corporation	(1 319 551)	-	-
Balance at 30 September 2011	45 431 329	12 201 959	1 224 791
Note	5		

	Total reserves R	Accumulated loss R	Total equity R
Balance at 1 April 2011	12 286 772	(276 618 014)	(128 432 368)
Total comprehensive loss for the period	455 178	(448 330 202)	(447 875 024)
First Uranium:Parent contribution	684 800	-	684 800
Equity portion of value of Rand Notes converted to common shares in First Uranium Corporation	-	-	(1 319 551)
Balance at 30 September 2011	13 426 750	(724 948 216)	(576 942 143)

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2010

	Share Capital R	Share premium R	Total share capital R
Balance at 1 April 2010	380	89 147 614	89 147 994
Total comprehensive loss for the period	-	-	-
First Uranium: Parent contribution	-	-	-
Equity portion of convertible notes on issue of Rand Notes	-	-	-
Balance at 30 September 2010	380	89 147 614	89 147 994

	Equity portion of convertible notes R	Share based payment reserve R	Fair value reserves R
Balance at 1 April 2010	-	6 535 706	368 875
Total comprehensive loss for the period	-	-	150 558
First Uranium: Parent contribution	-	2 835 966	-
Equity portion of convertible notes on issue of Rand Notes	50 346 776	-	-
Balance at 30 September 2010	50 346 776	9 371 672	519 433
Note	5		

	Total	Accumulated	Total

	reserves R	loss R	equity R
Balance at 1 April 2010	6 904 581	(46 916 522)	49 136 053
Total comprehensive loss for the period	150 558	(214 278 531)	(214 127 973)
First Uranium: Parent contribution	2 835 966	-	2 835 966
Equity portion of convertible notes on issue of Rand Notes	-	-	50 346 776
Balance at 30 September 2010	9 891 105	(261 195 053)	(111 809 178)

Although the group reflect a net liability position, it is not deemed technically insolvent as the derivative liability (note 12) is based on estimated production which provides a higher fair value of the cash generating mining assets.

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended	Notes	30 September 2011 R	30 September 2010 R
Cash flows from operating activities			
Cash generated from operations	18	251 099 255	138 752 751
Cash interest received		854 481	2 090 841
Cash interest paid	5	(23 023 274)	(21 951 559)
Net cash generated by operating activities		228 930 462	118 892 033
Cash flows from investing activities			
Purchase of property, plant and equipment		(110 687 128)	(326 100 566)
Increase in rehabilitation trust funds		(4 216 142)	(2 240 573)
Net cash utilised in investing activities		(114 903 270)	(328 341 139)
Cash flows from financing activities			
Net proceeds from the issue of convertible notes		-	278 558 190
Net cash movement on loans to/from related companies		(127 169 455)	46 676 367
Net cash from financing activities		(127 169 455)	325 234 557
Total cash movement for the period		(13 142 263)	115 785 451
Cash at the beginning of the period		38 473 337	44 981 676
Total cash at end of the period		25 331 074	160 767 127

NOTES TO THE CONDENSED FINANCIAL INFORMATION

1. Presentation of Financial Statements

The unaudited interim consolidated financial information has been prepared in accordance with International Accounting Standards (IAS) 34: Interim Financial Reporting, JSE Listing Requirements, the AC 500 standards as issued by the Accounting Practices Board or its successor and in the manner required by the Companies Act of South Africa. The interim consolidated financial information should be read in conjunction with the annual financial statements for the

year ended 31 March 2011. These financials have been prepared in accordance with International Financial Reporting Standards and presented in South Africa Rand, the Company's functional currency.

2. Property, plant and equipment

30 September 2011	Cost R	Accumulated Depreciation R	Carrying Value R
Buildings	20 674 655	(323 407)	20 351 248
Mining assets	3 616 232 381	(227 853 598)	3 388 378 783
Furniture and fixtures	5 204 863	(1 714 756)	3 490 107
Motor vehicles	4 430 397	(2 160 081)	2 270 316
Computer equipment and software	2 095 899	(1 610 397)	485 502
Tailings for processing	70 444 570	(8 072 863)	62 371 707
Total	3 719 082 765	(241 735 103)	3 477 347 663

31 March 2011	Cost R	Accumulated Depreciation R	Carrying Value R
Buildings	20 674 655	(269 725)	20 404 930
Mining assets	3 545 495 216	(183 470 164)	3 362 025 052
Furniture and fixtures	5 204 863	(1 293 440)	3 911 423
Motor vehicles	4 354 739	(1 730 422)	2 624 317
Computer equipment and software	2 095 899	(1 325 463)	770 436
Tailings for processing	70 444 570	(8 072 863)	62 371 707
Total	3 648 269 942	(196 162 077)	3 452 107 865

Reconciliation of property, plant and equipment

For the six months ended 30 September 2011	Opening Balance R	Additions R	Disposals R
Buildings	20 404 931	-	-
Mining assets	3 362 025 051	70 737 166	-
Furniture and fixtures	3 911 423	-	-
Motor vehicles	2 624 317	75 658	-
Computer equipment and software	770 436	-	-
Tailings for processing	62 371 707	-	-
	3 452 107 865	70 812 824	-

For the six months ended 30 September 2011	Depreciation R	Closing Balance R
Buildings	(53 683)	20 351 248
Mining assets	(44 383 434)	3 388 378 783
Furniture and fixtures	(421 316)	3 490 107
Motor vehicles	(429 659)	2 270 316
Computer equipment and software	(284 934)	485 502

Tailings for processing	-	62 371 707
	(45 573 026)	3 477 347 663

Reconciliation of property, plant and equipment

For the six months ended 30 September 2010	Opening Balance R	Additions R	Disposals R
Buildings	20 512 296	2 550 377	-
Mining assets	2 794 555 174	303 224 265	-
Furniture and fixtures	4 593 892	-	-
Motor vehicles	3 545 599	258 000	(164 817)
Computer equipment and software	1 245 805	-	-
Tailings for processing	65 368 229	-	-
	2 889 820 995	306 032 642	(164 817)

For the six months ended 30 September 2010	Depreciation R	Closing Balance R
Buildings	(53 682)	23 008 991
Mining assets	(19 199 819)	3 078 579 620
Furniture and fixtures	(407 150)	4 186 742
Motor vehicles	(328 068)	3 310 714
Computer equipment and software	(306 480)	939 325
Tailings for processing	(1 693 501)	63 674 728
	(21 988 700)	3 173 700 120

For the year ended 31 March 2011	Opening Balance R	Additions R	Disposals R
Buildings	20 512 296	-	-
Mining assets	2 794 555 173	610 457 004	-
Furniture and fixtures	4 648 022	13 947	-
Motor vehicles	3 545 600	-	(164 817)
Computer equipment and software	1 191 675	20 850	-
Tailings for processing	65 368 229	-	-
	2 889 820 995	610 491 801	(164 817)

For the year ended 31 March 2011	Depreciation R	Closing Balance R
Buildings	(107 366)	20 404 930
Mining assets	(42 987 125)	3 362 025 052
Furniture and fixtures	(750 546)	3 911 423
Motor vehicles	(756 466)	2 624 317
Computer equipment and software	(442 089)	770 436
Tailings for processing	(2 996 522)	62 371 707
	(48 040 114)	3 452 107 865

Capitalised expenditure for the six months ended 30

September	2011 R	2010 R
Decommissioning asset raised	-	22 720 454
Share based compensation capitalised	684 798	2 835 966
Interest on Facility with Simmer and Jack Mines, Limited	-	1 759 886
Interest on Loan from First Uranium Limited capitalised	11 676 576	70 278 809
	12 361 374	97 595 115

The company has considered any significant changes and a potential decline in the market value of the assets. No indication existed pertaining to an impairment of the assets of the company.

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company. These assets are encumbered as set out in Note 4, Derivative financial liability and Note 5, Convertible notes.

3. Loans to (from) group companies

	30 September 2011 R	31 March 2011 R
Holding company		
First Uranium Corporation This loan is interest free and has no fixed repayment terms.	(64 536 617)	(51 540 720)
First Uranium Limited - Luxembourg Branch This loan bears interest at the South African banking institutions prime lending rate and is repayable on or before 31 May 2012.	(1 651 079 746)	(1 578 500 038)
First Uranium (Proprietary) Limited This loan is interest free and has no fixed repayment terms.	71 089 022	69 258 556
Fellow subsidiaries		
Ezulwini Mining Company (Proprietary) Limited This loan is interest free and has no fixed repayment terms.	391 786 393	265 830 595
	(1 252 740 948)	(1 294 851 807)
Current assets	462 875 415	335 189 151
Non-current liabilities	(1 651 079 746)	(1 578 500 038)
Current liabilities	(64 536 617)	(51 540 920)
	(1 252 740 948)	(1 294 851 807)

As there are no fixed repayment dates, the loans from group companies

(excluding the loan from First Uranium Limited - Luxembourg Branch) have been disclosed as current and the carrying amounts therefore approximate the fair values.

4. Derivative financial liability

Gold Wheaton (Barbados) Corporation (GW) was a wholly owned subsidiary of Gold Wheaton Gold Corp. (GLW). On 14 March 2011, Franco-Nevada Corporation acquired all of the outstanding common shares of GLW that it did not already own and GLW amalgamated with a wholly owned subsidiary of Franco-Nevada Corporation to form Franco-Nevada GLW Holdings Corp. (FNGLW) and GW changed its name to Franco-Nevada (Barbados) Corporation (FN). Consequently, going forward in the financial statements of the Corporation all references to GLW and GW will be FNGLW and FN, respectively.

On 1 December 2008, MWS, through its wholly-owned subsidiary Chemwes, signed a definitive agreement with Franco Nevada (FN), whereby FN acquired the right to receive 25 percent of the life-of-mine production from MWS (the MWS Gold Stream Transaction). Under the terms of the agreement, FN paid MWS US$125 million upfront. In addition, FN will make an ongoing payment equal to the lesser of US$400 per ounce (the Fixed Price) (subject to an annual inflation adjustment of 1 percent, starting in the fourth year after following receipt of the first payment) and the prevailing sport price per ounce, at the time the gold is delivered by MWS under the contract.

This transaction is classified as a derivative financial liability and accounted for as such. The financial liability is fair valued using the Black Scholes pricing model. All cash received and cost of production relating to the delivered ounces are recognised as part of the derivative expense related to the Gold Stream Transactions along with the revaluation effects of the financial derivative liability.

During the six months ended 30 September 2011 MWS delivered 12,151 (30 September 2010: 10,436; 31 March 2011: 19 873) ounces to FN. The cash received and cost of sales related to the ounces delivered to FN as well as the effects of revaluing the financial derivative liability at the end of the year were recognised in the statement of comprehensive income.

Under the terms of the MWS Gold Stream Transaction, the upfront payment is reduced by an amount equal to the difference between the market price of gold on the date of gold delivery to FN and the Fixed Price of the gold multiplied by the total ounces of gold delivered to FN (the Uncredited Balance). At 30 September 2011 the Uncredited Balance was R462 million (31 March 2011: R812 million).

Pursuant to the MWS Gold Stream Transaction, MWS granted to FN a special bond over certain of the tailings dams and a pledge of 25% of the gold production from MWS. First Uranium has guaranteed the obligations owed by MWS to FN.

Pursuant to the Offering, the Corporation settled the completion penalty obligation to FN in respect of the MWS Gold Stream Transaction with the

issuance of 14 million common shares of First Uranium to FN and a commitment by the Corporation to complete construction of the third gold plant module at MWS and satisfaction of the Technical Completion Test pursuant to the MWS Gold Stream Transaction prior to 1 September 2011. MWS was able to complete the first phase of the Technical Completion Test which entailed MWS reaching Steady-State Production. The second phase entailed meeting certain key criteria with respect to tonnes of material processed, average feed grade to the plant and gold recovery for a minimum continuous period of 14 days. The second phase of the test was successfully completed on 24 August 2011 with subsequent confirmation received from FN on 29 August 2011. The successful completion of the Technical Completion Test prior to 1 September 2011 avoids the imposition of the penalties provided under the MWS Gold Stream Transaction in connection with the test.

The derivative financial liability is fair valued using the Black Scholes model. The following assumptions were used for the valuation at 30 September 2011:

* Strike price of US$400 per ounce of gold
* Gold price at the end of the reporting period of US$1,631
* Volatility of 30% on the gold price
* 3 month US Libor rate - 0.2446
* Gold lease rates as at the time of valuations - 0.01
* Life of mine expected gold production

	30 September 2011 R	31 March 2011 R
Balance, beginning of the period	2 071 827 568	1 467 982 865
Delivery of gold to settle the derivative liability	(108 926 630)	(130 160 249)
Fair value loss on derivative liability	817 457 579	734 004 952
Balance, end of the period	2 780 358 517	2 071 827 568
Non-current liabilities	2 398 428 595	1 985 271 170
Current liabilities	381 929 922	86 556 398
	2 780 358 517	2 071 827 568

5. Convertible notes

On 26 April 2010 First Uranium Corporation, MWS's ultimate holding company, concluded a private placement offering (the Offering) of Cdn$150 million in senior secured convertible notes due 31 March 2013 (the Notes). The Notes issued consisted of R296.1 million in South African Rand denominated Notes (the Rand Notes) issued by MWS and Cdn$110million in Canadian dollar denominated Notes (the Canadian Notes) issued by First Uranium Corporation.

Each Rand Note has a principal amount of R1 000 and will be convertible into 107.36 common shares in First Uranium Corporation, also representing a conversion price of R9.31. The Rand Notes were issued by MWS and if elected by the holders, upon conversion the holders of these notes will receive common shares in First Uranium Corporation at point of conversion.

The Notes are guaranteed by the subsidiaries of First Uranium Corporation, secured by second ranking security over all assets in the First Uranium group currently encumbered by Franco Nevada and first security over all other current and future assets of the First Uranium group. The Notes will not be redeemable until maturity and are subject to typical anti-dilution protections.

In connection with the Offering and in addition to the Notes issued, Simmer and Jack Mines, Limited (Simmer & Jack) also exchanged its R167.8 million outstanding facility (see Note 6, Facility with Simmer & Jack) as at 26 April 2010 (including accrued and unpaid interest) for 167,812 Rand Notes on 26 April 2010.

Also in connection with the Offering, First Uranium Corporation settled the completion penalty obligation to FN pursuant to the MWS Gold Stream Transaction with the issuance of 14 million common shares in First Uranium Corporation to FN and a commitment by the Corporation to complete construction of the third gold plant module at MWS and satisfaction of the technical completion tests prior to 1 September 2011.

The liability component of the Rand Notes is being accreted such that the liability at maturity will equal the gross amount payable or convertible at maturity. The rate applied to calculate the liability portion of the Rand Notes was 15.5%.

The equity component of the Rand Notes (R50 million) was calculated as the balance between the face value and the liability value of the Rand Notes.

Conversion of Rand Notes
During the six months ended 30 September 2011, 12,207 (31 March 2011: 33,084) of the Notes were converted into 1,311,169 (31 March 2011: 3,553,227) common shares of First Uranium. No notes were converted into common shares during the six months ended 30 September 2010. At 30 September 2011, the total number of Notes outstanding was 418,605 (31 March 2011: 430,812) of which Simmer & Jack held 392 681.

	30 September 2011 R	31 March 2011 R
Balance, beginning of the period	387 578 798	-
Gross proceeds received with regards to the Rand Notes pursuant to the Offering	-	296 084 000
Facility with Simmer & Jack settled with Rand Notes (Note 6, Facility with Simmer & Jack)	-	167 812 000
Reallocate equity portion of the Rand Notes	-	(50 346 776)
Cost of issuing the Rand Notes	-	(17 525 810)
Convertion of Rand Notes into common shares in First Uranium	(11 159 337)	(30 378 075)
Interest and accretion expense for the period (Note 10)	32 708 903	67 233 515

Interest payments made during the period	(23 023 274)	(45 300 056)
Balance, end of the period	386 105 090	387 578 798

6. Facility with Simmer & Jack

On 14 August 2009, MWS, through its holding company, First Uranium (Proprietary) Limited finalised a one-year term credit facility of R160 million with Simmer & Jack (the Facility). First Uranium (Proprietary) Limited advanced the funds raised through the Facility with Simmer & Jack immediately to MWS's wholly-owned subsidiary, Chemwes (Proprietary) Limited and entered into a back-to-back loan arrangement with Chemwes effective the same date and on the same terms and conditions as the Facility with Simmer & Jack. Amounts borrowed under the facility bore interest at the three-month Johannesburg Interbank Agreed Rate (JIBAR) for South African Rand denominated loans plus 7% per annum. The capitalised costs included an arrangement fee of 3% of the Facility amount. Undrawn amounts were subject to commitment fees of 2.8% per annum. MWS drew down the total Facility amount at inception of the Facility and thus no commitment fees were paid. The Facility with Simmer & Jack including the unpaid interest on the facility was settled in full on 26 April 2010 with the issue of 167,812 Rand Notes to Simmer & Jack (Note 5).

	30 September 2011 R	31 March 2011 R
Balance, beginning of the period	-	166 052 724
Interest expense accrued until 26 April 2010	-	1 759 276
Facility settled with the issue of Rand Notes (Note 5, Convertible notes)	-	(167 812 000)
Balance, end of the period	-	-

7. Franco-Nevada penalty

The MWS Gold Stream Transactions (Note 4, Derivative financial liability) originally provided for a $42 million penalty payment if construction on expansion of a third gold plant was not completed by 1 June 2010.

Pursuant to the terms of the Offering (Note 5, Convertible notes), First Uranium Corporation agreed to settle the $42 million completion penalty obligation in respect of the MWS Gold Stream Transaction with the issuance of 14 million common shares in First Uranium Corporation valued at R135 million to FN and a commitment by First Uranium Corporation to complete construction of the third gold plant module at MWS and satisfaction of the Technical Completion Tests (as noted below) prior to 1 September 2011 (Note 4, Derivative financial liability).

On 31 March 2010, MWS provided for R132 million of the FN penalty and on 26 April 2010 provided for a further R3 million through the Statement of Comprehensive Income in order to account for the settlement of the FN penalty with the issuance of 14 million common shares in First Uranium Corporation valued at R135 million on 26 April 2010.

8. Revenue and cost of sales

Revenue consists of gold sold. Revenue and cost of sales increased as a result of a 23% increase in gold sold compared to the six months ended 30 September 2010. Revenue was further aided with a 23% increase in the average Rand gold spot price (R360,600 per kilogram for the six months ended 30 September 2011 compared to R294,024 per kilogram for the comparative period).

9. Derivative expense related to MWS Gold Stream Transaction

	30 September 2011 R	30 September 2010 R
Cash received from gold delivered into MWS Gold Stream Transaction	34 142 597	28 336 130
Cost of production related to gold delivered into MWS Gold Stream Transacti	(63 619 958)	(40 852 612)
Fair value loss on derivative liability	(708 530 949)	(330 465 905)
	(738 008 310)	(342 982 387)

10. Interest and accretion expense

	30 September 2011 R	30 September 2010 R
Interest and accretion expense (Note 5)	(32 708 903)	(34 004 295)
Interest on First Uranium Limited - Luxembourg Branch loan	(60 903 133)	-
	(93 612 036)	(34 004 295)

11. Commitments

	30 September 2011 R	31 March 2011 R
Capital commitments		
Property, plant and equipment	18 059 434	28 904 875

The capital commitments are payable within one year.

12. Related parties

Relationship	
Ultimate holding company:	First Uranium Corporation
Holding company:	First Uranium (Proprietary) Limited
Fellow subsidiary:	Ezulwini Mining Company (Proprietary) Limited
Related companies:	Simmer and Jack Mines, Limited Buffelsfontein Gold Mines Limited
Directors:	GP Wanblad ARL Kgomongwe JS Danana DT van der Mescht

E Oosthuizen

Related party balances	30 September 2011 R	31 March 2011 R
Loan accounts - Owing (to) by related parties:		
First Uranium Corporation	(64 536 617)	(51 540 971)
First Uranium (Proprietary) Limited	71 089 022	69 262 874
First Uranium Limited	(1 651 079 746)	(1 578 500 038)
Ezulwini Mining Company (Proprietary) Limited	391 786 393	265 930 595
Convertible notes Liability portion related to Rand Notes issued to Simmer & Jack	(362 205 185)	(353 278 074)

Related party transactions	30 September 2011 R	30 September 2010 R
Shared services and management fees paid to:		
Simmer & Jack	109 113	646 540
Buffelsfontein Gold Mines Limited	-	5 000
First Uranium Corporation	1 364 639	4 006 222
Royalties paid to:		
Simmer & Jack with regard to Aberdeen royalty agreement	5 589 870	3 544 674
Buffelsfontein Gold Mines Limited	5 589 870	3 563 180
Share-based payments related to share options granted by First Uranium Corporation	684 798	2 835 966
Interest and accretion expense to:		
Simmer & Jack pursuant to the Facility with Simmer & Jack	-	(1 759 276)
Simmer & Jack related to Rand Notes issued to Simmer & Jack	(30 152 970)	(34 004 295)
First Uranium Limited on the loan from First Uranium Limited - Luxembourg Branch	(72,579,709)	(70 278 809)

13. Directors' emoluments

	30 September 2011 R	30 September 2010 R
Fees paid for services as director		
ARL Kgomongwe	-	20 000

14. Basic and diluted loss per common share

	30 September 2011	30 September 2010

	R	R
Basic and diluted loss and headline loss per share of (cents per share in Rand)	(1 179.82)	(563.89)
is calculated based on the loss and headline loss for the six months of (in Rand)	(448 330 202)	(214 278 531)
and a weighted average number of common shares outstanding of	380 000	380 000

15. Net asset value and net tangible asset value per share

	30 September 2011 R	31 March 2011 R
Net liability value per share (cents)	(1 518.27)	(294.23)
Net tangible liability value per share(cents)	(2 910.59)	(756.39)
Net liability value	(576 942 143)	(111 809 177)
Net tangible liability value	(1 106 024 266)	(287 426 400)

Net asset (liability) value is calculated as total assets less total liabilities at the end of the financial period. Net tangible asset (liability) value is calculated as total assets (excluding deferred tax asset) less total liabilities (excluding deferred tax liability) at the end of the financial period.

16. Dividends

No dividends have been declared or proposed during the six months ended 30 September 2011 and 2010.

17. Segmental reporting

The company is currently operating the gold and uranium tailings recovery project in Stilfontein. At present only gold is produced. All revenue reflects gold sold to Rand Refinery in South Africa. This operation is treated as one operating segment. The information reviewed by the chief operating decision maker is the same as the information provided in the primary statements and therefore no separate reporting segments have been identified.

18. Cash generated from operations

	30 September 2011 R	30 September 2010 R
Loss before taxation	(656 151 311)	(273 233 311)
Adjusted for:		
Depreciation and amortisation	45 573 026	21 988 700
Investment income	(854 481)	(2 090 841)
Accretion on environmental rehabilitation provision	4 623 074	4 594 518
Interest and accretion expense	93 612 036	34 004 295
Non-cash portion related to derivative expense of MWS Gold Stream Transaction	708 530 949	330 465 905

Franco-Nevada penalty	-	3 138 846
Changes in working capital		
Decrease (increase) in inventories	(7 642 246)	4 116 072
Decrease in trade and other receivables	16 047 097	3 275 668
Increase in trade and other payables	47 361 111	12 492 899
	251 099 255	138 752 751