



FIRST URANIUM CORPORATION
2009 ANNUAL FINANCIAL STATEMENTS

First Uranium Corporation
REPORT OF MANAGEMENT'S ACCOUNTABILITY

The accompanying consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (Canadian GAAP). Management is responsible for ensuring that these statements, which include amounts based upon estimates and judgement, are consistent with other information and operating data contained elsewhere in the annual financial statements and reflect the Corporation's business transactions and financial position.

Management is also responsible for the information disclosed in the management's discussion and analysis including responsibility for the existence of appropriate information systems, procedures and controls to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects. In addition, management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. The internal control system includes an internal audit function and a code of business conduct and ethics, which is communicated to all levels in the organization and requires all employees to maintain high standards in their conduct of the Corporation's affairs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Corporation's assets are appropriately accounted for and adequately safeguarded. (Management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the criteria established in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Corporation's system of internal control over financial reporting was effective as at March 31, 2009.)

PricewaterhouseCoopers LLP, an independent firm of Chartered Accountants were appointed by the shareholders as external auditors to examine the consolidated financial statements in accordance with generally accepted auditing standards in Canada and provide an independent professional opinion. Their report is presented with the consolidated financial statements.

The Board of Directors, acting through the Audit Committee composed solely of independent directors, is responsible for determining that management fulfils its responsibilities in the preparation of the consolidated financial statements and the financial control of operations. The Audit Committee recommends the independent auditors for appointment by the shareholders. It meets regularly with management, the internal auditor and the shareholders' auditors to review significant accounting, reporting and internal control matters. Both the internal and shareholders' auditors have unrestricted access to the Audit Committee. The Audit Committee reviews the financial statements, the report of the shareholders' auditors, and management's discussion and analysis and submits its report to the Board of Directors for formal approval.

"Gordon T. Miller" (signed)

"Emma Oosthuizen" (signed)

Gordon T. Miller
President & Chief Executive Officer

Emma Oosthuizen
Senior Vice President & Chief Financial Officer

Toronto, Ontario
June 16, 2009

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of First Uranium Corporation as at March 31, 2009 and 2008 and the consolidated statements of operations and deficit and comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"PricewaterhouseCoopers LLP" (signed)

PricewaterhouseCoopers LLP
Chartered Accountants
Licensed Public Accountants
Toronto, Canada

June 16, 2009

First Uranium Corporation
Consolidated Balance Sheets

As at March 31, 2009 and 2008

	Notes	March 31, 2009 US\$'000	March 31, 2008 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents		112,005	164,739
Accounts receivable	4	8,773	9,720
Inventories	5	3,897	2,808
		124,675	177,267
Non-current assets			
Property, plant and equipment	6	436,262	204,650
Asset retirement funds	7	4,734	4,847
Loan to related party	28	801	978
		441,797	210,475
Total assets		566,472	387,742
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	40,517	23,540
Derivative liability	10	8,766	-
Income tax payable	21	7,023	763
Payables to related party	28	907	541
		57,213	24,844
Non-current liabilities			
Deferred revenue	11	115,678	-
Senior unsecured convertible debentures	12	88,979	99,880
Asset retirement obligations	13	24,530	19,901
Future tax liability	21	8,559	10,649
Toll treatment arrangement	22	1,416	-
		239,162	130,430
SHAREHOLDERS' EQUITY			
Share capital	14	252,689	215,935
Equity portion of senior unsecured convertible debentures	12	46,504	46,504
Share purchase warrants	15	10,845	-
Contributed surplus	16	11,433	7,008
Contribution from shareholder	17	2,100	153
Accumulated deficit		(53,474)	(37,132)
		270,097	232,468
Total liabilities and shareholders' equity		566,472	387,742
<i>See accompanying notes to the Consolidated Financial Statements</i>			
Guarantees	8		
Commitments and contingencies	25		
<i>Approved on behalf of the Board of Directors</i>			
"Wayne S. Hill" (signed)		"Nigel R. G. Brunette" (signed)	
Wayne S. Hill		Nigel R. G. Brunette	
Audit Committee Chairman		Non-Executive Chairman	

First Uranium Corporation
Consolidated Statements of Operations and Deficit and Comprehensive Loss
For the years ended March 31, 2009 and 2008

	Notes	2009 US\$'000	2008 US\$'000
Revenue		47,596	21,429
Cost of sales		(38,816)	(16,580)
Gross profit		8,780	4,849
Other income	18	2,008	2,738
Expenditures			
General, consulting and administrative expenditures		(16,411)	(15,573)
Stock-based compensation	19	(6,359)	(5,125)
Pumping, feasibility and rehabilitation costs		(5,265)	(5,343)
		(28,035)	(26,041)
Operating loss before the undernoted		(17,247)	(18,454)
Interest income		3,439	14,847
Interest and accretion expenditures		(12,720)	(14,267)
Fair value loss on derivative liability	10	(983)	-
Accretion expense on asset retirement obligations	13	(1,511)	(896)
Foreign exchange gain (loss)	20	18,404	(2,611)
Loss before income taxes		(10,618)	(21,381)
Income tax charge	21	(5,724)	(966)
Loss for the year		(16,342)	(22,347)
Accumulated deficit at the beginning of the year		(37,132)	(14,785)
Accumulated deficit at the end of the year		(53,474)	(37,132)
Basic and diluted loss per common share (US\$)	23	(0.12)	(0.18)
Weighted average number of basic and diluted common shares outstanding ('000)	23	133,714	126,096
Loss for the year		(16,342)	(22,347)
Comprehensive loss		(16,342)	(22,347)

See accompanying notes to the Consolidated Financial Statements.

First Uranium Corporation
Consolidated Statements of Cash Flows
For the years ended March 31, 2009 and 2008

	Notes	2009 US\$'000	2008 US\$'000
Loss for the year		(16,342)	(22,347)
Changes not affecting cash:			
- Non-cash revenue relating to the Gold Stream Transaction		(1,384)	-
- Deferred revenue amortized	11	(155)	-
- Fair value loss on derivative liability	10	983	-
- Non-cash portion of interest and accretion expenditures		7,932	10,064
- Accretion on asset retirement obligations	13	1,511	896
- Amortization on property, plant and equipment	6	2,028	1,781
- Net effect of exchange rate changes on net liabilities held in foreign currencies		(18,130)	7,536
- Stock-based compensation	19	6,359	5,125
		(17,198)	3,055
Cash utilized in respect of asset retirement obligations	13	(1,213)	(1,841)
Costs relating to the Gold Stream Transaction	11	1,692	-
Movement in working capital:			
- Increase in inventories		(1,089)	(1,107)
- Decrease (increase) in accounts receivable		1,125	(7,740)
- Increase in payables to related parties	24.1	366	7,304
- Increase in accounts payable and accrued liabilities		4,572	6,336
Cash flows (utilized in) generated from operating activities		(11,745)	6,007
Additions to property, plant and equipment	24.2	(211,306)	(112,751)
Net increase in the asset retirement funds	7	(590)	(303)
Net cash movement on acquisition of MWS		-	1,248
Cash flows from investing activities		(211,896)	(111,806)
Issuance of senior unsecured convertible debentures (net of issue costs)	12	-	130,561
Bridging loan to facilitate Waterpan transaction		-	42,377
Repayment of bridging loan pursuant to Waterpan transaction		-	(42,377)
Cash received from the exercise of share options	14	-	1,063
Cash received from the share issuance (net of issue costs)	14	36,754	-
Cash received in relation to the warrants in the private placement deal	15	10,845	-
Cash received from the Gold Stream Transaction (net of transaction costs)	11	123,308	-
Cash flows from financing activities		170,907	131,624
Net (decrease) increase in cash and cash equivalents for the year		(52,734)	25,825
Cash and cash equivalents at beginning of the year		164,739	138,914
Cash and cash equivalents at end of the year		112,005	164,739

See accompanying notes to the Consolidated Financial Statements

First Uranium Corporation
Notes to the Consolidated Financial Statements
March 31, 2009

All amounts in these financial statements are in United States dollars (US\$), except where otherwise indicated.

1. NATURE OF OPERATIONS

First Uranium is a Canadian resource company focused on the development of uranium and gold projects in South Africa. See Note 6, Property, Plant and Equipment for a description of the Corporation's key projects. The Corporation has a primary listing on the Toronto Stock Exchange (TSX) and a secondary listing on the Johannesburg Stock Exchange (JSE). First Uranium owns 100% of First Uranium Limited (FUL), which in turn holds 100% of First Uranium (Proprietary) Limited (FUSA) and 100% of Ezulwini Mining Company (Proprietary) Limited (EMC). At March 31, 2009, Simmer and Jack Mines, Limited (Simmer & Jack) was no longer the Corporation's controlling shareholder, with an effective shareholding of 41%.

EMC owns and operates the Ezulwini Mine. FUSA owns 100% of Mine Waste Solutions (Proprietary) Limited and its wholly-owned subsidiary, Chemwes (Proprietary) Limited (collectively MWS) which processes tailings from the Buffelsfontein mine (the Buffelsfontein Tailings) at its gold recovery plant.

During the year ended March 31, 2009, the gold processing plant at the Ezulwini Mine entered into commercial use, notwithstanding the fact that the plant was operating considerably less than capacity during these early days of production. Accordingly, from the beginning of the third quarter, the revenues and related costs derived from the gold processing plant at the Ezulwini Mine were no longer capitalized, but were recognized through the statement of operations and deficit and comprehensive loss.

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Canadian GAAP.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Consolidation

The consolidated financial statements include the accounts of First Uranium and all of its subsidiaries. All significant inter-company balances and transactions have been eliminated on consolidation.

2.2 Subsidiaries

A subsidiary is an entity which is controlled by the Corporation. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of First Uranium and its subsidiaries after eliminating inter-company balances and transactions.

2.3 Use of estimates

The preparation of these consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the year.

Areas of judgement that have the most significant effect on the amounts recognized in the financial statements are estimation of asset lives, determination of ore reserve estimates, capitalization of exploration and evaluation costs, and identification of functional currencies. Key sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are the estimation of close-down and restoration costs and the timing of expenditures, the review of asset carrying values and impairment charges and reversals, the estimation of environmental clean-up costs and the timing of expenditures and the recoverability of potential future income taxes. Financial results as determined by actual events could differ from those estimated. Management estimates are also applied in arriving at the useful lives of items of property, plant and equipment and in determining the fair value of stock options.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Corporation are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). The Corporation's functional and reporting currency is the US\$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of operations and deficit, and comprehensive loss.

The translated amounts are of a foreign entity where its subsidiaries are accounted for as integrated foreign operations and as such, the translation to US\$ was made using the temporal method. Monetary assets and liabilities denominated in foreign currencies are translated in US\$ at the year-end exchange rates, while non-monetary items are translated at the exchange rate in effect at the transaction dates. Revenue and expense items are translated at the exchange rates in effect on the date of the transaction. Exchange gains and losses resulting from the translation of these amounts are included in the consolidated statements of operations and deficit, and comprehensive loss.

At present the group does not have any self sustaining foreign subsidiaries.

2.5 Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Corporation; and
- the cost of the item can be measured reliably.

Costs include expenditures incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is written off.

Property, plant and equipment are carried at cost less accumulated amortization and any impairment losses.

Amortization is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value over their useful lives as follows:

Item	Average useful life
Buildings	Life of mine - straight line
Office furniture and equipment	6 years - straight line
Motor vehicles	5 years - straight line
Computer equipment and software	3 years - straight line
<p>Mining assets include mine development costs, mine infrastructure and all plant and equipment.</p> <ul style="list-style-type: none"> • <i>Mining assets</i> are stated at cost, less accumulated amortization and impairments. Cost includes pre-production expenditures incurred during the development of the mine. Cost also includes borrowing costs capitalized during the construction period where such costs are financed by borrowings. • Amortization is first charged on new mining ventures from the date on which production reaches commercial quantities. 	Life of mine – units-of-production

<p>Mine development costs</p> <ul style="list-style-type: none"> • <i>Mine development costs</i> include expenditures incurred to develop new ore bodies, to define further mineralization in existing ore bodies and to expand the capacity of a mine. • Mine development costs are amortized using the units-of-production method, based on estimated proven and probable reserves. These reserves are reassessed annually. 	Proven and probable reserves
<p>Mine infrastructure</p> <ul style="list-style-type: none"> • <i>Plant, equipment and buildings</i> are amortized using the units-of-production method, based on estimated proven and probable reserves. 	Proven and probable reserves
<p>Mining rights</p> <ul style="list-style-type: none"> • The cost of acquiring mining rights are capitalized and amortized over the mining period awarded by the Department of Minerals and Energy (DME) to the Corporation for the respective mining right. 	Mining period as per licence - straight line.
<p>Tailings for processing</p> <ul style="list-style-type: none"> • Tailings are amortized using the units-of-production method, based on estimated proven and probable reserves. 	Proven and probable reserves

Exploration costs incurred to the date of establishing that a property has mineral resources are expensed. Exploration and development expenses incurred subsequent to this date and which have the potential of being economically recoverable are capitalized. If the project becomes feasible, the costs are amortized over the life of the mine. If the project is stopped, the costs are written off immediately.

Management carries out a review at each financial year-end to determine the appropriateness of the residual value and the useful life of each asset.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is amortized. Land is not amortized.

The amortization charge for each period is recognized in earnings or loss unless it is included in the carrying amount of another asset.

2.6 Capitalization of interest

Net interest costs incurred during the development, construction and start up phase of major projects are capitalized.

2.7 Asset retirement obligations

The Corporation recognizes the fair value of a future asset retirement obligation as a liability in the year in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The Corporation concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at credit adjusted risk-free interest rate. Provision is made in full for the estimated future costs of pollution control and rehabilitation, in accordance with statutory requirements. The fair value of asset retirement obligations is recognized and provided for in the financial statements and capitalized to mining assets when incurred.

Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

Changes in the obligation due to the passage of time are recognized in income as an operating expense using the interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the long-lived asset that is depreciated over the remaining life of the asset.

Annual increases in the provision are accreted into income and consist of financing costs relating to the change in present value of the provision and inflationary increases in the provision estimate. The present value of additional environmental disturbances created is capitalized to mining assets against an increase in rehabilitation provision.

2.8 Impairment of long-lived assets

Where impairment is identified, the carrying value of the related property, plant and equipment is written down to fair value. Recoverability of the long term assets of the Corporation, which includes development costs and undeveloped property costs, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, but at least annually, based on future undiscounted cash flows. In preparing this evaluation, the Corporation compares the carrying amount of the asset to its fair value. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. To determine fair value, management makes its best estimates of the future cash inflows that will be obtained each year over the life of the asset and discounts the cash flows by a rate that is based on the time value of money, adjusted for the risk associated with the applicable asset.

Management's best estimate includes only those projections which it believes are reliable. These estimates are subject to risks and uncertainties including future metal prices. It is therefore reasonably possible that changes could occur which may affect the recoverability of the assets.

2.9 Future income and mining taxes

The Corporation utilizes the asset and liability method of accounting for income and mining taxes. Under the asset and liability method, future income and mining tax assets are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases, reduced by a valuation allowance to reflect the recoverability of any future income tax asset. Future income and mining tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect of a change in tax rates on future income and mining tax assets and liabilities is recognized in income in the year the enactment or substantive enactment occurs.

2.10 Stock-based compensation

The Corporation accounts for all stock-based payments under the fair value based method. Under the fair value based method, compensation cost is measured at fair value at the grant date using the Black-Scholes pricing model. Compensation cost is recognized in earnings on a straight-line basis over the relevant vesting period with a corresponding adjustment to contributed surplus. Upon the exercise of a stock option, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus. The fair value attributable to stock options that expire unexercised is credited to contributed surplus. The fair value relating to forfeited stock options is debited to contributed surplus and credited to the statement of operations and deficit, and comprehensive loss.

2.11 Interest recognition

Interest income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Corporation.

2.12 Leased assets

Leases of property, plant and equipment where the Corporation has substantially all the risks and rewards of ownership, are classified as capital leases. Capital leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding obligations, net of finance charges, are included in other liabilities. The interest element of the installment is charged to the statement of operations and deficit, and comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under capital leases are depreciated over the shorter of the useful life of the asset or the lease term.

2.13 Inventories

Inventories include ore stockpiles, gold work-in-progress, supplies and spares, and are recorded at the lower of cost or net realizable value. Net realizable values of stockpiles and gold work-in-progress are determined with reference to current market prices and any cost estimation required to bring the products being valued into a saleable condition. Supplies and spares held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the materials may be the best available measure of their net realizable value. The resulting movements in the net realizable values are charged to the statement of operations, deficit and comprehensive income (loss). Any provisions made in relation to the net realizable value reverse in future periods in the instance the net realizable value increases due to changes in the input variables considered in its calculation. The statement of operations, deficit and comprehensive income (loss) is credited with this movement.

The cost of ore stockpiles and gold produced is determined principally by the weighted average cost method using related production costs. Costs of gold produced inventories include costs such as milling costs, mining costs and mine general and administration costs but exclude transport, refining and taxes. Stockpiles consist of ore to be processed through the processing plant. The stockpiles include those that have been sampled and evaluated and are on surface. All ore is expected to be fully processed within the life of mine. Spares and consumable stores are valued at weighted average cost after appropriate impairment of redundant and slow moving items.

2.14 Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of title and ownership are transferred on delivery.

2.15 Earnings or loss per share

Basic earnings or loss per share is computed by dividing earnings or loss available to common shareholders by the weighted average number of common shares outstanding during the period. The treasury stock method is used to calculate diluted earnings or loss per share. Diluted earnings or loss per share is similar to basic earnings or loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that options with an average market price for the period greater than their exercise price are exercised and the proceeds used to repurchase common shares. In applying the treasury stock method, options with an exercise price greater than the average quoted market price of the common shares are not included in the calculation of diluted earnings or loss per share, as the effect is anti-dilutive.

For convertible securities that may be settled in cash or shares at the holder's option the more dilutive of cash settlement and share settlement is used in computing diluted earnings (loss) per share. Where the exchange price of the convertible securities are greater than the common share price, their impact on the diluted earnings (loss) per share is excluded from the calculation, as they are considered anti-dilutive.

2.16 Financial instruments – Recognition and Measurement

Financial instruments are measured at fair value on initial recognition, except for certain related party transactions. Fair value is the amount at which an item could be exchanged between willing parties. Measurement in subsequent periods depends on whether the financial instruments have been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities.

The Corporation has made the following classifications:

Cash and cash equivalents

Cash and cash equivalents are classified as "held-for-trading" and are measured at fair value at each balance sheet date. Any changes in fair value are recognized in Other comprehensive income in the period in which the change arises. Fair value is calculated using published price quotations in an active market, where applicable.

Accounts receivable and receivables from related parties

These assets are classified as "loans and receivables" and are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Asset retirement funds

The asset retirement funds are classified as “held-for-trading” and are measured at fair value at each balance sheet date. Any changes in fair value are recognized in the statement of operations, deficit and comprehensive income (or loss) in the period in which the change arises. Fair value is calculated using the quoted prices of equities in an active market, with interest and dividends recognized in net income. Any equities without market quotes are carried using the cost method.

Accounts payable and accrued liabilities and payable to related parties

These liabilities are classified as “other financial liabilities” and are initially measured at their fair values. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Senior unsecured convertible debentures

The sum of the carrying amounts assigned to the liability and equity components of the convertible debentures on initial recognition is always equal to the carrying amount that would be ascribed to the instrument as a whole. The debt portion is recorded at fair value on initial recognition and subsequently accreted over the life of the convertible debentures. No gain or loss arises from recognizing and presenting the components of the instrument separately. The relative fair value method is used to determine the value of the conversion option directly either by reference to the fair value of a similar option, if one exists, or by using an option pricing model. The value determined for each component is then adjusted on a pro rata basis to the extent necessary to ensure that the sum of the carrying amounts assigned to the components equals the amount of the consideration received for the convertible debentures.

2.17 Financial instruments – Disclosures

Financial risk factors

First Uranium’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The various financial risks are described in Note 26, Financial Instruments.

Fair value estimation

In assessing the fair value of other financial instruments, the Corporation uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The face values less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Corporation for similar financial instruments.

Transaction costs for financial assets and financial liabilities

For a financial asset or financial liability classified other than as held for trading, the Corporation has added the transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability to the fair value of the asset or liability established at the recognition of the asset or liability. All financial assets, financial liabilities and non-financial derivatives are recognized on the balance sheet when the Corporation becomes a party to the contractual provisions of the financial instrument or a non-financial derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Fair value is the amount at which an item could be exchanged between willing parties. Measurement in subsequent periods depends on whether the financial instruments have been classified as held for trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities received for the convertible debenture.

Offset

Where a legally enforceable right of offset exists for recognized financial assets and financial liabilities, and there is an intention to settle the liability and realize the asset simultaneously, or settle on a net basis, all related financial effects are offset.

Equity instruments

Equity instruments issued by the Corporation are recorded on the date the proceeds are received, net of direct issue costs.

The carrying amounts for cash and cash equivalents, short term investments, accounts receivable and accounts payable and accrued liabilities approximate fair value due to the short maturities of these instruments.

2.18 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment, that are subject to risks and returns and that are different from those of segments operating in other economic environments.

2.19 Capital disclosures

The Corporation's objectives, policies and processes for managing capital are outlined in Note 26, Capital Management.

2.20 Accounting for embedded derivatives

On December 1, 2008 First Uranium signed a definitive agreement with Gold Wheaton (Barbados) Corporation (GW), a wholly-owned subsidiary of Gold Wheaton Gold Corp., whereby GW acquired the right to receive 25 percent of the estimated life-of-mine gold production from MWS (the Gold Stream Transaction).

Pursuant to the Gold Stream Transaction, MWS is obliged to deliver a minimum of 20,000 ounces of gold into the transaction during calendar year 2009, such deliveries to be comprised of at least 5,000 ounces per quarter (the 2009 Guaranteed Ounces). The 2009 Guaranteed Ounces have been treated as a derivative because the value of the guaranteed ounces will vary in response to changes in the gold prices, US risk free rates, gold lease rates and the volatility in the gold price, and because there was no initial net investment expended by MWS, but rather that the market value of the gold being sold to GW is much higher than the value that GW is paying to MWS for the gold delivered. Furthermore, the obligation will be settled in future by delivery of the 20,000 ounces at the fixed price per the agreement.

The derivative has been recognized as an embedded derivative because it is attached to gold, which is a non-financial instrument and is not contractually transferable independent of the entire GW contract. In addition, this portion of the contract has certain specific economic characteristics and risks associated to it that are not closely related to those characteristics and risks of the entire contract. Failure by MWS to produce the 20,000 ounces will automatically lead to the shortfall in guaranteed ounces delivered by MWS to GW. This requirement does not span the rest of the contract and therefore this risk of non performance relates to only the 2009 Guaranteed Ounces.

The derivative has been classified as 'held-for-trading' on the balance sheet of First Uranium and has been accounted for as a collection of four call options with increasing maturities from the shortest maturity of three months to the longest, of twelve months. The Black-Scholes pricing model has been used to determine the fair value of all outstanding options at the end of each reporting period, with changes in fair value recognized in the statement of operations, deficit and comprehensive loss.

At the end of each reporting period, the options are fair valued and the differences between value of the options at reporting date and the previous valuation are taken through the statement of operations and deficit as a fair value adjustment to the derivative. (See Note 10, Derivative Liability)

2.21 Deferred revenue

The part of the GW contract that does not specify any fixed number of ounces to be delivered to GW has been treated as a pre-payment by GW for the gold to be sold to it in future. The total deferred revenue has been disclosed on the balance sheet and will be amortized by the total ounces delivered every quarter (excluding the 2009 Guaranteed Ounces). The revenue per quarter will be recognized in the statement of operations, deficit and comprehensive loss as the gold is delivered to GW. (See Note 11, Deferred Revenue)

2.22 Share purchase warrants

Share purchase warrants are valued using the relative fair valuation method which applies a weighted average of the fair values of the share capital and the warrants to allocate the total proceeds received from a share issue.

2.23 Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation.

3. CHANGES IN ACCOUNTING POLICIES

Inventories

Effective April 1, 2008, the Corporation adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3031 - *Inventories*. The standard provides guidance on the types of costs that can be capitalized and requires reversal of previous inventory write-downs if economic circumstances have changed to support the higher inventory values. There was no impact on the valuation of inventory as at April 1, 2008, or on net income for current or prior periods.

Capital Disclosures

Effective April 1, 2008, the Corporation adopted the CICA Handbook Section 1535 - *Capital Disclosures*. The standard requires disclosure about the Corporation's capital and how it is managed. This standard has no impact on the classification or measurement of the Corporation's consolidated financial statements.

Financial Instruments Disclosures and Presentation

Effective April 1, 2008, the Corporation adopted CICA Handbook Section 3862 - *Financial Instruments – Disclosures* and Section 3863 - *Financial Instruments – Presentation*. These new standards require disclosure on financial instruments and related risks. These standards had no impact on the classification or measurement of the Corporation's consolidated financial statements.

Going Concern

Effective April 1, 2008, the Corporation adopted an amendment to CICA Handbook Section 1400 - *General Standards of Financial Statement Presentation* in relation to going concern. The amendment requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast substantial doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. This new section had no impact on the Corporation's results.

Future and new accounting standards

The CICA issued the following amendments to the accounting standards for periods beginning on or after January 1, 2009;

Goodwill and Intangible Assets

CICA Handbook Section 3064 - *Goodwill and Intangible Assets*, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, "Revenues and Expenses during the pre-operating period". The changes are effective for the Corporation's interim and annual financial statements beginning on or after April 1, 2009. The Corporation is in the process of assessing the impact for its 2010 financial year.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" which requires the Corporation to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The standard becomes effective for the Corporation's first quarter of Fiscal 2010 and is required to be applied retrospectively without restatement of prior periods. The Corporation does not anticipate that the adoption of this standard will impact the valuation of its financial assets or liabilities.

Mining Exploration Costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs" which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The Corporation is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

Business Combinations/Consolidated Financial Statements/Non-Controlling Interests

In January 2009, the CICA adopted Section 1582 - *Business Combinations*, 1601, *Consolidated Financial Statements*, and Section 1602 - *Non-Controlling Interests* which superseded current Section 1581 - *Business Combinations* and Section 1600 - *Consolidated Financial Statements*.

These new sections replace existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with International Financial Reporting Standards. These sections will be applied prospectively to business combinations for which the acquisition date is on or after April 1, 2011. Earlier adoption is permitted. If the Corporation applies these sections before April 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Corporation is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

4. ACCOUNTS RECEIVABLE

(in thousands of dollars)	March 31, 2009	March 31, 2008
Value Added Tax and Goods and Services Tax	7,483	6,538
Trade receivables	1,101	3,100
Prepayments and advances	189	82
	8,773	9,720

5. INVENTORIES

(in thousands of dollars)	March 31, 2009	March 31, 2008
Spares and consumables	2,580	1,550
Gold work-in-progress	946	514
Stockpiles	371	744
	3,897	2,808

6. PROPERTY, PLANT AND EQUIPMENT

March 31, 2009 (in thousands of dollars)	Cost	Accumulated Amortization	Net carrying amount
Land and buildings	5,051	(124)	4,927
Mine assets	391,973	(1,205)	390,768
Tailings for processing	38,641	(1,330)	37,311
Motor vehicles	2,142	(312)	1,830
Office furniture and equipment	2,274	(848)	1,426
Total	440,081	(3,819)	436,262

March 31, 2008 (in thousands of dollars)	Cost	Accumulated Amortization	Net carrying amount
Land and buildings	1,616	(44)	1,572
Mining assets	163,858	(282)	163,576
Tailings for processing	38,641	(1,197)	37,444
Motor vehicles	1,080	(101)	979
Office furniture and equipment	1,246	(167)	1,079
Total	206,441	(1,791)	204,650

Included in the above are mining related assets with a net carrying amount of \$252.9 million (March 31, 2008: \$124.6 million) related to the Ezulwini Mine and \$182.8 million (March 31, 2008: \$77.9 million) related to MWS.

Ezulwini Mine

The Ezulwini Mine project involves the recommissioning of an underground uranium and gold mining operation located on the outskirts of the town of Westonaria in Gauteng Province, South Africa. The Corporation is in the ramp-up phase of underground production. The development of the Ezulwini Mine includes the rehabilitation and stabilisation of the main mine shaft pillar, which was substantially completed in February 2009, and the construction of uranium and gold processing facilities.

MWS

MWS is a uranium and gold tailings recovery operation located in the western portion of the Witwatersrand Basin. With the MWS acquisition in June 2007 the Corporation acquired an operating gold mine tailings re-processing facility and an uranium plant, adjacent to the Buffelsfontein property, where the historic Buffelsfontein Tailings are now being treated. The expansion and upgrade of MWS includes infrastructure development and the construction of additional gold and uranium processing facilities.

As security for the performance of all of the obligations of the Corporation pursuant to the Gold Stream Transaction, a first-ranking special notarial bond over Buffelsfontein Tailings other than that of uranium, was registered in favor of GW on December 15, 2008. (See Note 11, Deferred Revenue)

7. ASSET RETIREMENT FUNDS

(in thousands of dollars)	March 31, 2009	March 31, 2008
Balance, beginning of the year	4,847	2,791
Trust fund assumed on acquisition of MWS	-	1,950
Investment income	246	194
Contributions in respect of investment funds	344	109
Foreign exchange differences	(703)	(197)
Balance, end of the year	4,734	4,847

The asset retirement funds, consisting of environmental rehabilitation trust funds under the Corporation's control, are to be used to fund the respective mining operation's rehabilitation liabilities. Funds in the trust consist primarily of cash held in interest-bearing accounts, as well as investment funds which consist of a combination of South African unit trusts. An accredited South African financial institution manages the trust funds under the direction of the trustees. The trust deed limits the trustees' investments to institutions and investment vehicles as referred to in Section 37A of the South African Income Tax Act. Trust funds can only be drawn for rehabilitation purposes.

8. GUARANTEES

The following guarantees have been issued:

To	Regarding	Guarantee value \$'000
DME	Ezulwini environmental rehabilitation provision	4,179
Murray and Roberts Cementation (Pty) Ltd	Ezulwini shaft rehabilitation project	1,585
Eskom Holdings Ltd	Electricity accounts	898

The Ezulwini rehabilitation trust funds included in the asset retirement funds (see Note 7) have been pledged as security against all of the above guarantees. These guarantees are reviewed and renewed on an annual basis. The guarantee to Murray and Roberts Cementation (Pty) Ltd will be terminated once the project completion certificate has been provided.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands of dollars)	March 31, 2009	March 31, 2008
Trade payables	29,332	17,664
Accruals	11,185	5,876
	40,517	23,540

The trade payables and accruals include capital expenditures of \$5.6 million (March 31, 2008: \$8.7 million) and \$20.2 million (March 31, 2008: \$0.7 million) at the Ezulwini Mine and MWS, respectively.

10. DERIVATIVE LIABILITY

The 2009 Guaranteed Ounces pursuant to the Gold Stream Transaction (See Note 2.20) have been treated as an embedded derivative and are accounted for as call options at fair value. The Black-Scholes pricing model was used to determine the fair value of the financial derivative at both the initial date of the derivative instrument (December 18, 2008) and the subsequent fair value of the derivative instrument at the end of each of the quarters of calendar 2009 when the 5,000 ounces of gold are required to be delivered. The gold price on initial date of recognition was \$855 per ounce and \$916.5 per ounce as at March 31, 2009. The assumptions used in determining the fair values were as follows:

Strike rate of \$400 per ounce of gold
 Volatility of 30% on the gold price
 Risk-free rate of 1.16% - US rates
 Outstanding ounces at March 31, 2009 were 17,460.

Gold lease rates were as follows:

Term ending	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
Gold lease rate	1.593	0.908	0.960	1.440

	March 31, 2009
(in thousands of dollars)	
Balance, beginning of the year	-
Initial valuation of derivative liability (Note 11, Deferred Revenue)	9,167
Delivery of gold to settle the derivative liability	(1,384)
Fair value loss on derivative liability	983
Balance, end of the year	8,766

11. DEFERRED REVENUE

Under the terms of the Gold Stream Transaction, GW paid MWS a total of \$125 million (the Upfront Payment), comprised of \$50 million (the First Payment) on December 18, 2008 and \$75 million (the Balance Payment) on March 12, 2009. In addition GW will make an ongoing payment equal to the lesser of \$400 per ounce (the Fixed Price) (subject to an annual inflation adjustment of 1 percent, starting in the fourth year after the First Payment) and the prevailing spot price at the time of such payment, for each ounce of gold delivered under the contract.

The 2009 Guaranteed Ounces which MWS is obliged to deliver are recognized as a financial derivative liability and accounted for at fair value (see Note 10, Derivative Liability).

The First Payment and Balance Payment, excluding the value attributable to the 2009 Guaranteed Ounces, is accounted for as deferred revenue to be recognized as sales revenue on the basis of the proportion of settlements during the period to expected total settlements.

Pursuant to the Gold Stream Transaction, the date of construction completion of the third module to be no later than June 1, 2010 (the Construction Completion Date), and MWS must subsequently satisfy the following Technical Completion Test for gold treatment:

- (i) MWS will reach Steady-State Production (defined as consistent production over 3 consecutive months where tonnage treated is within 85% of 1,933,000 tonnes per month) within six months of the Construction Completion Date; and
- (ii) during the 90 day period (the Relevant Period) following the date that MWS reaches Steady-State Production, MWS must fully achieve certain key criteria as set out in the Gold Stream Transaction. The Relevant Period must be concluded within nine months following the Construction Completion Date (the Final Test Date).

If MWS does not satisfy the Technical Completion Test, GW will be entitled to a refund of a portion of the upfront payment based on the actual performance compared to the planned performance of MWS as set out in the March 2008 Technical Report.

If construction of the third module is not completed by June 1, 2010, at GW's election, MWS will refund to GW \$42 million. However, if MWS completes construction and fully satisfies the Technical Completion Test within one year or two years of the election, GW will repay MWS \$30 million or \$20 million, respectively.

GW has the right of first refusal (ROFR) on future gold sales transactions that might be considered by First Uranium for the Ezulwini Mine and MWS.

The movement in deferred revenue has been as follows:

(in thousands of dollars)	March 31, 2009
First Payment	50,000
Balance Payment	75,000
Less:	
Derivative liability in respect of the 2009 Guaranteed Ounces (initial recognition)	(9,167)
Revenue recognized during the year	(155)
Balance, end of the year	115,678

Under the terms of the 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 GW and the Fixed Price of the gold multiplied by the total ounces of gold delivered to GW (the Uncredited Balance) and will remain refundable until it is reduced to nil. As at March 31, 2009, the Uncredited Balance was \$124.9 million.

Costs of \$1.7 million related to the completion of the Gold Stream Transaction were recognized as cost of sales in the statement of operations and deficit and comprehensive loss during the year ended March 31, 2009.

12. SENIOR UNSECURED CONVERTIBLE DEBENTURES

On May 3, 2007, First Uranium issued senior unsecured convertible debentures (the Debentures) in denominations of \$1,000 Canadian dollars (Cdn\$) in the principal amount of Cdn\$150 million (approximately \$120.1 million at March 31, 2009). The interest rate on the Debentures is 4.25% per annum. The Debentures pay interest semi-annually in arrears on June 30 and December 31 and have a maturity date of June 30, 2012. The Debentures are convertible at the option of the holder into common shares at any time prior to the maturity date at an exchange price of Cdn\$16.42 per share.

The liability component of the Debentures is being accreted such that the liability at maturity will equal the gross proceeds of \$135.1 million (Cdn\$150 million) less conversions. As at March 31, 2009, no portion of the Debentures had been converted. The interest payment to be made over the next three years is Cdn\$ 22.3 million.

(in thousands of dollars)	March 31, 2009	March 31, 2008
Balance, beginning of the year	99,880	-
Principal amount received	-	135,060
Reallocate equity portion of the Debentures	-	(46,504)
Cost of issuing the Debentures	-	(4,499)
Interest and accretion expense for the year	12,696	14,264
Interest payments made during the year	(4,764)	(4,203)
Foreign exchange (gain) loss	(18,833)	5,762
Balance, end of the year	88,979	99,880

13. ASSET RETIREMENT OBLIGATIONS

(in thousands of dollars)	March 31, 2009	March 31, 2008
Balance, beginning of the year	19,901	5,377
Provision assumed on acquisition of MWS	-	2,777
Provision recognized with commencement of processing the Buffelsfontein Tailings	-	10,162
Accretion expense	1,511	896
Additional rehabilitation provision on MWS and the Ezulwini Mine	4,331	2,530
Rehabilitation expenditure incurred	(1,213)	(1,841)
Balance, end of the year	24,530	19,901

During March 2009 an independent review was performed of the Ezulwini operations relating to the environmental rehabilitation provision, which confirmed that the current cost estimate of the provision at March 31, 2009 was in line with the DME requirements.

During March 2009 an independent valuation of the environmental rehabilitation provision for MWS was completed. The provision was based on the estimated cost to rehabilitate the mine as determined by this independent review and was in line with the DME requirements.

The total undiscounted balance relating to the asset retirement obligations as at March 31, 2009 is \$40.6 million. The key assumptions used in the calculation of the additional asset retirement obligations were a discount rate of 5%, which allows for a 3% US risk free rate differential with the South African risk rate; and an inflation rate of 5%, which is in line with the predictions of the general inflation level by the South African Reserve Bank (SARB). The discount periods are 23 years for the Ezulwini Mine and 20 years for MWS, in line with the timing of expected cash flows.

These provisions are reassessed on an annual basis.

14. SHARE CAPITAL

	Number of shares (000)		(\$000)	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Common shares				
Balance, beginning of the year	131,074	121,686	239,988	206,726
Shares issued in respect of acquisition	-	3,094	-	31,557
Shares issued pursuant to the Waterpan transaction	-	6,141	-	-
Shares issued in respect of the private placement	20,500	-	39,327	-
Exercise of stock options	-	153	-	1,063
Contributed surplus relating to stock options exercised	-	-	-	642
Balance, end of the year	151,574	131,074	279,315	239,988
Share issue costs				
Balance, beginning of the year			(24,053)	(24,053)
Share issue costs in respect of the private placement			(2,573)	-
Balance, end of the year			(26,626)	(24,053)
Share capital, end of the year			252,689	215,935
			March 31, 2009	March 31, 2008
Movement in share capital (in thousands of dollars)				
Balance, beginning of the year			215,935	182,673
Net proceeds in respect of the private placement			36,754	33,262
Balance, end of the year			252,689	215,935

Authorized

The authorized share capital of First Uranium consists of an unlimited number of common shares.

Issued and outstanding

On June 6, 2007, First Uranium issued 3.1 million shares valued at \$31.6 million relating to the acquisition of MWS.

On December 14, 2007, First Uranium issued 6.1 million shares to Waterpan Mining Consortium (Waterpan) completing the purchase of the remaining 10% interest in EMC (the Waterpan transaction) as contemplated in the Corporation's initial public offering in December 2006. First Uranium and Waterpan collaborated to effect this transaction considering the terms of the initial public offering and, as such, the acquisition of the remaining 10% interest in EMC is accounted for under Canadian GAAP as a continuity of interests.

On February 11, 2009, First Uranium completed a bought deal private placement offering (the Private Placement) wherein a syndicate of underwriters purchased 20,500,000 units of the Corporation at a price of Cdn\$3.00 per unit for gross proceeds of Cdn\$61.5 million. Each unit consisted of one common share of First Uranium (a Unit Share) and one-half of one common share purchase warrant, (a Warrant), each full Warrant being exercisable to acquire one common share of First Uranium at a purchase price of Cdn\$4.15 for a period of 24 months following the closing date. The Unit Shares, the Warrants and the common shares issuable on the exercise of the Warrants are subject to a hold period of four months and one day from the Closing Date.

There were no stock options exercised during the year ended March 31, 2009.

15. SHARE PURCHASE WARRANTS

The February 11, 2009 Private Placement resulted in 10,250,000 Warrants being issued. The total proceeds received from the Private Placement were allocated between the common shares issued and the Warrants using the relative value method, such that the portion of the total proceeds attributed to the Warrants was \$10.8 million.

The Black-Scholes pricing model was used to determine the fair value of the warrants. The assumptions used in determining the fair value were as follows:

Fair value per warrant	Cdn\$2.72
Life of warrant	2 years
Share Price at grant	Cdn\$ 4.93
Exercise price of a Warrant	Cdn\$ 4.15
Expected volatility	98%
Expected Dividends	0%
Interest rate	1.158%

As at March 31, 2009, none of the warrants had been exercised.

16. CONTRIBUTED SURPLUS – STOCK-BASED COMPENSATION

16.1 First Uranium Stock Option Plan

The Corporation maintains a stock option plan (the Option Plan) for employees, officers, directors and for certain consultants who provide ongoing support to First Uranium and its subsidiaries. Under the Option Plan, options typically are granted for a period of up to 10 years following the date of grant. The amounts granted reflect the level of responsibility of the particular optionee and his or her contributions to First Uranium.

The Board of Directors has discretion to set the terms of any vesting schedule of each option granted. Except in specified circumstances, stock options are not assignable and non-transferable and terminate 90 days after the optionee ceases to be employed or associated with First Uranium.

The terms of the Option Plan further provide that the price at which shares may be issued under the Option Plan shall not be less than the volume weighted average trading price of the shares on the TSX for the 5 trading days immediately preceding the day the option is granted.

The following table details the movements of contributed surplus during the period:

(in thousands of dollars)	March 31, 2009	March 31, 2008
Balance, beginning of the year	7,008	2,460
Transfer to share capital relating to stock options exercised	-	(642)
Stock options vesting expense recognized during the year	5,115	6,039
Stock options forfeited during the year	(690)	(849)
Balance, end of the year	11,433	7,008

Assumptions

The fair value of shares used to calculate the compensation expense was determined using the share price on the grant date and was adjusted for the probability of the recipients remaining employed or associated with the Corporation until the vesting date.

The following assumptions were used during the year ended March 31, 2009 and March 31, 2008:

	2009	2008
Expected dividend yield	0%	0%
Expected volatility of the Corporation's share price	98%	56% to 66.7%
Risk free interest rate – Canadian rates ranged between	3.40% to 2.4%	3.84% to 4.81%
Expected life	3 years	3 years

During the year ended March 31, 2009, 647,857 (March 31, 2008: 2,551,433) options were granted on this plan.

The following table is a summary of the Corporation's options granted under its stock-based compensation plan:

	Number of options		Weighted average exercise price (Cdn\$)	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Outstanding options, beginning of the year	3,438,956	1,223,001	9.13	7.30
Granted during the year	647,857	2,551,433	4.49	9.02
Exercised during the year	-	(153,001)	-	(7.00)
Forfeited during the year	(498,619)	(182,477)	(8.98)	(7.56)
Outstanding options, end of the year	3,588,194	3,438,956	7.79	9.13

The stock-based compensation expense recognized in the statements of operations and deficit and comprehensive income (loss) in respect of the Option plan was \$4.4 million (2008: \$5.0 million) for the year ended March 31, 2009. (See also Note 19, Stock-based compensation). During the year ended March 31, 2009, \$0.001 million (2008: \$0.2 million) stock-based compensation was capitalized to the projects. As at March 31, 2009 the aggregate unexpensed fair value of unvested stock options granted amounted to \$1.6 million (2008: \$5.8 million).

Included in the options outstanding at March 31, 2009 were 100,000 options granted to a director of First Uranium under the following conditions:

- 40,000 options at an exercise price of Cdn\$1.75 per share for a period of 10 years, vesting one-third on receipt of the First Payment under the Gold Stream Transaction, one-third on December 3, 2009 and the balance on December 3, 2010.
- 60,000 options at an exercise price of Cdn\$1.75 per share for a period of 10 years, vesting one-third on receipt of the Balance Payment under the Gold Stream Transaction, one-third on December 3, 2009 and the balance on December 3, 2010.

The following table summarizes information about First Uranium's outstanding stock options as at March 31, 2009:

Exercise price ranges Cdn\$	Options outstanding			Options exercisable		
	Number of options outstanding	Weighted average remaining life (years)	Weighted average exercise price (Cdn\$)	Number of options exercisable	Weighted average remaining life (years)	Weighted average exercise price (Cdn\$)
1.00 to 4.99	450,000	9.93	1.75	149,997	9.93	4.05
5.00 to 6.99	197,857	9.63	5.47	65,951	9.63	5.47
7.00 to 8.99	2,720,337	8.82	8.82	2,061,157	8.53	8.17
9.00 to 11.99	160,000	8.74	10.15	120,949	8.86	10.15
12.00 to 13.99	60,000	8.41	12.87	39,999	8.41	12.87
	3,588,194	8.78	7.79	2,438,053	8.59	8.02

16.2 Restricted Share Unit Plan

On December 19, 2008, the Board of Directors approved a Restricted Share Unit Plan (the RSU Plan) which is subject to formal approval by the Corporation's shareholders at the next Annual meeting in September 2009.

The employees, officers and directors of the Corporation (collectively, Service Providers) are eligible to participate in the RSU Plan. Furthermore, restricted stock units (RSU's) may also be granted to such other persons, as determined to be in the best interests of the Corporation by the Board of Directors. The RSU Plan has a term of 10 years, subject to amendment of the term by the Board of Directors. RSU's shall vest within 3 years of the award grant date. Subject to the terms and conditions of an award agreement, vesting may be accelerated by achieving certain performance targets.

The maximum number of the Corporation's common shares available for issuance upon the vesting of RSU's will be 1,000,000 common shares, representing less than 1% of the issued and outstanding common shares of the Corporation. The maximum number of shares issuable to insiders of the Corporation under all security-based compensation arrangements, including the RSU Plan, at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation and the number of securities to be issued to insiders of the Corporation pursuant to such arrangements within any one-year period, cannot exceed 10% of the issued and outstanding common shares of the Corporation.

Upon the termination of a Service Provider's employment or service with the Corporation, any RSU's held by such Service Provider that have not vested within 30 days of such termination shall be deemed forfeited.

No valuation or expense will be recognized in relation to this plan until such time as the RSU Plan has been formally approved by the Corporation's shareholders.

17. CONTRIBUTION FROM SHAREHOLDER

(in thousands of dollars)	March 31, 2009	March 31, 2008
Balance, beginning of the year	153	-
Stock-based compensation relating to options granted by shareholder	1,947	153
Balance, end of the year	2,100	153

These contributions represent the stock-based compensation relating to 7.6 million Simmer & Jack stock options granted during the year ended March 31, 2008, to individuals that were previously employed by Simmer & Jack and that were transferred to First Uranium during that year. No such stock options were granted during the year ended March 31, 2009. The unamortized balance of the contribution from shareholder is \$0.9 million (2008: \$2.8 million).

18. OTHER INCOME

(in thousands of dollars)	March 31, 2009	March 31, 2008
Sludge pumping income	1,289	1,929
Rental income	272	503
Scrap sales	225	242
Other income	222	64
	2,008	2,738

19. STOCK-BASED COMPENSATION

(in thousands of dollars)	March 31, 2009	March 31, 2008
Stock-based compensation cost - First Uranium Options (see Note 16.1)	4,424	5,107
Stock-based compensation cost - Simmers Stock Options (see Note 17)	1,947	153
Stock-based compensation capitalized during the year	(12)	(135)
	6,359	5,125

20. FOREIGN EXCHANGE GAIN (LOSS)

(in thousands of dollars)	March 31, 2009	March 31, 2008
Foreign exchange gain (loss)	18,404	(2,611)

The foreign exchange gain on translation during the year ended March 31, 2009 reflects the significant strengthening of the US\$ against the Cdn\$ and the ZAR during the second half of the year. The loss in 2008 reflects the strengthening of the Cdn\$ and the ZAR against the US\$.

21. TAXATION

Provision for income taxes

The reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery, using a Canadian statutory tax rate of 33.38% for the year ended March 31, 2009 (2008: 35.47%), is as follows:

(in thousands of dollars)	March 31, 2009	March 31, 2008
Loss before income taxes	(10,618)	(21,381)
Income tax recovery at statutory rate	(3,544)	(7,584)
Difference between Canadian rates and foreign jurisdiction	4,595	636
Change in valuation allowance	2,252	(5,322)
Adjustment for future tax rate difference	806	2,716
Non-taxable items	1,615	10,398
Other	-	122
Income tax charge	5,724	966
Major components of income tax charge are:		
<i>Current tax expense</i>		
Current income	7,023	763
<i>Future tax (recovery) charge</i>		
Relating to the MWS operations	(1,299)	203
	5,724	966
Future income tax assets (in thousands of dollars)		
Property, plant and equipment	49	4
Non-capital loss carry-forwards	14,005	5,684
Deferred revenue	34,843	-
Share issue costs	4,207	6,697
Foreign resource expenses	902	1,102
Foreign exchange	2,616	6,040
	56,622	19,527
Less: Valuation allowance	(21,779)	(19,527)
	34,843	-
Future income tax liabilities		
Property, plant and equipment	(43,402)	(10,649)
Net future income tax liability	(8,559)	(10,649)
Movement in net future income tax liability		
Balance, beginning of the year	(10,649)	-
Future tax liability on MWS acquisition	-	(10,445)
Future tax recovery (charge) for the year	1,299	(203)
Foreign exchange movement	791	(1)
Net future income tax liability	(8,559)	(10,649)

As at March 31, 2009, the Corporation had non-capital losses of approximately \$19.8 million (March 31, 2008: \$7.1 million) in Canada that may be applied against earnings in future years. These losses are expected to expire between 2026 and 2029. The Corporation had non-capital losses of approximately \$29.9 million (March 31, 2008: \$12.3 million) in South Africa that may be applied against earnings in future years, unlimited.

Due to uncertainties in the Corporation's ability to utilize its net operating losses in all of its operations, the Corporation has provided a valuation allowance against those future tax assets for which uncertainty exists.

22. TOLL TREATMENT ARRANGEMENT

The Corporation entered into an agreement with a third party, commencing in January 2009, to calcine the ammonium diuranate (yellowcake) from First Uranium to produce uranium oxide packaged for dispatch to converters (the Toll Treatment Arrangement). Either party may terminate the agreement on eighteen months notice. The third party calciner constructed a plant with one half of the capacity of the plant to be dedicated for the processing of the First Uranium yellowcake and acquired a road tanker to transport the yellowcake from the First Uranium operations to the calciner's operations. First Uranium was obliged to pay one-half of the construction cost of the calcining plant up to a maximum of \$1.6 million and one half of the cost of the tanker (together referred to as the Loan). The Loan is effective as of January 5, 2009 and is repaid in monthly instalments over a seven year period commencing January 30, 2009. The Loan bears interest equal to the prime overdraft rate as quoted by the SARB, plus 2%. During the year ended March 31, 2009, the Corporation paid \$0.2 million pursuant to the arrangement and expects to pay \$0.1 million in the next 12 months and \$1.4 million thereafter, until the end of the agreement.

23. BASIC AND DILUTED LOSS PER COMMON SHARE

	March 31, 2009	March 31, 2008
Basic and diluted loss per share of (\$)	(0.12)	(0.18)
calculated based on loss for the year of ('000)	(16,342)	(22,347)
and a weighted average number of common shares outstanding of ('000)	133,714	126,096

For the year ended March 31, 2009 no share options were included in the diluted common shares calculation for earnings per share purposes.

The impact of the conversion of the Debentures issued on May 3, 2007, and of the warrants issued on February 11, 2009 has been excluded from the diluted common shares computation because they are anti-dilutive for earnings per share purposes.

24. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

24.1 Decrease in net receivables from/increase in payables to related parties

(in thousands of dollars)	March 31, 2009	March 31, 2008
Decrease in receivables from related parties	-	6,763
Increase in payable to related parties	366	541
	366	7,304

24.2 Additions to property, plant and equipment

(in thousands of dollars)	March 31, 2009	March 31, 2008
Total additions to Property, Plant and Equipment	(233,640)	(137,259)
Capital expenditure included in Trade payables and Accrued Liabilities at beginning of the year	(9,386)	(3,282)
<i>Add back:</i>		
Capital expenditure included in Trade payables and Accrued Liabilities at end of the year	25,762	9,386
Capital expenditure relating to the Toll Treatment Arrangement	1,615	-
Asset associated with MWS	-	5,493
Assets associated to the Asset Retirement Obligation	4,331	12,692
Stock-based compensation included in Property, Plant and Equipment	12	219
	(211,306)	(112,751)

25. COMMITMENTS AND CONTINGENCIES

Lease agreements

i) Facilities rental

The Corporation has an office operating lease agreement which expires on May 31, 2012. The total rent expense charged under this agreement for the year ended March 31, 2009 was \$0.01 million (2008: \$0.02 million). The minimum lease payments are expected to approximate Cdn\$0.03 million over the next three years.

ii) Stand-by power

During May 2008, the Corporation agreed to lease ten self-contained diesel powered generating sets (gensets) of 1 MW each for an initial term of eighteen months. The total rental charge is \$1.62 million for the first twelve months, reducing to \$1.5 million thereafter. After the initial eighteen months period, the Corporation has the option to extend the lease agreement period for up to sixty months, in successive twelve month periods.

The Corporation is obligated to pay a monthly fixed charge of \$25,000 and a running hourly charge of EUR11.30 (\$15.93). These charges are subject to indexation based on consumer prices.

The Corporation is also responsible for \$75,000 mobilization charges and \$56,250 demobilization charges per shipment. The total rental and fixed charges for the initial eighteen month period are estimated at \$2.2 million and \$0.5 million, respectively. The gensets are connected into the mine supply grid and are ready for use should the need arise. During the year ended March 31, 2009, the Corporation paid \$1.0 million toward the cost of the lease. The remaining rental charge pursuant to the initial term is \$1.7 million.

As the Corporation does not assume substantially all of the benefits and risks of ownership of the gensets, this transaction is accounted for as an operating lease. This treatment will be reviewed in accordance with any changes that may be made in successive agreements.

Capital commitments

(in thousands of dollars)	March 31, 2009	March 31, 2008
Ezulwini Mine	1,970	35,128
MWS	24,323	5,173
Total contractual obligations	26,293	40,301

The capital commitments are payable within one year.

Royalty agreements

MWS has agreed to pay: (i) to Simmer & Jack, an amount equal to the royalty payable by Simmer & Jack to Aberdeen International Inc. pursuant to the Aberdeen Agreement with Simmer & Jack in respect of the tailings to be acquired from Buffelsfontein Gold Mines Limited (BGM), pursuant to the Buffelsfontein Tailings and Rights Agreement; and (ii) to BGM a 1% royalty, pursuant to the terms of the Buffelsfontein Tailings and Rights Agreement.

During December 2007, MWS commenced processing the Buffelsfontein Tailings and commenced payment of these royalties. The total royalties expensed during the year ended March 31, 2009 amounted to \$0.2 million (2008: \$0.4 million) in respect of (i) above and \$1.3 million (2008: \$0.4 million) in respect of (ii) above.

Gold Stream Transaction

Pursuant to the Gold Stream Transaction, MWS must satisfy the Technical Completion Test as set out in Note 11, Deferred Revenue.

Contingency

In December 2008, Auramet Trading LLC (Auramet) served a statement of claim on First Uranium where-in Auramet claims a fee in the amount of \$3.25 million in connection with the Gold Stream Transaction. On February 2, 2009 the Corporation served and filed a statement of defence denying any liability. While the final outcome cannot be determined at this early stage, the Corporation believes that the claim is without merit and as a result no provision has been made for this claim as at March 31, 2009.

26. CAPITAL MANAGEMENT

First Uranium's capital includes convertible debentures and shareholders' equity. The Corporation's objectives when managing shareholders' equity are to provide returns for shareholders and safeguard its ability to execute its long-term strategic plan. Mining is capital intensive and the Corporation strives to achieve lowest industry costs at all of its operations and meet longer-term cash flow requirements through internally generated cash flows.

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the development of its operations and the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable. There were no changes in the Corporation's approach to capital management during the year ended March 31, 2009, other than as described below.

First Uranium's current activities primarily include, at the Ezulwini Mine, the bringing into production of the mine and the commissioning of its uranium plant and, at MWS, the construction of the second gold module and first two uranium modules designed to increase the current gold production through its existing gold plant and to produce yellowcake once the uranium module has been successfully commissioned.

As at March 31, 2009, the outstanding commitments of \$2.0 million at the Ezulwini Mine include \$0.4 million relating to the remaining work required to complete the shaft refurbishment and rehabilitation and \$1.0 million relating to the construction and commissioning of the uranium plant. The outstanding commitments of \$24.3 million at MWS include \$21.1 million relating to the construction and commissioning of the second gold module and the first two uranium modules. It is anticipated that the Corporation's current cash resources along with working capital will be sufficient to fund First Uranium's short-term operational and capital requirements.

The Corporation anticipates that current capital resources and the proceeds from the recently completed Bought Deal (See Note 29, Subsequent Events) along with internally generated cash from the current and future production and sale of gold and uranium at both the Ezulwini Mine and MWS will provide sufficient funding to complete the near-term development, construction and exploration activities.

The Corporation will continue to assess acquisition of new properties subject to their geologic and economic potential and subject to availability of financial resources.

Neither the Corporation nor its subsidiaries is subject to externally imposed capital requirements other than the commitments disclosed in Note 25.

27. FINANCIAL INSTRUMENTS

Financial risk factors

First Uranium's activities expose it to a variety of financial risks, including the effects of changes in debt and equity, market prices, foreign currency exchange rates and interest rates.

a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to gold sales and value-added taxes receivable. The Corporation has a concentration of credit risk with one customer which is closely monitored by management. Value-added taxes receivable are collectable from the South African government. Management believes that the credit risk concentration with respect to financial instruments attributable to gold sales and value-added taxes receivable is remote.

The majority of the Corporation's cash and cash equivalents are on deposit with highly-rated financial institutions.

b) Liquidity risk

First Uranium believes that it will be able to settle its current and long-term liabilities (excluding the senior unsecured convertible debentures) through its cash and cash equivalents (March 31, 2009: \$112.0 million) and through internally generated cash flow from future sales of gold and uranium at current price assumptions. First Uranium raised \$125.0 million through the Gold Stream Transaction (See Note 11, Deferred Revenue) which enhanced financial resources and increased the Corporation's operational flexibility. The Corporation also raised \$47.6 million net proceeds in the Private Placement (See Note 11, Deferred Revenue) on February 11, 2009 and a further \$86.0 million in the Bought Deal (See Note 29, Subsequent Events) on June 1, 2009.

The Corporation's accounts payable and accrued liabilities, as well as the payable to related party, have contractual maturities of less than 30 days and are subject to normal trade terms.

Contractual settlement dates of financial liabilities:

As at March 31, 2009 (in thousands of dollars)	Carrying amount	Total cash flows	Within three months	Three months to one year	One to three years	Greater than three years
Debentures*	88,979	137,956	2,531	2,573	10,209	122,643
Accounts Payable and Accrued Liabilities	40,517	40,517	40,517	-	-	-
Derivative Liability	8,766	8,766	3,572	5,194	-	-
Income tax payable	7,023	7,023	5,975	1,048	-	-
Toll Treatment Arrangement	1,416	2,576	95	286	764	1,431
Payables to Related Party	907	907	907	-	-	-

*Carrying amount relates to the debt portion of the Senior unsecured convertible debentures only. The disclosed cash flows assume no conversion.

As at March 31, 2008 (in thousands of dollars)	Carrying amount	Total cash flows	Within three months	Three months to one year	One to three years	Greater than three years
Debentures*	99,880	175,098	3,107	3,141	9,346	159,504
Accounts Payable and Accrued Liabilities	23,540	23,540	23,540	-	-	-
Income tax payable	763	763	763	-	-	-
Payables to Related Party	541	541	541	-	-	-

*Carrying amount relates to the debt portion of the Senior unsecured convertible debentures only. The disclosed cash flows assume no conversion of the Debentures.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and gold prices.

i. Interest rate risk

The Corporation's current policy is to invest excess cash in short-term deposits in banks with which it maintains its bank accounts. The Corporation monitors the investments it makes and is satisfied with the credit ratings of its banks.

ii. Foreign currency risk

The Corporation's functional currency is the US\$. The Corporation is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the US\$ in relation to other currencies impact the fair value of financial assets, liabilities and operating results. The Corporation does not hedge its exposure to foreign currency exchange risk.

Certain short-term financial liabilities are denominated in other currencies, predominantly Cdn\$ and ZAR. The Corporation's operations are primarily in South Africa and as a result the Corporation has maintained significant cash and cash equivalents during the period in ZAR to meet these operations' short-term liquidity requirements. Financial assets and liabilities subject to currency translation risk primarily include non-US\$ cash and cash equivalents and the Debentures.

iii. Price risk

Uranium and gold price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation does not hedge its exposure to commodity price fluctuation risk.

Sensitivity analysis

The Corporation has designated its cash and cash equivalents as available-for-sale, which is measured at fair value. Financial instruments included in accounts receivable and receivable from related party are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and payable to related party are classified as other financial liabilities, which are measured at amortized cost.

Based on management's knowledge and experience of the financial markets, First Uranium believes the following movements are "reasonably possible" over a 12 month period.

As of March 31, 2009, management estimates that if interest rates had changed by 1%, assuming all other variables remained constant, the impact to net loss would have been approximately \$0.03 million.

Financial instruments that impact the Corporation's operations due to currency fluctuations include:

- Cdn\$ denominated cash and cash equivalents, accounts receivable, loan to related party, accounts payable and accrued liabilities, and the debt portion of convertible debentures.
- ZAR denominated cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and payable to related party.

As at March 31, 2009, management estimated that if the foreign exchange rates had changed 10% against the US\$ assuming all other variables remained constant, the impact on net income would have been approximately as follows:

(in thousands of dollars)	March 31, 2009	March 31, 2008
10% increase in value of Cdn\$	4,170	4,240
10% decrease in value of Cdn\$	(4,170)	(4,240)
10% increase in value of ZAR	(3,648)	1,295
10% decrease in value of ZAR	3,648	(1,295)

The Corporation's current exposure to price risk on the commodities in which it produces and sells is limited.

Fair value estimation

In assessing the fair value of other financial instruments, the Corporation uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The face values less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Corporation for similar financial instruments.

As at March 31, 2009, apart from the Debentures and the derivative liability, the actual disclosed values of the financial instruments all approximate the fair values of these instruments. As at March 31, 2009 the fair value of the Debentures was \$93.5 million.

28. RELATED PARTY TRANSACTIONS AND COMMITMENTS

Related party balances

(in thousands of dollars)	March 31, 2009	March 31, 2008
Loan to Chief Executive Officer	801	978
FUSA amount due to Simmer & Jack	(907)	(541)

Related party transactions

(in thousands of dollars)	March 31, 2009	March 31, 2008
Shared services fees to Simmer & Jack	(2,078)	(2,258)
Fees paid to empowerment company	(200)	(222)
Stock-based compensation relating to contribution from shareholder (see Note 17)	(1,947)	(153)
Capital purchase of asset from BGM	-	(1,702)
Royalties paid to BGM	(229)	(62)
Interest received on loan to Chief Executive Officer	36	15

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties involved, having regard to prevailing market rates.

First Uranium and Simmer & Jack have a shared services agreement (the Shared Services Agreement) pursuant to which First Uranium may retain certain services provided by Simmer & Jack. During the year ended March 31, 2009, \$1.4 million (2008: \$1.4 million) of the fees to Simmer & Jack pursuant to the Shared Services Agreement were expensed. During the year ended March 31, 2009 \$0.7 million (2008: \$0.9 million) of the fees were capitalized, representing services provided in respect of technical services for the Ezulwini Mine and the Buffelsfontein Tailings Recovery Project.

In addition, First Uranium has agreed to reimburse Simmer & Jack with respect to 50% of fees that Simmer & Jack is required to pay to an empowerment company for consulting services regarding transformation, human resources and occupational health and safety. BJ Njenje, AX Sisulu and SLB Mapisa, shareholders of the empowerment company, are also directors of Simmer & Jack.

On September 27, 2007, the Board of Directors approved a loan in the amount of Cdn\$1 million to the Chief Executive Officer of First Uranium for the purpose of facilitating his purchase of a family home. The loan is for a term of six years, is unsecured and bears interest at 4% per annum payable monthly in arrears.

29. SUBSEQUENT EVENTS

On June 1, 2009 First Uranium completed a bought deal financing (the Bought Deal) wherein a syndicate of underwriters purchased 15,250,000 common shares of First Uranium at a price of Cdn\$7.00 per share for gross proceeds of Cdn\$106,750,000. First Uranium has granted to the Underwriters an over-allotment option, exercisable for a period of 30 days from the closing of the Bought Deal, to purchase up to an additional 2,287,500 of the Corporation common shares on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes.

The Corporation intends to use the net proceeds from the Offering:

- to accelerate the construction of the pressure leach portion of the uranium circuit at the Mine Waste Solutions tailings recovery operation to more quickly realize higher uranium and gold recoveries;
- for potential consolidation opportunities; and
- for general corporate purposes.

30. SEGMENTED INFORMATION

Segmented information is presented in respect of the Corporation's business and geographical segments. The primary format business segments are based on the Corporation's management and internal reporting structure. Inter-segment reporting is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets and revenue, interest-bearing loans, borrowing and expenses, and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

For the year ended March 31, 2009	South Africa			Total
	Ezulwini Mine	MWS	Corporate & Administration	
(in thousands of dollars)				
Revenue	9,825	37,771	-	47,596
Cost of sales	(20,883)	(17,933)	-	(38,816)
Gross (loss) profit	(11,058)	19,838	-	8,780
Other income	1,981	27	-	2,008
Expenditures				
General, consulting and administrative expenditures	(3,264)	(3,835)	(9,312)	(16,411)
Stock-based compensation	(1,735)	(256)	(4,368)	(6,359)
Pumping, feasibility and rehabilitation costs	(4,840)	(425)	-	(5,265)
	(9,839)	(4,516)	(13,680)	(28,035)
Operating (loss) profit before the undernoted	(18,916)	15,349	(13,680)	(17,247)
Interest income	674	733	2,032	3,439
Interest and accretion expenditures	(22)	(2)	(12,696)	(12,720)
Accretion on asset retirement obligations	(202)	(1,309)	-	(1,511)
Unrealized loss on derivative liability	-	(983)	-	(983)
Foreign exchange (loss) gain	(4,350)	628	22,126	18,404
(Loss) income before income taxes	(22,816)	14,416	(2,218)	(10,618)
Income tax charge	-	(4,720)	(1,004)	(5,724)
(Loss) income for the year	(22,816)	9,696	(3,222)	(16,342)
Total assets	265,328	249,685	51,459	566,472
Total liabilities	(17,164)	(185,328)	(93,883)	(296,375)
Capital expenditure	(102,005)	(109,283)	(18)	(211,306)
For the year ended March 31, 2008				
(in thousands of dollars)				
Revenue	-	21,429	-	21,429
Cost of sales	-	(16,580)	-	(16,580)
Gross profit	-	4,849	-	4,849
Other income	2,733	5	-	2,738
Expenditure				
General, consulting and administrative expenditures	(6,539)	(1,494)	(7,540)	(15,573)
Stock-based compensation	(1,174)	(309)	(3,642)	(5,125)
Pumping and feasibility costs	(4,557)	(786)	-	(5,343)
	(12,270)	(2,589)	(11,182)	(26,041)
Operating (loss) profit before the undernoted	(9,537)	2,265	(11,182)	(18,454)
Interest income	525	374	13,948	14,847
Interest and accretion expenditures	(3)	-	(14,264)	(14,267)
Accretion expense on asset retirement obligations	(388)	(508)	-	(896)
Foreign exchange loss	-	-	(2,611)	(2,611)
(Loss) income before income taxes	(9,403)	2,131	(14,109)	(21,381)
Income tax charge	(24)	(207)	(735)	(966)
(Loss) income for the year	(9,427)	1,924	(14,844)	(22,347)
Total assets	144,819	88,309	154,614	387,742
Total liabilities	(19,327)	(31,887)	(104,060)	(155,274)
Capital expenditure	(92,959)	(19,745)	(47)	(112,751)

